

I STATEMENT OF FINANCIAL POSITION	BANK	
	31 st December 2018 Audited Shs '000	31 st December 2019 Audited Shs '000
A ASSETS		
1 Cash (both Local & Foreign)	146,189	56,598
2 Balances due from Central Bank of Kenya	264,372	83,787
3 Kenya Government and other securities held for dealing purposes	-	-
4 Financial Assets at fair value through profit and loss	-	-
5 Investment Securities:		
a) Held to Maturity:	2,620,974	2,065,044
i. Kenya Government securities	2,620,974	2,065,044
ii. Other securities	-	-
b) Available for sale:	-	-
i. Kenya Government securities	-	-
ii. Other securities	-	-
6 Deposits and balances due from local banking institutions	273,665	56,478
7 Deposits and balances due from banking institutions abroad	173,843	3,090
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	4,445,622	3,311,899
10 Balances due from banking institutions in the group	-	-
11 Investments in associates	283,943	-
12 Investments in subsidiary companies	-	-
13 Investments in joint ventures	-	-
14 Investment properties	-	-
15 Property and equipment	392,510	634,660
16 Prepaid lease rentals	-	-
17 Intangible assets	44,866	176,165
18 Deferred tax asset	-	-
19 Retirement benefit asset	-	-
20 Other assets	577,094	472,580
21 TOTAL ASSETS	9,223,078	6,860,301
B LIABILITIES		
22 Balances due to Central Bank of Kenya	2,383,536	1,887,923
23 Customer deposits	6,668,354	4,552,394
24 Deposits and balances due to local banking institutions	150,237	604
25 Deposits and balances due to foreign banking institutions	271,680	-
26 Other money market deposits	-	-
27 Borrowed funds	400,000	-
28 Balances due to banking institutions in the group	-	-
29 Tax payable	-	-
30 Dividends payable	104	104
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	379,121	971,266
34 TOTAL LIABILITIES	10,253,032	7,412,291
C SHAREHOLDERS' FUNDS		
35 Paid up /Assigned capital	4,820,315	5,770,315
36 Share premium/(discount)	3,203	3,203
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	(6,494,838)	(7,185,628)
39 Statutory loan loss reserves	641,366	860,120
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	(1,029,954)	(551,990)
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	9,223,078	6,860,301

II STATEMENT OF COMPREHENSIVE INCOME	BANK	
	31 st December 2018 Audited Shs '000	31 st December 2019 Audited Shs '000
1.0 INTEREST INCOME		
1.1 Loans and advances	552,827	364,070
1.2 Government securities	216,099	189,847
1.3 Deposits and placements with banking institutions	3,641	1,605
1.4 Other Interest Income	470	-
1.5 TOTAL INTEREST INCOME	773,037	555,522
2.0 INTEREST EXPENSE		
2.1 Customer deposits	421,466	301,271
2.2 Deposits and placement from banking institutions	242,532	218,716
2.3 Other interest expenses	48,000	(32,768)
2.4 TOTAL INTEREST EXPENSE	711,998	486,219
3.0 NET INTEREST INCOME	61,039	69,303
4.0 OTHER OPERATING INCOME		
4.1 Fees and commissions on loans and advances	52,494	46,144
4.2 Other fees and commissions	95,751	77,014
4.3 Foreign exchange trading income/(Loss)	12,963	17,401
4.4 Dividend Income	270	-
4.5 Other income	22,449	204,742
4.6 TOTAL NON-INTEREST INCOME	183,927	345,301
5.0 TOTAL OPERATING INCOME	244,966	414,604
6.0 OPERATING EXPENSES		
6.1 Loan loss provision	(407,770)	(86,950)
6.2 Staff costs	324,979	367,628
6.3 Directors' emoluments	41,716	28,838
6.4 Rental charges	197,590	79,041
6.5 Depreciation charge on property and equipment	49,686	181,697
6.6 Amortisation charges	28,116	40,881
6.7 Other operating expenses	318,047	261,897
6.8 TOTAL OPERATING EXPENSES	552,364	868,032
7.0 Profit before tax and exceptional items	(307,398)	(453,428)
8.0 Exceptional items	(438,358)	(18,609)
9.0 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS	(745,756)	(472,037)
10.0 Current tax	-	-
11.0 Deferred tax	(1,509,163)	-
12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(2,254,919)	(472,037)
13.0 OTHER COMPREHENSIVE INCOME		
13.1 Gains/ (Losses) from translating the financial statements of foreign operations	-	-
13.2 Fair value changes in available-for-sale financial assets	-	-
13.3 Revaluation Surplus on Property, Plant and equipment ion	-	-
13.4 Share of other comprehensive income of associates	-	-
13.5 Income tax relating to components of other comprehensive income	-	-
14.0 Other comprehensive income for the year net of tax	-	-
15.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(2,254,919)	(472,037)
16.0 EARNINGS PER SHARE - BASIC & DILUTED	-	-
17.0 DIVIDEND PER SHARE - DECLARED	-	-

III OTHER DISCLOSURES	BANK	
	31 st December 2018 Audited Shs '000	31 st December 2019 Audited Shs '000
1.0 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	2,686,049	2,631,593
(b) Less Interest in Suspense	197,438	276,420
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	2,488,611	2,355,173
(d) Less Loan Loss Provision	1,465,773	1,525,318
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	1,022,838	829,855
(f) Discounted Value of Securities	1,022,888	767,005
(g) NET NPLS EXPOSURE (e-f)	-	62,850
2.0 INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	25,968	6,995
(b) Employees	82,953	46,888
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	108,921	53,883
3.0 OFF-BALANCE SHEET ITEMS		
(a) Letters of credit/guarantees, acceptances	717,591	351,356
(b) Forwards, swaps and options	-	-
(c) Other contingent liabilities	1,530	6,815
(c) TOTAL CONTINGENT LIABILITIES	719,121	358,171
4.0 CAPITAL STRENGTH		
(a) Core capital	(1,671,320)	(1,412,110)
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess (a-b)	(2,671,320)	(2,412,110)
(d) Supplementary Capital	108,741	80,797
(e) TOTAL CAPITAL (a+d)	(1,562,579)	(1,331,313)
(f) TOTAL RISK WEIGHTED ASSETS	7,099,281	6,463,765
(g) Core Capital / Total deposits liabilities	-25.06%	-31.02%
(h) Minimum statutory ratio	8.00%	8.00%
(i) Excess (g-h)	-33.06%	-39.02%
(j) Core Capital / Total risk weighted assets	-23.54%	-21.85%
(k) Minimum statutory ratio	10.50%	10.50%
(l) Excess (j-k)	-34.04%	-32.35%
(m) Total Capital / Total risk weighted assets	-22.01%	-20.60%
(n) Minimum statutory ratio	14.50%	14.50%
(o) Excess (m-n)	-36.51%	-35.10%
(p) Adjusted Core Capital/Total Deposit Liabilities*	-24.44%	-28.13%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-22.91%	-19.81%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-21.43%	-18.56%
5.0 LIQUIDITY		
(a) Liquidity Ratio	10.10%	8.27%
(b) Minimum statutory ratio	20.00%	20.00%
(c) Excess (a-b)	-9.90%	-11.73%

*The adjusted capital ratio includes the expected credit loss provisions added back to capital in line with CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution as audited by Grant Thornton and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website www.spirebank.co.ke. They may also be accessed at the institutions head office located at Mwalimu Towers Upper Hill.

The financial statements were approved by the Directors on 14th February, 2020 and signed on its behalf by:

Teresa Mutegi
Chairperson

Onesmus Muia
Ag. Managing Director