

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

I STATEMENT OF FINANCIAL POSITION	BANK	BANK	BANK	BANK	BANK
	30th September 2017 Un-audited Shs '000	31st December 2017 Audited Shs '000	31st March 2018 Un-audited Shs '000	30th June 2018 Un-audited Shs '000	30th September 2018 Un-audited Shs '000
A ASSETS					
1 Cash (both Local & Foreign)	162,284	136,973	117,704	94,762	158,302
2 Balances due from Central Bank of Kenya	43,223	203,225	142,099	348,679	503,213
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:	2,836,624	2,830,929	2,809,975	2,803,253	2,630,869
a. Kenya Government securities	2,836,624	2,830,929	2,809,975	2,803,253	2,630,869
b. Other securities	-	-	-	-	-
b) Available for sale:	-	-	-	-	-
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	68,086	63,332	412,312	241,367	233,384
7 Deposits and balances due from banking institutions abroad	33,742	65,490	139,813	72,518	164,844
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	6,279,027	5,238,814	4,935,892	4,822,147	4,497,723
10 Balances due from banking institutions in the group	-	-	-	-	-
11 Investments in associates	287,357	283,942	283,942	283,943	283,943
12 Investments in subsidiary companies	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property and equipment	356,492	427,482	434,343	429,013	415,439
16 Prepaid lease rentals	-	-	-	-	-
17 Intangible assets	76,435	68,563	61,479	54,419	51,667
18 Deferred tax asset	1,275,865	1,509,263	1,578,822	1,558,116	1,616,532
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	267,340	319,936	286,866	256,823	271,771
21 TOTAL ASSETS	11,686,475	11,147,949	11,203,247	10,965,040	10,827,687
B LIABILITIES					
22 Balances due to Central Bank of Kenya	2,340,005	2,329,590	2,331,291	2,505,700	2,382,694
23 Customer deposits	6,750,093	6,816,480	6,649,077	6,637,833	6,845,520
24 Deposits and balances due to local banking institutions	-	5,233	253,018	165,228	150,605
25 Deposits and balances due to foreign banking institutions	-	-	340,457	249,743	254,714
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	900,000	400,000	400,000	400,000	400,000
28 Balances due to banking institutions in the group	-	-	-	-	-
29 Tax payable	-	-	-	-	-
30 Dividends payable	109	109	109	109	109
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	271,732	408,777	237,026	238,237	242,413
34 TOTAL LIABILITIES	10,261,939	9,960,189	10,210,978	10,196,850	10,276,055
C SHAREHOLDERS' FUNDS					
35 Paid up /Assigned capital	4,320,315	4,820,315	4,820,315	4,820,315	4,820,315
36 Share premium/(discount)	3,203	3,203	3,203	3,203	3,203
37 Revaluation reserves	3,414	-	-	-	-
38 Retained earnings/Accumulated losses	(3,273,647)	(3,836,251)	(4,072,050)	(4,446,992)	(4,574,396)
39 Statutory loan loss reserves	371,251	200,493	240,801	391,664	302,510
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,424,536	1,187,760	992,269	768,190	551,632
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	11,686,475	11,147,949	11,203,247	10,965,040	10,827,687
II STATEMENT OF COMPREHENSIVE INCOME					
	BANK	BANK	BANK	BANK	BANK
	30th September 2017	31st December 2017	31st March 2018	30th June 2018	30th September 2018
	Un-audited	Audited	Un-audited	Un-audited	Un-audited
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
1.0 INTEREST INCOME					
1.1 Loans and advances	652,781	846,296	180,720	365,946	496,066
1.2 Government securities	167,882	224,012	54,709	109,785	163,564
1.3 Deposits and placements with banking institutions	770	786	523	1,587	2,898
1.4 Other Interest Income	385	385	242	421	470
1.5 TOTAL INTEREST INCOME	821,818	1,071,479	236,194	477,739	662,998
2.0 INTEREST EXPENSE					
2.1 Customer deposits	332,954	460,166	104,781	196,391	308,137
2.2 Deposits and placement from banking institutions	176,705	235,729	58,169	115,375	188,934
2.3 Other interest expenses	71,429	91,466	11,836	23,803	35,901
2.4 TOTAL INTEREST EXPENSE	581,088	787,361	174,786	335,569	532,972
3.0 NET INTEREST INCOME	240,730	284,118	61,408	142,170	130,026
4.0 OTHER OPERATING INCOME					
4.1 Fees and commissions on loans and advances	51,591	59,442	11,852	24,340	36,515
4.2 Other fees and commissions	84,200	109,080	23,477	47,902	72,424
4.3 Foreign exchange trading income/(Loss)	9,825	13,121	6,846	11,092	16,590
4.4 Dividend Income	-	-	270	-	270
4.5 Other income	32,211	84,458	15,183	16,163	18,482
4.6 TOTAL NON-INTEREST INCOME	177,827	266,101	57,628	99,767	144,281
5.0 TOTAL OPERATING INCOME	418,557	550,219	119,036	241,937	274,307
6.0 OPERATING EXPENSES					
6.1 Loan loss provision	247,959	761,245	26,215	(52,601)	(57,522)
6.2 Staff costs	295,300	380,452	80,068	159,097	237,704
6.3 Directors' emoluments	25,050	30,360	8,200	14,505	35,486
6.4 Rental charges	126,118	183,359	49,157	105,012	158,755
6.5 Depreciation charge on property and equipment	57,404	49,926	12,598	32,486	54,053
6.6 Amortisation charges	2,439	29,047	7,084	7,084	7,084
6.7 Other operating expenses	273,309	691,612	200,754	147,279	227,277
6.8 TOTAL OPERATING EXPENSES	1,027,579	2,126,001	384,086	412,862	662,837
7.0 Profit before tax and exceptional items	(609,022)	(1,575,782)	(265,050)	(170,925)	(388,530)
8.0 Exceptional Items	-	-	-	297,502	354,866
9.0 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS	(609,022)	(1,575,782)	(265,050)	(468,427)	(743,396)
10.0 Current tax	216,337	449,734	69,560	48,854	107,268
11.0 Deferred tax	-	-	-	-	-
12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(392,685)	(1,126,048)	(195,490)	(419,573)	(636,128)
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	-	-	-	-	-
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	(392,685)	(1,126,048)	(195,490)	(419,573)	(636,128)
15.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(392,685)	(1,126,048)	(195,490)	(419,573)	(636,128)
16.0 EARNINGS PER SHARE- BASIC & DILUTED	-	-	-	-	-
17.0 DIVIDEND PER SHARE - DECLARED	-	-	-	-	-
III OTHER DISCLOSURES					
	BANK	BANK	BANK	BANK	BANK
	30th September 2017	31st December 2017	31st March 2018	30th June 2018	30th September 2018
	Un-audited	Audited	Un-audited	Un-audited	Un-audited
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
1.0 NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	1,704,623	2,349,262	2,403,298	2,532,160	2,542,137
(b) Less Interest in Suspense	89,954	112,026	139,221	153,679	174,874
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,614,769	2,237,236	2,264,077	2,378,481	2,367,263
(d) Less Loan Loss Provision	1,175,026	1,554,676	1,554,335	1,538,129	1,428,876
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	439,743	721,560	709,742	840,352	938,387
(f) Discounted Value of Securities	439,498	631,398	709,742	840,352	938,387
(g) NET NPLS EXPOSURE (e-f)	245	90,162	-	-	-
2.0 INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	74,172	74,019	71,600	38,221	24,674
(b) Employees	112,172	101,164	92,656	109,164	98,048
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	186,344	175,183	164,256	147,385	122,722
3.0 OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	571,552	459,019	575,662	592,418	513,970
(b) Forwards, swaps and options	-	-	-	-	-
(c) Other contingent liabilities	90,649	84,741	77,982	123,189	123,128
(c) TOTAL CONTINGENT LIABILITIES	662,201	543,760	653,644	715,607	637,098
4.0 CAPITAL STRENGTH					
(a) Core Capital	1,049,871	987,267	(826,132)	(1,143,839)	(1,342,397)
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	49,871	(12,733)	(1,826,132)	(2,143,839)	(2,342,397)
(d) Supplementary Capital	248,517	219,218	191,602	172,051	145,184
(e) TOTAL CAPITAL (a+d)	1,298,388	1,206,485	(634,530)	(971,788)	(1,197,213)
(f) TOTAL RISK WEIGHTED ASSETS	10,281,380	11,645,709	8,928,168	8,964,079	8,414,709
(g) Core Capital / Total deposits liabilities	15.55%	14.48%	-12.70%	-17.23%	-19.61%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	7.55%	6.48%	-20.70%	-25.23%	-27.61%
(j) Core Capital / Total risk weighted assets	10.21%	10.35%	-9.25%	-12.76%	-15.95%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	10.50%
(l) Excess (j-k)	-0.29%	-0.15%	-19.75%	-23.26%	-26.45%
(m) Total Capital / Total risk weighted assets	12.63%	12.65%	-7.11%	-10.84%	-14.23%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	14.50%
(o) Excess (m-n)	-1.87%	-1.85%	-21.61%	-25.34%	-28.73%
(p) Adjusted Core Capital/Total Deposit Liabilities*	-	-	-9.94%	-14.86%	-17.31%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-	-	-7.24%	-11.00%	-14.08%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-	-	-5.09%	-9.08%	-12.35%
5.0 LIQUIDITY					
(a) Liquidity Ratio	11.91%	14.16%	10.48%	9.64%	13.41%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	-8.09%	-5.84%	-9.52%	-10.36%	-6.59%

* 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 7th November 2018 and signed on its behalf by:

Teresa Mutegi
Chairperson

Dr. Norman Ambanya
Ag. Managing Director