

DIAMOND TRUST BANK KENYA LIMITED 2019 ABRIDGED AUDITED GROUP AND BANK RESULTS

Summary of Statement of Financial Position

	Dec.2019 Shs 000	Dec.2018 Shs 000
ASSETS		
Cash and balances with Central Banks	27,218,903	37,716,947
Government securities	130,925,571	115,489,352
Deposits and balances due from banking institutions	8,320,531	14,162,442
Loans and advances to customers	199,089,371	193,074,357
Corporate bond - at amortised cost	18,029	43,359
Amounts due from group companies	-	-
Other assets	2,439,622	2,707,333
Intangible assets - software costs	1,421,566	1,230,071
Property and equipment	6,030,321	6,410,674
Intangible assets - goodwill	173,372	173,372
Right of use asset	3,430,300	-
Current income tax	851,554	1,470,570
Deferred income tax	4,726,025	3,379,287
Equity investment - at fair value through OCI	1,518,389	1,797,617
Investments in subsidiaries and associates	66,632	63,933
Total Assets	386,230,186	377,719,314

LIABILITIES		
Customer deposits	280,186,953	282,860,003
Deposits and balances due to banking institutions	22,453,859	17,143,207
Other liabilities	3,479,417	4,082,861
Borrowings	11,356,847	14,693,994
Lease liabilities	4,237,765	-
Total liabilities	321,714,841	318,780,065

SHAREHOLDERS' EQUITY

Share capital	1,118,409	1,118,409
Share premium	9,006,569	9,006,569
Retained earnings	47,483,370	42,070,633
Statutory loan loss reserve	1,062,649	890,768
Other reserves	(575,081)	(156,295)
Proposed dividend	754,926	726,966
Equity attributable to owners of the Bank	58,850,842	53,657,050
Non controlling interests	5,664,503	5,282,199
Total equity	64,515,345	58,939,249
Total liabilities and equity	386,230,186	377,719,314

Summary Statement of Comprehensive Income

Net interest income	20,078,388	21,009,651
Non-interest revenue	5,478,411	5,190,360
Total Income	25,556,799	26,200,011
Credit impairment charges	(1,024,594)	(2,708,503)
Income after impairment charges	24,532,205	23,491,508
Total operating expenses and finance costs	(13,269,291)	(12,491,236)
Profit before taxation	11,262,914	11,000,272
Income tax expense	(3,994,322)	(3,918,157)
Profit for the year	7,268,592	7,082,115
Other comprehensive income net of tax	(434,619)	(592,183)
Total comprehensive income	6,833,973	6,489,932
Total comprehensive income attributed to :	6,369,472	6,283,470
Equity holders of the parent	464,501	206,462
Non-controlling interests	6,833,973	6,489,932
Earnings per share - basic and diluted (in Shs):	24.27	23.91
Dividend per share	2.70	2.60

Summary Statement of Changes in Equity (Group)

	Share capital Shs 000	Share premium Shs 000	Revenue & other reserves Shs 000
At 1 January 2019	1,118,409	9,006,569	42,805,106
Adjustment on initial application of IFRS 16, net of tax	-	-	(448,714)
Restated balance	1,118,409	9,006,569	42,356,392
Total comprehensive income	-	-	6,369,472
Acquisition of interests from non controlling interests	-	-	-
Dividend paid	-	-	-
Proposed dividend	-	-	(754,926)
At 31 December 2019	1,118,409	9,006,569	47,970,938

Summary Statement of Changes in Equity (Bank)

At 1 January 2019	1,118,409	9,006,569	36,860,894
Adjustment on initial application of IFRS 16, net of tax	-	-	(364,916)
Restated balance	1,118,409	9,006,569	36,495,978
Total comprehensive income	-	-	5,380,422
Dividend paid	-	-	-
Proposed dividend	-	-	(754,926)
At 31 December 2019	1,118,409	9,006,569	41,121,474

Summary Statement of Cash Flows

	Dec.2019 Shs 000	Dec.2018 Shs 000
Cash flows (used in)/ generated from operating activities	(15,366,217)	25,087,389
Cash flows used in investing activities	(1,461,218)	(1,098,015)
Cash flows used in financing activities	(5,932,786)	(4,190,948)
Net (decrease)/(increase) in cash and cash equivalents	(22,760,221)	19,798,426
Cash and cash equivalents at start of year	21,375,217	2,789,926
Translation difference	(536,613)	(1,213,135)
Cash and cash equivalents at end of year	(1,921,617)	21,375,217

The above financial statements are extracts from the books of the institution as audited by KPMG Kenya and received unqualified opinion. They were approved by the Board of Directors on 18 March 2020, and signed on its behalf by:

Linus Gitahi Chairman	Nasim Devji Managing Director	Ismail Mawji Director	Stephen Kodumbe Company Secretary
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A full copy of the financial statements including explanatory notes are available from our website: www.dtbfrica.com

Summary of Statement of Financial Position

	Dec.2019 Shs 000	Dec.2018 Shs 000
ASSETS		
Cash and balances with Central Banks	18,238,378	27,363,599
Government securities	98,180,149	86,311,885
Deposits and balances due from banking institutions	1,557,300	2,685,708
Loans and advances to customers	149,501,314	146,781,681
Corporate bond - at amortised cost	-	-
Amounts due from group companies	-	-
Other assets	1,433,481	1,784,571
Intangible assets - software costs	1,114,729	982,437
Property and equipment	4,602,783	4,759,643
Intangible assets - goodwill	-	-
Right of use asset	1,919,046	-
Current income tax	140,488	922,872
Deferred income tax	3,297,177	2,372,988
Equity investment - at fair value through OCI	1,513,048	1,797,617
Investments in subsidiaries and associates	5,752,702	5,752,702
Total Assets	287,250,595	281,515,703

LIABILITIES		
Customer deposits	199,489,226	206,059,510
Deposits and balances due to banking institutions	21,549,148	14,724,330
Other liabilities	1,893,221	2,577,719
Borrowings	9,741,233	10,441,306
Lease liabilities	2,576,389	-
Total liabilities	235,249,217	233,802,865

Share capital	1,118,409	1,118,409
Share premium	9,006,569	9,006,569
Retained earnings	40,156,523	35,532,486
Statutory loan loss reserve	-	-
Other reserves	964,951	1,328,408
Proposed dividend	754,926	726,966
Equity attributable to owners of the Bank	52,001,378	47,712,838
Non controlling interests	-	-
Total equity	52,001,378	47,712,838
Total liabilities and equity	287,250,595	281,515,703

Net interest income	13,780,358	14,971,104
Non-interest revenue	3,185,925	3,032,112
Total Income	16,966,283	18,003,216
Credit impairment charges	42,257	(1,554,317)
Income after impairment charges	17,008,540	16,448,899
Total operating expenses and finance costs	(7,729,235)	(7,184,125)
Profit before taxation	9,279,305	9,264,774
Income tax expense	(3,564,314)	(3,477,858)
Profit for the year	5,714,991	5,786,916
Other comprehensive income net of tax	(334,569)	-
Total comprehensive income	5,380,422	5,786,916
Total comprehensive income attributed to :	5,380,422	5,786,916
Equity holders of the parent	-	-
Non-controlling interests	5,380,422	5,786,916

Earnings per share - basic and diluted (in Shs):	20.44	20.70
Dividend per share	2.70	2.60

Summary Directors Remuneration Report

During the year, the Bank paid Shs 131 million (2018: Shs 93 million) as directors emoluments.

Independent Auditor's Report on the Summary financial statements to the Shareholders of Diamond Trust Bank Kenya Limited

Opinion

The summary consolidated and separate financial statements, which comprise the summary Group and Bank statements of financial position at 31 December 2019, the summary Group and Bank statements of profit or loss and other comprehensive income, the summary Group and Bank statements of changes in equity and the summary Group and Bank statements of cash flows for the year then ended and the summary of the directors' remuneration report and notes, are derived from the audited consolidated and separate financial statements and directors' remuneration report of Diamond Trust Bank Kenya Limited (Group and Bank) for the year ended 31 December 2019 (together "the summary financial statements").

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements and directors' remuneration report respectively, in accordance with the Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements, directors' remuneration report and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The audited consolidated and separate financial statements, directors' remuneration report and our report thereon

We expressed an unmodified (unqualified) audit opinion on the audited consolidated and separate financial statements and directors' remuneration report in our report dated 18 March 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements and directors' remuneration report based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements

The Signing Partner responsible for the audit resulting in the independent auditor's report is CPA Joseph Kariuki – Practicing Number 2102.

KPMG Kenya

KPMG Kenya
Certified Public Accountants, Nairobi
P.O.Box 40612 - 00100
Nairobi
29 May 2020

Summary of Key Audit Matters

The key audit matters raised by the auditors were on:

- Impairment of loans and advances to customers.
- Information Technology (IT) systems and controls.



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