

I STATEMENT OF FINANCIAL POSITION					
	BANK	BANK	BANK	BANK	
	30th Jun 2019	31st Dec 2019	31st Mar 2020	30th Jun 2020	
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	
<b>A ASSETS</b>					
1	Cash (both Local & Foreign)	36,906	56,598	43,440	43,130
2	Balances due from Central Bank of Kenya	194,115	83,787	35,320	66,096
3	Kenya Government and other securities held for dealing purposes	-	-	-	-
4	Financial Assets at fair value through profit and loss	-	-	-	-
5	Investment Securities:	-	-	-	-
	a) <b>Held to Maturity:</b>	2,393,608	2,065,044	2,048,797	1,839,344
	i. Kenya Government securities	2,393,608	2,065,044	2,048,797	1,839,344
	ii. Other securities	-	-	-	-
	b) <b>Available for sale:</b>	-	-	-	-
	i. Kenya Government securities	-	-	-	-
	ii. Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	56,921	56,478	51,481	53,614
7	Deposits and balances due from banking institutions abroad	15,876	3,090	1,988	37,208
8	Tax recoverable	-	-	-	-
9	Loans and advances to customers (net)	3,727,913	3,311,899	3,112,745	2,969,237
10	Balances due from banking institutions in the group	-	-	-	-
11	Investments in associates	16,948	-	-	-
12	Investments in subsidiary companies	-	-	-	-
13	Investments in joint ventures	-	-	-	-
14	Investment properties	-	-	-	-
15	Property and equipment	358,630	634,660	624,701	601,557
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	94,161	176,165	162,338	148,726
18	Deferred tax asset	-	-	-	-
19	Retirement benefit asset	-	-	-	-
20	Other assets	487,271	472,580	454,777	371,353
21	<b>TOTAL ASSETS</b>	<b>7,377,349</b>	<b>6,860,301</b>	<b>6,535,587</b>	<b>6,130,265</b>
<b>B LIABILITIES</b>					
22	Balances due to Central Bank of Kenya	2,184,908	1,887,923	1,888,284	1,685,286
23	Customer deposits	4,697,885	4,552,394	4,438,433	4,525,869
24	Deposits and balances due to local banking institutions	90,102	604	-	-
25	Deposits and balances due to foreign banking institutions	-	-	-	-
26	Other money market deposits	-	-	-	-
27	Borrowed funds	-	-	-	-
28	Balances due to banking institutions in the group	-	-	-	-
29	Tax payable	-	-	-	-
30	Dividends payable	104	104	104	104
31	Deferred tax liability	-	-	-	-
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	402,820	971,266	1,015,442	1,017,813
34	<b>TOTAL LIABILITIES</b>	<b>7,375,819</b>	<b>7,412,291</b>	<b>7,342,263</b>	<b>7,229,072</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35	Paid up /Assigned capital	5,770,315	5,770,315	5,770,315	5,770,315
36	Share premium/(discount)	3,203	3,203	3,203	3,203
37	Revaluation reserves	-	-	-	-
38	Retained earnings/Accumulated losses	(6,472,962)	(7,185,628)	(7,560,226)	(7,886,294)
39	Statutory loan loss reserves	700,974	860,120	980,032	9,084
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,530</b>	<b>(551,990)</b>	<b>(806,676)</b>	<b>(1,098,807)</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>7,377,349</b>	<b>6,860,301</b>	<b>6,535,587</b>	<b>6,130,265</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>BANK</b>					
1.0	<b>INTEREST INCOME</b>				
1.1	Loans and advances	215,946	364,070	61,236	104,767
1.2	Government securities	101,474	189,847	42,343	81,844
1.3	Deposits and placements with banking institutions	1,605	1,605	-	-
1.4	Other Interest Income	-	-	-	-
1.5	<b>TOTAL INTEREST INCOME</b>	<b>319,025</b>	<b>555,522</b>	<b>103,579</b>	<b>186,611</b>
2.0	<b>INTEREST EXPENSE</b>				
2.1	Customer deposits	172,438	301,271	74,365	145,691
2.2	Deposits and placement from banking institutions	103,367	218,716	35,971	73,700
2.3	Other interest expense	(45,917)	(33,688)	(4,542)	9,084
2.4	<b>TOTAL INTEREST EXPENSE</b>	<b>229,888</b>	<b>486,219</b>	<b>114,878</b>	<b>228,475</b>
3.0	<b>NET INTEREST INCOME</b>	<b>89,137</b>	<b>69,303</b>	<b>(11,299)</b>	<b>(41,864)</b>
4.0	<b>OTHER OPERATING INCOME</b>				
4.1	Fees and commissions on loans and advances	23,716	46,144	9,388	12,689
4.2	Other fees and commissions	46,534	77,014	11,017	18,305
4.3	Foreign exchange trading income/(Loss)	906	17,401	(12,053)	(21,307)
4.4	Dividend Income	-	-	-	-
4.5	Other income	198,068	204,742	6,003	9,775
4.6	<b>TOTAL NON-INTEREST INCOME</b>	<b>269,224</b>	<b>345,301</b>	<b>14,355</b>	<b>19,467</b>
5.0	<b>TOTAL OPERATING INCOME</b>	<b>358,361</b>	<b>414,604</b>	<b>3,056</b>	<b>(22,402)</b>
6.0	<b>OPERATING EXPENSES</b>				
6.1	Loan loss provision	(150,023)	(86,950)	(3,399)	16,530
6.2	Staff costs	183,252	367,628	82,146	164,727
6.3	Directors' emoluments	9,980	23,838	3,435	9,195
6.4	Rental charges	102,232	79,041	50,001	96,070
6.5	Depreciation charge on property and equipment	27,795	181,697	11,330	22,272
6.6	Amortisation charges	13,269	40,881	13,827	27,439
6.7	Other operating expenses	85,873	261,897	93,271	187,681
6.8	<b>TOTAL OPERATING EXPENSES</b>	<b>272,378</b>	<b>868,032</b>	<b>250,611</b>	<b>523,914</b>
7.0	<b>Profit before tax and exceptional items</b>	<b>85,983</b>	<b>(453,428)</b>	<b>(247,555)</b>	<b>(546,316)</b>
8.0	Exceptional items	(4,500)	(18,609)	(7,126)	(9,734)
9.0	<b>PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>81,483</b>	<b>(472,037)</b>	<b>(254,681)</b>	<b>(556,050)</b>
10.0	Current tax	-	-	-	-
10.1	Deferred tax	-	-	-	-
12.0	<b>PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>81,483</b>	<b>(472,037)</b>	<b>(254,681)</b>	<b>(556,050)</b>
13.0	<b>OTHER COMPREHENSIVE INCOME</b>				
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	<b>Other comprehensive income for the year net of tax</b>	-	-	-	-
15.0	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>81,483</b>	<b>(472,037)</b>	<b>(254,681)</b>	<b>(556,050)</b>
16.0	<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>				
17.0	<b>DIVIDEND PER SHARE - DECLARED</b>				
<b>III OTHER DISCLOSURES</b>					
1.0	<b>NON-PERFORMING LOANS AND ADVANCES</b>				
(a)	Gross Non-performing loans and advances	2,725,427	2,631,593	2,586,649	2,691,748
(b)	Less Interest in Suspense	251,120	274,420	273,896	283,351
(c)	<b>TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>2,474,307</b>	<b>2,355,173</b>	<b>2,312,753</b>	<b>2,408,397</b>
(d)	Less Loan Loss Provision	1,378,073	1,525,318	1,642,902	1,697,501
(e)	<b>NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>	<b>1,096,234</b>	<b>829,855</b>	<b>669,851</b>	<b>710,896</b>
(f)	Discounted Value of Securities	1,072,550	767,005	669,851	710,896
(g)	<b>NET NPLS EXPOSURE (e-f)</b>	<b>23,684</b>	<b>62,850</b>	-	-
2.0	<b>INSIDER LOANS AND ADVANCES</b>				
(a)	Directors, Shareholders and Associates	24,864	6,995	90	-
(b)	Employees	57,302	46,888	44,739	43,300
(c)	<b>TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>82,166</b>	<b>53,883</b>	<b>44,829</b>	<b>43,300</b>
3.0	<b>OFF-BALANCE SHEET ITEMS</b>				
(a)	Letters of credit, guarantees, acceptances	833,114	351,356	304,285	280,748
(b)	Forwards, swaps and options	-	-	-	-
(c)	Other contingent liabilities	-	6,815	-	3,336
(d)	<b>TOTAL CONTINGENT LIABILITIES</b>	<b>833,114</b>	<b>358,171</b>	<b>304,285</b>	<b>284,084</b>
4.0	<b>CAPITAL STRENGTH</b>				
(a)	Core capital	(740,186)	(1,412,110)	(1,786,708)	(2,112,776)
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess (a-b)	(1,740,186)	(2,412,110)	(2,786,708)	(3,112,776)
(d)	Supplementary Capital	83,092	80,797	80,235	73,655
(e)	<b>TOTAL CAPITAL (a+d)</b>	<b>(657,094)</b>	<b>(1,331,313)</b>	<b>(1,706,473)</b>	<b>(2,039,121)</b>
(f)	<b>TOTAL RISKWEIGHTED ASSETS</b>	<b>6,647,360</b>	<b>6,463,765</b>	<b>6,418,823</b>	<b>5,892,376</b>
(g)	Core Capital / Total deposits liabilities	-15.76%	-31.02%	-40.26%	-46.68%
(h)	Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
(i)	<b>Excess (g-h)</b>	<b>-23.76%</b>	<b>-39.02%</b>	<b>-48.26%</b>	<b>-54.68%</b>
(j)	Core Capital / Total risk weighted assets	-11.14%	-21.85%	-27.84%	-35.86%
(k)	Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
(l)	<b>Excess (j-k)</b>	<b>-21.64%</b>	<b>-32.35%</b>	<b>-38.34%</b>	<b>-46.36%</b>
(m)	Total Capital / Total risk weighted assets	-9.89%	-20.60%	-26.59%	-34.61%
(n)	Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
(o)	<b>Excess (m-n)</b>	<b>-24.39%</b>	<b>-35.10%</b>	<b>-41.09%</b>	<b>-49.11%</b>
(p)	Adjusted Core Capital/Total Deposit Liabilities*	-12.55%	-28.13%	-36.70%	-43.21%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	-8.87%	-19.81%	-25.38%	-33.19%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	-7.62%	-18.56%	-24.13%	-31.94%
5.0	<b>LIQUIDITY</b>				
(a)	Liquidity Ratio	8.99%	8.27%	6.60%	7.82%
(b)	Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
(c)	<b>Excess (a-b)</b>	<b>-11.01%</b>	<b>-11.73%</b>	<b>-13.40%</b>	<b>-12.18%</b>

\*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. The complete set of un-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 August 2020 and signed on its behalf by:

**David Wachira**  
Chairperson

**Brian Kilonzo**  
Ag. Managing Director