

**DIAMOND BANK PLC**

**CONSOLIDATED FINANCIAL STATEMENTS  
30 APRIL 2007**

# DIAMOND BANK PLC

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# DIAMOND BANK PLC

## Directors' Report For the Year Ended 30 April 2007

The directors present their annual report on the affairs of Diamond Bank Plc ("the Bank") and its subsidiaries ("the Group"), together with the financial statements and auditors' report for the year ended 30 April, 2007.

### a. *Principal Activity and Business Review*

The principal activity of the Group continues to be the provision of comprehensive banking and financial services to its corporate and individual customers. Such services include granting of loans and advances, corporate finance and money market activities.

A financial investor holds 19% of the ordinary equity of the Bank while the balance is held by Nigerian individuals and institutional investors. The Bank has five subsidiaries namely Diamond Bank du Benin S.A (80%) Diamond Securities Limited (80%), Diamond Pension Fund Custodian Limited (100%), Diamond Mortgages Limited (100%), and ADIC Insurance Limited (95%). The Bank prepares consolidated financial statements. However, the results of Diamond Pension Fund Custodian Limited, ADIC Insurance Limited and Diamond Mortgages Limited were not consolidated due to their insignificance to the results of the Group.

Diamond Securities Limited (DSL) has two wholly owned subsidiaries - Lynac Securities Limited and DBLS Insurance Brokers Limited. Lynac Securities Limited was liquidated without being wound up in 2006 and its assets and liabilities, rights and obligations transferred to DSL. DSL prepares consolidated financial statements which were then consolidated with those of the Bank. ADIC Insurance Limited has a wholly owned subsidiary, ADIC Life Assurance Limited

### b. *Operating Results*

Gross earnings and profit before tax of the Group increased by 73.8% and 65.4% respectively. Highlights of the Group's operating results for the year under review are as follows:

|  | <u>2007</u><br>N'000 | <u>2006</u><br>N'000 |
|--|----------------------|----------------------|
| Profit before taxation                     | 9,007,783            | 5,445,326            |
| Taxation                                   | <u>(1,921,013)</u>   | <u>(1,468,267)</u>   |
| Profit after taxation                      | 7,086,770            | 3,977,059            |
| Minority Interest                          | <u>(31,203)</u>      | <u>(16,614)</u>      |
| Profit attributable to the Group           | 7,055,567            | 3,960,445            |
| Transfer to statutory reserve              | (2,079,241)          | (1,154,863)          |
| Transfer to small scale industries reserve | (346,540)            | (384,954)            |
| Proposed dividend                          | (4,181,985)          | -                    |
| Transfer to general reserve                | <u>447,801</u>       | <u>2,420,628</u>     |

# DIAMOND BANK PLC

## Directors' Report For the Year Ended 30 April 2007

### c. Directors and their Interests

The following directors of the Bank held office during the year and had interests in the shares of the Bank as noted:

|   | <u>Direct Shareholding</u>                          |   | <u>Indirect Shareholding</u>                        |   |
|---|---|---|---|---|
|   | Number of<br>50k<br>Ordinary<br>Shares Held<br>2007 | Number of<br>50k<br>Ordinary<br>Shares Held<br>2006 | Number of<br>50k<br>Ordinary<br>Shares Held<br>2007 | Number of<br>50k<br>Ordinary<br>Shares Held<br>2006 |
| Mr. Pascal G. Dozie OON (Chairman)<br>(Retired 31/12/2006)                  | 467,370,248   | 463,353,364   | -   | -   |
| HRM Igwe Nnaemeka Alfred Achebe<br>(Chairman) (with effect from 01/01/2007) | 150,000   | 150,000   | -   | -   |
| Mr. Emeka Onwuka (Managing Director /<br>Chief Executive Officer)           | 17,902,015  | 14,701,819  | -   | -   |
| Mr. Ohis Ohiwerei (Executive Director)                                      | 14,361,192  | 11,007,829  | -   | -   |
| Mr. Urum Kalu Eke (Executive Director)                                      | 13,058,297  | 8,318,305   | -   | -   |
| Mr. Uzoma Dozie (Executive Director)  | 12,906,381  | 13,795,189  | 605,480,302   | 605,480,302   |
| Dr. Yerima Ngama (Executive Director)                                       | 6,308,337   | 3,447,145   | -   | -   |
| Mr. Oladele Akinyemi (Executive Director)                                   | 3,336,093   | -   | -   | -   |
| Engineer Michael I Ufoeze   | 268,054,186   | 295,238,686   | -   | -   |
| Mazi Clement Owunna MFR   | -   | -   | 242,391,570   | 242,391,570   |
| Mr. Chris Ogbechie  | 12,035,000  | 12,199,821  | -   | -   |
| Lt. General Jeremiah Timbut Useni (Rtd)                                     | 6,065,733   | 6,065,733   | 99,468,963  | 99,468,963  |
| AVM Ishaya Aboi Shekarri (Rtd), OON   | 60,200,000  | 65,154,510  | 112,300,000   | 112,300,000   |
| Dr. Olubola Adekunle Hassan   | 4,000,000   | 4,000,000   | -   | -   |

HRM Igwe Nnaemeka Alfred Achebe was appointed the Chairman of the Bank following the retirement of Mr. Pascal G. Dozie on 31/12/2006.

The Directors to retire by rotation at the next Annual General Meeting (AGM) are Mr. Urum Kalu Eke, Mr. Uzoma Dozie, Dr. Yerima Ngama, Lt. General Jeremiah Timbut Useni (Rtd.) and Dr. Olubola Adekunle Hassan, who being eligible, offer themselves for re-election.

### d. Fixed Assets

Information relating to changes in tangible fixed assets is given in Note 19 to the financial statements.

### e. Shareholding Analysis

The shareholding pattern of the Bank as at 30 April 2007 is as stated below:

| Share Range              | No. Of<br>Shareholders | Percentage Of<br>Shareholders (%) | No. Of<br>Holdings | Percentage<br>Holdings |
|--------------------------|------------------------|-----------------------------------|--------------------|------------------------|
| 10,000 - 50,000          | 100,110                | 94.97                             | 544,497,111        | 5.79                   |
| 50,001 - 100,000         | 2,655                  | 2.52                              | 219,356,798        | 2.33                   |
| 100,001 - 500,000        | 2,040                  | 1.94                              | 475,543,489        | 5.06                   |
| 500,001 - 1,000,000      | 291                    | 0.28                              | 236,104,646        | 2.51                   |
| 1,000,001 – 5,000,000    | 186                    | 0.18                              | 414,175,501        | 4.41                   |
| 5,000,001 – 10,000,000   | 37                     | 0.04                              | 266,126,864        | 2.83                   |
| 10,000,001 - 50,000,000  | 50                     | 0.05                              | 1,095,098,408      | 11.65                  |
| 50,000,001 - 100,000,000 | 12                     | 0.01                              | 875,615,381        | 9.32                   |

# DIAMOND BANK PLC

## Directors' Report For the Year Ended 30 April 2007

### e. *Shareholding Analysis (continued)*

| Share Range                    | No. Of Shareholders | Percentage Of Shareholders (%) | No. Of Holdings      | Percentage Holdings |
|--------------------------------|---------------------|--------------------------------|----------------------|---------------------|
| 100,000,001 - 500,000,000      | 13                  | 0.01                           | 2,871,609,651        | 30.55               |
| 500,000,001 - 1,000,000,000    | 1                   | 0.00                           | 605,480,302          | 6.44                |
| 1,000,000,001 - 10,000,000,000 | 1                   | 0.00                           | 1,796,305,263        | 19.11               |
| <b>TOTAL</b>                   | <b>105,396</b>      | <b>100.00</b>                  | <b>9,399,913,414</b> | <b>100.00</b>       |

### f. *Charitable Contributions*

The Bank made contributions to charitable and non-political organisations amounting to N155.6 million (2006: N75.4 million) during the year.

### g. *Employment of Disabled Persons*

The Bank operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Bank continues and that appropriate training is provided. It is the policy of the Bank that the training, career development and promotion of disabled persons should as far as possible, be identical with those of other employees.

### h. *Health, Safety and Welfare at Work*

The Bank's employees are adequately insured against occupational hazards. In addition, medical facilities to specified limits are provided to employees and their immediate families at the Bank's expense.

### i. *Employee Involvement and Training*

The Bank places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Bank. This is achieved through regular meetings between management and staff.

The Bank has in-house training facilities complemented with additional facilities from educational institutions (local and offshore) for the training of its employees.

### j. *Auditors*

PricewaterhouseCoopers have indicated their willingness to continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD

Nkechi Nwosu  
Company Secretary

Plot 1261, Adeola Hopewell Street  
Victoria Island  
Lagos

27 June 2007

# DIAMOND BANK PLC

## ***Responsibility for Annual Financial Statements***

The Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991, require the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of the year and of its profit or loss. The responsibilities include ensuring that the Bank:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991;
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with,

- Nigerian Accounting Standards;
- Prudential Guidelines for Licensed Bank;
- relevant circulars issued by the Central Bank of Nigeria;
- the requirements of the Banks and Other Financial Institutions Act of 1991; and
- the requirements of the Companies and Allied Matters Act 1990.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and Group and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

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**HRM Igwe Nnaemeka Alfred Ugochukwu Achebe**  
Managing Director

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**Emeka Onwuka**  
Managing Director

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIAMOND BANK PLC.**

### **Report on the financial statements**

We have audited the accompanying consolidated financial statements of Diamond Bank Plc (“the Bank”) and its subsidiaries (together “the Group”) which comprise the consolidated balance sheet as of 30 April 2007 and the consolidated profit and loss account and consolidated cash flow statement for the year then ended and a statement of significant accounting policies and other explanatory notes.

### **Directors’ responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor’s responsibility**

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Basis of qualified opinion**

As disclosed in Note 27 to the consolidated financial statements, the Bank obtained the approval of shareholders at the Annual General Meeting held on 30 August 2006 and the sanction of the Federal High Court on 8 November 2006 to create a special reserve account from the share premium account for the purpose of writing off the goodwill on the Bank’s balance sheet as at 30 April 2006. Accordingly, N4.18 billion was transferred from the share premium account to the special reserve account and goodwill of N4.18 billion was set off against the special reserve; rather than being amortised in accordance with the Bank’s accounting policy and Section 12(2) of Schedule 2 of the Companies and Allied Matters Act 1990. Had the Bank continued to amortise the goodwill in accordance with its accounting policy, the profit before tax of N8.79 billion would have been reduced by N929 million and the goodwill and reserve balances would each have been increased by N3.25 billion.

## **Qualified opinion**

In our opinion, except for the effects of the matter described in the basis of qualified opinion paragraph, the financial statements give a true and fair view of the state of the financial affairs of the Bank and Group as of 30 April 2007 and of their profits and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards, the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991.

## **Report on other legal and regulatory requirements**

The Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept, so far as appears from our examination of those books;
- iii) the Bank's balance sheet and profit and loss account are in agreement with the books of account;
- iv) our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria;
- v) related party transactions and balances are disclosed in Note 30 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- vi) to the best of our information, the Bank has not contravened any regulation of the Banks and Other Financial Institutions Act 1991 during the year;
- vii) to the best of our information, the Bank has complied with the requirements of the relevant circulars issued by the Central Bank of Nigeria.

# DIAMOND BANK PLC

## Statement of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### a. *Basis of preparation*

These financial statements are the consolidated financial statements of Diamond Bank Plc, a company registered in Nigeria in December 1990, and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention and comply with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.

### b. *Consolidation*

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Bank and are no longer consolidated from the date of disposal. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank. Separate disclosure is made for minority interest.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit and loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

### c. *Foreign currency translation*

#### i. *Reporting currency*

The consolidated financial statements are presented in Nigerian naira, which is the Bank's reporting currency.

#### ii. *Transactions and balances*

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

#### iii. *Group companies*

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each profit and loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of reserves

On consolidation, exchange differences arising from the translation of the investment in foreign entities are taken to shareholders' funds. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

Goodwill and other adjustments (e.g. previously unrecognised deferred tax asset) arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### d. *Recognition of income*

Interest income is recognised on an accrual basis, except for interest overdue by more than 90 days, which is suspended and recognised only to the extent of cash received.

# DIAMOND BANK PLC

## Statement of significant accounting policies

Fees and commissions, where material are amortised over the life of the related service. Otherwise fees, commissions and other income are recognised as earned upon completion of the related service. Lease finance income is recognised on a basis that provides a constant yield on the outstanding principal over the lease term.

### e. *Provision against credit risk*

Provision is made in accordance with the Prudential Guidelines for Licensed Banks issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:.

| <u>Interest and/or Principal outstanding for over:</u> | <u>Classification:</u> | <u>Provision:</u> |
|--|------------------------|-------------------|
| 90 days but less than 180 days                         | Substandard            | 10%               |
| 180 days but less than 360 days                        | Doubtful               | 50%               |
| 360 days and over                                      | Lost                   | 100%              |

In addition, a provision of 1% minimum is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio.

### f. *Investment securities*

The Bank categorises its investment securities into the following categories: short term investments and long term investments.

#### i. *Short term investments*

Short-term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. In addition, management intends to hold such investment for not more than one year.

Short-term investments are valued at the lower of cost and market value. The amount by which cost exceeds market value (unrealized loss) are charged to the profit and loss account for the period.

#### ii. *Long term investments*

Long-term investments are investments held by management over a long period of time to earn income. Long-term investments may include debt and equity securities.

Long-term investments are carried at cost or at a revalued amount. When there has been a permanent decline in value of an investment, the carrying amount of the investment is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of long-term investments is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same investment that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than income.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same investment that was charged to income, should be credited to the extent that it offsets the previously recorded decrease.

Interest earned on investment securities is reported as interest income. Dividend received is reported as dividend income. A decline in value is not taken into account unless it is considered to be permanent.

### g. *Property and equipment*

Land and buildings comprise mainly branches and offices. Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

# DIAMOND BANK PLC

## Statement of significant accounting policies

Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as Prepayments in Other Assets and upon delivery are reclassified as additions in the appropriate category of property and equipment. No depreciation is charged until the assets are put into use.

Depreciation is calculated on a straight line basis to write down the cost of fixed assets to their residual values over their estimated useful lives as follows:

|                            |                                 |
|----------------------------|---------------------------------|
| Motor vehicles             | - 4 years                       |
| Furniture and fittings     | - 4 years                       |
| Computer equipment         | - 3 years                       |
| Leasehold land & buildings | - Over the lease period         |
| Leasehold improvement      | - Over the unexpired lease term |

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss for the year.

### *h. Leases*

#### *i. A Group company is the lessor*

When assets are held subject to a finance lease, the transactions are recognised in the books of the Group at the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease. This discount is recognised as unearned in the books of the Bank and amortised to income as they are earned over the life of the lease.

Finance leases are treated as risk assets and the net investment in the lease are subject to the provisioning policy listed in (e)

When assets are held subject to an operating lease, the assets are recognised as property, plant and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

#### *ii. A Group company is the lessee*

When the assets leased are subject to an operating lease, the total payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease.

### *i. Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in recognised as a separate category of assets. Goodwill on acquisitions of associates is included in 'investments in associates'.

Goodwill is amortised to profit and loss over a period not exceeding 5 years from the date of acquisition of the subsidiary or associate.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### *j. Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks, treasury bills and other eligible bills, operating account balances with other banks, amounts due from other banks and short-term government securities.

# DIAMOND BANK PLC

## Statement of significant accounting policies

### k. Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

General provisions are made on performing risk assets and other asset balances in accordance with the Prudential Guidelines for Licensed Banks. Risk assets comprise of loans and advances, advances under finance leases, other facilities.

### l. Retirement benefits

Retirement benefit costs are split into current cost and past service costs. Current service costs refer to increase in present value of defined benefit obligations arising from employee service in current period and charged to the profit and loss of the period. Past service cost is the increase in present value of defined benefit obligations for employee service in prior periods, resulting from the introduction of, or changes to past employment benefits. Past service costs can be negative or positive and are recognised over 4 years in accordance with SAS 8- Accounting for employee retirement benefits.

The Bank operates an employee provident scheme and a non-contributory defined gratuity scheme

### m. Deferred taxation

Deferred income tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for loan losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the timing differences can be utilised.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that taxable profits will be available against which these losses can be utilised.

### n. Borrowings

Borrowings are recognised initially at their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Interest paid on borrowings is recognised in the profit and loss for the year.

### o. Share capital

#### i. Share issue costs

Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

#### ii. Dividends on ordinary shares

Dividends on ordinary shares are recognised as an appropriation in shareholders' funds in the period in which they are proposed by the Bank's directors. Subsequent to ratification by the body of shareholders, dividend payments are accounted for in the equity of the Bank.

### p. Off-balance sheet transactions

Contingent liabilities arising from guaranteed commercial papers, letters of credit (clean line), performance bonds and guarantees issued on behalf of customers in the ordinary course of business are reported off-balance sheet in recognition of the risk inherent in those transactions. Income on these transactions is recognised as earned on issuance of the bond or guarantee.

# DIAMOND BANK PLC

## Consolidated Profit and Loss Account For the year ended 30 April 2007

|  |    | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|--|----|------------------------|------------------------|-----------------------|-----------------------|
| Interest income  | 2  | 25,334,896             | 14,854,421             | 24,825,596            | 14,399,830            |
| Interest expense   | 3  | <u>(9,025,058)</u>     | <u>(4,612,455)</u>     | <u>(8,919,909)</u>    | <u>(4,321,400)</u>    |
| <b>Net interest income</b>                                 |    | <b>16,309,838</b>      | <b>10,241,966</b>      | <b>15,905,687</b>     | <b>10,078,430</b>     |
| Fee and commission income                                  |    | 10,986,920             | 7,278,646              | 10,559,395            | 6,805,772             |
| Fee and commission expense                                 |    | <u>(163,946)</u>       | <u>(168,174)</u>       | <u>(137,480)</u>      | <u>(164,282)</u>      |
| <b>Net fee and commission income</b>                       |    | <b>10,822,974</b>      | <b>7,110,472</b>       | <b>10,421,915</b>     | <b>6,641,490</b>      |
| Foreign exchange income                                    |    | 946,937                | 480,634                | 947,466               | 457,229               |
| Trading Income   |    | 69,696                 | 13,731                 | -                     | -                     |
| Investment income  |    | 2,075,030              | 21,582                 | 2,072,440             | 12,197                |
| Other operating income                                     |    | <u>70,149</u>          | <u>64,728</u>          | <u>119,811</u>        | <u>55,190</u>         |
| <b>Operating income</b>                                    |    | <b>30,294,624</b>      | <b>17,993,113</b>      | <b>29,467,319</b>     | <b>17,244,536</b>     |
| Operating expenses   | 4  | <u>(19,046,646)</u>    | <u>(12,315,422)</u>    | <u>(18,688,929)</u>   | <u>(11,790,234)</u>   |
| Provision for losses                                       | 11 | <u>(2,240,195)</u>     | <u>(172,365)</u>       | <u>(1,985,615)</u>    | <u>(162,109)</u>      |
| Profit before taxation                                     |    | 9,007,783              | 5,445,326              | 8,792,775             | 5,292,193             |
| Taxation   | 5  | <u>(1,921,013)</u>     | <u>(1,468,267)</u>     | <u>(1,862,021)</u>    | <u>(1,442,649)</u>    |
| Profit after taxation                                      |    | 7,086,770              | 3,977,059              | 6,930,754             | 3,849,544             |
| Minority interest  | 25 | <u>(31,203)</u>        | <u>(16,614)</u>        | -                     | -                     |
| Profit attributable to the group                           |    | <b>7,055,567</b>       | <b>3,960,445</b>       | <b>6,930,754</b>      | <b>3,849,544</b>      |
| <i>The profit for the year is appropriated as follows:</i> |    |                        |                        |                       |                       |
| Transfer to statutory reserve                              | 27 | <u>(2,079,241)</u>     | <u>(1,154,864)</u>     | <u>(2,079,241)</u>    | <u>(1,154,864)</u>    |
| Transfer to small scale industries reserve                 | 27 | <u>(346,540)</u>       | <u>(384,954)</u>       | <u>(346,540)</u>      | <u>(384,954)</u>      |
| Transfer to proposed dividend reserve                      | 27 | <u>(4,181,985)</u>     | -                      | <u>(4,181,985)</u>    | -                     |
| Transfer to retained earnings reserve                      |    | <u>(447,801)</u>       | <u>(2,420,627)</u>     | <u>(322,988)</u>      | <u>(2,309,726)</u>    |
|  |    | <b>7,055,567</b>       | <b>3,960,445</b>       | <b>6,930,754</b>      | <b>3,849,544</b>      |
| Earnings per share (basic)                                 | 33 | 91k                    | 59k                    | 89k                   | 57k                   |
| Earnings per share (diluted)                               | 33 | 91k                    | 59k                    | 89k                   | 57k                   |
| Dividend per share (proposed)                              | 28 | 55k                    | -                      | 55k                   | -                     |

The accounting policies on pages 7 to 10 and notes on pages 15 to 35 form an integral part of these financial statements.

# DIAMOND BANK PLC

## Consolidated Balance Sheet As at 30 April 2007

|  |             | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|--|-------------|------------------------|------------------------|-----------------------|-----------------------|
| <b>Assets</b>                                    | <b>Note</b> |                        |                        |                       |                       |
| Cash and balances with central banks             | 6           | 80,659,459             | 32,226,993             | 78,928,707            | 31,066,966            |
| Treasury bills                                   | 7           | 40,639,878             | 46,564,573             | 40,518,896            | 46,275,128            |
| Due from other banks                             | 8           | 26,029,391             | 21,610,952             | 25,055,982            | 21,230,191            |
| Loans and advances to customers                  | 9           | 100,930,514            | 80,560,478             | 96,384,940            | 77,929,985            |
| Advances under finance lease                     | 12          | 8,050,730              | 4,090,171              | 8,050,730             | 4,090,171             |
| Other facilities                                 | 13          | 7,742,372              | 4,524,679              | 7,742,372             | 4,524,679             |
| Investment securities                            | 14          | 10,367,747             | 3,598,750              | 9,989,680             | 3,037,391             |
| Investment in subsidiaries                       | 15          | 8,307,959              | 2,050,000              | 8,983,852             | 2,725,893             |
| Goodwill   | 16          | -                      | 4,181,670              | -                     | 4,181,670             |
| Deferred tax assets                              | 17          | 398,624                | 300,850                | 398,624               | 300,850               |
| Other assets                                     | 18          | 21,061,757             | 19,651,319             | 20,243,154            | 19,339,238            |
| Property and equipment                           | 19          | 16,230,968             | 8,472,719              | 15,952,784            | 8,345,700             |
|  |             | <u>320,419,399</u>     | <u>227,833,154</u>     | <u>312,249,721</u>    | <u>223,047,862</u>    |
| <b>Liabilities</b>                               |             |                        |                        |                       |                       |
| Customer deposits                                | 20          | 217,219,935            | 148,562,796            | 211,634,824           | 144,569,684           |
| Due to other banks                               | 21          | 15,747,174             | 2,755,129              | 14,743,859            | 2,502,714             |
| Borrowings                                       | 22          | 7,820,579              | 8,915,922              | 7,820,579             | 8,915,923             |
| Current income tax                               | 5           | 1,657,950              | 1,306,125              | 1,568,695             | 1,269,247             |
| Other liabilities                                | 23          | 21,357,055             | 29,106,027             | 20,287,952            | 28,840,526            |
| Deferred income tax liabilities                  | 17          | 1,318,927              | 927,827                | 1,318,927             | 927,827               |
| Retirement benefit obligations                   | 24          | 987,622                | 1,055,332              | 983,108               | 1,052,371             |
|  |             | <u>266,109,242</u>     | <u>192,629,158</u>     | <u>258,357,944</u>    | <u>188,078,292</u>    |
| <b>Minority interest</b>                         | 25          | 219,655                | 183,429                | -                     | -                     |
| <b>Equity</b>                                    |             |                        |                        |                       |                       |
| Share capital                                    | 26          | 4,699,956              | 3,801,804              | 4,699,957             | 3,801,804             |
| Share premium                                    | 27          | 31,876,149             | 20,782,849             | 31,876,149            | 20,782,849            |
| Retained earnings                                | 27          | 5,978,354              | 5,534,546              | 5,959,648             | 5,636,660             |
| Other reserves                                   | 27          | 11,536,043             | 4,901,368              | 11,356,023            | 4,748,257             |
|  |             | <u>54,090,502</u>      | <u>35,020,567</u>      | <u>53,891,777</u>     | <u>34,969,570</u>     |
| <b>Liabilities, minority interest and equity</b> |             | <u>320,419,399</u>     | <u>227,833,154</u>     | <u>312,249,721</u>    | <u>223,047,862</u>    |
| <b>Acceptances and guarantees</b>                | 29          | <u>96,040,240</u>      | <u>36,453,242</u>      | <u>93,883,063</u>     | <u>36,453,242</u>     |

The accounting policies on pages 7 to 10 and financial statements and notes on pages 11 to 35 were approved by the Board of Directors on 27 June 2007 and signed on its behalf by:

**HRM Igwe Nnaemeka Alfred Ugochukwu Achebe**  
Chairman

**Emeka Onwuka**  
Managing Director

# DIAMOND BANK PLC

## Consolidated Cash Flow Statement For the year ended 30 April 2007

|   | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|---|------------------------|------------------------|-----------------------|-----------------------|
| Interest and discount received  | 24,478,054             | 14,458,533             | 24,064,450            | 14,012,769            |
| Interest payments   | (8,394,179)            | (4,439,292)            | (8,283,342)           | (4,148,237)           |
| Fee and commission received   | 10,986,920             | 7,278,646              | 10,559,395            | 6,805,772             |
| Fee and commission paid   | (163,946)              | (168,174)              | 1,046                 | (164,282)             |
| Investment income received  | 2,075,030              | 21,582                 | 2,072,440             | 12,197                |
| Other income received   | 1,086,782              | 559,093                | 1,067,277             | 512,420               |
| Cash payments to employees and suppliers  | (21,072,857)           | (9,700,326)            | (20,946,777)          | (9,233,780)           |
| Cash payments to retired employees  | 24 (221,731)           | (486,533)              | (221,731)             | (486,533)             |
| Income taxes paid   | (1,275,863)            | (863,634)              | (1,269,248)           | (868,531)             |
| <b>Cash flows from operating profits before changes in operating assets and liabilities:</b>        | <b>7,498,210</b>       | <b>6,659,895</b>       | <b>7,043,510</b>      | <b>6,441,795</b>      |
| <i>(Increase)/decrease in operating assets:</i>   |                        |                        |                       |                       |
| - Cash reserve balances   | (2,371,502)            | 3,466,725              | (1,386,125)           | 2,642,904             |
| - Escrow balances with central banks  | -                      | (1,143,394)            | -                     | (1,143,394)           |
| - Loans and advances, net of loans in acquiree (Note 34)  | (21,777,827)           | (31,962,208)           | (19,668,425)          | (31,076,090)          |
| - Other facilities  | (3,250,194)            | 2,138,092              | (3,250,194)           | 2,138,092             |
| - Advances under finance leases   | (4,000,564)            | (2,033,452)            | (4,000,564)           | (2,033,452)           |
| - Short term investment securities  | 132,884                | (409,177)              | -                     | -                     |
| - Treasury bills held under repurchase agreements   | 8,000,000              | (4,500,000)            | 8,000,000             | (4,500,000)           |
| - Due to clients  | (495,081)              | -                      | -                     | -                     |
| - Accounts receivables, net of sundry receivables in acquiree (Note 34)                             | (3,998,925)            | 377,816                | (4,038,963)           | (381,208)             |
|   | <b>(27,761,209)</b>    | <b>(34,065,598)</b>    | <b>(24,344,271)</b>   | <b>(34,353,148)</b>   |
| <i>Increase/(decrease) in operating liabilities:</i>  |                        |                        |                       |                       |
| - Customer deposits, net of deposits in acquiree (Note 34)  | 68,657,139             | 61,886,925             | 67,065,140            | 63,130,468            |
| - Due to other banks  | 12,992,045             | 1,281,680              | 12,241,145            | 1,111,715             |
| - Customers' deposit for letters of credit liability for treasury bills under repurchase agreements | (2,459,778)            | 5,108,750              | (2,459,778)           | 5,108,751             |
| - Other liabilities, net of sundry liabilities in acquiree (Note 34)                                | (8,000,000)            | 4,500,000              | (8,000,000)           | 4,500,000             |
| - Other liabilities, net of sundry liabilities in acquiree (Note 34)                                | 1,255,277              | (4,418,339)            | 458,022               | (4,365,430)           |
| - Deposit for shares  | -                      | (308,528)              | -                     | (304,731)             |
|   | <b>72,444,683</b>      | <b>68,050,488</b>      | <b>69,304,529</b>     | <b>69,180,773</b>     |
| <b>Net cash generated from operating activities</b>   | <b>52,181,674</b>      | <b>40,644,785</b>      | <b>52,003,768</b>     | <b>41,269,421</b>     |

The accounting policies on pages 7 to 10 and notes on pages 15 to 35 form an integral part of these financial statements.

# DIAMOND BANK PLC

## Consolidated Cash Flow Statement For the year ended 30 April 2007

|   | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|---|------------------------|------------------------|-----------------------|-----------------------|
| <b>Financing activities</b>   |                        |                        |                       |                       |
| Dividend paid to minority shareholders in subsidiaries  | -                      | (4,291)                | -                     | -                     |
| Repayment of borrowings   | <b>(2,674,329)</b>     | (1,587,553)            | <b>(2,674,329)</b>    | (1,587,553)           |
| Proceeds of new borrowings  | <b>1,578,984</b>       | 3,795,000              | <b>1,578,984</b>      | 3,795,000             |
| Proceeds from issue of shares to minority shareholders in subsidiaries  | -                      | 34,250                 | -                     | -                     |
| Net proceeds from issue of shares, less value of shares issued in exchange for net assets of acquiree (Note 34) | <b>16,173,122</b>      | 3,900,175              | <b>16,173,122</b>     | 3,900,175             |
| <b>Net cash from financing activities</b>   | <b>15,077,777</b>      | 6,137,581              | <b>15,077,777</b>     | 6,107,622             |
| <b>Investing activities</b>   |                        |                        |                       |                       |
| Purchase of long term investment securities, net of investments in acquiree (Note 34)                           | <b>(7,242,289)</b>     | (1,570,787)            | <b>(7,242,289)</b>    | (1,557,869)           |
| Redemption of long term bonds   | <b>290,000</b>         | 40,000                 | <b>290,000</b>        | 40,000                |
| Additional investment in subsidiaries   | <b>(6,257,959)</b>     | (2,050,000)            | <b>(6,257,959)</b>    | (2,240,000)           |
| Purchase of property and equipment, net of property and equipment in acquiree (Note 34)                         | <b>(9,578,073)</b>     | (3,118,756)            | <b>(9,379,136)</b>    | (3,073,328)           |
| Cash in acquiree, net of cash paid to advisers  | -                      | 1,973,911              | -                     | 1,973,911             |
| Proceeds from sale of property and equipment  | <b>61,318</b>          | 46,469                 | <b>53,015</b>         | 31,660                |
| <b>Net cash from investing activities</b>   | <b>(22,727,003)</b>    | (4,679,163)            | <b>(22,536,369)</b>   | (4,825,626)           |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>   | <b>22,250</b>          | (33,850)               | -                     | -                     |
| <b>Increase in cash and cash equivalents</b>  | <b>44,554,708</b>      | 42,069,353             | <b>44,545,176</b>     | 42,551,416            |
| <b>Analysis of changes in cash and cash equivalents</b>   |                        |                        |                       |                       |
| Balance as at 1 May   | <b>35 95,509,715</b>   | 53,440,362             | <b>93,679,481</b>     | 51,128,065            |
| Balance as at 30 April  | <b>35 140,064,423</b>  | 95,509,715             | <b>138,224,657</b>    | 93,679,481            |
| Increase in cash and cash equivalents   | <b>44,554,708</b>      | 42,069,353             | <b>44,545,176</b>     | 42,551,416            |

The accounting policies on pages 7 to 10 and notes on pages 15 to 35 form an integral part of these financial statements.

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 1. General information

Diamond Bank Plc (the Bank) was incorporated in Nigeria as a private limited liability company on 20 December 1990. The Bank was granted a licence in December 1990 to carry on the business of commercial banking. In February 2001, the Bank's Commercial Banking License was upgraded to a Universal Banking License by the Central Bank of Nigeria.

To access the capital market and accommodate a growing shareholder base, the Bank converted to a public liability company in February 2005. A foreign financial investor holds 19% of the Bank's equity while the balance is held by Nigerian individuals and institutional investors.

|  | <b>Group</b>             | <b>Group</b>      | <b>Bank</b>              | <b>Bank</b>       |
|--|--------------------------|-------------------|--------------------------|-------------------|
|  | <b>2007</b>              | 2006              | <b>2007</b>              | 2006              |
|  | <b>N'000</b>             | N'000             | <b>N'000</b>             | N'000             |
| <b>2. Interest income</b>                |                          |                   |                          |                   |
| Placements and short-term funds          | <b>2,490,166</b>         | 817,093           | <b>2,230,160</b>         | 808,429           |
| Treasury bills and investment securities | <b>3,654,908</b>         | 2,267,785         | <b>3,654,909</b>         | 2,241,665         |
| Loans and advances                       | <b>18,220,175</b>        | 11,330,923        | <b>17,970,880</b>        | 10,911,116        |
| Advances under finance leases            | <b>969,647</b>           | 438,620           | <b>969,647</b>           | 438,620           |
|  | <b><u>25,334,896</u></b> | <u>14,854,421</u> | <b><u>24,825,596</u></b> | <u>14,399,830</u> |

Interest income earned outside Nigeria amounted to Bank N337.42 million (2006: N161.22 million) and Group N832.28 million (2006: N546.40 million).

### 3. Interest expense

|                        |                         |                  |                         |                  |
|------------------------|-------------------------|------------------|-------------------------|------------------|
| Inter-bank takings     | <b>201,248</b>          | 273,011          | <b>189,369</b>          | 117,148          |
| Current accounts       | <b>497,639</b>          | 181,401          | <b>418,417</b>          | 164,583          |
| Time deposits          | <b>3,841,211</b>        | 2,368,016        | <b>3,842,728</b>        | 2,278,484        |
| Other deposit accounts | <b>3,861,233</b>        | 1,272,729        | <b>3,896,426</b>        | 1,243,887        |
| Borrowings             | <b>623,727</b>          | 517,298          | <b>572,969</b>          | 517,298          |
|                        | <b><u>9,025,058</u></b> | <u>4,612,455</u> | <b><u>8,919,909</u></b> | <u>4,321,400</u> |

Interest expense paid outside Nigeria amounted to N572.969 million (2006: N517.298 million).

### 4. Operating expenses

|  |                          |                   |                          |                   |
|--|--------------------------|-------------------|--------------------------|-------------------|
| Staff costs (note 31)                      | <b>7,038,616</b>         | 4,812,156         | <b>6,787,889</b>         | 4,585,818         |
| Amortisation of goodwill (note 16)         | -                        | 464,630           | -                        | 464,630           |
| Depreciation (note 19)                     | <b>1,766,175</b>         | 1,203,602         | <b>1,718,169</b>         | 1,160,705         |
| Auditors' remuneration                     | <b>49,000</b>            | 42,500            | <b>43,000</b>            | 38,000            |
| Directors' emoluments (note 31)            | <b>145,306</b>           | 283,084           | <b>145,306</b>           | 283,084           |
| Loss on disposal of property and equipment | <b>964</b>               | 8,015             | <b>872</b>               | 8,507             |
| Other operating expenses                   | <b>10,046,585</b>        | 5,501,435         | <b>9,993,693</b>         | 5,249,490         |
|  | <b><u>19,046,646</u></b> | <u>12,315,422</u> | <b><u>18,688,929</u></b> | <u>11,790,234</u> |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | Group<br>2007<br>N'000   | Group<br>2006<br>N'000   | Bank<br>2007<br>N'000    | Bank<br>2006<br>N'000    |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>5. Taxation</b>  |                          |                          |                          |                          |
| <i>Charge</i>   |                          |                          |                          |                          |
| Current tax   | 1,473,490                | 1,141,639                | 1,418,185                | 1,117,622                |
| Education tax   | <u>154,198</u>           | <u>131,386</u>           | <u>150,511</u>           | <u>129,785</u>           |
| Income tax charge   | <u>1,627,688</u>         | 1,273,025                | <u>1,568,696</u>         | 1,247,407                |
| Deferred tax charge (note 17)   | <u>293,325</u>           | <u>195,242</u>           | <u>293,325</u>           | <u>195,242</u>           |
| Charge for the year   | <u><u>1,921,013</u></u>  | <u><u>1,468,267</u></u>  | <u><u>1,862,021</u></u>  | <u><u>1,442,649</u></u>  |
| <i>Payable</i>  |                          |                          |                          |                          |
| At 1 May  | 1,306,125                | 896,734                  | 1,269,247                | 890,371                  |
| Tax paid  | <u>(1,275,863)</u>       | <u>(863,634)</u>         | <u>(1,269,248)</u>       | <u>(868,531)</u>         |
| Income tax charge   | <u>1,627,688</u>         | <u>1,273,025</u>         | <u>1,568,696</u>         | <u>1,247,407</u>         |
| At 30 April   | <u><u>1,657,950</u></u>  | <u><u>1,306,125</u></u>  | <u><u>1,568,695</u></u>  | <u><u>1,269,247</u></u>  |
| <b>6. Cash and balances with central banks</b>  |                          |                          |                          |                          |
| Cash  | 6,019,863                | 3,296,615                | 5,623,274                | 3,107,755                |
| Operating account with central banks  | 32,375,291               | 24,037,575               | 32,026,505               | 23,066,408               |
| Overnight placement   | <u>35,000,000</u>        | <u>-</u>                 | <u>35,000,000</u>        | <u>-</u>                 |
| Included in cash and cash equivalents (Note 34)   | <u>73,395,154</u>        | 27,334,190               | <u>72,649,779</u>        | 26,174,163               |
| Mandatory reserve deposits with central banks   | 6,120,911                | 3,749,409                | 5,135,534                | 3,749,409                |
| Escrow balances with central banks  | <u>1,143,394</u>         | <u>1,143,394</u>         | <u>1,143,394</u>         | <u>1,143,394</u>         |
|   | <u><u>80,659,459</u></u> | <u><u>32,226,993</u></u> | <u><u>78,928,707</u></u> | <u><u>31,066,966</u></u> |
| Mandatory reserve deposits are not available for use in the Group's day to day operations. Escrow balances are held on account of specific transactions and are not available for use in the Group's day to day operations. |                          |                          |                          |                          |
| <b>7. Treasury bills</b>  |                          |                          |                          |                          |
| Treasury Bills  | <u>40,639,878</u>        | <u>46,564,573</u>        | <u>40,518,896</u>        | <u>46,275,128</u>        |
| Included in Treasury Bills are bills amounting to N15billion (2006: N12 billion) held by third parties as collateral for various transactions.  |                          |                          |                          |                          |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|  | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|--|------------------------|------------------------|-----------------------|-----------------------|
| <b>8. Due from other banks</b>   |                        |                        |                       |                       |
| Current balances with banks within Nigeria   | 9,126                  | 8,797                  | 2,431                 | 2,427                 |
| Current balances with banks Outside Nigeria  | 20,265,765             | 16,562,292             | 20,053,551            | 16,227,764            |
| Placements with banks and discount houses  | 5,754,500              | 5,039,863              | 5,000,000             | 5,000,000             |
|  | <b>26,029,391</b>      | <b>21,610,952</b>      | <b>25,055,982</b>     | <b>21,230,191</b>     |
| Balances with banks outside Nigeria include N9.1 billion (2006: N11.7 billion) which represents the naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities. (See Note 23). |                        |                        |                       |                       |
| <b>9. Loans and advances</b>   |                        |                        |                       |                       |
| Overdrafts   | 36,516,322             | 25,722,977             | 35,218,484            | 24,816,962            |
| Term loans   | 48,302,337             | 41,234,291             | 44,865,704            | 39,496,242            |
| Commercial papers  | 22,784,707             | 17,061,094             | 22,690,961            | 16,992,659            |
|  | <b>107,603,366</b>     | <b>84,018,362</b>      | <b>102,775,149</b>    | <b>81,305,863</b>     |
| Loan loss provision (note 10a)   | (3,902,216)            | (2,494,425)            | (3,642,436)           | (2,428,966)           |
| Interest in suspense (note 10b)  | (2,770,636)            | (963,459)              | (2,747,773)           | (946,912)             |
|  | <b>100,930,514</b>     | <b>80,560,478</b>      | <b>96,384,940</b>     | <b>77,929,985</b>     |
| <i>Analysis by security</i>  |                        |                        |                       |                       |
| Secured against real estate  | 29,037,279             | 15,921,377             | 26,279,196            | 14,720,880            |
| Otherwise secured  | 73,769,784             | 61,685,517             | 72,285,304            | 61,766,161            |
| Unsecured  | 4,796,303              | 6,411,468              | 4,210,649             | 4,818,822             |
|  | <b>107,603,366</b>     | <b>84,018,362</b>      | <b>102,775,149</b>    | <b>81,305,863</b>     |
| <i>Analysis by performance</i>   |                        |                        |                       |                       |
| Performing   | 99,617,333             | 79,571,197             | 95,530,340            | 77,300,244            |
| Non-performing   | 7,986,033              | 4,447,165              | 7,244,809             | 4,005,619             |
|  | <b>107,603,366</b>     | <b>84,018,362</b>      | <b>102,775,149</b>    | <b>81,305,863</b>     |
| <i>Analysis by maturity</i>  |                        |                        |                       |                       |
| 0 - 30 days  | 64,776,610             | 46,045,898             | 61,352,987            | 44,986,102            |
| 1-3 months   | 21,766,626             | 22,504,373             | 21,219,102            | 21,977,707            |
| 3-6 months   | 4,977,340              | 5,708,933              | 4,659,185             | 5,457,334             |
| 6-12 months  | 6,182,449              | 2,971,617              | 5,544,640             | 2,819,062             |
| Over 12 months   | 9,900,341              | 6,787,541              | 9,999,235             | 6,065,658             |
|  | <b>107,603,366</b>     | <b>84,018,362</b>      | <b>102,775,149</b>    | <b>81,305,863</b>     |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|---|------------------------|------------------------|-----------------------|-----------------------|
| <b>10. Loan loss provision and interest in suspense</b> |                        |                        |                       |                       |
| <b>a. Movement in loan loss provision</b>               |                        |                        |                       |                       |
| At 1 May:   |                        |                        |                       |                       |
| - Non-performing  | 1,721,422              | 684,109                | 1,655,963             | 627,835               |
| - Performing  | <u>773,003</u>         | <u>392,699</u>         | <u>773,003</u>        | <u>392,699</u>        |
|   | <u>2,494,425</u>       | <u>1,076,808</u>       | <u>2,428,966</u>      | <u>1,020,534</u>      |
| Additional provision:                                   |                        |                        |                       |                       |
| - Non-performing  | 1,567,805              | 643,673                | 1,375,313             | 623,163               |
| - Performing  | 184,129                | 380,304                | 182,300               | (773,003)             |
| Acquired during the year                                | -                      | 1,748,492              | -                     | 1,748,492             |
| Provision no longer required                            | (137,409)              | (304,106)              | (137,409)             | (292,781)             |
| Amounts written off                                     | <u>(206,734)</u>       | <u>(1,050,746)</u>     | <u>(206,734)</u>      | <u>(1,050,746)</u>    |
|   | <u>1,407,791</u>       | <u>1,417,617</u>       | <u>1,213,470</u>      | <u>255,125</u>        |
| At 30 April:  |                        |                        |                       |                       |
| - Non-performing  | 2,945,084              | 1,721,422              | 2,687,133             | 1,655,963             |
| - Performing  | <u>957,132</u>         | <u>773,003</u>         | <u>955,303</u>        | <u>773,003</u>        |
|   | <u>3,902,216</u>       | <u>2,494,425</u>       | <u>3,642,436</u>      | <u>2,428,966</u>      |
| <b>b. Movement in interest-in-suspense</b>              |                        |                        |                       |                       |
| At 1 May  | 963,459                | 583,373                | 946,912               | 563,703               |
| Suspended during the year                               | 2,022,733              | 1,500,726              | 2,016,417             | 1,500,726             |
| Recognised during the year                              | (63,800)               | (468,285)              | (63,800)              | (465,162)             |
| Amounts written off                                     | <u>(151,756)</u>       | <u>(652,355)</u>       | <u>(151,756)</u>      | <u>(652,355)</u>      |
| At 30 April   | <u>2,770,636</u>       | <u>963,459</u>         | <u>2,747,773</u>      | <u>946,912</u>        |
| <b>11. Provision for losses</b>                         |                        |                        |                       |                       |
| <i>The charge for the year is analysed as follows:</i>  |                        |                        |                       |                       |
| Loans and advances during the year                      | 1,614,525              | 719,872                | 1,420,204             | 710,687               |
| Advances under finance lease                            | 40,005                 | 1,767                  | 40,005                | 1,767                 |
| Other facilities  | 32,501                 | (21,381)               | 32,501                | (21,381)              |
| Direct write-offs                                       | 639,237                | 8,664                  | 639,237               | 8,664                 |
| Recovery on previously written-off accounts             | (317,598)              | (571,638)              | (317,598)             | (571,638)             |
| Investment securities                                   | 7,732                  | -                      | -                     | -                     |
| Other assets  | <u>223,793</u>         | <u>35,081</u>          | <u>171,266</u>        | <u>34,010</u>         |
|   | <u>2,240,195</u>       | <u>172,365</u>         | <u>1,985,615</u>      | <u>162,109</u>        |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|---|------------------------|------------------------|-----------------------|-----------------------|
| <b>12. Advances under finance lease</b> |                        |                        |                       |                       |
| Gross investment                        | 9,263,438              | 4,656,783              | 9,263,438             | 4,627,385             |
| Less: Unearned income                   | <u>(1,131,388)</u>     | <u>(525,297)</u>       | <u>(1,131,388)</u>    | <u>(495,899)</u>      |
| Net investment                          | 8,132,050              | 4,131,486              | 8,132,050             | 4,131,486             |
| Less:                                   |                        |                        |                       |                       |
| General provision                       | <u>(81,320)</u>        | <u>(41,315)</u>        | <u>(81,320)</u>       | <u>(41,315)</u>       |
|   | <u>8,050,730</u>       | <u>4,090,171</u>       | <u>8,050,730</u>      | <u>4,090,171</u>      |
| <i>Analysis by performance</i>          |                        |                        |                       |                       |
| Performing                              | <u>8,132,050</u>       | <u>4,131,486</u>       | <u>8,132,050</u>      | <u>4,131,486</u>      |
| <i>Analysis by maturity</i>             |                        |                        |                       |                       |
| 0 - 30 days                             | 137,820                | 241,569                | 137,820               | 241,569               |
| 1-3 months                              | 445,635                | 847,860                | 445,635               | 847,860               |
| 3-6 months                              | 2,348,028              | 140,945                | 2,348,028             | 140,945               |
| 6-12 months                             | 838,431                | 701,096                | 838,431               | 701,096               |
| Over 12 months                          | <u>4,362,136</u>       | <u>2,200,016</u>       | <u>4,362,136</u>      | <u>2,200,016</u>      |
|   | <u>8,132,050</u>       | <u>4,131,486</u>       | <u>8,132,050</u>      | <u>4,131,486</u>      |
| <i>Movement in general provision</i>    |                        |                        |                       |                       |
| At 1 May                                | 41,315                 | 18,661                 | 41,315                | 18,661                |
| Net charge/(write back)                 | <u>40,005</u>          | <u>22,654</u>          | <u>40,005</u>         | <u>22,654</u>         |
| At 30 April                             | <u>81,320</u>          | <u>41,315</u>          | <u>81,320</u>         | <u>41,315</u>         |
| <b>13. Other facilities</b>             |                        |                        |                       |                       |
| Otherwise secured                       | 7,820,577              | 4,570,383              | 7,820,577             | 4,570,383             |
| Less: General provision                 | <u>(78,205)</u>        | <u>(45,704)</u>        | <u>(78,205)</u>       | <u>(45,704)</u>       |
|   | <u>7,742,372</u>       | <u>4,524,679</u>       | <u>7,742,372</u>      | <u>4,524,679</u>      |
| <i>Analysis by performance</i>          |                        |                        |                       |                       |
| Performing                              | <u>7,820,577</u>       | <u>4,570,383</u>       | <u>7,820,577</u>      | <u>4,570,383</u>      |
| <i>Analysis by maturity</i>             |                        |                        |                       |                       |
| 0 - 30 days                             | 25,373                 | 708,766                | 25,373                | 708,766               |
| 1-3 months                              | 435,831                | 836,238                | 435,831               | 836,238               |
| 3-6 months                              | 1,154,987              | 78,725                 | 1,154,987             | 78,725                |
| 6-12 months                             | 176,932                | 837,888                | 176,932               | 837,888               |
| Over 12 months                          | <u>6,027,454</u>       | <u>2,108,766</u>       | <u>6,027,454</u>      | <u>2,108,766</u>      |
|   | <u>7,820,577</u>       | <u>4,570,383</u>       | <u>7,820,577</u>      | <u>4,570,383</u>      |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|---|------------------------|------------------------|-----------------------|-----------------------|
| <b>13. Other facilities (continued)</b> |                        |                        |                       |                       |
| <i>Movement in provisions</i>           |                        |                        |                       |                       |
| At 1 May                                | 45,704                 | 67,085                 | 45,704                | 67,085                |
| Net charge/(write back)                 | <u>32,501</u>          | <u>(21,381)</u>        | <u>32,501</u>         | <u>(21,381)</u>       |
| At 30 April                             | <u><u>78,205</u></u>   | <u><u>45,704</u></u>   | <u><u>78,205</u></u>  | <u><u>45,704</u></u>  |

Other facilities are loans funded via medium to long-term on-lending facilities from development and international finance institutions. These facilities are reported on balance sheet in accordance with CBN circular BSD/DO/CIR/Vol.1/2001/22 (See note 22).

### 14. Investment securities

#### *Long term investments*

##### *Debt Securities - at cost*

|          |           |           |           |           |
|----------|-----------|-----------|-----------|-----------|
| Listed   | 7,615,097 | 1,330,000 | 7,615,097 | 1,330,000 |
| Unlisted | -         | 61,553    | -         | -         |

##### *Equity securities - at cost*

|                                    |                          |                         |                         |                         |
|------------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| Listed                             | 211,363                  | 192,486                 | 168,030                 | 168,030                 |
| Unlisted                           | <u>2,208,633</u>         | <u>1,541,441</u>        | <u>2,206,553</u>        | <u>1,539,361</u>        |
|                                    | <b>10,035,093</b>        | <b>3,125,480</b>        | <b>9,989,680</b>        | <b>3,037,391</b>        |
| Provisions for diminution in value | -                        | -                       | -                       | -                       |
|                                    | <u><b>10,035,093</b></u> | <u><b>3,125,480</b></u> | <u><b>9,989,680</b></u> | <u><b>3,037,391</b></u> |

#### *Short term investments*

##### *Equity securities - at lower of cost and market value*

|                                    |                       |                       |                 |                 |
|------------------------------------|-----------------------|-----------------------|-----------------|-----------------|
| Listed                             | 340,386               | 473,270               | -               | -               |
| Provisions for diminution in value | <u>(7,732)</u>        | <u>-</u>              | <u>-</u>        | <u>-</u>        |
|                                    | <u><b>332,654</b></u> | <u><b>473,270</b></u> | <u><b>-</b></u> | <u><b>-</b></u> |

#### **Total Investment securities**

|  |                          |                         |                         |                         |
|--|--------------------------|-------------------------|-------------------------|-------------------------|
|  | <u><b>10,367,747</b></u> | <u><b>3,598,750</b></u> | <u><b>9,989,680</b></u> | <u><b>3,037,391</b></u> |
|--|--------------------------|-------------------------|-------------------------|-------------------------|

*The movement in long term investments is summarised as follows:*

|                               |                          |                         |                         |                         |
|-------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| At 1 May                      | 3,125,480                | 1,492,693               | 3,037,391               | 1,417,522               |
| Additions                     | 7,242,289                | 1,672,787               | 7,242,289               | 1,659,869               |
| Redemption of long term bonds | (290,000)                | (40,000)                | (290,000)               | (40,000)                |
| Written off                   | <u>(42,676)</u>          | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| At 30 April                   | <u><b>10,035,093</b></u> | <u><b>3,125,480</b></u> | <u><b>9,989,680</b></u> | <u><b>3,037,391</b></u> |

- i. Included in listed debt securities is N7.5 billion in various Federal Government of Nigeria Bonds. The maturity date of these bonds range from September 2008 to November 2013 with interest rates ranging from 8.5% to 13.5%.
- ii. The Bank makes investments under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) per the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). These investments are made directly in qualifying entities and through a vehicle – the SME Partnership Fund. At the end of the year, the Bank had direct investments of N1.07 billion (2006:N538.5 million) and disbursements to the SME Partnership Fund N255 million (2006: N234 million).

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 14. Investment securities (continued)

- iii. Also included in long term investments is an amount of N237 million (2006:N244 million) being un-invested portion of the Bank's reserves for SME Investments held/escrowed by the CBN.

### 15. Investment in subsidiaries

|  |                | <b>Group</b>            | Group            | <b>Bank</b>             | Bank             |
|--|----------------|-------------------------|------------------|-------------------------|------------------|
|  |                | <b>2007</b>             | 2006             | <b>2007</b>             | 2006             |
|  | <b>Holding</b> | <b>N'000</b>            | N'000            | <b>N'000</b>            | N'000            |
| Diamond Bank du Benin S.A              | <b>80%</b>     | -                       | -                | <b>435,893</b>          | 435,893          |
| Diamond Securities Limited             | <b>80%</b>     | -                       | -                | <b>240,000</b>          | 240,000          |
| Diamond Pension Fund Custodian Limited | <b>100%</b>    | <b>2,000,000</b>        | 2,000,000        | <b>2,000,000</b>        | 2,000,000        |
| Diamond Mortgages Limited              | <b>100%</b>    | <b>1,000,000</b>        | 50,000           | <b>1,000,000</b>        | 50,000           |
| ADIC Insurance Limited                 | <b>95%</b>     | <b>5,307,959</b>        | -                | <b>5,307,959</b>        | -                |
|  |                | <b><u>8,307,959</u></b> | <u>2,050,000</u> | <b><u>8,983,852</u></b> | <u>2,725,893</u> |

- i. With the exception of Diamond Bank du Benin S.A which is incorporated in the Republic of Benin, all subsidiaries are incorporated in Nigeria.
- ii. Diamond Securities Limited has two wholly owned subsidiaries - Lynac Securities Limited and DBLS Insurance Brokers Limited. Diamond Securities Limited consolidates the activities of all its subsidiaries and its activities are in turn is consolidated with the activities of the Bank. Diamond Securities is winding down the operations of its insurance brokerage subsidiary thus the assets and liabilities of the subsidiary have been re-stated to current value.
- iii. During the year, the Bank acquired a 95% stake in the equity of ADIC Insurance Limited (ADIC), a company licensed by the National Insurance Commission to carry on the business of both Life and Non-life insurance. The Bank has not consolidated the results of ADIC as the Bank's directors are of the opinion that ADIC's activities are dissimilar and thus will be of no value to members.

In May 2007, ADIC was restructured into two separately incorporated businesses – ADIC Life Assurance Limited and ADIC Insurance Limited – to handle the Life and Non-life businesses previously carried out under ADIC. ADIC Life Assurance Limited is 100% owned by ADIC Insurance Limited.

- iv. Diamond Pension Fund Custodian Limited is licensed to provide custodial services under the provisions of the Pension Reform Act of 2004. The directors of the Bank are of the opinion that its results are immaterial to the Group and thus its results have not been consolidated.
- v. In 2005, the Bank acquired Dominium Building Society Limited, a licensed mortgaged institution. At acquisition, the company was not operational. The Bank has re-named the company to Diamond Mortgages Limited, invested additional capital and has a turnaround management team in place to revive the company. The results of the company are not consolidated as it had no activities during the year.

|   | <b>Group</b>              | Group            | <b>Bank</b>               | Bank             |
|---|---------------------------|------------------|---------------------------|------------------|
|   | <b>2007</b>               | 2006             | <b>2007</b>               | 2006             |
|   | <b>N'000</b>              | N'000            | <b>N'000</b>              | N'000            |
| <b>16. Goodwill</b>                                   |                           |                  |                           |                  |
| At 1 May  | <b>4,181,670</b>          | -                | <b>4,181,670</b>          | -                |
| Arising on acquisition during the year (Note 35)      | -                         | 4,646,300        | -                         | 4,646,300        |
| Amortisation through profit and loss account (Note 4) | -                         | (464,630)        | -                         | (464,630)        |
| Write-off against special reserve account (Note 27)   | <b><u>(4,181,670)</u></b> | -                | <b><u>(4,181,670)</u></b> | -                |
|   | <b><u>-</u></b>           | <u>4,181,670</u> | <b><u>-</u></b>           | <u>4,181,670</u> |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | Group<br>2007<br>N'000    | Group<br>2006<br>N'000   | Bank<br>2007<br>N'000     | Bank<br>2006<br>N'000    |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| <b>17. Deferred tax</b>                                 |                           |                          |                           |                          |
| At 1 May  | 626,977                   | 416,449                  | 626,977                   | 416,449                  |
| Acquired during the year                                | -                         | 15,286                   | -                         | 15,286                   |
| Charge / (abatement) (Note 5)                           | <u>293,325</u>            | <u>195,242</u>           | <u>293,325</u>            | <u>195,242</u>           |
|   | <u><b>920,302</b></u>     | <u><b>626,977</b></u>    | <u><b>920,302</b></u>     | <u><b>626,977</b></u>    |
| The balance sheet amounts comprise:                     |                           |                          |                           |                          |
| Deferred tax assets                                     | 398,624                   | 300,850                  | 398,624                   | 300,850                  |
| Deferred tax liabilities                                | <u>(1,318,927)</u>        | <u>(927,827)</u>         | <u>(1,318,927)</u>        | <u>(927,827)</u>         |
| Net deferred tax liability                              | <u><b>(920,303)</b></u>   | <u><b>(626,977)</b></u>  | <u><b>(920,303)</b></u>   | <u><b>(626,977)</b></u>  |
| <i>Movement in deferred tax assets and liabilities:</i> |                           |                          |                           |                          |
| <i>Deferred tax liabilities</i>                         |                           |                          |                           |                          |
| At 1 May  | (927,827)                 | (485,193)                | <b>(927,827)</b>          | (485,193)                |
| Acquired during the year                                | -                         | (15,286)                 | -                         | (15,286)                 |
| Charge/ (abatement) in respect of:                      |                           |                          |                           |                          |
| - depreciation on property and equipment                | <u>(391,100)</u>          | <u>(427,348)</u>         | <u>(391,100)</u>          | <u>(427,348)</u>         |
|   | <u><b>(1,318,927)</b></u> | <u><b>(927,827)</b></u>  | <u><b>(1,318,927)</b></u> | <u><b>(927,827)</b></u>  |
| <i>Deferred tax assets</i>                              |                           |                          |                           |                          |
| At 1 May  | <b>300,850</b>            | 68,744                   | <b>300,850</b>            | 68,744                   |
| Charged in respect of:                                  |                           |                          |                           |                          |
| - general provisions                                    | <u>97,774</u>             | <u>232,106</u>           | <u>97,774</u>             | <u>232,106</u>           |
|   | <u><b>398,624</b></u>     | <u><b>300,850</b></u>    | <u><b>398,624</b></u>     | <u><b>300,850</b></u>    |
| <b>18. Other assets</b>                                 |                           |                          |                           |                          |
| Prepayments   | <b>7,068,208</b>          | 2,853,152                | <b>6,916,774</b>          | 2,702,864                |
| Accrued interest and fees receivable                    | <b>1,832,464</b>          | 975,622                  | <b>1,707,594</b>          | 946,449                  |
| Due from clients  | <b>495,081</b>            | -                        | -                         | -                        |
| Accounts receivable                                     | <b>5,042,863</b>          | 1,043,938                | <b>4,935,274</b>          | 896,310                  |
| Open buy back Treasury bills (Note 23)                  | <u><b>7,000,000</b></u>   | <u>15,000,000</u>        | <u><b>7,000,000</b></u>   | <u>15,000,000</u>        |
|   | <b>21,438,616</b>         | 19,872,712               | <b>20,559,642</b>         | 19,545,623               |
| Provision for doubtful receivables                      | <u>(376,859)</u>          | <u>(221,393)</u>         | <u>(316,488)</u>          | <u>(206,385)</u>         |
|   | <u><b>21,061,757</b></u>  | <u><b>19,651,319</b></u> | <u><b>20,243,154</b></u>  | <u><b>19,339,238</b></u> |

Treasury Bills on buy back represent bills sold under repurchase agreements and classified as other asset balances in accordance with Central Bank of Nigeria circular BSD/8/2003. The corresponding liability is recognised in other liabilities (Note 23).

Due from clients represent amounts receivable from stockbroking clients of the assets management unit of the Group and amounts due from insurance clients of the insurance brokerage unit of the Group.

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | <b>Group</b>          | Group          | <b>Bank</b>           | Bank           |
|---|-----------------------|----------------|-----------------------|----------------|
|   | <b>2007</b>           | 2006           | <b>2007</b>           | 2006           |
|   | <b>N'000</b>          | N'000          | <b>N'000</b>          | N'000          |
| <b>18. Other assets (continued)</b>                   |                       |                |                       |                |
| <i>Movement in provision for doubtful receivables</i> |                       |                |                       |                |
| At 1 May  | <b>221,393</b>        | 186,312        | <b>206,385</b>        | 172,375        |
| Additional provision                                  | <b>223,793</b>        | 35,081         | <b>171,266</b>        | 34,010         |
| Amounts written off                                   | <b>(68,327)</b>       | -              | <b>(61,163)</b>       | -              |
| At 30 April   | <b><u>376,859</u></b> | <u>221,393</u> | <b><u>316,488</u></b> | <u>206,385</u> |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 19. Property and equipment

| Group               | <i>Leasehold<br/>Improvement</i> | <i>Leasehold<br/>Land &amp;<br/>Buildings</i> | <i>Computer<br/>Equipment</i> | <i>Furniture<br/>&amp; Fittings</i> | <i>Motor<br/>Vehicles</i> | <i>Work In<br/>progress</i> | <i>Total</i>      |
|---------------------|----------------------------------|---|-------------------------------|-------------------------------------|---------------------------|-----------------------------|-------------------|
|                     | N'000                            | N'000   | N'000                         | N'000                               | N'000                     | N'000                       | N'000             |
| <b>Cost</b>         |                                  |   |                               |                                     |                           |                             |                   |
| At 1 May 2006       | 825,809                          | 4,145,765                                     | 5,073,803                     | 482,822                             | 1,873,424                 | 1,243,351                   | 13,644,974        |
| Additions           | 323,949                          | 746,603                                       | 1,525,315                     | 203,798                             | 1,032,676                 | 5,745,732                   | 9,578,073         |
| Reclassifications   | 104,298                          | 596,413                                       | 18,000                        | (23)                                | -                         | (718,688)                   | -                 |
| Disposals           | -                                | -   | (31,087)                      | (18,355)                            | (305,220)                 | -                           | (354,662)         |
| Scrapped assets     | (1,626)                          | -   | (2,166)                       | (650)                               | -                         | -                           | (4,442)           |
| Exchange difference | 6,467                            | -   | 14,367                        | 6,412                               | 3,528                     | 620                         | 31,394            |
| At 30 April 2007    | <u>1,258,897</u>                 | <u>5,488,781</u>                              | <u>6,598,232</u>              | <u>674,004</u>                      | <u>2,604,408</u>          | <u>6,271,015</u>            | <u>22,895,337</u> |
| <b>Depreciation</b> |                                  |   |                               |                                     |                           |                             |                   |
| At 1 May 2006       | 557,277                          | 231,349                                       | 3,241,304                     | 279,161                             | 863,164                   | -                           | 5,172,255         |
| Charge for the year | 139,298                          | 179,226                                       | 901,545                       | 82,930                              | 463,176                   | -                           | 1,766,175         |
| Reclassifications   | (8,093)                          | 8,121   | (189)                         | 161                                 | -                         | -                           | -                 |
| Disposals           | (1,626)                          | -   | (30,467)                      | (16,550)                            | (243,740)                 | -                           | (292,383)         |
| Scrapped assets     | -                                | -   | (812)                         | (874)                               | -                         | -                           | (1,686)           |
| Exchange difference | 2,816                            | -   | 12,032                        | 2,918                               | 2,242                     | -                           | 20,008            |
| At 30 April 2007    | <u>689,672</u>                   | <u>418,696</u>                                | <u>4,123,413</u>              | <u>347,746</u>                      | <u>1,084,842</u>          | <u>-</u>                    | <u>6,664,369</u>  |
| At 30 April 2007    | <u>569,225</u>                   | <u>5,070,085</u>                              | <u>2,474,819</u>              | <u>326,258</u>                      | <u>1,519,566</u>          | <u>6,271,015</u>            | <u>16,230,968</u> |
| At 30 April 2006    | <u>268,532</u>                   | <u>3,914,416</u>                              | <u>1,832,499</u>              | <u>203,661</u>                      | <u>1,010,260</u>          | <u>1,243,351</u>            | <u>8,472,719</u>  |

Work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to other categories of property and equipment.

## DIAMOND BANK PLC

### Notes to the Consolidated Financial Statements For the year ended 30 April 2007

#### 19. Property and equipment (continued)

| <b>Bank</b>            | <b>Leasehold<br/>Improve-<br/>ment<br/>N'000</b> | <b>Leasehold<br/>Land &amp;<br/>Buildings<br/>N'000</b> | <b>Computer<br/>Equipment<br/>N'000</b> | <b>Furniture<br/>&amp; Fittings<br/>N'000</b> | <b>Motor<br/>Vehicles<br/>N'000</b> | <b>Work In<br/>progress<br/>N'000</b> | <b>Total<br/>N'000</b> |
|------------------------|--|---|---|---|-------------------------------------|---------------------------------------|------------------------|
| <b>Cost</b>            |  |   |   |   |                                     |                                       |                        |
| At 1 May 2006          | 736,170  | 4,145,765   | 4,871,024                               | 414,470                                       | 1,823,632                           | 1,236,449                             | 13,227,510             |
| Additions              | 299,407  | 746,603   | 1,473,733                               | 148,489                                       | 968,900                             | 5,742,004                             | 9,379,136              |
| Reclassifications      | 104,298  | 596,413   | 18,000                                  | (23)  | -                                   | (718,688)                             | -                      |
| Disposals              | -  | -   | (29,043)                                | (16,915)                                      | (293,782)                           | -                                     | (339,740)              |
| At 30 April 2007       | <u>1,139,875</u>                                 | <u>5,488,781</u>  | <u>6,333,714</u>                        | <u>546,021</u>                                | <u>2,498,750</u>                    | <u>6,259,765</u>                      | <u>22,266,906</u>      |
| <b>Depreciation</b>    |  |   |   |   |                                     |                                       |                        |
| At 1 May 2005          | 518,859  | 231,349   | 3,066,365                               | 243,727                                       | 821,510                             | -                                     | 4,881,810              |
| Charge for the year    | 131,323  | 179,226   | 886,168                                 | 66,314  | 455,138                             | -                                     | 1,718,169              |
| Reclassifications      | (8,093)  | 8,121   | (189)                                   | 161   | -                                   | -                                     | -                      |
| Disposals              | -  | -   | (28,820)                                | (15,784)                                      | (241,253)                           | -                                     | (285,857)              |
| At 30 April 2006       | <u>642,089</u>                                   | <u>418,696</u>  | <u>3,923,524</u>                        | <u>294,418</u>                                | <u>1,035,395</u>                    | <u>-</u>                              | <u>6,314,122</u>       |
| <b>Net book amount</b> |  |   |   |   |                                     |                                       |                        |
| At 30 April 2007       | <u>497,786</u>                                   | <u>5,070,085</u>  | <u>2,410,190</u>                        | <u>251,603</u>                                | <u>1,463,355</u>                    | <u>6,259,765</u>                      | <u>15,952,784</u>      |
| At 30 April 2006       | <u>217,311</u>                                   | <u>3,914,416</u>  | <u>1,804,659</u>                        | <u>170,743</u>                                | <u>1,002,122</u>                    | <u>1,236,449</u>                      | <u>8,345,700</u>       |

Work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to other categories of property and equipment.

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|                                | Group<br>2007<br>N'000    | Group<br>2006<br>N'000    | Bank<br>2007<br>N'000     | Bank<br>2006<br>N'000     |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>20. Customer deposits</b>   |                           |                           |                           |                           |
| Demand                         | 117,589,359               | 65,595,353                | 114,518,310               | 63,461,494                |
| Time                           | 80,677,591                | 71,090,454                | 78,683,212                | 69,596,678                |
| Savings                        | <u>18,952,985</u>         | <u>11,876,989</u>         | <u>18,433,302</u>         | <u>11,511,512</u>         |
|                                | <u><b>217,219,935</b></u> | <u><b>148,562,796</b></u> | <u><b>211,634,824</b></u> | <u><b>144,569,684</b></u> |
| <i>Analysis by maturity</i>    |                           |                           |                           |                           |
| 0 - 30 days                    | 181,201,626               | 121,949,694               | 176,924,067               | 119,038,550               |
| 1-3 months                     | 24,496,236                | 13,802,647                | 23,983,171                | 13,199,468                |
| 3-6 months                     | 8,251,878                 | 8,275,018                 | 8,229,243                 | 8,232,772                 |
| 6-12 months                    | 3,250,960                 | 1,974,169                 | 2,491,431                 | 1,537,627                 |
| Over 12 months                 | <u>19,235</u>             | <u>2,561,268</u>          | <u>6,912</u>              | <u>2,561,267</u>          |
|                                | <u><b>217,219,935</b></u> | <u><b>148,562,796</b></u> | <u><b>211,634,824</b></u> | <u><b>144,569,684</b></u> |
| <b>21. Due to other banks</b>  |                           |                           |                           |                           |
| Items in course of collection  | 11,449,488                | 2,277,930                 | 11,110,646                | 2,180,353                 |
| Overnight borrowing            | 664,473                   | 157,830                   | -                         | -                         |
| Current balances with banks    | -                         | 319,369                   | -                         | 322,361                   |
| Short term borrowings          | <u>3,633,213</u>          | <u>-</u>                  | <u>3,633,213</u>          | <u>-</u>                  |
|                                | <u><b>15,747,174</b></u>  | <u><b>2,755,129</b></u>   | <u><b>14,743,859</b></u>  | <u><b>2,502,714</b></u>   |
| <b>22. Borrowings</b>          |                           |                           |                           |                           |
| Foreign financial institutions | 7,820,579                 | 4,570,382                 | 7,820,579                 | 4,570,383                 |
| Other                          | <u>-</u>                  | <u>4,345,540</u>          | <u>-</u>                  | <u>4,345,540</u>          |
|                                | <u><b>7,820,579</b></u>   | <u><b>8,915,922</b></u>   | <u><b>7,820,579</b></u>   | <u><b>8,915,923</b></u>   |

Borrowings include amounts from International Finance Corporation (IFC) and the European Investment Bank (EIB).

Other borrowings include foreign currency amounts from local non-financial institutions. The amount was repaid during the year

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|  | Group<br>2007<br>N'000 | Group<br>2006<br>N'000 | Bank<br>2007<br>N'000 | Bank<br>2006<br>N'000 |
|--|------------------------|------------------------|-----------------------|-----------------------|
| <b>23. Other liabilities</b>             |                        |                        |                       |                       |
| Customers' deposit for letters of credit | 9,267,065              | 11,726,843             | 9,267,065             | 11,726,843            |
| Due to clients                           | 549,104                | -                      | -                     | -                     |
| Subscription deposits for public offers  | 254,092                | 3,534                  | 92,372                | -                     |
| Interest payable                         | 1,148,290              | 517,411                | 1,153,978             | 517,411               |
| Accounts payable                         | 1,044,575              | 559,641                | 899,912               | 398,892               |
| Accrued expenses                         | 881,515                | 541,799                | 770,215               | 458,620               |
| Deposit for shares                       | 450                    | 450                    | -                     | -                     |
| Secured buy back takings (Note 18)       | 7,000,000              | 15,000,000             | 7,000,000             | 15,000,000            |
| Other                                    | 1,211,964              | 756,349                | 1,104,410             | 738,760               |
|  | <u>21,357,055</u>      | <u>29,106,027</u>      | <u>20,287,952</u>     | <u>28,840,526</u>     |

Due to clients are amounts payable to clients of the assets management arm of the Group and amounts due to insurance clients of the insurance brokerage arm of the Group.

### 24. Retirement benefit obligations

|                              |                |                  |                |                  |
|------------------------------|----------------|------------------|----------------|------------------|
| Defined contribution schemes | 654,058        | 661,285          | 649,544        | 658,324          |
| Defined gratuity scheme      | 333,564        | 394,047          | 333,564        | 394,047          |
|                              | <u>987,622</u> | <u>1,055,332</u> | <u>983,108</u> | <u>1,052,371</u> |

Movement in the liability recognised in the balance sheet:

#### a. Defined contribution schemes:

|                                     |                  |                |                  |                |
|-------------------------------------|------------------|----------------|------------------|----------------|
| At 1 May                            | 661,285          | 540,917        | 658,324          | 540,917        |
| Charge / contributions for the year | 857,920          | 120,580        | 208,450          | 117,619        |
| Contributions remitted              | <u>(865,147)</u> | <u>(212)</u>   | <u>(217,230)</u> | <u>(212)</u>   |
| At 30 April                         | <u>654,058</u>   | <u>661,285</u> | <u>649,544</u>   | <u>658,324</u> |

In line with the Pension Reform Act 2004, the Group and its employees make a maximum joint contribution of 15% of basic salary, housing and transport allowance to a pension fund. The contributions are periodically transferred to the Pension Fund Administrator (PFA) nominated by each employee.

#### b. Gratuity Scheme

|                           |                  |                  |                  |                  |
|---------------------------|------------------|------------------|------------------|------------------|
| At 1 May                  | 394,047          | 134,094          | 394,047          | 134,094          |
| Charge to profit and loss | 161,248          | 746,486          | 161,248          | 746,486          |
| Payments                  | <u>(221,731)</u> | <u>(486,533)</u> | <u>(221,731)</u> | <u>(486,533)</u> |
| At 30 April               | <u>333,564</u>   | <u>394,047</u>   | <u>333,564</u>   | <u>394,047</u>   |

The Bank has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum number of years are paid a sum based on their qualifying emoluments and the number of years of service spent in the Bank.

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|   | <b>Group<br/>2007<br/>N'000</b> | Group<br>2006<br>N'000 | <b>Bank<br/>2007<br/>N'000</b> | Bank<br>2006<br>N'000 |
|---|---------------------------------|------------------------|--------------------------------|-----------------------|
| <b>25. Minority interest</b>  |                                 |                        |                                |                       |
| At 1 May  | <b>183,429</b>                  | 146,569                | -                              | -                     |
| Issue of new shares   | -                               | 34,250                 | -                              | -                     |
| Adjustments to share of net assets  | <b>(1,704)</b>                  | -                      |                                |                       |
| Deemed cost of Group assuming minority interest in rights issue (Note 27) | -                               | 103                    | -                              | -                     |
| Transfer from profit and loss   | <b>31,203</b>                   | 16,614                 | -                              | -                     |
| Dividend  | -                               | (4,291)                | -                              | -                     |
| Transfer from exchange difference reserve                                 | <b>6,727</b>                    | (9,816)                | -                              | -                     |
|   | <b><u>219,655</u></b>           | <u>183,429</u>         | <u>-</u>                       | <u>-</u>              |

### 26. Share capital

#### i. *Authorised:*

|   | <b>N'000</b>            | N'000            | <b>N'000</b>            | N'000            |
|---|-------------------------|------------------|-------------------------|------------------|
| 14 billion (2006: 10 billion) ordinary shares of 50k each | <b><u>7,000,000</u></b> | <u>5,000,000</u> | <b><u>7,000,000</u></b> | <u>5,000,000</u> |

#### ii. *Issued and fully paid :*

|                              | <b>Number<br/>'000</b>  | <b>Group<br/>N'000</b>  | <b>Bank<br/>N'000</b>   |
|------------------------------|-------------------------|-------------------------|-------------------------|
| At 1 May 2005                | 6,075,214               | 3,037,607               | 3,037,607               |
| Issued during the year       | <u>1,528,394</u>        | <u>764,197</u>          | <u>764,197</u>          |
| At 30 April 2006/ 1 May 2006 | 7,603,608               | 3,801,804               | 3,801,804               |
| Issued during the year       | <u>1,796,306</u>        | <u>898,153</u>          | <u>898,153</u>          |
| At 30 April 2007             | <b><u>9,399,914</u></b> | <b><u>4,699,957</u></b> | <b><u>4,699,957</u></b> |

At the Extraordinary General Meeting (EGM) of 11 April 2007, members' approved the issue of up to 1,812,526,316 ordinary shares of 50k each at N9.50 per share to Actis Capital LLP. One application for 1,796,305,263 ordinary shares was received and allotted in full. The unallotted shares of 16,221,053 have reverted to the unissued capital of the Bank.

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 27. Reserves

| <b>Group</b>   | Share premium     | Special Reserve   | Statutory reserve | SSI reserve       | Translation reserve | Proposed Dividend | Retained earnings | Total             |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|  | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>        | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>      |
| At 1 May 2005  | 11,136,871        | -                 | 2,390,756         | 817,683           | 192,379             | -                 | 3,114,022         | 17,651,711        |
| Premium from public offer of shares                                | 10,426,889        | -                 | -                 | -                 | (39,268)            | -                 | -                 | 10,387,621        |
| Share issue expenses   | (780,911)         | -                 | -                 | -                 | -                   | -                 | -                 | (780,911)         |
| Cost of Group assuming minority interest in rights issue (Note 25) | -                 | -                 | -                 | -                 | -                   | -                 | (103)             | (103)             |
| Transfer from profit and loss account                              | -                 | -                 | 1,154,864         | 384,954           | -                   | -                 | 2,420,627         | 3,960,445         |
| At 30 April / 1 May 2006   | 20,782,849        | -                 | 3,545,620         | 1,202,637         | 153,111             | -                 | 5,534,546         | 31,218,763        |
| Transfer to special reserve account                                | (4,181,670)       | 4,181,670         | -                 | -                 | -                   | -                 | -                 | -                 |
| Adjustments to Group reserves                                      | -                 | -                 | -                 | -                 | -                   | -                 | (3,993)           | (3,993)           |
| Write-off of goodwill (Note 16)                                    | -                 | (4,181,670)       | -                 | -                 | -                   | -                 | -                 | (4,181,670)       |
| Premium on shares issued   | 16,166,748        | -                 | -                 | -                 | 26,909              | -                 | -                 | 16,193,657        |
| Share issue expenses   | (891,778)         | -                 | -                 | -                 | -                   | -                 | -                 | (891,778)         |
| Transfer from profit and loss account                              | -                 | -                 | 2,079,241         | 346,540           | -                   | 4,181,985         | 447,801           | 7,055,567         |
| At 30 April 2007   | <u>31,876,149</u> | <u>-</u>          | <u>5,624,861</u>  | <u>1,549,177</u>  | <u>180,020</u>      | <u>4,181,985</u>  | <u>5,978,354</u>  | <u>49,390,546</u> |
| <b>Bank</b>  |                   | Share premium     | Special reserve   | Statutory reserve | SSI reserve         | Proposed Dividend | Retained earnings | Total             |
|  |                   | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>        | <b>N'000</b>      | <b>N'000</b>      | <b>N'000</b>      |
| At 1 May 2005  |                   | 11,136,871        | -                 | 2,390,756         | 817,683             | -                 | 3,326,933         | 17,672,243        |
| Premium for public offer of shares                                 |                   | 10,426,889        | -                 | -                 | -                   | -                 | -                 | 10,426,889        |
| Share issue expenses   |                   | (780,911)         | -                 | -                 | -                   | -                 | -                 | (780,911)         |
| Transfer from profit and loss account                              |                   | -                 | -                 | 1,154,864         | 384,954             | -                 | 2,309,727         | 3,849,545         |
| At 30 April / 1 May 2006   |                   | 20,782,849        | -                 | 3,545,620         | 1,202,637           | -                 | 5,636,660         | 31,167,766        |
| Transfer to special reserve account                                |                   | (4,181,670)       | 4,181,670         | -                 | -                   | -                 | -                 | -                 |
| Premium on shares issued during the year                           |                   | 16,166,748        | -                 | -                 | -                   | -                 | -                 | 16,166,748        |
| Write-off of goodwill (Note 16)                                    |                   | -                 | (4,181,670)       | -                 | -                   | -                 | -                 | (4,181,670)       |
| Share issue expenses   |                   | (891,778)         | -                 | -                 | -                   | -                 | -                 | (891,778)         |
| Transfer from profit and loss account                              |                   | -                 | -                 | 2,079,241         | 346,540             | 4,181,985         | 322,988           | 6,930,754         |
| At 30 April 2007   |                   | <u>31,876,149</u> | <u>-</u>          | <u>5,624,861</u>  | <u>1,549,177</u>    | <u>4,181,985</u>  | <u>5,959,648</u>  | <u>49,191,820</u> |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 27. Reserves (continued)

At the Annual General Meeting (AGM) held on of 30 August 2006, the members approved the creation of a Special Reserve account out of the Share Premium account for the purpose of writing off the goodwill outstanding on the Bank's balance sheet as at 30 April 2006. The scheme was sanctioned by the Federal High Court on 8 November 2006 and consequently, N4.18 billion was transferred from the Share Premium account to the Special Reserve account. The goodwill balance as of 30 April 2006 was written off to the Special Reserve account. The scheme was approved by the Central Bank of Nigeria on 29 November 2006.

Nigerian banking regulations require the bank to make an annual appropriation to a statutory reserve. As stipulated by s16(1) of the Bank and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

The SSI reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax

The translation reserve is used to record exchange movements on the Group's net investment in foreign subsidiaries.

### 28. Dividend per share

At the Board of Directors meeting held on 27 June 2007, the board recommended a dividend of fifty five kobo (55k) per share for approval by the body of shareholders. All issued shares as at 30 April 2007 except for those issued during the year (1,796,305,263 ordinary shares) would rank for the proposed dividend.

Payment of dividends is subject to withholding tax at a rate of 5%.

### 29. Contingent liabilities and commitments

#### a. Legal proceedings

The bank has contingent liabilities in respect of ongoing legal proceedings amounting to N167million (2006:N881million). No provision has been made in these financial statements as the directors are of the opinion that no significant liability will eventuate.

#### b. Capital commitments

At the balance sheet date, the bank had capital commitments amounting to N2.2 billion (2006:N666 million) in respect of authorized and contracted capital projects.

#### c. Credit related commitments

In the normal course of business, the Bank is party to financial instruments with off-balance sheet risk. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

|  | <b>Group</b>             | Group             | <b>Bank</b>              | Bank              |
|--|--------------------------|-------------------|--------------------------|-------------------|
|  | <b>2007</b>              | 2006              | <b>2007</b>              | 2006              |
|  | <b>N'000</b>             | N'000             | <b>N'000</b>             | N'000             |
| Performance bonds and guarantees         | <b>48,633,271</b>        | 36,453,242        | <b>46,476,094</b>        | 36,453,242        |
| Confirmed and unfunded Letters of Credit | <b>18,412,345</b>        | -                 | <b>18,412,345</b>        | -                 |
| Guaranteed commercial papers             | <b>28,994,624</b>        | -                 | <b>28,994,624</b>        | -                 |
|  | <b><u>96,040,240</u></b> | <u>36,453,242</u> | <b><u>93,883,063</u></b> | <u>36,453,242</u> |

## DIAMOND BANK PLC

### Notes to the Consolidated Financial Statements For the year ended 30 April 2007

#### 30. Related party transactions

Included in loans and advances is an amount of N953 million (2006: N 3.16 billion) representing credit facilities to companies in which certain directors and shareholders have interests. These facilities were granted at rates and terms comparable to other facilities in the Bank's portfolio. The balances as at 30 April 2007 comprise:

See excel sheet

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

|  | <b>Group</b><br><b>2007</b> | Group<br>2006 | <b>Bank</b><br><b>2007</b> | Bank<br>2006 |
|--|-----------------------------|---------------|----------------------------|--------------|
|--|-----------------------------|---------------|----------------------------|--------------|

### 31. Employees and directors

#### a. Employees

The average number of persons employed by the Bank during the year was as follows:

|                     | <b>Number</b>       | Number       | <b>Number</b>       | Number       |
|---------------------|---------------------|--------------|---------------------|--------------|
| Executive directors | <b>6</b>            | 5            | <b>6</b>            | 5            |
| Management          | <b>315</b>          | 300          | <b>300</b>          | 281          |
| Non-management      | <b>2,114</b>        | 1,454        | <b>1,977</b>        | 1,346        |
|                     | <b><u>2,435</u></b> | <u>1,759</u> | <b><u>2,283</u></b> | <u>1,632</u> |

Compensation for the above staff (excluding executive directors):

|                          | <b>N'000</b>            | N'000            | <b>N'000</b>            | N'000            |
|--------------------------|-------------------------|------------------|-------------------------|------------------|
| Salaries and wages       | <b>6,772,765</b>        | 4,106,881        | <b>6,524,601</b>        | 3,883,504        |
| Retirement benefit costs | <b>265,851</b>          | 705,275          | <b>263,288</b>          | 702,314          |
|                          | <b><u>7,038,616</u></b> | <u>4,812,156</u> | <b><u>6,787,889</u></b> | <u>4,585,818</u> |

The number of employees of the Group, other than directors, who received more than N1,300,000 (excluding pension contributions and certain benefits) were:

|                        | <b>Number</b>       | Number       | <b>Number</b>       | Number       |
|------------------------|---------------------|--------------|---------------------|--------------|
| N1,300,001- N2,000,000 | <b>965</b>          | 196          | <b>850</b>          | 229          |
| N2,000,001- N2,800,000 | <b>24</b>           | 484          | -                   | 399          |
| N2,800,001- N3,500,000 | <b>650</b>          | 665          | <b>646</b>          | 96           |
| N3,500,001- N4,000,000 | <b>322</b>          | 123          | <b>321</b>          | 138          |
| N4,000,001- N5,500,000 | <b>254</b>          | 127          | <b>253</b>          | 67           |
| N5,500,001- N6,500,000 | <b>101</b>          | 72           | <b>98</b>           | 65           |
| N6,500,001- N7,800,000 | <b>55</b>           | 47           | <b>54</b>           | 23           |
| N7,800,001- N9,000,000 | <b>32</b>           | 16           | <b>29</b>           | 23           |
| N9,000,001- and above  | <b>35</b>           | 29           | <b>32</b>           | 14           |
|                        | <b><u>2,438</u></b> | <u>1,759</u> | <b><u>2,283</u></b> | <u>1,054</u> |

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

### 31. Employees and directors (continued)

#### b. Directors

Remuneration paid to the Bank's directors (excluding certain allowances) was:

|                             | <b>Group</b>   |                |
|-----------------------------|----------------|----------------|
|                             | <b>2007</b>    | 2006           |
|                             | <b>N'000</b>   | N'000          |
| Fees and sitting allowances | 45,389         | 16,667         |
| Executive compensation      | 76,226         | 67,457         |
| Other director expenses     | <u>23,691</u>  | <u>16,194</u>  |
|                             | 145,306        | 100,318        |
| Gratuity expense            | -              | <u>182,766</u> |
|                             | <u>145,306</u> | <u>283,084</u> |

Fees and other emoluments disclosed above include amounts paid to:

|                           | <b>Group</b>  |                |
|---------------------------|---------------|----------------|
|                           | <b>2007</b>   | 2006           |
|                           | <b>N'000</b>  | N'000          |
| The chairman              | <u>7,864</u>  | <u>200,784</u> |
| The highest paid director | <u>13,459</u> | <u>200,784</u> |

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefits) in the following ranges was:

|                         | <b>Group</b>  |           |
|-------------------------|---------------|-----------|
|                         | <b>2007</b>   | 2006      |
|                         | <b>Number</b> | Number    |
| Below N1,600,000        | 4             | 8         |
| N1,600,000 - N2,000,000 | -             | 3         |
| N2,000,001 - N2,900,000 | 1             | 1         |
| N2,900,001 - N3,400,000 | 3             | -         |
| N3,400,001 - and above  | <u>5</u>      | <u>5</u>  |
|                         | <u>13</u>     | <u>17</u> |

### 32. Compliance with banking regulations

The Bank did not contravene any regulation of the Banks and Other Financial Institutions Act 1991 or relevant circulars issued by the Central Bank of Nigeria.

### 33. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. The adjusted EPS is calculated using the number of shares in issue at the balance sheet date. Where a stock split has occurred, the number of shares in issue in the prior year is adjusted to achieve comparability

### 33. Earnings per share (continued)

# DIAMOND BANK PLC

## Notes to the Consolidated Financial Statements For the year ended 30 April 2007

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potential dilutive shares in 2007 (2006: nil)

|  | <b>Group</b>     | Group     | <b>Bank</b>      | Bank      |
|--|------------------|-----------|------------------|-----------|
|  | <b>2007</b>      | 2006      | <b>2007</b>      | 2006      |
| Net profit attributable to shareholders (N'000)                      | <b>7,055,567</b> | 3,960,445 | <b>6,930,754</b> | 3,849,544 |
| Number of ordinary shares in issue as at period end (thousands)      | <b>9,399,914</b> | 7,603,608 | <b>9,399,914</b> | 7,603,608 |
| Time weighted average number of ordinary shares in issue (thousands) | <b>7,753,300</b> | 6,724,678 | <b>7,753,300</b> | 6,724,678 |
| Basic earnings per share   | <b>91K</b>       | 59k       | <b>89K</b>       | 57k       |
| Adjusted earnings per share  | <b>75K</b>       | 42k       | <b>74K</b>       | 41k       |
| Diluted earnings per share   | <b>91K</b>       | 59k       | <b>89K</b>       | 57k       |

### 34. Acquisitions

In 2007 (28 February), the Bank acquired 95% of the ordinary equity in ADIC Insurance Limited (ADIC) and simultaneously subscribed fully to its portion of a rights issue by ADIC. The net assets acquired, purchase consideration and carrying amount of the investment are as shown below.

|   | <b>N'000</b>     |
|---|------------------|
| Total net assets                            | 5,485,991        |
| Minority share of net assets                | (274,300)        |
| Goodwill (arising on consolidation)         | 96,268           |
| Carrying amount of investment (Note 15)     | <u>5,307,959</u> |
| Purchase consideration (discharged by cash) | 593,750          |
| Cash subscription to ADIC rights issue      | <u>4,714,209</u> |
|   | <u>5,307,959</u> |

The Group also transferred fixed assets valued at N42.041 million in consideration for issue of additional shares. This is disclosed as part of other assets as no allotment of shares has been done.

*In October 2005, the Bank acquired Lion Bank Plc, the net assets acquired and purchase consideration are as shown below:*

|  | <b>N,000</b>     |
|--|------------------|
| Cash and short term funds (acquiree's previous carrying value: N2.3 billion)       | 2,279,591        |
| Loans and advances to customers (acquiree's previous carrying value: N8.7 billion) | 7,822,570        |
| Investment securities (acquiree's previous carrying value: N102 million)           | 102,000          |
| Other assets (acquiree's previous carrying value: N603 million)                    | 153,644          |
| Property and equipment (acquiree's previous carrying value: N2.2 billion)          | 3,251,545        |
| Customer deposits (acquiree's previous carrying value: N6.66 billion)              | (6,662,657)      |
| Other liabilities (acquiree's previous carrying value: N4.77 billion)              | (4,777,313)      |
| Goodwill (Note 16)   | 4,646,300        |
| <b>Total net assets recognized</b>   | <u>6,815,680</u> |
| Purchase consideration discharged by issue of shares (Note 26)                     | 6,510,000        |
| Direct costs of acquisition  | <u>305,680</u>   |
| <b>Total purchase consideration</b>  | <u>6,815,680</u> |

## DIAMOND BANK PLC

### Notes to the Consolidated Financial Statements For the year ended 30 April 2007

#### 35. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks, treasury bills and other eligible bills, operating account balances with other banks, amounts due from other banks and short-term government securities.

|   | <b>Group</b>              | Group             | <b>Bank</b>               | Bank              |
|---|---------------------------|-------------------|---------------------------|-------------------|
|   | <b>2007</b>               | 2006              | <b>2007</b>               | 2006              |
|   | <b>N'000</b>              | N'000             | <b>N'000</b>              | N'000             |
| Cash and balances with central banks (less restricted balances) | <b>73,395,154</b>         | 27,334,190        | <b>72,649,779</b>         | 26,174,163        |
| Treasury bills and eligible bills                               | <b>40,639,878</b>         | 46,564,573        | <b>40,518,896</b>         | 46,275,128        |
| Due from other banks  | <b>26,029,391</b>         | 21,610,952        | <b>25,055,982</b>         | 21,230,191        |
|   | <b><u>140,064,423</u></b> | <u>95,509,715</u> | <b><u>138,224,657</u></b> | <u>93,679,482</u> |

#### 36. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

# DIAMOND BANK PLC

## Statement of Value Added For the year ended 30 April 2007

|   | 2007                     |                   | 2006               |            |
|---|--------------------------|-------------------|--------------------|------------|
|   | N'000                    | %                 | N'000              | %          |
| <b>Group</b>  |                          |                   |                    |            |
| Gross income  | 39,483,628               |                   | 22,713,742         |            |
| Interest paid and loan losses                             | <u>(9,189,004)</u>       |                   | <u>(4,780,629)</u> |            |
|   | 30,294,624               |                   | 17,933,113         |            |
| Administrative overheads                                  | <u>(10,096,549)</u>      |                   | <u>(5,551,950)</u> |            |
| <b>Value added</b>  | <u><b>20,198,075</b></u> | <u><b>100</b></u> | <u>12,381,163</u>  | <u>100</u> |
| <b>Distribution</b>                                       |                          |                   |                    |            |
| <b>Employees</b>  |                          |                   |                    |            |
| - Salaries and benefits                                   | 7,183,922                | 35                | 5,095,240          | 41         |
| <b>Providers of funds</b>                                 |                          |                   |                    |            |
| - Dividend  | 4,181,985                | 21                | -                  | -          |
| <b>Government</b>   |                          |                   |                    |            |
| - Taxation  | 1,921,013                | 10                | 1,468,267          | 12         |
| <b>The future</b>   |                          |                   |                    |            |
| - Asset replacement (depreciation)                        | 1,766,175                | 9                 | 1,203,602          | 10         |
| - Asset replacement (goodwill amortisation)               | -                        | -                 | 464,630            | 4          |
| - Asset replacement (loan loss provision)                 | 2,240,195                | 11                | 172,365            | 1          |
| - Expansion (transfers to reserves and minority interest) | <u>2,904,785</u>         | <u>14</u>         | <u>3,977,059</u>   | <u>32</u>  |
|   | <u><b>20,198,075</b></u> | <u><b>100</b></u> | <u>12,381,163</u>  | <u>100</u> |

# DIAMOND BANK PLC

## Statement of Value Added For the year ended 30 April 2007

|   | <b>2007</b>              |                   | 2006                     |                   |
|---|--------------------------|-------------------|--------------------------|-------------------|
|   | <b>N'000</b>             | %                 | N'000                    | %                 |
| <b>Bank</b>                                 |                          |                   |                          |                   |
| Gross income                                | <b>38,524,708</b>        |                   | 21,730,219               |                   |
| Interest paid and loan losses               | <b>(9,057,389)</b>       |                   | <u>(4,485,682)</u>       |                   |
|   | <b>29,467,319</b>        |                   | 17,244,537               |                   |
| Administrative overheads                    | <b>(10,037,565)</b>      |                   | <u>(5,295,997)</u>       |                   |
| <b>Value added</b>                          | <b><u>19,429,754</u></b> | <b><u>100</u></b> | <b><u>11,948,540</u></b> |                   |
| <b>Distribution</b>                         |                          |                   |                          |                   |
| <b>Employees</b>                            |                          |                   |                          |                   |
| - Salaries and benefits                     | <b>6,933,195</b>         | <b>37</b>         | 4,868,902                | 41                |
| <b>Providers of funds</b>                   |                          |                   |                          |                   |
| - Dividend                                  | <b>4,181,985</b>         | <b>21</b>         | -                        | -                 |
| <b>Government</b>                           |                          |                   |                          |                   |
| - Taxation                                  | <b>1,862,021</b>         | <b>9</b>          | 1,442,649                | 12                |
| <b>The future</b>                           |                          |                   |                          |                   |
| - Asset replacement (depreciation)          | <b>1,718,169</b>         | <b>9</b>          | 1,160,705                | 10                |
| - Asset replacement (goodwill amortisation) | -                        | -                 | 464,630                  | 4                 |
| - Asset replacement (loan loss provision)   | <b>1,985,615</b>         | <b>10</b>         | 162,109                  | 1                 |
| - Expansion (transfers to reserves)         | <b>2,748,769</b>         | <b>14</b>         | <u>3,849,545</u>         | <u>32</u>         |
|   | <b><u>19,429,754</u></b> | <b><u>100</u></b> | <b><u>11,948,540</u></b> | <b><u>100</u></b> |

# DIAMOND BANK PLC

## Five year financial summary - Group

### Balance Sheet

|   | 2007               | 2006               | 2005               | 2004              | 2003              |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|
|   | N'000              | N'000              | N'000              | N'000             | N'000             |
| <b>Assets:</b>                          |                    |                    |                    |                   |                   |
| Cash and balances with central banks    | 80,659,459         | 32,226,993         | 13,527,808         | 7,298,906         | 13,324,913        |
| Treasury bills and other eligible bills | 40,639,878         | 46,564,573         | 34,757,534         | 16,559,441        | 15,471,013        |
| Due from other banks                    | 26,029,391         | 21,610,952         | 12,371,154         | 14,995,025        | 6,981,748         |
| Loans and advances to customers         | 100,930,514        | 80,560,478         | 42,573,403         | 20,780,201        | 15,487,200        |
| Advances under finance lease            | 8,050,730          | 4,090,171          | 2,058,486          | 2,083,438         | 2,178,289         |
| Other facilities                        | 7,742,372          | 4,524,679          | 6,641,390          | 5,024,092         | 2,814,818         |
| Investment securities                   | 10,367,747         | 3,598,750          | 1,556,786          | 1,108,826         | 794,624           |
| Investment in subsidiaries              | 8,307,959          | 2,050,000          | -                  | -                 | -                 |
| Goodwill                                | -                  | 4,181,670          | -                  | -                 | -                 |
| Deferred tax assets                     | 398,624            | 300,850            | 68,744             | 53,252            | 48,644            |
| Other assets                            | 21,061,757         | 19,651,319         | 13,722,743         | 2,001,351         | 1,646,184         |
| Property and equipment                  | 16,230,968         | 8,472,719          | 3,375,737          | 3,188,703         | 2,993,148         |
|   | <u>320,419,399</u> | <u>227,833,154</u> | <u>130,653,785</u> | <u>73,093,235</u> | <u>61,740,581</u> |
| <b>Financed by:</b>                     |                    |                    |                    |                   |                   |
| Share capital                           | 4,699,956          | 3,801,804          | 3,037,607          | 1,539,805         | 1,081,575         |
| Reserves                                | 49,390,546         | 31,218,763         | 17,651,709         | 5,163,864         | 3,956,136         |
| Minority interest                       | 219,655            | 183,429            | 146,569            | 138,980           | 104,456           |
| Customer deposits                       | 217,219,935        | 148,562,796        | 80,013,214         | 45,776,245        | 43,207,004        |
| Due to other banks                      | 15,747,174         | 2,755,129          | 1,473,449          | 1,110,386         | 1,056,363         |
| Borrowings                              | 7,820,579          | 8,915,922          | 6,708,476          | 7,466,632         | 7,321,171         |
| Current income tax                      | 1,657,950          | 1,306,125          | 896,734            | 213,204           | 97,736            |
| Dividend payable                        | -                  | -                  | -                  | 3,465             | 205,500           |
| Other liabilities                       | 21,357,055         | 29,106,027         | 19,565,823         | 11,165,649        | 4,351,182         |
| Deferred income tax liabilities         | 1,318,927          | 927,827            | 485,193            | 339,633           | 243,014           |
| Retirement benefit obligations          | 987,622            | 1,055,332          | 675,011            | 175,372           | 116,444           |
|   | <u>320,419,399</u> | <u>227,833,154</u> | <u>130,653,785</u> | <u>73,093,235</u> | <u>61,740,581</u> |
| Acceptances and guarantees              | <u>96,040,240</u>  | <u>36,453,242</u>  | <u>11,019,351</u>  | <u>15,192,667</u> | <u>20,576,024</u> |

## DIAMOND BANK PLC

### Five year financial summary - Group

|   | 2007                    | 2006                    | 2005                    | 2004                  | 2003                  |
|---|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
|   | N'000                   | N'000                   | N'000                   | N'000                 | N'000                 |
| Net operating income                                | 30,294,624              | 18,048,908              | 12,736,996              | 7,790,163             | 6,279,645             |
| Operating expenses                                  | (19,046,646)            | (12,315,422)            | (8,372,720)             | (6,207,034)           | (6,224,620)           |
| Provision for losses                                | <u>(2,240,195)</u>      | <u>(172,365)</u>        | <u>(849,959)</u>        | <u>(318,627)</u>      | <u>(7,792)</u>        |
| Profit before taxation                              | 9,007,783               | 5,445,326               | 3,514,317               | 1,264,502             | 47,233                |
| Taxation  | <u>(1,921,013)</u>      | <u>(1,468,267)</u>      | <u>(1,004,509)</u>      | <u>(361,091)</u>      | <u>(182,193)</u>      |
| Profit after taxation and before extraordinary item | 7,086,770               | 3,977,059               | 2,509,808               | 903,411               | (134,960)             |
| Extraordinary items                                 | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>              | <u>200,736</u>        |
| Profit after taxation and after extraordinary items | 7,086,770               | 3,977,059               | 2,509,808               | 903,411               | 65,776                |
| Minority Interest                                   | <u>(31,203)</u>         | <u>(16,614)</u>         | <u>469</u>              | <u>(19,997)</u>       | <u>49,487</u>         |
| Profit attributable to shareholders                 | <u><u>7,055,567</u></u> | <u><u>3,960,445</u></u> | <u><u>2,510,277</u></u> | <u><u>883,414</u></u> | <u><u>115,263</u></u> |
| <br>  |                         |                         |                         |                       |                       |
| Earnings per share (basic)                          | 91k                     | 59k                     | 59k                     | 29k                   | 11k                   |
| Earnings per share (diluted)                        | 91k                     | 59k                     | 59k                     | 29k                   | 11k                   |
| Earnings per share (adjusted)                       | 75k                     | 42k                     | 27k                     | 9k                    | 1k                    |

# DIAMOND BANK PLC

## Five year financial summary - Bank

### Balance Sheet

|  | 2007               | 2006               | 2005               | 2004              | 2003              |
|--|--------------------|--------------------|--------------------|-------------------|-------------------|
|  | N'000              | N'000              | N'000              | N'000             | N'000             |
| <b>Assets:</b>                                 |                    |                    |                    |                   |                   |
| Cash and balances with Central Bank of Nigeria | 78,928,707         | 31,066,966         | 11,258,118         | 7,070,236         | 12,276,192        |
| Treasury bills and other eligible bills        | 40,518,896         | 46,275,128         | 34,757,534         | 16,559,441        | 15,471,013        |
| Due from other banks                           | 25,055,982         | 21,230,190         | 11,504,726         | 13,779,714        | 6,653,816         |
| Loans and advances                             | 96,384,940         | 77,929,985         | 40,822,966         | 18,444,445        | 14,512,444        |
| Advances under finance lease                   | 8,050,730          | 4,090,171          | 2,058,486          | 2,083,438         | 2,178,289         |
| Other facilities                               | 7,742,372          | 4,524,679          | 6,641,390          | 5,024,092         | 2,814,818         |
| Investment securities                          | 9,989,680          | 3,037,391          | 1,417,522          | 883,482           | 612,999           |
| Investment in subsidiaries                     | 8,983,852          | 2,725,893          | 485,893            | 485,893           | 485,893           |
| Goodwill                                       | -                  | 4,181,670          | -                  | -                 | -                 |
| Deferred tax assets                            | 398,624            | 300,850            | 68,744             | 53,252            | 48,644            |
| Other assets                                   | 20,243,154         | 19,339,239         | 12,757,879         | 1,711,161         | 1,488,701         |
| Property and equipment                         | 15,952,784         | 8,345,700          | 3,221,699          | 3,019,777         | 2,801,227         |
|  | <u>312,249,721</u> | <u>223,047,862</u> | <u>124,994,957</u> | <u>69,114,931</u> | <u>59,344,036</u> |
| <b>Financed by:</b>                            |                    |                    |                    |                   |                   |
| Share capital                                  | 4,699,957          | 3,801,804          | 3,037,607          | 1,539,805         | 1,081,575         |
| Reserves                                       | 49,191,820         | 31,167,766         | 17,672,243         | 5,211,289         | 4,125,061         |
| Customer deposits                              | 211,634,824        | 144,569,685        | 74,776,559         | 42,280,363        | 41,090,814        |
| Due to other banks                             | 14,743,859         | 2,502,714          | 1,390,999          | 1,110,386         | 1,056,363         |
| Borrowings                                     | 7,820,579          | 8,915,922          | 6,708,476          | 7,466,632         | 7,321,171         |
| Current income tax                             | 1,568,695          | 1,269,247          | 890,371            | 890,371           | 85,437            |
| Dividend payable                               | -                  | -                  | -                  | 3,465             | 205,500           |
| Other liabilities                              | 20,287,952         | 28,840,526         | 19,358,498         | 10,097,615        | 4,018,657         |
| Deferred income tax liabilities                | 1,318,927          | 927,827            | 485,193            | 339,633           | 243,014           |
| Retirement benefit obligations                 | 983,108            | 1,052,371          | 675,011            | 175,372           | 116,444           |
|  | <u>312,249,721</u> | <u>223,047,862</u> | <u>124,994,957</u> | <u>69,114,931</u> | <u>59,344,036</u> |
| Acceptances and guarantees                     | <u>93,883,063</u>  | <u>36,453,242</u>  | <u>10,649,386</u>  | <u>14,148,143</u> | <u>19,705,472</u> |

## DIAMOND BANK PLC

### Five year financial summary - Bank

|   | 2007                    | 2006                    | 2005                    | 2004                  | 2003                  |
|---|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
|   | N'000                   | N'000                   | N'000                   | N'000                 | N'000                 |
| Net operating income                                | 29,467,319              | 17,360,333              | 12,153,812              | 7,364,164             | 6,073,270             |
| Operating expenses                                  | (18,688,929)            | (11,906,030)            | (7,876,222)             | (5,892,784)           | (5,751,861)           |
| Provision for losses                                | <u>(1,985,615)</u>      | <u>(162,109)</u>        | <u>(755,273)</u>        | <u>(309,634)</u>      | <u>(4,032)</u>        |
| Profit before taxation                              | 8,792,775               | 5,292,194               | 3,522,317               | 1,161,746             | 317,377               |
| Taxation  | <u>(1,862,021)</u>      | <u>(1,442,649)</u>      | <u>(995,765)</u>        | <u>(328,248)</u>      | <u>(172,264)</u>      |
| Profit after taxation and before extraordinary item | 6,930,754               | 3,849,545               | 2,526,552               | 833,498               | 145,113               |
| Extraordinary items                                 | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>              | <u>200,736</u>        |
| Profit after taxation and after extraordinary items | <u><u>6,930,754</u></u> | <u><u>3,849,545</u></u> | <u><u>2,526,552</u></u> | <u><u>833,498</u></u> | <u><u>345,849</u></u> |
| <br>  |                         |                         |                         |                       |                       |
| Earnings per share (basic)                          | 89k                     | 57k                     | 20k                     | 27k                   | 32k                   |
| Earnings per share (diluted)                        | 89k                     | 57k                     | 20k                     | 27k                   | 32k                   |
| Earnings per share (adjusted)                       | 74k                     | 41k                     | 27k                     | 9k                    | 4k                    |