

The Board of Directors of Spire Bank Limited hereby announce the un-Audited financial results of the Bank for the period ending 30th June, 2018

I STATEMENT OF FINANCIAL POSITION				
	BANK 30th June 2017 Un-audited Shs '000	BANK 31st December 2017 Audited Shs '000	BANK 31st March 2018 Un-audited Shs '000	BANK 30th June 2018 Un-audited Shs '000
<b>A ASSETS</b>				
1 Cash (both Local & Foreign)	251,610	136,973	117,704	94,762
2 Balances due from Central Bank of Kenya	734,059	203,225	142,099	348,679
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-
5 Investment Securities:	-	-	-	-
<b>a) Held to Maturity:</b>	2,855,919	2,830,929	2,809,975	2,803,253
a. Kenya Government securities	2,855,919	2,830,929	2,809,975	2,803,253
b. Other securities	-	-	-	-
<b>b) Available for sale:</b>	-	-	-	-
a. Kenya Government securities	-	-	-	-
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	219,295	63,332	412,312	241,367
7 Deposits and balances due from banking institutions abroad	224,919	65,490	139,813	72,518
8 Tax recoverable	-	-	-	-
9 Loans and advances to customers (net)	6,411,120	5,238,814	4,935,892	4,822,147
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	287,357	283,942	283,942	283,943
12 Investments in subsidiary companies	-	-	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	374,103	427,482	434,343	429,013
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	77,622	68,563	61,479	54,419
18 Deferred tax asset	1,178,308	1,509,263	1,578,822	1,558,116
19 Retirement benefit asset	-	-	-	-
20 Other assets	459,794	319,936	286,866	256,823
<b>21 TOTAL ASSETS</b>	<b>13,074,106</b>	<b>11,147,949</b>	<b>11,203,247</b>	<b>10,965,040</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	2,170,833	2,329,590	2,331,291	2,505,700
23 Customer deposits	7,684,750	6,816,480	6,649,077	6,637,833
24 Deposits and balances due to local banking institutions	300,000	5,233	253,018	165,228
25 Deposits and balances due to foreign banking institutions	-	-	340,457	249,743
26 Other money market deposits	-	-	-	-
27 Borrowed funds	900,000	400,000	400,000	400,000
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	109	109	109	109
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	389,556	408,777	237,026	238,237
<b>34 TOTAL LIABILITIES</b>	<b>11,445,248</b>	<b>9,960,189</b>	<b>10,210,978</b>	<b>10,196,850</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up /Assigned capital	4,320,315	4,820,315	4,820,315	4,820,315
36 Share premium/(discount)	3,203	3,203	3,203	3,203
37 Revaluation reserves	3,414	-	-	-
38 Retained earnings/Accumulated losses	(2,948,312)	(3,836,251)	(4,072,505)	(4,446,992)
39 Statutory loan loss reserves	250,238	200,493	240,801	391,664
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,628,858</b>	<b>1,187,760</b>	<b>992,269</b>	<b>768,190</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>13,074,106</b>	<b>11,147,949</b>	<b>11,203,247</b>	<b>10,965,040</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>				
	BANK 30th June 2017 Un-audited Shs '000	BANK 31st December 2017 Audited Shs '000	BANK 31st March 2018 Un-audited Shs '000	BANK 30th June 2018 Un-audited Shs '000
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	445,296	846,296	180,720	365,946
1.2 Government securities	111,514	224,012	54,709	109,785
1.3 Deposits and placements with banking institutions	159	786	523	1,587
1.4 Other Interest Income	310	385	242	421
<b>1.5 TOTAL INTEREST INCOME</b>	<b>557,279</b>	<b>1,071,479</b>	<b>236,194</b>	<b>477,739</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	234,164	460,166	104,781	196,391
2.2 Deposits and placement from banking institutions	115,558	235,729	58,169	115,375
2.3 Other interest expenses	47,358	91,466	11,836	23,803
<b>2.4 TOTAL INTEREST EXPENSE</b>	<b>397,080</b>	<b>787,361</b>	<b>174,786</b>	<b>335,569</b>
<b>3.0 NET INTEREST INCOME</b>	<b>160,199</b>	<b>284,118</b>	<b>61,408</b>	<b>142,170</b>
<b>4.0 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	33,802	59,442	11,852	24,340
4.2 Other fees and commissions	54,407	109,080	23,477	47,902
4.3 Foreign exchange trading income/(Loss)	6,383	13,121	6,846	11,092
4.4 Dividend Income	-	-	270	270
4.5 Other income	25,179	84,458	15,183	16,163
<b>4.6 TOTAL NON-INTEREST INCOME</b>	<b>119,771</b>	<b>266,101</b>	<b>57,628</b>	<b>99,767</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>279,970</b>	<b>550,219</b>	<b>119,036</b>	<b>241,937</b>
<b>6.0 OPERATING EXPENSES</b>				
6.1 Loan loss provision	66,049	761,245	26,215	(52,601)
6.2 Staff costs	204,355	380,452	80,068	159,097
6.3 Directors' emoluments	16,960	30,360	8,200	14,505
6.4 Rental charges	94,556	183,359	49,157	105,012
6.5 Depreciation charge on property and equipment	32,338	49,926	12,598	32,486
6.6 Amortisation charges	7,542	29,047	7,084	7,084
6.7 Other operating expenses	165,317	691,612	200,764	147,279
<b>6.8 TOTAL OPERATING EXPENSES</b>	<b>587,117</b>	<b>2,126,001</b>	<b>384,086</b>	<b>412,862</b>
<b>7.0 Profit before tax and exceptional items</b>	<b>(307,147)</b>	<b>(1,575,782)</b>	<b>(265,050)</b>	<b>(170,925)</b>
8.0 Exceptional items	-	-	-	297,502
<b>9 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>(307,147)</b>	<b>(1,575,782)</b>	<b>(265,050)</b>	<b>(468,427)</b>
10.0 Current tax	-	-	-	-
11.0 Deferred tax	118,783	449,734	69,560	48,854
<b>12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>(188,364)</b>	<b>(1,126,048)</b>	<b>(195,490)</b>	<b>(419,573)</b>
<b>15.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(188,364)</b>	<b>(1,126,048)</b>	<b>(195,490)</b>	<b>(419,573)</b>
<b>III OTHER DISCLOSURES</b>				
	BANK 30th June 2017 Un-audited Shs '000	BANK 31st December 2017 Audited Shs '000	BANK 31st March 2018 Un-audited Shs '000	BANK 30th June 2018 Un-audited Shs '000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	1,383,715	2,349,262	2,403,298	2,532,160
(b) Less Interest in Suspense	74,713	112,026	139,221	153,679
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>1,309,002</b>	<b>2,237,236</b>	<b>2,264,077</b>	<b>2,378,481</b>
(d) Less Loan Loss Provision	893,105	1,515,676	1,554,335	1,538,129
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>	<b>415,897</b>	<b>721,560</b>	<b>709,742</b>	<b>840,352</b>
(f) Discounted Value of Securities	385,825	631,398	709,742	840,352
<b>(g) NET NPLS EXPOSURE (e-f)</b>	<b>30,072</b>	<b>90,162</b>	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	74,668	74,019	71,600	38,221
(b) Employees	120,418	101,164	92,656	109,164
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>195,086</b>	<b>175,183</b>	<b>164,256</b>	<b>147,385</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	576,002	459,019	575,662	592,418
(b) Forwards, swaps and options	-	-	-	-
(c) Other contingent liabilities	73,311	84,741	77,982	123,189
<b>(c) TOTAL CONTINGENT LIABILITIES</b>	<b>649,313</b>	<b>543,760</b>	<b>653,644</b>	<b>715,607</b>
<b>4.0 CAPITAL STRENGTH</b>				
(a) Core capital	1,375,206	987,267	(826,132)	(1,143,839)
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>(c) Excess (a-b)</b>	<b>375,206</b>	<b>(12,733)</b>	<b>(1,826,132)</b>	<b>(2,143,839)</b>
(d) Supplementary Capital	273,501	219,218	191,602	172,051
<b>(e) TOTAL CAPITAL (a+d)</b>	<b>1,648,707</b>	<b>1,206,485</b>	<b>(634,530)</b>	<b>(971,788)</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>	<b>12,035,113</b>	<b>11,645,709</b>	<b>8,928,168</b>	<b>8,964,079</b>
(g) Core Capital / Total deposits liabilities	17.90%	14.48%	-12.70%	-17.23%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>	<b>9.90%</b>	<b>6.48%</b>	<b>-20.70%</b>	<b>-25.23%</b>
(j) Core Capital / Total risk weighted assets	12.88%	10.35%	-9.25%	-12.76%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
<b>(l) Excess (j-k)</b>	<b>2.38%</b>	<b>-0.15%</b>	<b>-19.75%</b>	<b>-23.26%</b>
(m) Total Capital / Total risk weighted assets	15.44%	12.65%	-7.11%	-10.84%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
<b>(o) Excess (m-n)</b>	<b>0.94%</b>	<b>-1.85%</b>	<b>-21.61%</b>	<b>-25.34%</b>
(p) Adjusted Core Capital/Total Deposit Liabilities*	-	-	-9.94%	-14.86%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-	-	-7.24%	-11.00%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-	-	-5.09%	-9.08%
<b>5.0 LIQUIDITY</b>				
(a) Liquidity Ratio	23.48%	14.16%	10.48%	9.64%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>	<b>3.48%</b>	<b>-5.84%</b>	<b>-9.52%</b>	<b>-10.36%</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.

The financial statements were approved by the Directors on 14th August 2018 and signed on its behalf by:

**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](http://www.spirebank.co.ke). They may also be accessed at the institutions head office located at Mwalimu Towers Upper Hill.

Teresa Mutegi  
Chairperson

Dr. Norman Ambunya  
Ag. Managing Director