

**Board of Directors of Spire Bank Limited hereby announce the Audited financial results of the Bank for the period ending 31st December, 2018**

I STATEMENT OF FINANCIAL POSITION		BANK 31st December 2017 Audited Shs '000	BANK 31st December 2018 Audited Shs '000
<b>A ASSETS</b>			
1	Cash (both Local & Foreign)	136,973	146,189
2	Balances due from Central Bank of Kenya	203,225	264,372
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>	<b>2,830,929</b>	<b>2,620,974</b>
a.	Kenya Government securities	2,830,929	2,620,974
b.	Other securities	-	-
b)	<b>Available for sale:</b>	-	-
b.	Other securities	-	-
6	Deposits and balances due from local banking institutions	63,332	273,665
7	Deposits and balances due from banking institutions abroad	65,490	173,843
8	Tax recoverable	-	-
9	Loans and advances to customers (net)	5,238,814	4,445,622
10	Balances due from banking institutions in the group	-	-
11	Investments in associates	283,942	283,943
12	Investments in subsidiary companies	-	-
13	Investments in joint ventures	-	-
14	Investment properties	-	-
15	Property and equipment	427,482	392,510
16	Prepaid lease rentals	-	-
17	Intangible assets	68,563	44,866
18	Deferred tax asset	1,509,263	-
19	Retirement benefit asset	-	-
20	Other assets	319,936	577,094
<b>21</b>	<b>TOTAL ASSETS</b>	<b>11,147,949</b>	<b>9,223,078</b>
<b>B LIABILITIES</b>			
22	Balances due to Central Bank of Kenya	2,329,590	2,383,536
23	Customer deposits	6,816,480	6,668,354
24	Deposits and balances due to local banking institutions	5,233	150,237
25	Deposits and balances due to foreign banking institutions	-	271,680
26	Other money market deposits	-	-
27	Borrowed funds	400,000	400,000
28	Balances due to banking institutions in the group	-	-
29	Tax payable	-	-
30	Dividends payable	109	104
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	408,777	379,121
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>9,960,189</b>	<b>10,253,032</b>
<b>C SHAREHOLDERS' FUNDS</b>			
35	Paid up /Assigned capital	4,820,315	4,820,315
36	Share premium/(discount)	3,203	3,203
37	Revaluation reserves	-	-
38	Retained earnings/Accumulated losses	(3,836,251)	(6,494,838)
39	Statutory loan loss reserves	200,493	641,366
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,187,760</b>	<b>(1,029,954)</b>
<b>44</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>11,147,949</b>	<b>9,223,078</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>1.0 INTEREST INCOME</b>			
1.1	Loans and advances	846,296	552,827
1.2	Government securities	224,012	216,099
1.3	Deposits and placements with banking institutions	786	3,641
1.4	Other Interest Income	385	470
<b>1.5</b>	<b>TOTAL INTEREST INCOME</b>	<b>1,071,479</b>	<b>773,037</b>
<b>2.0 INTEREST EXPENSE</b>			
2.1	Customer deposits	460,166	421,466
2.2	Deposits and placement from banking institutions	235,729	242,532
2.3	Other interest expenses	91,466	48,000
<b>2.4</b>	<b>TOTAL INTEREST EXPENSE</b>	<b>787,361</b>	<b>711,998</b>
<b>3.0</b>	<b>NET INTEREST INCOME</b>	<b>284,118</b>	<b>61,039</b>
<b>4.0 OTHER OPERATING INCOME</b>			
4.1	Fees and commissions on loans and advances	59,442	52,494
4.2	Other fees and commissions	109,080	95,751
4.3	Foreign exchange trading income/(Loss)	13,121	12,963
4.4	Dividend Income	-	270
4.5	Other income	84,458	72,449
<b>4.6</b>	<b>TOTAL NON-INTEREST INCOME</b>	<b>266,101</b>	<b>183,927</b>
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>550,219</b>	<b>244,966</b>
<b>6.0 OPERATING EXPENSES</b>			
6.1	Loan loss provision	761,245	(407,770)
6.2	Staff costs	380,452	324,979
6.3	Directors' emoluments	30,360	41,716
6.4	Rental charges	183,359	197,590
6.5	Depreciation charge on property and equipment	49,926	49,686
6.6	Amortisation charges	29,047	28,116
6.7	Other operating expenses	691,612	318,047
<b>6.8</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>2,126,001</b>	<b>552,364</b>
<b>7.0</b>	<b>Profit before tax and exceptional items</b>	<b>(1,575,782)</b>	<b>(307,398)</b>
8.0	Exceptional items	-	438,358
<b>9</b>	<b>PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>(1,575,782)</b>	<b>(745,756)</b>
10.0	Current tax	-	-
11.0	Deferred tax	449,734	(1,509,163)
<b>12.0</b>	<b>PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>(1,126,048)</b>	<b>(2,254,919)</b>
<b>13.0 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	-	-
<b>14.0</b>	<b>Other comprehensive income for the year net of tax</b>	-	-
<b>15.0</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(1,126,048)</b>	<b>(2,254,919)</b>
<b>16.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>			
<b>17.0</b>	<b>DIVIDEND PER SHARE - DECLARED</b>	-	-
<b>III OTHER DISCLOSURES</b>			
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>			
(a)	<b>Gross Non-performing loans and advances</b>	2,349,262	2,686,049
(b)	Less Interest in Suspense	112,026	197,438
(c)	<b>TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>2,237,236</b>	<b>2,488,611</b>
(d)	Less Loan Loss Provision	1,515,676	1,465,723
(e)	<b>NET NON-PERFORMING LOANS AND ADVANCES(c-d)</b>	<b>721,560</b>	<b>1,022,888</b>
(f)	Discounted Value of Securities	631,398	1,022,888
(g)	<b>NET NPLS EXPOSURE (e-f)</b>	<b>90,162</b>	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>			
(a)	Directors, Shareholders and Associates	74,019	25,968
(b)	Employees	101,164	82,953
(c)	<b>TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>175,183</b>	<b>108,921</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>			
(a)	Letters of credit, guarantees, acceptances	459,019	717,591
(b)	Forwards, swaps and options	-	-
(c)	Other contingent liabilities	84,741	1,530
(c)	<b>TOTAL CONTINGENT LIABILITIES</b>	<b>543,760</b>	<b>719,121</b>
<b>4.0 CAPITAL STRENGTH</b>			
(a)	Core capital	987,267	(1,671,320)
(b)	Minimum Statutory Capital	1,000,000	1,000,000
(c.)	<b>Excess (a-b)</b>	<b>(12,733)</b>	<b>(2,671,320)</b>
(d)	Supplementary Capital	219,218	108,741
(e)	<b>TOTAL CAPITAL (a-d)</b>	<b>1,206,485</b>	<b>(1,562,579)</b>
(f)	<b>TOTAL RISK WEIGHTED ASSETS</b>	<b>9,537,419</b>	<b>7,099,281</b>
(g)	Core Capital / Total deposits liabilities	14.48%	-25.06%
(h)	Minimum statutory ratio	8.00%	8.00%
(i)	<b>Excess (g-h)</b>	<b>6.48%</b>	<b>-33.06%</b>
(j)	Core Capital / Total risk weighted assets	10.35%	-23.54%
(k)	Minimum statutory ratio	10.50%	10.50%
(l)	<b>Excess (j-k)</b>	<b>-0.15%</b>	<b>-34.04%</b>
(m)	Total Capital / Total risk weighted assets	12.65%	-22.01%
(n)	Minimum statutory ratio	14.50%	14.50%
(o)	<b>Excess (m-n)</b>	<b>-1.85%</b>	<b>-36.51%</b>
(p)	Adjusted Core Capital/Total Deposit Liabilities*	-	-24.44%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	-	-22.96%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	-	-21.43%
<b>5.0 LIQUIDITY</b>			
(a)	Liquidity Ratio	14,16%	10,10%
(b)	Minimum statutory ratio	20,00%	20,00%
(c)	<b>Excess (a-b)</b>	<b>-5.84%</b>	<b>-9.90%</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 as audited by Ernst & Young 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](http://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 20th March 2019 and signed on its behalf by:

Teresa Mutegi  
Chairperson

Dr. Norman Ambunya  
Managing Director