

## NAIROBI SECURITIES EXCHANGE RELEASE

## DIAMOND TRUST BANK KENYA LIMITED

Group Results for the six months period ended 30th June 2017

## Consolidated statement of profit or loss

	Notes	30 June 2017 Shs '000	30 June 2016 Shs '000
Interest income		16,851,275	16,729,801
Interest expense		(7,357,449)	(7,161,738)
<b>Net interest income</b>		<b>9,493,826</b>	<b>9,568,063</b>
Net fee and commission income		1,623,847	1,513,173
Foreign exchange income		793,840	895,683
Other operating income		121,340	100,648
<b>Operating income</b>		<b>12,032,853</b>	<b>12,077,567</b>
Operating expenses		(5,279,977)	(4,630,116)
Impairment loss on loans and advances		(1,715,759)	(2,190,674)
<b>Profit from operations</b>		<b>5,037,117</b>	<b>5,256,777</b>
Share of results of associate after tax		8,430	3,158
<b>Profit before income tax</b>		<b>5,045,547</b>	<b>5,259,935</b>
Income tax expense		(1,633,072)	(1,638,066)
<b>Profit for the period</b>		<b>3,412,475</b>	<b>3,621,869</b>
<b>Profit attributable to:</b>			
Owners of the Bank		3,197,030	3,377,458
Non controlling interests		215,445	244,411
		<b>3,412,475</b>	<b>3,621,869</b>
<b>Earnings per share</b> (Shs per share)			
– basic and diluted	2	12.00	12.68

In line with the practice adopted in recent years, the directors do not propose the payment of an interim dividend.

By order of the Board

August 2017

Stephen Kodumbe  
Company Secretary

**DIAMOND TRUST BANK KENYA LIMITED**

**Consolidated statement of comprehensive income for the six months period ended 30th June 2017**

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>Shs '000</b>	<b>Shs '000</b>
<b>Profit for the period</b>	<b><u>3,412,475</u></b>	<b><u>3,621,869</u></b>
<b>Other comprehensive income</b>		
Exchange differences on translating foreign operations	(51,370)	(417,559)
	<u>                    </u>	<u>                    </u>
<b>Total comprehensive income for the year</b>	<b><u>3,361,105</u></b>	<b><u>3,204,310</u></b>
Total comprehensive income attributable to:		
Owners of the Bank	3,182,057	2,816,084
Non controlling interests	<u>179,048</u>	<u>388,226</u>
	<b><u>3,361,105</u></b>	<b><u>3,204,310</u></b>

**DIAMOND TRUST BANK KENYA LIMITED**

**Consolidated statement of financial position  
As at 30 June 2017**

	Notes	30 June 2017 Shs '000	30 June 2016 Shs '000	31 December 2016 Shs '000
<b>Assets</b>				
Cash and balances with Central Banks		26,918,524	25,946,967	27,480,328
Government securities		105,408,678	78,603,059	92,777,986
Deposits and balances due from banking institutions		5,310,901	7,076,838	7,611,137
Loans and advances to customers		191,469,262	178,526,591	186,303,191
Other assets		2,839,768	3,089,445	2,887,984
Intangible assets – software costs		1,249,179	1,163,075	1,283,008
Property and equipment		6,750,128	5,019,686	6,738,194
Intangible assets - goodwill		173,372	173,372	173,372
Current income tax receivable		911,353	162,557	121,468
Deferred income tax		2,644,539	2,133,069	2,639,217
Investment in associate		34,560	21,307	28,616
<b>Total assets</b>		<b>343,710,264</b>	<b>301,915,966</b>	<b>328,044,501</b>
<b>Liabilities</b>				
Customer deposits		256,338,364	216,114,485	238,103,640
Deposits and balances due to banking institutions		17,337,204	15,724,836	17,575,802
Other liabilities		4,332,464	4,033,919	3,730,847
Long-term borrowings	3	17,143,582	24,791,852	22,062,229
Deferred income tax liability		7,154	-	-
Current income tax payable		6,276	346,451	695,434
<b>Total liabilities</b>		<b>295,165,044</b>	<b>261,011,543</b>	<b>282,167,952</b>
<b>Shareholders' equity</b>				
Share capital		1,065,284	968,440	1,065,284
Share premium		7,294,767	7,294,767	7,294,767
Retained earnings		34,137,782	27,818,769	30,682,722
Other reserves		1,021,102	263,270	1,294,104
Proposed dividend		-	-	692,435
Equity attributable to owners of the bank		43,518,935	36,345,246	<b>41,029,312</b>
Non controlling interests		5,026,285	4,559,177	4,847,237
<b>Total equity</b>		<b>48,545,220</b>	<b>40,904,423</b>	<b>45,876,549</b>
<b>Total liabilities and shareholders' equity</b>		<b>343,710,264</b>	<b>301,915,966</b>	<b>328,044,501</b>

**DIAMOND TRUST BANK KENYA LIMITED**

**Consolidated statement of changes in equity  
for the six months period ended 30 June 2016**

	Notes									
	Share capital Shs '000	Share premium Shs '000	Other reserves Shs '000	Retained earnings Shs '000	Statutory loan loss reserve Shs '000	Proposed dividends Shs '000	Attributable to equity holders of the bank Shs '000	Non controlling interests Shs '000	Total Shs '000	
<b>Balance at 1 January 2016</b>	<b>968,440</b>	<b>7,294,767</b>	<b>(27,970)</b>	<b>25,293,925</b>	<b>-</b>	<b>605,275</b>	<b>34,134,437</b>	<b>4,170,951</b>	<b>38,305,388</b>	
<b>Comprehensive income</b>										
Profit for the period	-	-	-	3,377,458	-	-	3,377,458	244,411	3,621,869	
<i>Other comprehensive income</i>										
Transfer from other reserves	-	-	-	(852,614)	852,614	-	-	-	-	
Translation adjustment	(i)	-	(561,374)	-	-	-	(561,374)	143,815	(417,559)	
	-	-	<b>(561,374)</b>	<b>2,524,844</b>	<b>852,614</b>	<b>-</b>	<b>2,816,084</b>	<b>388,226</b>	<b>3,204,310</b>	
Dividends:	-	-	-	-	-	-	-	-	-	
- Final for 2015 paid	-	-	-	-	-	(605,275)	(605,275)	-	(605,275)	
<b>Balance at 30 June 2016</b>	<b>968,440</b>	<b>7,294,767</b>	<b>(589,344)</b>	<b>27,818,769</b>	<b>852,614</b>	<b>-</b>	<b>36,345,246</b>	<b>4,559,177</b>	<b>40,904,423</b>	

(i) The differences arise on translation of the net assets of the Group's foreign operations in Tanzania, Uganda and Burundi from their functional currency to the Group's presentation currency (Kenya shillings)

**DIAMOND TRUST BANK KENYA LIMITED**

**Consolidated statement of changes in equity  
for the six months period ended 30 June 2017**

Notes	Share capital Shs '000	Share premium Shs '000	Other reserves Shs '000	Retained earnings Shs '000	Statutory loan loss reserve Shs '000	Proposed dividends Shs '000	Attributable to equity holders of the bank Shs '000	Non controlling interests Shs '000	Total Shs '000
<b>Balance at 1 January 2017</b>	1,065,284	7,294,767	433,325	30,682,722	860,779	692,435	41,029,312	4,847,237	45,876,549
<b>Comprehensive income</b>									
Profit for the period	-	-	-	3,197,030	-	-	3,197,030	215,445	3,412,475
Other comprehensive income	-	-	-	258,029	(258,029)	-	-	-	-
Translation adjustment	(i)	-	(14,973)	-	-	-	(14,973)	(36,397)	(51,370)
			<b>(14,973)</b>	<b>3,455,059</b>	<b>(258,029)</b>	<b>-</b>	<b>3,182,057</b>	<b>179,048</b>	<b>3,361,105</b>
Dividends:									
- Final for 2016 paid	-	-	-	-	-	(692,435)	(692,435)	-	(692,435)
<b>Balance at 30 June 2017</b>	<b>1,065,284</b>	<b>7,294,767</b>	<b>418,352</b>	<b>34,137,781</b>	<b>602,750</b>	<b>-</b>	<b>43,518,934</b>	<b>5,026,285</b>	<b>48,545,219</b>

- (i) The differences arise on translation of the net assets of the Group's foreign operations in Tanzania, Uganda and Burundi from their functional currency to the Group's presentation currency (Kenya shillings)

**DIAMOND TRUST BANK KENYA LIMITED****Consolidated Statement of Cash Flows  
for the six months period ended 30 June 2017**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>Shs '000</b>	<b>Shs '000</b>
<b>Net cash generated from (used in) operating activities</b>	<u>6,050,043</u>	<u>(8,438,316)</u>
<b>Cash flows used in investing activities</b>		
Purchase of property, equipment and intangible assets	(594,287)	(545,228)
Proceeds on sale of property and equipment	1,446	481
Sale of investment	11,835	-
<b>Net cash used in investing activities</b>	<u>(581,006)</u>	<u>(544,747)</u>
<b>Cash flows used in financing activities</b>		
Proceeds from longterm borrowing	526,223	-
Repayment of longterm borrowing	(5,565,486)	(1,624,378)
Finance costs	(429,015)	(475,571)
Proceeds from right issue	-	244,178
Dividends paid to equity holders of the bank	(692,435)	(605,275)
Dividends paid to non controlling interests	(40,094)	(41,150)
<b>Net cash used in financing activities</b>	<u>(6,200,807)</u>	<u>(2,502,197)</u>
<b>Net decrease in cash and cash equivalents</b>	(731,770)	(11,485,259)
Cash and cash equivalents at start of the period	2,865,866	13,978,726
Translation difference	(249,119)	719,990
<b>Cash and cash equivalents at the end of period</b>	<u><b>1,884,997</b></u>	<u><b>3,213,457</b></u>

# DIAMOND TRUST BANK KENYA LIMITED

## Notes to the consolidated interim financial statements

### 1 Accounting policies

These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016.

These interim financial statements should be read in conjunction with the 2016 annual financial statements.

### 2 Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to shareholders of Shs 3,197,030 (2016: Shs 3,377,458) with the weighted number of ordinary shares issued as at 30 June 2017 of 266,321,115.

### 3 Long-term Borrowings

Long-term borrowings comprise of;

#### Diamond Trust Bank Kenya Limited

- Subordinated debt and senior loan facilities of US \$ 41.7 million and US \$ 3.5 million, respectively, raised from International Finance Corporation.
- Senior loan facilities of US \$ 27.2 million, US \$ 22.5 million and US \$ 5.0 million raised from Proparco, Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and Agence Française de Développement (AFD) respectively .
- Trade finance borrowing from ICICI Bank Limited of US\$ 28.3 million to finance trade transactions.

#### Diamond Trust Bank Uganda Limited

- Subordinated debt facilities raised from DEG and IFC with outstanding balance of US \$ 5.0 million each.
- Administered funds from Bank of Uganda with outstanding balance of Ushs 686 million and US\$ 7.5million senior loan from DEG).
- Senior loan facility of US \$ 5.0 million from AFD.

#### Diamond Trust Bank Tanzania Limited

- Subordinated debt facilities raised from DEG and IFC with outstanding balance of US \$ 7.5million and US \$ 5.0 million, respectively.

These notes bear interest at rates referenced to the six months Libor.

### 4 Contingent liabilities

Movement in contingent liabilities since 31 December 2016:

	31 December 2016 Shs '000	Net increase Shs '000	30 June 2017 Shs '000
Acceptances and letters of credit	10,634,012	3,784,099	14,418,111
Guarantee and performance bonds	14,242,777	941,997	15,184,774
	<b>24,876,789</b>	<b>4,726,096</b>	<b>29,602,885</b>