

Annual Report and Accounts 2006



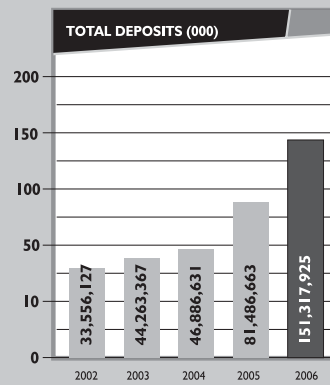
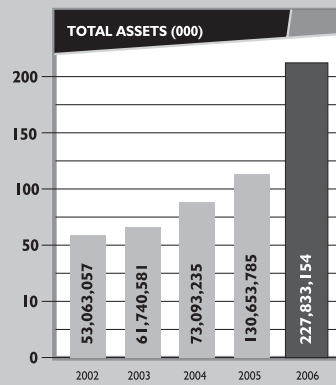
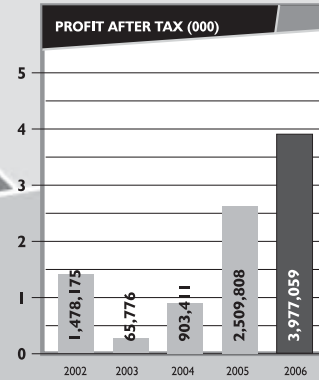
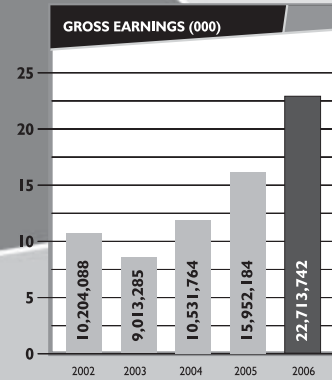
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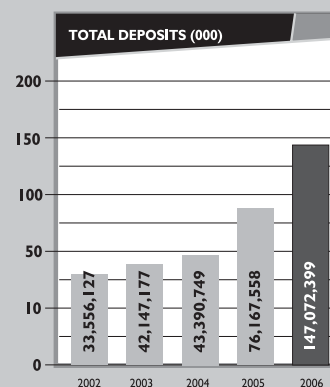
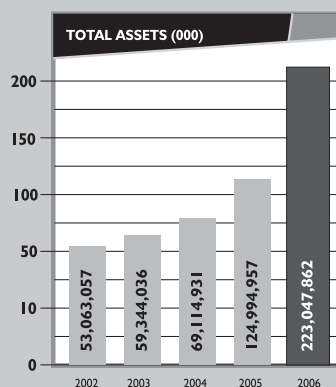
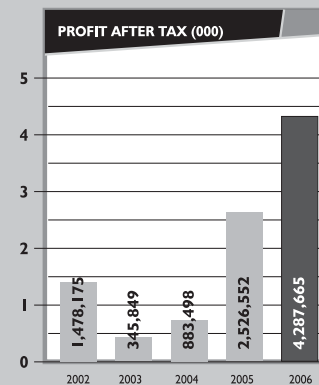
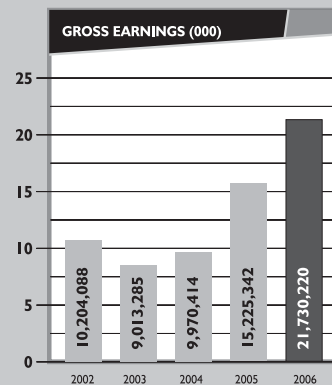


Result at a glance

Group



The Bank





Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of DIAMOND BANK PLC will be held at the Expo Hall of Eko Hotel & Suites, Adetokunbo Ademola Street, Victoria Island, Lagos State on the **30th day of August 2006 at 11 am prompt**, to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Report of the Directors, the Balance Sheet as at 30th April 2006, together with the Profit and Loss Account for the year ended on that date and Report of the Auditors thereon.
2. To re-elect/elect Directors
3. To authorise the Directors to fix the remuneration of the Auditors
4. To re-elect/elect the members of the Audit Committee.

SPECIAL BUSINESS

A. *To consider and if thought fit to pass the following as an ordinary resolution ;*

5. That the remuneration of Directors be and is hereby approved.

B. *To consider and if thought fit to pass the following special resolutions;*

6. (a) That subject to the sanction of the Federal High Court and the approval of the regulatory authorities, the share premium of N6,090,000,000.00 (Six Billion and Ninety Million Naira) arising from the acquisition of the former Lion Bank of Nigeria Plc by the Bank be reduced by the sum of N4,181,670,000.00 (Four Billion, One Hundred and Eighty One Million, Six Hundred and Seventy Thousand Naira) by creating a Special Reserve Account of N4,181,670,000.00 (Four Billion, One Hundred and Eighty One Million, Six Hundred and Seventy Thousand Naira) for the purpose of writing off the goodwill created by the afore-mentioned acquisition.

(b) That the Directors be and are hereby authorised to use the Special Reserve Account thus created in writing off the goodwill of N4,181,670,000.00 (Four Billion, One Hundred and Eighty One Million, Six Hundred and Seventy Thousand Naira) that has arisen from the acquisition of the former Lion Bank of Nigeria Plc by the Bank.
7. That Clause 103 of the Articles of Association be amended to read as follows: "The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit. The Directors may also appoint any other persons to act as an Assistant Secretary on such terms and with such powers as the Directors may resolve and any Secretary or Assistant Secretary so appointed may (subject to the provisions of any agreement between the said Secretary and the Company) be removed"
8. That a new Clause 98 be inserted in the Articles of Association as follows: "It shall be permissible for the Directors to hold a meeting by Teleconference and any resolution arrived thereat shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held"



Notice of Annual General Meeting

NOTES

1. Proxy

A member of the Company entitled to attend and vote at any Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar of the Company, Diamond Securities Limited, 16 Norman Williams Street, South West Ikoyi, Lagos not less than 48 hours before the time fixed for the meeting.

2. Closure of Register

The Register of Members and the Transfer Books will be closed from August 14, 2006 to August 21, 2006 (both dates inclusive) for the purpose of updating the Register.

3. Audit Committee

In accordance with Section 359 (5) of the Companies and Allied Matters Act, 1990, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

The Central Bank of Nigeria in its Code of Corporate Governance for Banks stipulate that some members of the Audit Committee should be knowledgeable in internal control process, accounting and financial matters.

Dated this 31st day of July, 2006

BY ORDER OF THE BOARD

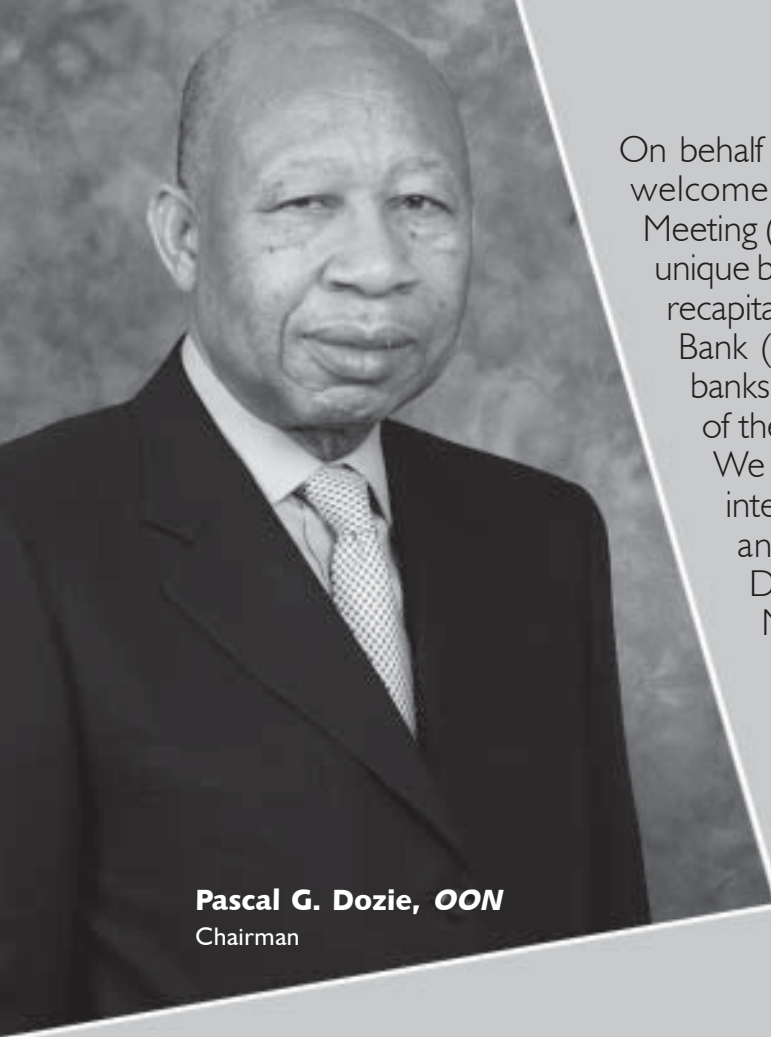
Nkechi Nwosu

Company Secretary/
Legal Adviser





Chairman's Statement



Pascal G. Dozie, OON
Chairman

On behalf of the Board of Directors, I am pleased to welcome you all to this Fifteenth Annual General Meeting (AGM) of our Bank. This year's AGM is quite unique because this is the very first AGM post-industry recapitalisation and consolidation. The fact that our Bank (together with Lion Bank) is one of the 25 banks that survived the exercise gives an indication of the quality of the institution that we have built. We accomplished an effective and seamless integration of the information systems, people and processes of the both Lion Bank and Diamond Bank in record time. In fact, since November 15 2005, our combined Bank has been operating on a single technology platform (Flexcube) and serving all customers on-line, real-time from all our branches across the country.

This AGM is also the first I will chair after my retirement as the Chief Executive Officer of our Bank. Some of you here will recall that at the last AGM, I announced my decision to retire as the Chief Executive Officer by end-2005 and introduced the new Management Team. I then expressed my confidence in the ability of the Team, led by Mr. Emeka Onwuka as Managing Director/Chief Executive Officer, to successfully pilot the affairs of our Bank post-consolidation. Today, I am happy to affirm that my confidence in them is not misplaced as the Team has taken giant strides that will rapidly bring about the realization of the benefits of our recapitalization and consolidation.

Before I present the financial performance of our Bank for the year ended April 30 2006, let me quickly review some major events and developments in our operating environment which impacted on our business during the year.

Operating Environment

Despite higher oil prices and natural disasters, worldwide economic growth continued to surpass expectations. The factors that fuelled the expansion include rising global industrial production which picked up markedly from mid-2005; the resilient services sector; unprecedented



Chairman's Statement (cont'd)

global trade growth; strengthening consumer confidence and labour market conditions; increasing demand from some emerging countries, especially China and India; and forward-looking indicators, notably business confidence. Oil prices were increasingly driven by future supply side worries - occasioned by natural disasters, wave of violence especially in the Middle East and oil producing communities in Nigeria; and rising demand. Futures markets suggest prices will remain close to current levels for the foreseeable future.

Economic growth in sub-Saharan Africa is estimated at 5.5 per cent in 2005 and projected to rise to 5.8 per cent in 2006 - highest in three decades. Although the upward

2005, representing an increase of 27.5 per cent. The level of reserves could finance 23 months of imports. Favourable crude oil prices at the international market helped to shore up the nation's external reserves and, by extension, the stability of the Naira exchange rate.

The Nigerian socio-economic environment still posed some constraints to economic activities in the areas of infrastructure development, especially power, water supply and transportation. These constraints are receiving the desired attention of the Government. It is my hope that the actions being taken in this direction would be fast-tracked and implemented in a manner that would minimise the associated business costs and risks. This

I am pleased to report significant progress in the Bank's performance, despite the fact that a lot of management's efforts were devoted to consolidation and integration issues during the year. The volume of our business as reflected in gross earnings (GE) increased by 42 per cent to N22.7 billion during the year while the profit before taxation (PBT) increased by 55 per cent to N5.4 billion.

trend in growth is encouraging, the achievement of the Millennium Development Goals (MDGs) remains far off. African countries must continue to strengthen their policies and institutions while the international community must be fully committed to debt relief, favourable terms of trade and other areas of support for Africa if substantial progress is to be recorded.

Due to robust expansion in both the oil and non-oil sectors, the Nigeria's Gross Domestic Product (GDP) growth rate stood at about 5.6 per cent in 2005. Crude oil remains the main growth driver for the economy. The telecommunications sector is also emerging very strongly in recent years. To further drive developments in the sector, the government recently introduced a unified licensing framework for all operators. The nation's external reserves at end of first quarter 2006 amounted to \$36.07 billion, up from \$28.28 billion at end-December

way, Nigeria would fully utilize the tremendous opportunities it has currently, to put itself on a rapid and sustained growth-path.

The first phase of the Nigerian banking industry reform, focusing on the industry recapitalization and consolidation was completed by the end of 2005. As a consequence of the reforms, the banking industry landscape has changed radically as the number of players collapsed from 89 to 25 banks. At the expiration of the deadline given for the exercise, the CBN revoked the licenses of 14 banks that failed to meet the minimum capital requirement of N25 billion either individually or through mergers and acquisition.

Operating Results

I am pleased to report significant progress in the Bank's performance, despite the fact that a lot of management's



Chairman's Statement (cont'd)

efforts were devoted to consolidation and integration issues during the year. The volume of our business as reflected in gross earnings (GE) increased by 42 per cent to N22.7 billion during the year while the profit before taxation (PBT) increased by 55 per cent to N5.4 billion. The higher percentage increase in PBT compared to GE is an indication of improvement in efficiency, considering the shrinking interest margin and consolidation/integration costs incurred during the period. The Bank's operating expenses actually increased by 38 per cent, which is less than the percentage increase in gross earnings. We expect that the Bank will continue to record greater efficiency gains in the years ahead. The profit after taxation (PAT), attributable to the Group, recorded an increase of 58 per cent to N3.96 billion. This gives an earning per share of 59k compared to 57k per share of last year.

At last year's AGM, shareholders agreed with the Board's recommendation that the profit be retained towards meeting the minimum capitalization requirement. Unexpectedly, we found ourselves in a position where we cannot again pay dividend for the year ended. This is because the Central Bank of Nigeria (CBN) did not approve the payment of dividends for the year in line with the provision of the Banks and Other Financial Institutions Act, 1991 (BOFIA). Section 17 of BOFIA states that a bank shall not pay dividend until it has written off the value of intangible assets (including goodwill) from its books. We have outstanding goodwill valued at N4.2 billion in our books, as a result of the consolidation with the former Lion Bank. It is pertinent to mention that this is an industry problem as it affects banks that were involved in merger or acquisition during the industry consolidation exercise. However, rather than amortise the goodwill over 5 years as allowed by accounting

Our Bank's performance reflects a focused approach to cost control, risk management, and business generation, combined with good execution of a well thought out strategy on the part of both the Management and the entire staff.

Our balance sheet also grew significantly as total assets rose by 74 per cent to N227.8 billion. The major items responsible for the growth are customer deposits and shareholders' funds which increased by 86 per cent to N148.6 billion and 58 per cent to N32.7 billion respectively. It is noteworthy that our existing subsidiaries, i.e. Diamond du Benin, S.A. and Diamond Securities Limited made material contributions to the results. Both subsidiaries contributed N4.8 billion, N4.0 billion, N969.8 million and N153.1 million to the Group's total assets, deposits, gross earnings and PBT respectively. Management is taking steps to improve the performance of these subsidiaries. In addition, the investment in selected growth financial services segments during the year should improve our business and earning mix over time.

standards, the Bank will write-off all outstanding goodwill in its books within the current financial year such that shareholders will be adequately compensated for the foregone dividends.

Staff

Our Bank's performance reflects a focused approach to cost control, risk management, and business generation, combined with good execution of a well thought out strategy on the part of both the Management and the entire staff. May I therefore thank the Management and staff for their contribution towards the progress recorded during the last financial year. The energy, passion, commitment, innovativeness and enterprise of the management team and all our employees are central to the success recorded thus far.



Chairman's Statement (cont'd)

The Board will continue to focus on policies that will enhance investment in staff, thereby strengthening the Bank's performance. The development of tomorrow's management talent and, indeed, the development of all the Bank's employees to enable them to accomplish their full potential will continue to be our top priority.

The Board

Subsequent to the recapitalization and consolidation, our Bank's Board was reconstituted. As a result, Professor Anya O. Anya, Senator Venmark Dangin and Professor T.A.J. Ogunbiyi retired from the Board. On behalf on all the shareholders, I want to express our profound appreciation to these gentlemen for their invaluable contribution to the development of the Bank from inception. The sound Board decisions that made the Bank a leading institution in the banking industry today drew a lot from their wealth of experience and business acumen. It is my prayer that God will grant them success in all their future endeavours.

In view of the current status of our Bank, five new non-executive members were appointed to the Board. They are Dr. Olubola A. Hassan, Lt. General Jeremiah T. Useni (Rtd.), Air Vice Marshal Ishaya A. Shekarri (Rtd.), His Royal Majesty Obi Nnaemeka A. U. Achebe and Mr. Chris I. Ogbechie. Considering the depth and breadth of knowledge and experience that these eminent Nigerians are bringing to the Board, I sincerely believe that our Bank is set on the path of rapid and rewarding growth.

In addition, the Board appointed Oladele Akinyemi as Executive Director (Operations and Technology Services) with effect from August 1, 2006. This appointment was informed by his contribution to the Bank's growth and the Board's confidence in his ability to continue to effectively drive the customer service and information technology needs of the rapidly growing Diamond Bank.

Future Outlook

For the first time, the nation received favourable credit risk rating from reputable international agencies, i.e. Fitch and Standard & Poor's. Both agencies forecast a stable outlook for the Nigerian economy based on the Government's ongoing reforms and debt relief granted by the Paris Club of creditors. Fitch's "BB-" rating puts the Nigerian economy in the same category as Brazil, Indonesia, the Philippines, Ukraine and Venezuela. The ratings and forecast should boost investors' confidence in the Nigerian economy and improve private sector's access to the international capital market.

Given the positive developments in the Nigerian economy, I remain highly optimistic about the outlook for our businesses. The disciplined implementation of the Bank's business strategy has delivered consistent progress and created a strong platform for the future. I remain confident that our highly skilled and dedicated workforce will grasp the unfolding opportunities to deliver impressive results. The staff are equipped to leverage on the Bank's strengths, expand its services and grow client relationships to create value for all our stakeholders.

Conclusion

We have created a highly successful and sustainable business, committed to delivering excellent service to customers, providing career development opportunities for employees, building value for shareholders and supporting the community. I assure you all, especially the Board members that retired recently, that the current Board and Management will continue to build on this legacy.

On behalf of the board and shareholders, I want to specially express our appreciation to our numerous customers who have remained loyal to the Bank, be they of the old Lion Bank or Diamond Bank. We remain committed to providing value adding, innovative and world class products and services to meet their business and personal financial services needs. The Bank is deepening and broadening its capability to meet all their financial services more efficiently and satisfactorily. I therefore look forward to their continued and increasing patronage.

Finally, I thank all shareholders for their confidence in the Bank. The members of Board need your whole-hearted support and encouragement. I want to say that the Bank has settled fully to business following the completion of the recapitalisation and consolidation exercises. The Bank would therefore rapidly increase returns on investment going forward.

As we look forward to a brighter future for the Bank, may the good Lord bless each and every one of us.

Pascal G. Dozie, OON
Chairman



Chief Executive Officer's Review



Emeka Onwuka
Managing Director/CEO

It is with pleasure that I present this review of our operations for the financial year ended April 30, 2006. It is indeed the maiden presentation of the stewardship of my Management Team, as this marks our first year in office. May I first acknowledge the wonderful tutelage of our able Chairman during the transition period, especially for the first eight months of the financial year before his retirement in December 2005. It is our prayer that the Almighty God will grant him long life and sound health such that we can continue to benefit from his wealth of knowledge and experience.

Performance

The Bank recorded good performance with the year's net profit up 58 per cent on the previous year. This demonstrates the robustness of our strategy in identifying and exploiting business opportunities. It also reflects the strength and depth of our management team and staff; as well as emphasizes our focus on growing the top line, our caution on risk, our rigor on capital allocation, and our decisiveness on costs. We would continue to sharpen our skills in these areas to continue to improve performance and returns to our shareholders.

The thrust of our medium term strategy is to be a dominant player in the commercial and consumer sectors and a major player in the corporate sector, as well as establish

respectable presence in the emerging non-banking financial services sectors. The past year has seen a major transformation in Diamond Bank Plc as a result of implementation of this strategy.

Investing in Retail Banking

We brought an innovation into retail banking with the establishment of Diamond *Minis* (more of customer service outlets) to support our main branches in bringing our excellent services closer to the customer. The Minis are cost-effective channels, fashioned after retail shops to which the target customers are accustomed. The setting and layout are such that allow more of self service with ATMs and internet points. Indeed, we are focused on expanding the frontier of retail banking in Nigeria by



Chief Executive Officer's Review

developing more innovative retail banking framework and providing tailor-made solutions to micro and small scale enterprises. Our approach to this market segment will make us a pacesetter in effectively extending services to the un-banked and under-banked in the rural and urban areas.

We also introduced new saving and credit products, including DiamondXpress Account, Diamond Advance and Diamond Lease to complement our bouquet of products directed at meeting personal banking needs. By harnessing technological advances, we provide our customers with superior services, personalized and consistent experience, and greater accessibility through

enlarged opportunities for rapid growth of customer base/business and enhanced our capability to deliver added value to our customers. Given our focus on retail banking, our personal accounts grew by 228 per cent from 106,265 to 346,505 during the year. Lion Bank accounted for 136,426 of the total accounts or 56 per cent of the growth. The merger also enhanced our national coverage given Lion Bank's relatively stronger presence in some regions of the country, especially the Middle Belt.

Investing in Our People

The rapid expansion of our bank, which was further accentuated by the consolidation with Lion Bank Plc came

Against the backdrop of the rapidly growing business and customer base resulting from both capital injection and the merger with Lion Bank, we are paying particular attention to staff development and customer satisfaction to bring about the full realization of the benefits of growth.

Diamond Online (Internet banking), Any Time Money (ATM services), and Diamond Mobile (SMS Banking).

Growing Oil & Gas Business

During the year, we took a strategic step to strengthen our presence and relevance in the oil and gas sector. We restructured our Oil & Gas Group into three business lines, i.e. Upstream/Power, Downstream/Refineries, and Services/Shipping to challenge the Group to focus more on deepening and growing relationships with the major local and foreign operators. The new structure is reinforcing our understanding of the requirements of this market segment and supporting our development of competence to provide solutions to them. Given our strength in the market segment, the structure has set the stage for a rapid increase in our oil and gas business.

Merger/Integration With Lion Bank

Lion Bank came as a strategic fit into our focus on retail banking, given its 22 branches, goodwill in the marketplace and focus on the middle and retail markets. The merger increased our competitive advantage,

with staffing challenges. The consolidation resulted in the transition of 209 former Lion Bank staff into the Diamond Bank branches and Head Office units. Moreover, through aggressive recruitment strategy and competitive remuneration, the Bank was able to attract capable and dependable hands in addition to young, promising fresh graduates to meet staffing needs. The Bank's training policy of 40 man-hours per staff was aggressively pursued and surpassed. This ensured that the critical skills requirements were addressed to equip each staff for optimal productivity. Our approach to people development and work environment is to ensure that staff excel in their own business units and also work collaboratively for the success of the Bank as a whole.

Enhancing Customer Satisfaction

Against the backdrop of the rapidly growing business and customer base resulting from both capital injection and the merger with Lion Bank, we are paying particular attention to staff development and customer satisfaction to bring about the full realization of the benefits of growth. Although we have made progress in this area, we still



Chief Executive Officer's Review (cont'd)

have a great deal to do. While motivating the staff to give their best in customer service delivery, our Bank has engaged "mystery shopper" services in addition to customer feedback mechanism to monitor the results and reinforce our culture of excellence in customer service delivery. The Bank will continue to strengthen the bond between it and customers in terms of providing innovative, value-adding products and services to propel the realization of their growth potential at every stage of development. By so doing, our Bank would entrench itself on an impressive and sustainable growth-path.

Investing in Our Communities

At Diamond Bank, we are clear about our responsibilities not just to our customers and shareholders, but also to our communities. Our investment in the communities extends beyond the funding of projects and initiatives to rendering a helping hand in the transformation of the lives of citizens. In this regard, the Bank took its Free Eye

life to the bright ideas and entrepreneurship of citizens, and providing life-changing banking solutions for them. Through the campaign, we have created a brand identity that captures the essence of our Bank as an institution with grounded flexibility to support the development and growth of every segment of our society. The Bank decided to adopt this exciting approach because it is indeed the way to the future both from a business point of view and from the stand point of national development and economic growth. By the campaign, the Bank has taken a position of pre-eminence in the movement toward the advancement of the enterprise culture in Nigeria.

We added a new piece - The Arrive Alive Road Safety Initiative - to Diamond Bank's long term corporate social responsibility mission in February 2006 when the Bank joined Chevron Nigeria Limited and 6 other companies to form the Nigerian arm of the Chevron International's worldwide road safety initiative. In the wake of the

Our investment in the communities extends beyond the funding of projects and initiatives to rendering a helping hand in the transformation of the lives of citizens. We launched our bright ideas campaign in November 2005 to re-emphasize the Bank's commitment to giving life to the bright ideas and entrepreneurship of citizens, and providing life-changing banking solutions for them.

Expedition to Damaturu, Yobe State, in October 2005. For the sixth year, our Bank has made it an obligation to help eliminate all forms of avoidable blindness. In the area of education and youth development, the Bank fared well within the year. Of particular mention is our sponsorship of the maiden edition of The West Africa Universities Games (WUGA) hosted by the University of Lagos. The underlying objective is to direct the energy of youths to positive social activities, thereby reducing delinquency and their involvement in societal ills.

We launched our bright ideas campaign in November 2005 to re-emphasize the Bank's commitment to giving

prediction by experts that Road Traffic Accidents will be the third leading worldwide cause of death and injury by 2020, the Bank realizes the need for concerted community efforts to minimise this scourge. The Initiative will focus on enlightening the community on the dangers of careless road usage and safety techniques, thereby reducing road safety risks and the costs associated with motor vehicle crashes. It also has a component of education and training targeted at ensuring that our children grow up with an awareness of road safety and the ability to effect a change in road safety behaviour as they become road users.



Chief Executive Officer's Review (cont'd)

Investing in New Businesses

In line with our universal banking licence, the Bank has positioned to exploit the emerging opportunities by setting up or acquiring complementary financial institutions. The subsidiaries will enable the Bank exploit the vistas of non-bank financial services opportunities opened up by the implementation of the economic reform agenda of the present government. To make a difference in providing value-added custody services within the new pension fund scheme arrangement, we established *Diamond Pension Fund Custodian Limited (Diamond PFC Ltd.)*. We acquired Dominion Building Society Limited, to be re-branded *Diamond Mortgages Limited*, as a window for playing actively in the promising mortgage industry. We recently completed the acquisition of an insurance company that will bring about the debut of *Diamond Insurance* to exploit the opportunities provided by the Insurance Act 2003 among others. These subsidiaries will enable the Bank grow and diversify its income base in this era of shrinking margin on fund-based banking activities.

Investing Outside Nigeria

As a first step in establishing physical presence beyond the shores of Nigeria, we currently have a bank subsidiary in the Republic of Benin that is *Diamond Bank, S.A., Benin*. We intend to leverage on this franchise to establish presence in other Francophone West African countries that we consider attractive. We also intend to explore opportunities in some Anglophone West African countries and other selected African countries. The region present an opportunity for us to offer our innovative products to new markets in the retail, commercial, corporate and investment banking, thereby increasing our Bank's

earnings and profitability. Over time, we will go beyond the strengthening of our correspondent banking relationships to establishing physical presence in America and Europe to enhance our services to our numerous and ever increasing international banking customers.

Outlook/Conclusion

The Nigerian economy is in a recovery mode and consequently, strategic business opportunities to grow revenue and profitability will continue to present themselves. We have positioned ourselves to proactively identify and take advantage of the opportunities as they emerge. Looking into the new financial year, we see opportunities for growth in many of our business segments and subsidiaries. The businesses being developed also have very promising potentials. More importantly, we are optimistic that the Bank has the strategy and people to achieve optimum results.

With the assured support of the Board, we are set for good times ahead. We believe that we would receive the support of shareholders as well, especially during this gestation period of their investments. I can assure you that the Bank will continue to record increasing returns on investment.

I thank you for your support.

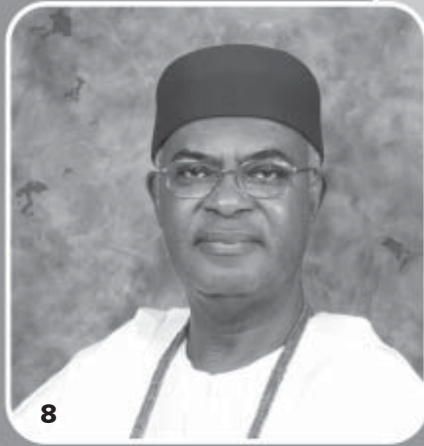
Emeka Onwuka
Managing Director/CEO



Board of Directors



- | | | | |
|---|---------------------|---|---|
| 1 | Pascal G. Dozie OON | - | Chairman |
| 2 | Emeka Onwuka | - | Managing Director/Chief Executive Officer |
| 3 | Ohis Ohiwerei | - | Executive Director/Chief Financial Officer |
| 4 | U. K. Eke | - | Executive Director - Commercial Banking |
| 5 | Yerima Ngama | - | Executive Director - Public Sector |
| 6 | Uzoma Dozie | - | Executive Director - Personal Banking |
| 7 | Oladele Akinyemi | - | Executive Director - Operations and Technology Services |



- | | | | |
|----|--|---|----------|
| 8 | HRM. Igwe Nnaemeka Alfred Ugochukwu Achebe, Obi of Onitsha | - | Director |
| 9 | Lt. General Jeremiaah Timbut Useni (Rtd) | - | Director |
| 10 | Mr. Chris Ogbechie | - | Director |
| 11 | Engr. Michael Ufoeze | - | Director |
| 12 | Dr. Olubola Adekunle Hassan | - | Director |
| 13 | AVM Ishaya Aboi Shekarri (Rtd) OON | - | Director |
| 14 | Mazi Clement Onwunna MFR | - | Director |



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Management Team

- 1 Victor Ezenwoko
- 2 Caroline Anyanwu
- 3 Nkechi Nwosu
- 4 Humphrey Akachukwu
- 5 Akin Pearce
- 6 Millicent Nwaogu
- 7 Premier Oiwoh
- 8 Lizzy Osunde
- 9 Reginald Akujobi-Roberts
- 10 Charles Nkata
- 11 Eunice Williams



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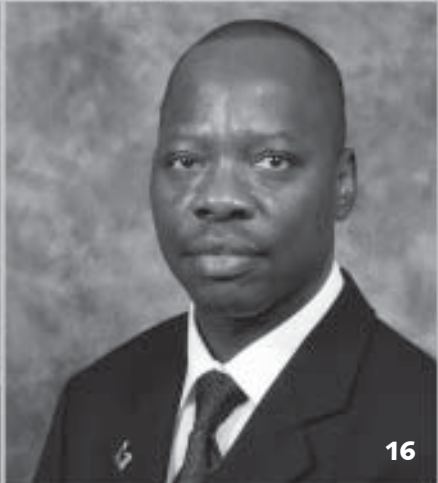
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- 12 John Ayuba
- 13 Obinna Uruakpa
- 14 Agnes Fasehun
- 15 Benson Oraelosi
- 16 Yomi Olorungbeja
- 17 Chris Ofikulu
- 18 Ben Ihekire
- 19 Anya Duroha
- 20 Chizoma Okoli
- 21 Tunde Owolabi
- 22 Kola Olawuyi





Directors' Report

For the Year Ended 30 April 2006

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, 2006.

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, money market activities.

The Bank is wholly owned by Nigerian citizens and institutional investors. It has four subsidiaries namely Diamond Bank du Benin S.A (80%) Diamond Securities Limited (79.7%), Diamond Pension Fund Custodian Limited (100%) and Diamond Mortgages Limited (100%). The bank prepares consolidated financial statements. However, Diamond Pension Fund Custodian Limited and Diamond Mortgages Limited were not consolidated during the year.

Gross earnings and profit before tax of the group increased by 42.3% and 54.9% respectively. The directors affirm that the Bank is strategically poised for continued growth and development.

b. Operating Results

Highlights of the Group's operating results for the year under review are as follows:

	2006 N'000	2005 N'000
Profit before taxation	5,445,326	3,514,317
Taxation	(1,468,267)	(1,004,509)
Profit after taxation	3,977,059	2,509,808
Minority Interest	(16,614)	469
Profit attributable to the group	3,960,445	2,510,277
Transfer to statutory reserve	(1,154,863)	(757,966)
Transfer to small scale industries reserve	(384,954)	(252,655)
Transfer to general reserve	2,420,628	1,499,656

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:

	Number of 50k Ordinary Shares Held 30-04-2006	Number of 50k Ordinary Shares Held 30-04-2005
Mr. Pascal G. Dozie OON (Chairman)	463,353,364	462,353,364
Mr. Emeka Onwuka (Managing Director / Chief Executive Officer)	14,701,819	14,701,819
Mr. Ohis Ohiwerei	11,007,829	11,007,829
Mr. Urum Kalu Eke	8,318,305	8,818,305
Mr. Uzoma Dozie	13,795,189	13,795,189
Dr. Yerima Ngama	3,447,145	3,447,145
Mr. Oladele Akinyemi (Appointed 01/08/2006)	1,333,333	0
Engineer Michael I Ufoeze	295,238,686	308,054,186
Mazi Clement Owunna MFR	0	242,391,570
Professor Theophilus A. Ogunbiyi (Retired 06/09/05)	48,328,748	48,328,748
Professor Anya O. Anya OFR (Retired 06/09/05)	18,016,602	18,016,602
Senator Venmark K. Dangin (Retired 06/09/05)	17,339,991	17,050,478
Mr. Chris Ogbechie	12,199,821	12,999,144
Lt. General Jeremiah Timbut Useni (Rtd)	6,065,733	0
Avm Ishaya Aboi Shekarri (Rtd), OON	65,154,510	0
His Royal Majesty Igwe Nnaemeka Alfred Ugochukwu Achebe, The Obi Of Onitsha	150,000	0
Dr. Olubola Adekunle Hassan	4,000,000	0
Dr. A. B. C. Orjiako (Resigned)	0	0

The following Directors have retired:

Professor Theophilus A. Ogunbiyi, Professor Anya O. Anya and Senator Venmark K. Dangin.



Directors' Report (cont'd)
For the Year Ended 30 April 2006

The Directors to retire by rotation at the next Annual General Meeting (AGM) are:

Mr. Pascal G. Dozie, Engineer Michael I. Ufoeze, Mazi Clement Owunna, Mr. Emeka Onwuka and Mr. Ohis Ohiwerei, who being eligible, offer themselves for re-election.

d. Shareholding Analysis

The shareholding pattern of the Bank as at 30 April 2006 is as stated below:

Share Range	No. of		% of	
	Shareholders	Shareholders	Holdings	Shareholders
10,000 - 50,000	95,369	95.81	495,459,307	6.52
50,001 - 100,000	2,217	2.23	185,051,175	2.43
100,001 - 500,000	1,539	1.55	352,479,615	4.64
500,001 - 1,000,000	210	0.21	171,808,277	2.26
1,000,001 - 5,000,000	105	0.11	241,871,184	3.18
5,000,001 - 10,000,000	24	0.02	165,235,401	2.17
10,000,001 - 50,000,000	50	0.05	1,252,913,789	16.48
50,000,001 - 100,000,000	13	0.01	900,116,793	11.84
100,000,001 - 1,000,000,000	15	0.02	3,233,192,308	42.52
1,000,000,001 - 8,000,000,000	1	0.00	605,480,302	7.96
TOTAL	99,543	100.00	7,603,608,151	100.00

e. Fixed Assets

Information relating to changes in tangible fixed assets is given in Note 21 to the financial statements.

f. Charitable Contributions

The Bank made contributions to charitable and non-political organisations amounting to N75,473,859 (2005: N9,983,062) 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 the training is arranged. It is the policy of the Bank that the training, career development and promotions of disabled persons should as far as possible, be identical with those of other employees. During the year under review, the Bank had one disabled person in its employment.

h. Health, Safety and Welfare at Work

The Bank's employees are adequately insured against occupational hazards. In addition, medical facilities at 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 of the bank

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

Registered Office
 Plot 1261, Adeola Hopewell Street
 Victoria Island
 Lagos

Nkechi Nwosu
 Company Secretary
 19 June, 2006



Report of the Audit Committee

In accordance with the provisions of the Section 359(6) 01 the Companies and Allied Matters Act, Cap.C20 Laws of the federation of Nigeria, 2.004, we, the Members of the Audit Committee of the Board of Directors of Diamond Bank Plc, having carried out our statutory functions under the Act with the co-operation of management and staff, hereby report that :

1. the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices;
2. the scope and planning of both the external and internal audit programmes for the year ended 30 April, 2006 were satisfactory and reinforce the Group's Internal control system :
3. having reviewed the external auditors findings and recommendations on the management matters, we are satisfied with management responses thereon.

In addition to the foregoing, we have complied with the provisions of the Central Bank of Nigeria Circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirm that an aggregate amount of N 3.16 billion was outstanding as at 30 April 2000.

Senator V. K. Dangin
Chairman, Audit Committee

19 June, 2006

Members of the Audit Committee are:

Senator Venmark K. Dangin	Chairman
Chief James Okiti	Member
Chief Lambert Mmecha	Member
Dr. Olubola Hassan	Member
Dr. A.B.C. Orjiako	Member (resigned)
Lt. General Jeremiah Useni (Rtd)	Member

In attendance

Ms. Nkechi Nwosu	Secretary
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Report of the Independent Auditors

To The Members of Diamond Bank Plc.

Report on financial statements

We have audited the consolidated financial statements of Diamond Bank Plc. ("the Bank") and its subsidiaries (together "the Group") for the year ended 30 April 2006."

Respective Responsibilities of Directors and Auditors

The directors are responsible for the preparation of the financial statements, Our responsibility is to express an independent opinion on the financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing, Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an 'examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purposes of our audit and we believe our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of account have been kept and the financial statements, give a true and fair view of the state of the financial affairs of the group and the bank at 30 April 2006 and of the profit and cash flows of the group and the bank for the year then ended in accordance with Nigerian Accounting Standards and comply with the Banks and Other Financial Institutions Act 1991 and the Companies and Allied Matters Act 1990. The financial statements of the bank are in agreement with the books of account.

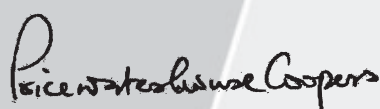
Report on compliance with banking regulations

We confirm that our examination of advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

To the best of our knowledge, the bank did not contravene the regulations of the Banks and Other Financial Institutions Act 1991.

Related party transactions and balances are disclosed in Note 31 to the financial statements in accordance with Central Bank of Nigeria Circular BSD/1/2004.

On the basis of our audit, the bank has complied with the requirements of the relevant Central Bank of Nigeria Circulars.



Chartered Accountants
Lagos



22 June 2006



Statement of Directors' Responsibilities

Responsibility for annual financial statements

The Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991, requires 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:

- (a) 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.
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and 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,

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 and the requirements of the Companies and Allied Matters Act 1990.

- 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 or loss 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.

Pascal G. Dozie
(Chairman)

Ohis Ohiwerei
(Executive Director/CFO)



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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 reserve

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 income statement as part of the gain or loss on sale.



Statement of Significant Accounting Policies (cont'd)

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.

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:

Interest and/or Principal outstanding for over:	Classification:	Provision:
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

Investment securities comprise equity and debt securities which the bank intends to hold until maturity and are stated at cost as adjusted for the amortisation of premiums or discounts on purchases over the period to maturity. 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. All property, plant 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 income statement during the financial period in which they are incurred.

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.



Statement of Significant Accounting Policies (cont'd)

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 of 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.

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.

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



Statement of Significant Accounting Policies (cont'd)

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 Company's directors.

p. Off-balance sheet transactions

Contingent liabilities arising from 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. Commissions on these transactions are recognised as earned on issuance of the bond or guarantee.

Consolidated profit and loss account

For the year ended 30 April 2006

		GROUP	GROUP	BANK	BANK
		2006	2005	2006	2005
	Note	N'000	N'000	N'000	N'000
Interest income	2	14,854,421	10,387,781	14,399,831	10,010,042
Interest expense	3	(4,612,455)	(3,214,548)	(4,321,400)	(3,070,890)
<i>Net interest income</i>		10,241,966	7,173,233	10,078,431	6,939,152
Fee and commission income		7,278,646	5,174,515	6,805,772	4,957,650
Fee and commission expense		(52,379)	(640)	(48,487)	(640)
<i>Net fee and commission income</i>		7,226,267	5,173,875	6,757,285	4,957,010
Foreign exchange income		480,634	278,925	457,230	207,090
Trading Income		13,731	-	-	-
Dividend income		21,582	35,354	12,197	14,660
Other operating income		64,728	75,609	55,190	35,900
<i>Operating income</i>		18,048,908	12,736,996	17,360,333	12,153,812
Operating expenses	4	(12,431,217)	(8,372,720)	(11,906,030)	(7,876,222)
Provision for losses	11	(172,365)	(849,959)	(162,109)	(755,273)
Profit before taxation		5,445,326	3,514,317	5,292,194	3,522,317
Taxation	5	(1,468,267)	(1,004,509)	(1,442,649)	(995,765)
Profit after taxation		3,977,059	2,509,808	3,849,545	2,526,552
Minority interest	25	(16,614)	469	-	-
Profit attributable to the group		3,960,445	2,510,277	3,849,545	2,526,552
Transfer to statutory reserve		(1,154,863)	(757,966)	(1,154,863)	(757,966)
Transfer to reserve for small and medium enterprises		(384,954)	(252,655)	(384,954)	(252,655)
Transfer to retained earnings reserve		2,420,628	1,499,656	2,309,728	1,515,931
Earnings per share (basic)	32	59k	59k	57k	20k
Earnings per share (diluted)	32	59k	59k	57k	20k


The notes on pages 27 to 52 form an integral part of these financial statements.

Consolidated balance sheet

As at 30 April 2006

		GROUP	GROUP	BANK	BANK
		2006	2005	2006	2005
	Note	N'000	N'000	N'000	N'000
Assets					
Cash and balances with central banks	6	32,226,993	13,527,808	31,066,966	11,258,118
Treasury bills and other eligible bills	7	46,564,573	34,757,534	46,275,128	34,757,534
Due from other banks	8	21,610,952	12,371,154	21,230,191	11,504,726
Loans and advances to customers	9	80,560,478	42,573,403	77,929,985	40,822,966
Advances under finance lease	12	4,090,171	2,058,486	4,090,171	2,058,486
Other facilities	13	4,524,679	6,641,390	4,524,679	6,641,390
Investment securities	14	3,598,750	1,556,786	3,037,391	1,417,522
Investment in subsidiaries	15	2,050,000	-	2,725,893	485,893
Goodwill	16	4,181,670	-	4,181,670	-
Deferred tax assets	17	300,850	68,744	300,850	68,744
Other assets	18	19,651,319	13,722,743	19,339,238	12,757,879
Property and equipment	19	8,472,719	3,375,737	8,345,700	3,221,699
Total assets		227,833,154	130,653,785	223,047,862	124,994,957
Liabilities					
Customer deposits	20	148,562,796	80,013,214	144,569,685	74,776,559
Due to other banks	21	2,755,129	1,473,449	2,502,714	1,390,999
Borrowings	22	8,915,922	6,708,476	8,915,922	6,708,476
Current income tax	5	1,306,125	896,734	1,269,247	890,371
Other liabilities	23	29,106,027	19,565,823	28,840,526	19,358,498
Deferred income tax liabilities	17	927,827	485,193	927,827	485,193
Retirement benefit obligations	24	1,055,332	675,011	1,052,371	675,011
		192,629,158	109,817,900	188,078,292	104,285,107
Minority Interest	25	183,429	146,569	-	-
Equity					
Share capital	26	3,801,804	3,037,607	3,801,804	3,037,607
Share premium	27	20,782,849	11,136,871	20,782,849	11,136,871
Retained earnings	27	5,534,545	3,114,020	5,636,661	3,326,933
Other reserves	27	4,901,369	3,400,818	4,748,256	3,208,439
		35,020,567	20,689,316	34,969,570	20,709,850
Liabilities and equity		227,833,154	130,653,785	223,047,862	124,994,957
Acceptances and guarantees	28	36,453,242	11,019,351	36,453,242	10,649,386

The financial statements and notes on pages 8 to 23 were approved by the Board of Directors on 7 June 2005 and signed on its behalf by:


Pascal G. Dozie
 (Chairman)


Ohis Ohiwerei
 (Executive Director/CFO)

The notes on pages 27 to 52 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
Note				
Interest and discount received	14,458,533	10,206,897	14,012,769	9,834,862
Interest payments	(4,439,292)	(2,870,300)	(4,148,237)	(2,726,642)
Fee and commission received	7,278,646	5,174,515	6,805,772	4,957,650
Fee and commission paid	52,379)	(640)	(48,487)	(640)
Dividend income received	21,582	35,354	12,197	14,660
Other income received	559,093	354,534	512,420	242,990
Cash payments to employees and suppliers	(11,564,612)	(7,246,560)	(11,098,066)	(6,863,182)
Cash payments to retired employees	24 (486,533)	(419,232)	(486,533)	(419,232)
Income taxes paid	(863,634)	(190,911)	(868,531)	(164,879)
Cash flows from operating profits before changes in operating assets and liabilities:	4,911,404	5,043,657	4,693,304	4,875,587
(Increase)/decrease in operating assets:				
- Cash reserve balances	3,466,725	(7,216,134)	2,642,904	(6,392,313)
- Escrow balances with central banks	(1,143,394)	-	(1,143,394)	-
- Loans and advances, net of loans in acquiree (Note 34)	(30,213,717)	(22,545,714)	(29,327,599)	(22,305,193)
- Other facilities	2,138,092	(1,633,635)	2,138,092	(1,633,635)
- Advances under finance leases	(2,033,452)	29,454	(2,033,452)	29,454
- Short term investment securities	(409,177)	81,814	-	-
- Treasury bills held under repurchase agreements	(4,500,000)	(10,500,000)	(4,500,000)	(10,500,000)
- Accounts receivables, net of sundry receivables in acquiree (Note 34)	377,816	(767,912)	(381,208)	(869,735)
	(32,317,107)	(42,552,127)	(32,604,657)	(41,671,422)
Increase/(decrease) in operating liabilities:				
- Customer deposits, net of deposits in acquiree (Note 34)	61,886,925	33,516,085	63,130,469	31,775,311
- Due to other banks	1,281,680	367,931	1,111,715	330,980
- Customers' deposit for letters of credit liability for treasury bills under repurchase agreements	5,108,750	(1,621,812)	5,108,751	(1,621,812)
- Other liabilities, net of sundry liabilities in acquiree (Note 34)	4,500,000	10,500,000	4,500,000	10,500,000
- Other liabilities, net of sundry liabilities in acquiree (Note 34)	(4,418,339)	(113,296)	(4,365,430)	24,484
- Deposit for shares	(308,528)	288,449	(304,731)	288,449
	68,050,488	42,937,357	69,180,774	41,297,412
Net cash generated from operating activities	40,644,785	5,428,887	41,269,421	4,501,577

Consolidated cash flow statement (Cont'd)

For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
Note				
Financing activities				
Dividend paid to group shareholders	-	(234,436)	-	(234,436)
Dividend paid to minority shareholders in subsidiaries	25 (4,291)	-	-	-
Repayment of borrowings	(1,587,553)	(758,157)	(1,587,553)	(758,157)
Proceeds of new borrowings	3,795,000	-	3,795,000	-
Proceeds from issue of shares to minority shareholders in subsidiaries	25 34,250	-	-	-
Net proceeds from issue of shares, less value of shares issued in exchange for net assets of acquiree (Note 34)	26 3,900,175	11,663,175	3,900,175	11,663,175
Net cash from financing activities	6,137,581	10,670,582	6,107,622	10,670,582
Investing activities				
Purchase of long term investment securities, net of investments in acquiree (Note 34)	14 (1,570,787)	(477,087)	(1,557,869)	(384,040)
Redemption of long term bonds	14 40,000	90,739	40,000	-
Additional investment in subsidiaries	15 (2,050,000)	-	(2,240,000)	-
Purchase of property and equipment, net of property and equipment in acquiree (Note 34)	19 (3,118,756)	(1,172,579)	(3,073,328)	(1,079,587)
Cash in acquiree, net of cash paid to advisers	34 1,973,911	-	1,973,911	-
Proceeds from sale of property and equipment	46,469	10,142	31,660	10,142
Net cash from investing activities	(4,679,163)	(1,548,785)	(4,825,626)	(1,453,485)
Effect of exchange rate changes on cash and cash equivalents	(33,850)	36,306	-	-
Increase in cash and cash equivalents	42,069,353	14,586,990	42,551,417	13,718,674
Analysis of changes in cash and cash equivalents				
Balance as at 1 May	53,440,362	38,853,372	51,128,065	37,409,391
Balance as at 30 April	35 95,509,715	53,440,362	93,679,482	51,128,065
Increase in cash and cash equivalents	42,069,353	14,586,990	42,551,417	13,718,674

The notes on pages 27 to 52 form an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 April 2006

1 General information

Diamond Bank Plc (the Bank) was incorporated in Nigeria on 20 December 1990 under the Companies & Allied Matters Act 1990 as a private limited liability company. 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.

As a result of the new capital requirement for banks in Nigeria and the need to accommodate more than 50 shareholders, the Bank converted to a public liability company on 28 January 2005.

The Bank is wholly owned by Nigerian citizens and institutional investors. It has four subsidiaries namely Diamond Bank du Benin S.A (80%) Diamond Securities Limited (79.7%), Diamond Pension Fund Custodian Limited (100%) and Diamond Mortgages Limited (100%). The bank prepares consolidated financial statements. However, Diamond Pension Fund Custodian Limited and Diamond Mortgages Limited were not consolidated during the year (see note 16). Diamond Securities Limited has two wholly owned subsidiaries - Lynac Securities Limited and DBLS Insurance Brokers Limited. Diamond Securities Limited prepares consolidated financial statements which is consolidated with the bank.

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
Placements and short-term funds	817,093	585,386	808,429	513,458
Treasury bills and investment securities	2,267,785	2,616,681	2,241,665	2,616,681
Loans and advances	11,330,923	6,774,320	10,911,117	6,468,509
Advances under finance leases	438,620	411,394	438,620	411,394
	14,854,421	10,387,781	14,399,831	10,010,042

3 Interest expense

Inter-bank takings	273,011	34,212	117,148	4,947
Current accounts	181,401	195,669	164,583	178,414
Time deposits	2,368,016	1,950,241	2,278,484	1,860,959
Other deposit accounts	1,777,827	1,031,126	1,748,985	1,023,270
Borrowed funds	12,200	3,300	12,200	3,300
	4,612,455	3,214,548	4,321,400	3,070,890

Interest expense paid outside Nigeria amounted to N12.2million (2005:N3.3million).

4 Operating expenses

Staff costs (note 30)	4,812,156	3,423,308	4,585,819	3,206,835
Amortisation of goodwill (note 16)	464,630	-	464,630	-
Depreciation (note 19)	1,203,602	995,065	1,160,705	865,691
Auditors' remuneration	42,500	21,018	38,000	16,000
Directors' emoluments (note 30)	274,654	228,524	274,654	228,524
Loss on disposal of property and equipment	8,015	1,833	8,507	1,833
Other operating expenses	5,625,660	3,702,972	5,373,715	3,557,339
	12,431,217	8,372,720	11,906,030	7,876,222

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
5 Taxation				
<i>Charge</i>				
Current tax	1,141,639	787,721	1,117,622	779,625
Education tax	131,386	86,720	129,785	86,072
Income tax charge	1,273,025	874,441	1,247,407	865,697
Deferred tax charge (note 17)	195,242	130,068	195,242	130,068
Charge for the year	1,468,267	1,004,509	1,442,649	995,765
<i>Payable</i>				
At 1 May	896,734	213,204	890,371	189,553
Tax paid	(863,634)	(190,911)	(868,531)	(164,879)
Income tax charge	1,273,025	874,441	1,247,407	865,697
At 30 April	1,306,125	896,734	1,269,247	890,371

6 Cash and balances with central banks

Cash	3,296,615	1,315,198	3,107,755	1,082,188
Operating with central banks	24,037,575	4,996,476	23,066,408	3,783,617
Included in cash and cash equivalents (Note 35)	27,334,190	6,311,674	26,174,163	4,865,805
Mandatory reserve deposits with central banks	3,749,409	7,216,134	3,749,409	6,392,313
Escrow balances with central banks	1,143,394	-	1,143,394	-
	32,226,993	13,527,808	31,066,966	11,258,118

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.

7 Treasury bills and other eligible bills

Treasury Bills	46,564,573	34,757,534	46,275,128	34,757,534
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Treasury bills and other eligible bills are debt securities issued by the treasury departments of the country of operation for terms of three months, six months or a year.

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
8 Due from other banks				
Banks within Nigeria	8,797	2,105,955	2,427	1,952,283
Banks Outside Nigeria	16,562,292	9,984,006	16,227,764	9,552,443
Placements with banks and discount houses	5,039,863	303,518	5,000,000	-
	21,610,952	12,393,479	21,230,191	11,504,726
Provision for doubtful balances	-	(22,325)	-	-
	21,610,952	12,371,154	21,230,191	11,504,726

Balances with banks outside Nigeria include N11.7billion (2005: N6.6billion) which represents the naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transaction. The corresponding liability is included in other liabilities. (See Note 25).

**9 Loans and advances
to customers**

Overdrafts	25,722,977	13,667,642	24,816,962	12,879,517
Term loans	41,234,291	18,577,624	39,496,242	17,702,693
Commercial papers	17,061,094	11,988,318	16,992,659	11,824,993
	84,018,362	44,233,584	81,305,863	42,407,203
Loan loss provision (note 12a)	(2,494,425)	(1,076,808)	(2,428,966)	(1,020,534)
Interest in suspense (note 12b)	(963,459)	(583,373)	(946,912)	(563,703)
	80,560,478	42,573,403	77,929,985	40,822,966
<i>Analysis by security</i>				
Secured against real estate	15,921,377	5,370,504	14,720,880	4,187,662
Otherwise secured	61,685,517	36,357,469	61,766,161	35,115,554
Unsecured	6,411,468	2,505,611	4,818,822	2,331,637
	84,018,362	44,233,584	81,305,863	41,634,853
<i>Analysis by performance</i>				
Performing	79,571,197	41,524,089	77,300,244	39,099,876
Non-performing	4,447,165	2,709,495	4,005,619	2,534,977
	84,018,362	44,233,584	81,305,863	41,634,853
<i>Analysis by maturity</i>				
0 - 30 days	46,045,898	12,935,655	44,986,102	12,393,247
1-3 months	22,504,373	14,994,476	21,977,707	14,218,941
3-6 months	5,708,933	1,825,050	5,457,334	1,793,637
6-12 months	2,971,617	7,604,879	2,819,062	6,980,192
Over 12 months	6,787,541	6,873,524	6,065,658	6,248,836
	84,018,362	44,233,584	81,305,863	41,634,853

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
10 Loan loss provision and interest in suspense				
a) Movement in Loan loss provision				
At 1 May				
- Non-performing	684,109	700,396	627,835	688,152
- Performing	392,699	177,505	392,699	177,505
	1,076,808	877,901	1,020,534	865,657
Additional provision				
- Non-performing	643,674	556,295	623,164	504,444
- Performing	380,304	177,833	380,304	215,194
Provision on loans of acquired bank	1,748,491	-	1,748,491	-
Provision no longer required	(304,106)	(113,536)	(292,781)	(113,536)
Amounts written off	(1,050,746)	(459,046)	(1,050,746)	(451,225)
At 30 April	1,417,617	161,546	1,408,432	154,877
- Non-performing	1,721,422	684,109	1,655,963	627,835
- Performing	773,003	392,699	773,003	392,699
	2,494,425	1,076,808	2,428,966	1,020,534
b) Movement in interest-in-suspense				
At 1 May	583,373	207,444	563,703	189,524
Suspended during the year	1,315,877	601,129	1,315,877	599,379
Interest suspended on loans of acquired bank	184,849		184,849	
Recognised during the year	(468,285)	(47,306)	(465,162)	(47,306)
Amounts written off	(652,355)	(177,894)	(652,355)	(177,894)
At 30 April	963,459	583,373	946,912	563,703
11 Provision for losses				
<i>The charge for the year is analysed as follows:</i>				
Loans and advances during the year	719,872	657,953	710,687	606,102
Advances under finance lease	1,767	18,503	1,767	18,503
Other facilities	(21,381)	16,337	(21,381)	16,337
Direct write-offs	8,664	8,908	8,664	8,908
Recovery on previously written-off accounts	(571,638)	(42,964)	(571,638)	(42,964)
Investment securities	-	6,574	-	-
Other assets	35,081	162,324	34,010	148,387
Doubtful balances due from banks	-	22,324	-	-
	172,365	849,959	162,109	755,273

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
12 Advances under finance lease				
Gross investment	4,656,783	2,389,671	4,656,783	2,389,671
Less: Unearned income	(525,297)	(291,637)	(525,297)	(291,637)
Net investment	4,131,486	2,098,034	4,131,486	2,098,034
Less: Specific provision	-	(20,887)	-	(20,887)
General provision	(41,315)	(18,661)	(41,315)	(18,661)
	4,090,171	2,058,486	4,090,171	2,058,486
<i>Analysis by performance</i>				
Performing	4,131,486	1,889,167	4,131,486	1,889,167
Non-performing	-	208,867	-	208,867
	4,131,486	2,098,034	4,131,486	2,098,034
<i>Analysis by maturity</i>				
0 - 30 days	241,569	15,226	241,569	15,226
1-3 months	847,860	20,733	847,860	20,733
3-6 months	140,945	109,779	140,945	109,779
6-12 months	701,096	725,298	701,096	725,298
Over 12 months	2,200,016	1,226,998	2,200,016	1,226,998
	4,131,486	2,098,034	4,131,486	2,098,034
13 Other facilities				
Otherwise secured	4,570,383	6,708,475	4,570,383	6,708,475
Less: General provision	(45,704)	(67,085)	(45,704)	(67,085)
	4,524,679	6,641,390	4,524,679	6,641,390
<i>Analysis by performance</i>				
Performing	4,570,383	6,708,475	4,570,383	6,708,475
<i>Analysis by maturity</i>				
0 - 30 days	708,766	1,144,668	708,766	1,144,668
1-3 months	836,238	1,358,599	836,238	1,358,599
3-6 months	78,725	1,123,256	78,725	1,123,256
6-12 months	837,888	454,262	837,888	454,262
Over 12 months	2,108,766	2,627,690	2,108,766	2,627,690
	4,570,383	6,708,475	4,570,383	6,708,475

Other facilities are project finance sub-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 24).

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
14 Investment securities				
<i>Long term investments</i>				
Debt Securities - at cost				
Listed	1,330,000	250,000	1,330,000	250,000
Unlisted	61,553	68,656	-	-
<i>Equity securities - at cost</i>				
Listed	192,486	181,119	168,030	168,030
Unlisted	1,541,441	999,492	1,539,361	999,492
	3,125,480	1,499,267	3,037,391	1,417,522
Provisions for diminution in value	-	(6,574)	-	-
	3,125,480	1,492,693	3,037,391	1,417,522
<i>Short term investments</i>				
Equity securities - at lower of cost and market value				
Listed	473,270	64,093	-	-
Total Investment securities	3,598,750	1,556,786	3,037,391	1,417,522

The movement in long term investments is summarised as follows:

At 1 May	1,492,693	1,108,826	1,417,522	883,482
Additions	1,672,787	481,180	1,659,869	534,040
Disposals (sale and redemption)	(40,000)	(90,739)	(40,000)	-
Provisions for diminution in value	-	(6,574)	-	-
At 30 April	3,125,480	1,492,693	3,037,391	1,417,522

- (a) Included in listed debt securities is a N250 million in the Federal Government Bond invested in October 2003. The 3-year Bond matures in October 2006 and attracts an interest rate of 17.75% per annum.
- (b) Listed debt securities also include N1 billion in the Federal Government of Nigeria Bond invested in September 2005. The 3-year Bond matures in September 2008 and carries an interest rate of 8.5%.
- (c) Included in listed equity securities is the bank's investment in ACB International Bank Limited (ACB). In December 2005, ACB entered into a scheme of merger in which all of its assets and liabilities were acquired by Spring Bank Nigeria Plc (Spring Bank) and in exchange the shareholders of ACB International Bank Plc received shares in Spring Bank Nigeria Plc. The cost of ACB shares has been reflected as the cost of the shares received in exchange from Spring Bank.
- (d) The bank's investment in SME Partnership Fund N478.849 million (2005: N194.917 million) included in unlisted equity securities represents disbursements under the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35).

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

		GROUP	GROUP	BANK	BANK
		2006	2005	2006	2005
		N'000	N'000	N'000	N'000
15 Investment in subsidiaries					
	Holding				
Diamond Bank du Benin S.A	80.00%	-	-	435,893	435,893
Diamond Securities Limited	79.70%	-	-	240,000	50,000
Diamond Pension Fund Custodian Limited	100%	2,000,000	-	2,000,000	-
Diamond Mortgages Ltd.	100%	50,000	-	50,000	-
		2,050,000	-	2,725,893	485,893

- 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) In 2005, Diamond Securities Limited conducted a rights issue. The minority shareholders did not take their rights in full and the unsubscribed portion was taken up by the bank. As a result the bank's interest in the net assets of Diamond Securities Limited increased from 66% in the preceding year to 79.7%
- iii) Lynac Securities Limited and DBLS Insurance Brokers Limited are both 100% owned subsidiaries of Diamond Securities Limited. Diamond Securities Limited consolidates the activities of these two subsidiaries.
- iv) Diamond Pension Fund Custodian Limited is one of the four licensed institutions to provide custodial services under the provisions of the Pension Reform Act of 2004. The company is yet to commence operation and thus is not consolidated.
- v) In 2005, the bank acquired Diamond Mortgages Limited, a company licensed to carry on the business of mortgage banking. As at time of acquisition, the company was not conducting any activities. The bank has put in a team to revive the business. The results of the company are not consolidated with the bank's as there were no activities to consolidate.

		GROUP	GROUP	BANK	BANK
		2006	2005	2006	2005
		N'000	N'000	N'000	N'000
16 Goodwill					
At 1 May		-	-	-	-
Acquisition of a subsidiary (Note 34)		4,646,300	-	4,646,300	-
Amortisation (Note 4)		(464,630)	-	(464,630)	-
At 30 April		4,181,670	-	4,181,670	-

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

17 Deferred tax

Deferred tax is calculated, in full, on all timing differences under the liability method using the enacted tax rate of 30% (2005: 30%). The movement on the deferred tax account is as follows:

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
At 1 May	416,449	286,38	416,449	286,381
Recognised on acquisition	15,286	-	15,286	-
Income statement (credit)/charge (Note 5)	195,242	130,068	195,242	130,068
At 30 April	626,977	416,449	626,977	416,449

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

Deferred tax assets	300,850	68,744	300,850	68,744
Deferred tax liabilities	(927,827)	(485,193)	(927,827)	(485,193)
Net deferred tax asset / (liability)	(626,977)	(416,449)	(626,977)	(416,449)

Deferred tax assets and liabilities, deferred tax charge/(credit) in the profit and loss account, and deferred tax charge/(credit) in equity are attributable to the following items:

Deferred tax liabilities

At 1 May	485,193	339,633	485,193	339,633
Recognised on acquisition	15,286	-	15,286	-
Charged/(credited) to profit and loss:				
- accelerated depreciation on property and equipment	427,348	145,560	427,348	145,560
	927,827	485,193	927,827	485,193

Deferred tax assets

At 1 May	68,744	53,252	68,744	53,252
Charged/(credited) to profit and loss:				
- provisions	232,106	15,492	232,106	15,492
	300,850	68,744	300,850	68,744

18 Other assets

Prepayments	2,853,152	1,561,211	2,702,864	1,509,409
Accrued interest and fees receivable	975,622	579,734	946,449	559,387
Accounts receivable	1,043,938	1,268,110	896,310	361,458
Treasury bills on buy back (Note 23)	15,000,000	10,500,000	15,000,000	10,500,000
	19,872,712	13,909,055	19,545,623	12,930,254
Provision for doubtful receivables	(221,393)	(186,312)	(206,385)	(172,375)
	19,651,319	13,722,743	19,339,238	12,757,879

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. See Note 25

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

19 Property and equipment

Group

	Leasehold Improvement N'000	Leasehold Land & Buildings N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Work In progress N'000	Total N'000
Cost							
At 1 May 2005	731,877	1,233,484	3,641,039	301,865	1,220,192	420,749	7,549,206
Additions	102,745	2,620,154	1,476,091	171,823	873,405	1,126,083	6,370,301
Transfers	-	292,127	(8,989)	19,726	-	(302,864)	-
Disposals	-	-	(12,830)	(5,129)	(215,367)	-	(233,326)
Exchange difference	(8,813)	-	(21,508)	(5,463)	(4,806)	(617)	(41,207)
At 30 April 2006	825,809	4,145,765	5,073,803	482,822	1,873,424	1,243,351	13,644,974
Depreciation							
At 1 May 2005	487,850	135,683	2,570,536	245,280	734,120	-	4,173,469
Charge for the year	72,000	95,666	699,988	37,760	298,188	-	1,203,602
Disposals	-	-	(12,529)	(428)	(165,885)	-	(178,842)
Exchange difference	(2,573)	-	(16,691)	(3,451)	(3,259)	-	(25,974)
At 30 April 2006	557,277	231,349	3,241,304	279,161	863,164	-	5,172,255
Net book amount							
At 30 April 2006	268,532	3,914,416	1,832,499	203,661	1,010,260	1,243,351	8,472,719
At 30 April 2005	244,027	1,097,801	1,070,503	56,585	486,072	420,749	3,375,737
Bank							
Cost							
At 1 May 2005	644,346	1,233,484	3,421,569	245,553	1,159,654	414,671	7,119,277
Additions	91,824	2,620,154	1,450,893	169,812	867,548	1,124,642	6,324,873
Transfers	-	292,127	10,737	-	-	(302,864)	-
Disposals	-	-	(12,175)	(895)	(203,570)	-	(216,640)
At 30 April 2006	736,170	4,145,765	4,871,024	414,470	1,823,632	1,236,449	13,227,510
Depreciation							
At 1 May 2005	408,402	135,683	2,451,017	210,036	692,440	-	3,897,578
Charge for the year	110,457	95,666	627,222	34,119	293,241	-	1,160,705
Disposals	-	-	(11,874)	(428)	(164,171)	-	(176,473)
At 30 April 2006	518,859	231,349	3,066,365	243,727	821,510	-	4,881,810
Net book amount							
At 30 April 2006	217,311	3,914,416	1,804,659	170,743	1,002,122	1,236,449	8,345,700
At 30 April 2005	235,944	1,097,801	970,552	35,517	467,214	414,671	3,221,699

Capital work in progress represents the cost of constructing new branch offices. No depreciation is charged until the assets are put into use.

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
20 Customer deposits				
Demand	65,595,353	39,705,291	63,461,494	36,633,588
Time	71,090,454	34,154,392	69,596,679	32,402,088
Savings	11,876,989	6,153,531	11,511,512	5,740,883
	148,562,796	80,013,214	144,569,685	74,776,559
<i>Analysis by maturity</i>				
0 - 30 days	121,949,694	66,088,131	119,038,550	62,212,105
1-3 months	13,802,647	11,629,240	13,199,468	11,116,821
3-6 months	8,275,018	504,029	8,232,772	472,616
6-12 months	1,974,169	1,075,769	1,537,627	258,971
Over 12 months	2,561,268	716,045	2,561,268	716,046
	148,562,796	80,013,214	144,569,685	74,776,559
21 Due to other banks				
Overnight borrowing	157,830	-	-	-
Current balances with banks	319,369	-	322,361	-
Items in course of collection	2,277,930	1,473,449	2,180,353	1,390,999
	2,755,129	1,473,449	2,502,714	1,390,999
22 Borrowings				
Foreign financial institutions	4,570,382	2,390,941	4,570,382	2,390,941
Other	4,345,540	4,317,535	4,345,540	4,317,535
	8,915,922	6,708,476	8,915,922	6,708,476

Borrowings are denominated in foreign currency and include amounts from International Finance Corporation (IFC) and the European Investment Bank (EIB). During the year, the bank fully repaid an existing facility to the IFC and Netherlands Finance Company (FMO).

A new facility from the IFC was negotiated during the year and is repayable in 10 equal semi-annual instalments. The applicable interest rate range between LIBOR plus 3.25% and LIBOR plus 3.50% per annum.

The EIB facility was also granted in December 2004, and disbursed on 30 June 2005, and is repayable over 5 years with a moratorium on principal of 2 years. Interest is payable semi-annually at LIBOR plus 2.5%.

Other borrowings include foreign currency amounts from local non-financial institutions.

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
23 Other liabilities				
Customers' deposit for letters of credit	11,726,843	6,618,093	11,726,843	6,618,092
Interest payable	517,411	344,248	517,411	344,248
Accounts payable	563,175	943,859	396,982	894,104
Accrued expenses	541,799	437,984	460,530	355,160
Deposit for shares	450	308,978	-	304,731
Secured buy back takings (Note 18)	15,000,000	10,500,000	15,000,000	10,500,000
Other	756,349	412,661	738,76	342,163
	29,106,027	19,565,823	28,840,526	19,358,498

24 Retirement benefit obligations

The amounts recognised in the balance sheet comprise:

- Defined contribution schemes	661,285	540,917	658,324	540,917
- Defined gratuity scheme	394,047	134,094	394,047	134,094
	1,055,332	675,011	1,052,371	675,011

Movement in the liability recognised in the balance sheet:

(i) Defined contribution schemes:

At 1 May	540,917	423,809	540,917	423,809
Charge to profit and loss	120,580	117,108	117,619	117,108
Contributions remitted	(212)	-	(212)	-
At 30 April	661,285	540,917	658,324	540,917

The bank had an employee contributory scheme, which employees are entitled to join upon employment by the bank. The employees and the bank contribute to the scheme at 5% and 20% respectively of the employees' annual basic salary. Following the coming into effect of the Pension Reform Act of 2004, the bank and its employees elected to convert the existing scheme to conform with the requirements of the Act. Accordingly a maximum contribution of 15% (employer and employee) of basic salary, transport and housing allowance is now contributed. The balance outstanding to the scheme as at 1 January 2005 and all deductions made subsequently will be transferred to the staff nominated fund administrator.

(ii) Defined gratuity scheme

At 1 May	134,094	174,326	134,094	174,326
Charge to profit and loss	746,486	379,000	746,486	379,000
Payments	(486,533)	(419,232)	(486,533)	(419,232)
At 30 April	394,047	134,094	394,047	134,094

The bank has a non-contributory defined gratuity scheme wherein staff who have spent a minimum number of years are paid a sum based on the qualifying emoluments and the number of years spent in the bank upon leaving the bank.

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
25 Minority Interest				
At 1 May	146,569	138,980	-	-
Injection of capital	34,250	-	-	-
Deemed cost of Group assuming minority interest in rights issue (Note 27)	103	-	-	-
Transfer from profit and loss	16,614	(469)	-	-
Dividend	(4,291)	-	-	-
Transfer from exchange difference reserve	(9,816)	8,058	-	-
At 30 April	183,429	146,569	-	-

26 Share capital

a) Authorised:

10 billion ordinary shares of
50k each (2005: 7 billion
ordinary shares of 50k each)

5,000,000	3,500,000	5,000,000	3,500,000
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Issued and fully paid :

At 1 May	3,037,607	1,539,805	3,037,607	1,539,805
Issued during the year	764,197	984,534	764,197	984,534
Transfer from retained earnings reserve	-	513,268	-	513,268

At 30 April	3,801,804	3,037,607	3,801,804	3,037,607
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During the year, the authorised share capital of the bank was increased by 1.5million ordinary shares of N1 each divided into 3billion ordinary shares of 50k each. The bank conducted an Initial Public Offer (IPO) as authorised by the annual general meeting held on 23 August 2004. The IPO opened on 15 August 2005 at a price of N6.80 per share. Gross proceeds realised from the IPO was N4.7 billion. The Central Bank of Nigeria approved N4.675 billion on 28 December 2005 and N25 million on 25 January 2006. The amounts were included in share capital on these dates.

At the Annual General Meeting held on 6 September 2005, shareholders approved, subject to regulatory approval and pursuant to the authority granted at the bank's annual general meeting held on 23 August 2004, the acquisition of Lion Bank of Nigeria Plc under the terms negotiated by the directors of the bank.

The acquisition of Lion Bank of Nigeria Plc was effected by a share exchange of 7 new ordinary shares of Diamond Bank Plc for 25 existing ordinary shares of Lion Bank of Nigeria Plc. A total of 840 million units of the bank's shares were issued at a value of N7.75 being the market price at the date of exchange. The date of exchange was 31 October 2005.

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

27 Reserves

	Share Premium	Statutory reserve	SSI reserve	Exchange reserve	Retained earnings reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Group						
At 1 May 2005	11,136,871	2,390,756	817,683	192,379	3,114,020	17,651,709
Additions during the year	10,426,889	-	-	(39,266)	-	10,387,623
Deemed cost of Group assuming minority interest in rights issue (Note 25)	-	-	-	-	(103)	(103)
Share issue expenses	(780,911)	-	-	-	-	(780,911)
Transfer from profit and loss	-	1,154,863	384,954	-	2,420,628	3,960,445
At 30 April 2006	20,782,849	3,545,619	1,202,637	153,113	5,534,545	31,218,763
At 1 May 2004	458,230	1,632,790	565,028	116,613	2,160,232	4,932,893
Translation gain	-	-	-	75,766	(32,600)	43,166
Additions during the year	11,420,594	-	-	-	-	11,420,594
Share issue expenses	(741,953)	-	-	-	-	(741,953)
Transfer to share capital	-	-	-	-	(513,268)	(513,268)
Transfer from profit and loss	-	757,966	252,655	-	1,499,656	2,510,277
At 30 April 2005	11,136,871	2,390,756	817,683	192,379	3,114,020	17,651,709
	Share Premium	Statutory	SSI reserve	Exchange reserve	Retained earning reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Bank						
At 1 May 2005	11,136,871	2,390,756	817,683	-	3,326,933	17,672,243
Additions during the year	10,426,889	-	-	-	-	10,426,889
Share issue expenses	(780,911)	-	-	-	-	(780,911)
Transfer from profit and loss account	-	1,154,863	384,954	-	2,309,728	3,849,545
At 30 April 2006	20,782,849	3,545,619	1,202,637	-	5,636,661	31,167,766
Bank (continued)						
At 1 May 2004	458,230	1,632,790	565,028	-	2,324,270	4,980,318
Additions during the year	11,420,594	-	-	-	-	11,420,594
Share issue expenses	(741,953)	-	-	-	-	(741,953)
Transfer to share capital	-	-	-	-	(513,268)	(513,268)
Transfer from profit and loss account	-	757,966	252,655	-	1,515,931	2,526,552
At 30 April 2005	11,136,871	2,390,756	817,683	-	3,326,933	17,672,243

28 Contingent liabilities and commitments

a Legal proceedings

The bank has contingent liabilities in respect of ongoing legal proceedings amounting to N881million (2005:N704million). 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 N666million (2005:N80million) 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:

	GROUP 2006 N'000	GROUP 2005 N'000	BANK 2006 N'000	BANK 2005 N'000
Performance bonds and guarantees	36,453,242	11,003,625	36,453,242	10,649,386
Guaranteed commercial papers	-	15,726	-	-
	36,453,242	11,019,351	36,453,242	10,649,386

29 Related party transactions

Included in loans and advances is an amount of N3.16 billion (2005: N 3.34 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 2006 comprise:

Outstanding Credit

Name of borrower	Account No	Relationship to reporting institution	Date granted	Expiry date	Rate of interest	Principal	Cumulative interest	Total provision	Payments made	Performing	Non-Performing	Nature of Security	Value N	Date of Valuation	Remark
Adesemi Nigeria Limited	0012010009345	Director	28/04/2006	03/04/2007	19.00	25,000,000	-	-	177,060	24,822,940	-	Debiture on fixed and floating assets	156,800,000.00	1/12/02	Overdraft
Adesemi Nigeria Limited	0012010009345	Director	29/04/2004	27/04/2007	17.00	40,600,000	-	-	26,270,588	14,329,412	-	Debiture on fixed and floating assets and legal ownership of leased equipment.	156,800,000.00	1/12/02	Lease
Associated Pharmacy	0012010003343	Director	01/03/2006	30/05/2006	19.00	9,915,818	-	-	7,800,000	2,115,818	-	Lien on stock via consignment of shipping document	21,000,000.00	18/2/06	
Aluminium Extrusion	0172010000969	Director	11/11/2005	28/12/2007	15.00	22,925,163	-	-	3,724,199	19,200,964	-	Fixed and floating assets of the company & all assets debiture managed by union trustees stamped to cover the banks exposure.	450,000,000.00	1/8/02	Lease
Celtelecom Investments Limited	0162190000011	Director	08/09/2005	03/09/2006	13.60	285,021,751	-	-	-	285,021,751	-	Stocks & shares	\$13,250,000.00	6/5/04	FCY Lease
Elpina Associates Limited	0102010000940	Director	14/09/2005	05/09/2006	17.00	50,000,000	-	-	44,996,789	5,003,211	-	Lien on shipping documents & hypothecation of goods arehoused	150,000,000.00	19/12/02	Overdraft
Elpina Associates Limited	0102010000940	Director	20/12/2005	20/10/2006	17.00	50,000,000	-	-	-	50,000,000	-	Equitable mortgage	90,000,000.00	31/5/05	Term Loan
Floby Enterprises	0262110000020	Director	29/07/1998	29/10/1998	-	200,000,000	14,590,302	40,833,277	144,576,422	-	55,423,578	Floating debiture & legal charge on clients asset	330,000,000.00	30/4/99	Term Loan
MTN Nigeria Communications Limited	0262010015380	Director	14/02/2006	16/05/2006	14.30	2,575,360,000	-	-	-	2,575,360,000	-	Negative pledge & primisary notes	N/A	N/A	CP
Petsoy Holdings Ltd	0012010004104	Director	01/04/2006	31/03/2007	19.00	15,000,000	-	-	-	15,000,000	-	Equitable mortgage on property	120,000,000.00	26/5/04	Term Loan
PSE Consultants	0522010000684	Director	16/03/2006	16/03/2007	19.00	1,699,272	-	-	674,941	1,024,331	-	Legal mortgage	43,000,000.00	1/8/02	Overdraft
Starline	0012010002107	Director	27/10/2004	26/10/2006	17.00	10,700,000	-	-	7,188,867	3,511,133	-	Lien on stock & trust receipts	100,000,000.00	10/4/06	Lease
Starline	0012010002107	Director	31/10/2005	26/10/2006	17.00	9,355,000	-	-	3,726,261	5,628,739	-	Lien on stock & trust receipts	100,000,000.00	10/4/06	Lease
Starline	0012010002107	Director	04/04/2006	02/08/2006	19.00	40,000,000	-	-	-	40,000,000	-	All assets debiture	43,600,000.00	1/4/03	Term Loan
Ufoeze Michael (Engr)	0262200001168	Director	30/08/2004	01/11/2006	19.00	7,500,000	-	-	1,117,627	6,382,373	-	Legal mortgage	20,000,000.00	17/6/02	Overdraft
Useni Jeremiah (Lt.Gen.)	0612000000019	Director	05/04/2006	29/06/2006	22.50	53,703,466	-	-	575,820	53,127,646	-	Equitable mortgage on the developed property at vii, lagos. Personal guarantee of borrower	100,000,000.00	11/8/01	Overdraft
						3,396,780,470	14,590,302	40,833,277	240,828,574	3,100,528,318	55,423,578				

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

30 Employees and directors

(a) Employees

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

	Number	Number	Number	Number
Executive directors	5	4	5	4
Management	300	289	281	275
Non-management	1,454	761	1,346	708
	1,759	1,054	1,632	987

Compensation for the above staff (excluding executive directors):

	N'000	N'000	N'000	N'000
Salaries and wages	4,106,881	3,320,473	3,883,505	3,142,771
Retirement benefit costs	705,275	102,835	702,314	64,064
	4,812,156	3,423,308	4,585,819	3,206,835

The number of employees of the Group, other than directors, who received more than N800,000 (excluding pension contributions and certain benefits) were:

	Number	Number	Number	Number
N1,300,001- N2,000,000	196	229	101	217
N2,000,001- N2,800,000	484	399	464	399
N2,800,001- N3,500,000	665	96	660	92
N3,500,001- N4,000,000	123	138	120	134
N4,000,001- N5,500,000	127	67	125	64
N5,500,001- N6,500,000	72	65	70	43
N6,500,001- N7,800,000	47	23	47	18
N7,800,001- N9,000,000	16	23	16	6
N9,000,001- and above	29	14	29	14
	1,759	1,054	1,632	987

(b) Directors

Remuneration paid to the bank's directors was:

	N'000	N'000	N'000	N'000
Fees and sitting allowances	16,667	7,055	16,667	7,055
Executive compensation	75,221	77,138	75,221	77,138
	91,888	84,193	91,888	84,193
Gratuity paid to retired executive directors	182,766	144,331	182,766	144,331
	274,654	228,524	274,654	228,524

Notes to the consolidated financial statements (cont'd)

For the year ended 30 April 2006

Fees and other emoluments disclosed above include amounts paid to:

	Group	
	2006	2005
	N'000	N'000
The chairman	200,784	16,813
The highest paid director	200,784	17,800

	Group	
	2006	2005
	Number	Number
The number of directors who received fees and other emoluments (excluding pension contributions and certain benefits) in the following ranges was:		
Below N1,600,000	8	-
N1,600,000 - N2,000,000	3	3
N2,000,001 - N2,900,000	1	1
N2,900,001 - N3,400,000	-	4
N3,400,000 - and above	5	2
	17	10

31 Compliance with banking regulations

There were no contraventions during the year.

32 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.

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 2006 (2005: nil).

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
Net profit attributable to shareholders (N'000)	3,960,445	2,510,277	3,849,545	833,498
Number of ordinary shares in issue as at period end (thousands)	7,603,608	6,075,214	7,603,608	6,075,214
Time weighted average number of ordinary shares in issue (thousands)	6,724,678	4,270,235	6,724,678	4,270,235
Basic earnings per share	59k	59k	57k	20k
Adjusted earnings per share	52k	33k	51k	11k
Diluted earnings per share	59k	59k	57k	20k

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

33 Liquidity risk

Maturities of assets and liabilities at 30 April 2006

Group	0 - 30 days N'000	1-6 months N'000	6-12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000
Assets						
Cash and balances with Central Bank of Nigeria	31,992,293	234,700	-	-	-	32,226,993
Treasury bills and other eligible bills	10,375,339	18,949,744	17,239,490	-	-	46,564,573
Due from other banks	21,610,952	-	-	-	-	21,610,952
Loans and advances to customers	45,963,892	22,471,985	2,365,443	2,971,617	6,787,541	80,560,478
Advances under finance lease	200,254	847,860	140,946	701,096	2,200,015	4,090,171
Other facilities	-	-	-	-	4,524,679	4,524,679
Investment securities	531,113	-	250,000	14,924	2,802,713	3,598,750
Investment in subsidiaries	-	-	-	-	2,050,000	2,050,000
Goodwill	-	-	-	-	4,181,670	4,181,670
Deferred tax assets	-	-	-	-	300,850	300,850
Other assets	19,651,319	-	-	-	-	19,651,319
Property and equipment	1,012	6,938	33,383	80,272	8,251,114	8,472,719
Total assets	130,326,174	42,511,227	20,029,262	3,867,909	31,098,582	227,833,154
Liabilities						
Customer deposits	121,949,694	13,680,603	8,397,062	1,974,169	2,561,268	148,562,796
Due to other banks	2,755,129	-	-	-	-	2,755,129
Borrowings	-	-	-	-	8,915,922	8,915,922
Current income tax	-	-	1,306,125	-	-	1,306,125
Dividend payable	-	-	-	-	-	-
Other liabilities	3,950,290	25,050,334	101,156	-	4,247	29,106,027
Deferred income tax liabilities	-	-	-	-	927,827	927,827
Retirement benefit obligations	-	-	-	-	1,055,332	1,055,332
Total liabilities	128,655,113	38,730,937	9,804,343	1,974,169	13,464,596	192,629,158
Net liquidity gap	1,671,061	3,780,290	10,224,919	1,893,740	17,633,986	35,203,996
Maturities of assets and liabilities at 30 April 2005						
Total assets	82,080,201	16,706,545	8,652,949	8,761,546	15,140,102	131,341,343
Total liabilities	79,916,820	14,801,139	6,751,169	1,182,112	7,991,785	110,643,025
Net liquidity gap	2,163,381	1,905,406	1,901,780	7,579,434	7,148,317	20,698,318

Notes to the consolidated financial statements (cont'd)
For the year ended 30 April 2006

33 Liquidity risk (continued)

Maturities of assets and liabilities at 30 April 2005

Bank

	0 - 30 days N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	Over 12 months N'000	Total N'000
Assets						
Cash and balances with central bank	31,066,966	-	-	-	-	31,066,966
Treasury bills and other eligible bills	10,375,338	18,660,300	17,239,490	-	-	46,275,128
Due from other banks	21,230,191	-	-	-	-	21,230,191
Loans and advances to customers	44,986,102	21,977,707	2,081,456	2,819,062	6,065,658	77,929,985
Advances under finance lease	00,254	847,860	140,945	701,096	2,200,016	4,090,171
Other facilities	-	-	-	-	4,524,679	4,524,679
Investment securities	-	-	250,000	-	2,787,391	3,037,391
Investment in subsidiaries	-	-	-	-	2,725,893	2,725,893
Goodwill	77,438	154,876	232,315	464,630	3,252,411	4,181,670
Deferred tax assets	-	-	-	-	300,850	300,850
Other assets	19,339,238	-	-	-	-	19,339,238
Property and equipment	1,012	6,938	33,383	180,272	8,124,095	8,345,700
Total assets	127,276,539	41,647,681	19,977,589	4,165,060	29,980,993	223,047,862
Liabilities						
Customer deposits	119,038,550	13,199,468	8,232,772	1,537,627	2,561,268	144,569,685
Due to other banks	2,502,714	-	-	-	-	2,502,714
Borrowings	-	-	-	-	8,915,922	8,915,922
Current income tax	-	-	1,269,247	-	-	1,269,247
Dividend payable	-	-	-	-	-	-
Other liabilities	3,907,542	24,932,984	-	-	-	28,840,526
Deferred income tax liabilities	-	-	-	-	927,827	927,827
Retirement benefit obligations	-	-	-	-	1,052,371	1,052,371
	125,448,806	38,132,452	9,502,019	1,537,627	13,457,388	188,078,292
Net liquidity gap	1,827,733	3,515,229	10,475,570	2,627,433	16,523,605	34,969,570

Maturities of assets and liabilities at 30 April 2005

Total assets	78,789,846	15,947,18	7,997,487	7,978,597	14,963,689	125,676,801
Total liabilities	75,986,305	14,158,950	6,719,756	258,971	7,840,969	104,964,951
Net liquidity gap	2,803,541	1,788,232	1,277,731	7,719,626	7,122,720	20,711,850

The table above analyses assets and liabilities of the Group and the bank respectively into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank. It is unusual for bank ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturity of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the bank and Group and its exposure to changes in interest and exchange rates.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 April 2006

34 Acquisitions

On 31 October 2005, the Group acquired 100% of the share capital of Lion Bank of Nigeria Plc (Lion Bank). As stipulated in the terms of the acquisition which was settled by issue of shares of Diamond Bank Plc to the shareholders of Lion Bank in exchange for their shares in Lion Bank, Lion Bank has been liquidated without winding up and its assets and liabilities transferred into the books of Diamond Bank Plc. The details of the recognised value of the assets and liabilities acquired and goodwill arising are as follows:

	N'000
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
Total recognised net assets	6,815,680
Purchase consideration discharged by issue of shares (Note 26)	6,510,000
Direct costs of acquisition	305,680
Total purchase consideration	6,815,680

The goodwill is attributable to the significant synergies expected to arise from the business combination. Loans and advances and other asset balances were determined based on the provisions of Prudential Guidelines for Licensed Banks in Nigeria. The value of deposit and other liabilities were based on verified book values. The recognised amount of property and equipment was based on market valuations. The value of all remaining assets and liabilities acquired were based on the carrying amount in the books of the acquiree.

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.

	GROUP	GROUP	BANK	BANK
	2006	2005	2006	2005
	N'000	N'000	N'000	N'000
Cash and balances with central banks				
(less restricted balances)	27,334,190	6,311,674	26,174,163	4,865,805
Treasury bills and eligible bills	46,564,573	34,757,534	46,275,128	34,757,534
Due from other banks	21,610,952	12,371,154	21,230,191	11,504,726
	95,509,715	53,440,362	93,679,482	51,128,065

36 Comparatives

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

Statement of value added

For the year ended 30 April 2006

	2006 N'000	%	2005 N'000	%
Group				
Gross income	22,713,742		15,952,184	
Interest paid and loan losses	(4,664,834)		(3,215,188)	
	18,048,908		12,736,996	
Administrative overheads	(5,676,175)		(3,725,823)	
Value added	12,372,733	100%	9,011,173	100%
Distribution				
Employees				
Salaries and benefits	5,086,810	41%	3,651,832	41%
Providers of funds				
Dividend	-	0%	-	0%
Government				
Taxation	1,468,267	12%	1,004,509	11%
The future				
Asset replacement (depreciation)	1,203,602	10%	995,065	11%
Asset replacement (goodwill amortisation)	464,630	4%	-	0%
Asset replacement (loan loss provision)	172,365	1%	849,959	9%
Expansion (transfers to reserves and minority interest)	3,977,059	32%	2,509,808	28%
	12,372,733	100%	9,011,173	100%
Bank				
Gross income	21,730,220		15,225,342	
Interest and commissions paid	(4,369,887)		(3,071,530)	
	17,360,333		12,153,812	
Administrative overheads	(5,420,222)		(3,575,172)	
Value added	11,940,111	100%	8,578,640	100%
Distribution				
Employees				
Salaries and benefits	4,860,473	41%	3,435,359	40%
Providers of funds				
Dividend	-	0%	-	0%
Government				
Taxation	1,442,649	12%	995,765	12%
The future				
Asset replacement (depreciation)	1,160,705	9%	865,691	10%
Asset replacement (goodwill amortisation)	464,630	4%	-	0%
Asset replacement (loan loss provision)	162,109	1%	755,273	9%
Expansion (transfers to reserves)	3,849,545	33%	2,526,552	29%
	11,940,111	100%	8,578,640	100%

Five year financial summary - Group

	2006 N'000	2005 N'000	2004 N'000	2003 N'000	2002 N'000
Balance sheet					
Assets:					
Cash and balances with central banks	32,226,993	13,527,808	7,298,906	13,324,913	5,121,416
Treasury bills and other eligible bills	46,564,573	34,757,534	16,559,441	15,471,013	5,866,232
Due from other banks	21,610,952	12,371,154	14,995,025	6,981,748	12,022,680
Loans and advances to customers	80,560,478	42,573,403	20,780,201	15,487,200	15,490,851
Advances under finance lease	4,090,171	2,058,486	2,083,438	2,178,289	873,796
Other facilities	4,524,679	6,641,390	5,024,092	2,814,818	2,102,302
Investment securities	3,598,750	1,556,786	1,108,826	794,624	7,091,258
Investment in subsidiaries	2,050,000	-	-	-	-
Deferred tax assets	300,850	68,744	53,252	48,644	59,511
Other assets	19,651,319	13,722,743	2,001,351	1,646,184	1,262,756
Property and equipment	8,472,719	3,375,737	3,188,703	2,993,148	3,172,255
	227,833,154	130,653,785	73,093,235	61,740,581	53,063,057
Financed by:					
Share capital	3,801,804	3,037,607	1,539,805	1,081,575	1,081,575
Reserves	31,218,763	17,651,709	5,163,864	3,956,136	4,482,680
Minority interest	183,429	146,569	138,980	104,456	-
Customer deposits	148,562,796	80,013,214	45,776,245	43,207,004	32,764,270
Due to other banks	2,755,129	1,473,449	1,110,386	1,056,363	791,857
Borrowings	8,915,922	6,708,476	7,466,632	7,321,171	5,384,369
Current income tax	1,306,125	896,734	213,204	97,736	557,280
Dividend payable	-	-	3,465	-	382,705
Other liabilities	29,106,027	19,565,823	11,165,649	4,556,682	7,436,220
Deferred income tax liabilities	927,827	485,193	339,633	243,014	166,703
Retirement benefit obligations	1,055,332	675,011	175,372	116,444	15,398
	227,833,154	130,653,785	73,093,235	61,740,581	53,063,057
Acceptances and guarantees	36,453,242	11,019,351	15,192,667	20,576,024	11,140,572
Profit and loss account					
Net operating income	18,048,908	12,736,996	7,790,163	6,279,645	7,533,145
Operating expenses	(12,431,217)	(8,372,720)	(6,207,034)	(6,224,620)	(4,806,417)
Provision for losses	(172,365)	(849,959)	(318,627)	(7,792)	(780,734)
Profit before taxation	5,445,326	3,514,317	1,264,502	47,233	1,945,994
Taxation	(1,468,267)	(1,004,509)	(361,091)	(182,193)	(467,819)
Profit after taxation and before extraordinary item	3,977,059	2,509,808	903,411	(134,960)	1,478,175
Extraordinary items	-	-	-	200,736	-
Profit after taxation and after extraordinary items	3,977,059	2,509,808	903,411	65,776	1,478,175
Minority Interest	(16,614)	469	(19,997)	49,487	-
Profit attributable to shareholders	3,960,445	2,510,277	883,414	115,263	1,478,175
Earnings per share (basic)	59k	59k	29k	11k	127k
Earnings per share (diluted)	59k	59k	29k	11k	127k
Earnings per share (adjusted)	52k	33k	12k	2k	19k

Five year financial summary - Bank

	2006 N'000	2005 N'000	2004 N'000	2003 N'000	2002 N'000
Balance sheet					
Assets:					
Cash and balances with Central Bank of Nigeria	31,066,966	11,258,118	7,070,236	12,276,192	5,124,116
Treasury bills and other eligible bills	4,757,534	16,559,441	15,471,013	5,863,532	
Due from other banks	21,230,191	11,504,726	13,779,714	6,653,816	12,022,680
Loans and advances to customers	40,822,966	18,444,445	14,512,444	15,490,851	
Advances under finance lease	4,090,171	2,058,486	2,083,438	2,178,289	873,796
Other facilities	4,524,679	6,641,390	5,024,092	2,814,818	2,102,302
Investment securities	3,037,391	1,417,522	883,482	612,999	6,812,191
Investment in subsidiaries	2,725,893	485,893	485,893	485,893	279,067
Goodwill	4,181,670	-	-	-	-
Deferred tax assets	300,850	68,744	53,252	48,644	59,511
Other assets	19,339,238	12,757,879	1,711,161	1,488,701	1,262,756
Property and equipment	8,345,700	3,221,699	3,019,777	2,801,227	3,172,255
	223,047,862	124,994,957	69,114,931	59,344,036	53,063,057
Financed by:					
Share capital	3,801,804	3,037,607	1,539,805	1,081,575	1,081,575
Reserves	31,167,766	17,672,243	5,211,289	4,125,061	4,482,680
Customer deposits	144,569,685	74,776,559	42,280,363	41,090,814	32,764,270
Due to other banks	2,502,714	1,390,999	1,110,386	1,056,363	791,857
Borrowings	8,915,922	6,708,476	7,466,632	7,321,171	5,384,369
Current income tax	1,269,247	890,371	890,371	85,437	557,280
Dividend payable	-	-	3,465	205,500	382,705
Other liabilities	28,840,526	19,358,498	10,097,615	4,018,657	7,436,220
Deferred income tax liabilities	927,827	485,193	339,633	243,014	166,703
Retirement benefit obligations	1,052,371	675,011	175,372	116,444	15,398
	223,047,862	124,994,957	69,114,931	59,344,036	53,063,057
Acceptances and guarantees	36,453,242	10,649,386	14,148,143	19,705,472	11,140,572
Net operating income	17,360,333	12,153,812	7,364,164	6,073,270	7,533,145
Operating expenses	(11,906,030)	(7,876,222)	(5,892,784)	(5,751,861)	(4,806,417)
Provision for losses	(162,109)	(755,273)	(309,634)	(4,032)	(780,734)
Profit before taxation	5,292,194	3,522,317	1,161,746	317,377	1,945,994
Taxation	(1,004,509)	(995,765)	(328,248)	(172,264)	(467,819)
Profit after taxation and before extraordinary item	4,287,685	2,526,552	833,498	145,113	1,478,175
Extraordinary items	-	-	-	200,736	-
Profit after taxation and after extraordinary items	4,287,685	2,526,552	833,498	345,849	1,478,175
Earnings per share (basic)	57k	20k	27k	32k	137k
Earnings per share (diluted)	57k	20k	27k	32k	137k
Earnings per share (adjusted)	56k	33k	11k	5k	19k



Corporate Directory

HEAD OFFICE

Plot 1261 Adeola Hopewell Street, Victoria Island, Lagos. Tel: 01-2701500
E-mail: info@diamondbank.com
Website: www.diamondbank.com

- | | | |
|---|--|--|
| <p>1 Aba, Asa Road Branch
74 Asa Road, Aba, Abia State
Tel: 082-225496, 225358, 225198</p> <p>2 Aba, Eziukwu Road
2 Eziukwu Road, Aba.
Tel: 082-221209, 225302, 227771, 440021, 225399. Fax: 082 223776</p> <p>3 Abakaliki, Ogoja Road, Ogoja Road/
1 Old Market Str, Abakaliki, Ebonyi State.
Tel: 043-220085, 220843, 220597,222043
Fax: 043 229597</p> <p>4 Abeokuta, UACN Complex, Ibara, Abeokuta, Ogun State.
Tel: 039-241190, 240975, 241389,245487</p> <p>5 Akure, Oyemekun Street
82 Oyemekun Street, Akure, Ondo State
Tel: 034-243034, 243200,241603, 241605</p> <p>6 Akwanga, Keffi Road
Plot 1, Opp. Akwanga Police Div. Hq. Keffi Road, Akwanga
Tel: 047-52184-5, 047-52219</p> <p>7 Alaba, Dobbil Plaza Avenue
5/7 Dobbil Plaza Avenue, Alaba International Market
Tel: 01-4710226-7</p> <p>8 Alaba, International Market Old Garage,
Alaba International Market, Ojo, Lagos
Tel: 01-2881427, 2630180, 2630832
Fax: 01 2881426</p> <p>9 Apapa, Creek Road
No. 16 Creek Road, Apapa, Lagos
Tel: 01-5976210, 01-5874835
01-5874983, 01-5876211</p> <p>10 Apapa, Eleganza Plaza
Sagittarius Block, Eleganza Plaza, Wharf Road, Apapa, Lagos.
Tel: 01 5804605,01-5804606, 01-5804608,01-5804611
Fax: 01-5804607, 5453980</p> <p>11 Apapa Oshodi Expressway
30, Apapa-Oshodi Expressway, Apapa, Lagos State.
Tel: 01-7614536, 7614537</p> <p>12 Asaba, Nnebisi Road
252 Nnebisi Road, Asaba, Delta State.
Tel: 056-282756,280010, 280616, 280618, 282205</p> <p>13 Awka, Azikiwe Street
No. 208 Azikiwe Street, Awka
Tel: 048-553350,553292</p> <p>14 Bauchi, Abdulkadir Ahmed Road
21 Abdulkadir Ahmed Road, Commercial Area
Tel: 077-542646, 542799</p> <p>15 BBA Lagos, Atiku Abubakar Plaza
Atiku Abubakar BBA Plaza,Trade Fair.
Tel: 01-3206074-5, 3206073
Fax: 01-3206072</p> <p>16 BBA Lagos, Bank Plaza,
Balogun Business Association (BBA) Market, Lagos International</p> | <p>Trade Fair Complex, Badagry Expressway, Lagos.
Tel: 01-3206477-8</p> <p>17 Benin City, Akpakpava Street,
6 Akpakpava Street, Benin City, Edo State.
Tel: 052-255217, 258499, 258713</p> <p>18 Bukuru, Old Jos Road
Old Jos Road, Bukuru, Plateau State. Tel: 073-281721-2</p> <p>19 Calabar, Mary Slessor Street
7 Mary Slessor Street, Calabar, Cross River State.
Tel: 087-237480,440350,237484, 237486-7 Fax: 087-237448</p> <p>20 Coker, Lagos/Badagry Express Way
Km19, Lagos/Badagry Expressway. Orile-Iganmu, Lagos
Tel: 01-5872061-2,5872064-6,5872069</p> <p>21 Dei Dei Abuja,
Building Material Market, Dei Dei, Abuja.
Tel: 09-5236979,6700796,9712521, 6712522 Fax: 09-5236979</p> <p>22 Ebute Metta, Market Street,
Oyingbo I Market Street, Oyingbo, Lagos
Tel: 01-5821253,5821261, 5820925, 5821569,5820345</p> <p>23 Enugu, Garden Avenue
Plot 40 Garden Avenue, Enugu.
Tel: 042-259624-6,59097-9
Fax: 042-259513, 252193</p> <p>24 Enugu, Okpara Avenue
22 Okpara Avenue, Enugu.
Tel: 042-250979, 042-252193</p> <p>25 Garki Abuja, Central Business Area
N417, UAC Building,
Plot 273 Central Business Area, Garki, Abuja.
Tel: 09-5236971, 5236974, 5236975
Fax: 09 5236977</p> <p>26 Garki Abuja, Mohammed Buhari Way,
Plot 792, Muhammadu Buhari Way, Central Bus. Dist. Garki, Abuja
Tel: 09-2346550, 2341523, 2345754, 2348434 Fax: 09-2346754</p> <p>27 Ibadan, Lebanon Street
11 Lebanon Street, Old Gbagi, Ibadan
Tel: 02-2413063,2413084, 2413371, 2414506. Fax: 02-2410417</p> <p>28 Ikeja, 10 Opebi Road
10 Opebi Road, Ikeja Lagos
Tel:01- 4938022, 4938860, 973310-1, 4962146,4971721 Fax: 01 4974228</p> <p>29 Ikeja, 60 Opebi Road
60 Opebi Road, Opebi-Ikeja
Tel: 01-4966444, 4935589
BM: 01-2703520 CSM:01- 4971826
CBG: 01-4966121 Fax: 01-4971825</p> <p>30 Ikeja, Ladipo Oluwole Street
34 Ladipo Oluwole Street,Off Adeniyi Jones, Ikeja, Lagos.
Tel: 01 4976900-3,4938860,4973310-1, 4938022. Fax: 01-4976907</p> <p>31 Ikoyi, Awolowo Road
Awolowo Road, Ikoyi, Lagos
Tel:01-2693706,2696334, 2693571, 2692685, 2696335,2696336, 2696337,2670556</p> | <p>32 Ilorin, Ibrahim Taiwo
199 Ibrahim Taiwo Road.
Tel: 031-229534, 222201,229541</p> <p>33 Isolo, Asa-Afariogun Street,
Ajao Estate
25 Asa-Afariogun Street,
Ajao Estate, Isolo, Lagos.
Tel: 01-4525950, 45235555, 4520163, 4525053. Fax: 01-2410417</p> <p>34 Jos, Ahmadu Bello Way
34 Ahmadu Bello Way, Jos
Tel: 073-457143,456275
Fax: 073 450781</p> <p>35 Jos, Club Road No.1 Club Road,
Jos, Plateau State
Tel: 073-452331-3. Fax: 073 452333</p> <p>36 Jos, Commercial Area
13 Commercial Area, Bukuru Road, Jos.
Tel: 073-460979,461311- 13, 461978, 460798, 461795. Fax: 073-461304</p> <p>37 Kaduna, I Kachia Road
IKachia Road, Kaduna South, Kaduna.
Tel: 062-236937,236939, 236866
Fax: 062 236953</p> <p>38 Kaduna, 44 Kachia Road
44 Kachia Road, Kaduna
Tel: 062-231771,233011,233010</p> <p>39 Kano, Bank Road
5B Bank Road, Kano
Tel: 064-644091, 645356</p> <p>40 Kano, 36/38 Murtala Mohammed Way,
Kano
Tel: 064-635581, 642484, 640200, 642482,649783. Fax: 064-635580</p> <p>41 Katsina, Nagodo Road
Mamman Nasir House, 6 Nagogo Road
Tel: 065-431421</p> <p>42 Keffi, Abubakar Burga Street
Plot 27, Abubakar Burga, Keffi, Nasarawa State.
Tel: 047-62122, 62582-3</p> <p>43 Lafia, Doma Road
20/21 Doma Road, Lafia
Tel: 047-220081, 220720</p> <p>44 Lafia, Jos Road Lafia,
Nasarawa State
Tel: 047-220720, 220081</p> <p>45 Lagos Island, Balogun Street
36, Balogun Street, Lagos
Tel: 01-264926,40, 2643030, 2643097-8
Fax: 01 2643029</p> <p>46 Lagos Island, Broad Street
121 Broad Street, Lagos
Tel: 01-2669543, 4710053, 2669814, 2667735,Fax: 01-2664349</p> <p>47 Lagos Island, Idumota
108 Nnamdi Azikiwe Street, Idumota, Lagos.
Tel: 01-2641005,6, 2660858, 2640004
Fax: 01-2660858</p> <p>48 Lagos Island, Marina
Mamman Kontagora House, 23A Marina, Lagos
Tel: 01-2630875, 2631781,2646725, 2646725,2600225-9. Fax: 01-2646729</p> <p>49 Maiduguri, Shehu Laminu Way
N.S.I.T.F Building.
20 Shehu Laminu way, Maiduguri.
Tel: 076-342136,342130,342539,342544</p> |
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Corporate Directory cont'd

- 50 Makurdi, New Bridge Road
7 New Bridge Road, Makurdi,
Benue State.
Tel: 044-534161-5
- 51 Matori, Ladipo Street
129 Ladipo Street, Matori,
Lagos State.
Tel: 01-4521068, 4525445, 4525151,
4525656, 7757370
- 52 Minna, Paiko Road, 118, Paiko Road,
Opposite Umaru Audi
Tel: 066-224061, 224297, 224790
Fax: 066-224297
- 53 Nnewi, Edo-Ezemewi Street
1/3 Edo-Ezemewi Street,
Nnewi, Anambra State.
Tel: 046-461677, 460042, 460085, 463840
- 54 Nnewi, Old Nkwo Market Road
Old Nkwo Market Road, Nnewi,
Anambra State. Tel: 046-461008-9
- 55 Nyanya Abuja Opposite
Nnanya Shopping Complex.
Nyanya Town, Abuja.
Tel: 09-6700115, 3150169
- 56 Onitsha, Iweka Road
46 Iweka Road, Onitsha
Tel: 046-218700, 217046, 218900, 210176
- 57 Onitsha, New Market Road
63A New Market Road,
Onitsha, Anambra State
Tel: 046-411871, 410105, 410407
- 58 Onitsha, Ogbaru Enamel
Ware Market, Enamel
Ware Market, Onitsha
Tel: 046-412627, 414064
- 59 Onitsha, Port Harcourt Road
36 Port Harcourt Road,
Fegge, Onitsha
Tel: 046-214817, 410838, 216838, 410943,
211098, 410971, 216411
Fax: 046-219938
- 60 Owerri, Waast Avenue,
Ikenegbu Plot 6, WAAST Avenue,
Ikenegbu Layout, Owerri, Imo State.
Tel: 083-233568, 234173, 23286, 232789
Fax: 083-231380
- 61 PH, 222 Ikwerre Road, 222 Ikwerre Road,
Mile 3, Diobu, Port Harcourt, Rivers State.
Tel: 084-485915, 573837, 770039
0803 7085481, 0803 3133009
Fax: 084-239156, 440038, 9
- 62 PH, 50 Ikwerre Road
50 Ikwerre Road, Port Harcourt
Tel: 084-231641, 231647, Fax: 084-231640
- 63 PH, Finima Plot 66,
Zone I, New Finima, Rivers State
Tel: 082-440336, 440350, 440336, 440350
0804-612-1415
- 64 PH, Fot Onne Fot Onne,
ITT Base, Rivers State. Tel: 084-820652-3
- 65 PH, Trans Amadi
Plot 71 Elekahia Industrial
Estate Road, Trans Amadi,
Port Harcourt, Rivers State.
Tel: 084-239685, 6, 239688, 9, 237923
Fax: 084 237922
- 66 Sokoto, Maiduguri Road
46 Maiduguri Road, Sokoto
Tel: 060-239486-7
- 67 Surulere, Bode Thomas Street,
Surulere, Lagos
Tel: 01-5852782-4, 5852781, 5852780
- 68 Trade Fair Complex,
Aspamda, Block 2 Office Block 2,
Opposite Mobitel Ltd, ASPAMDA,
Badagry Expressway, Lagos.
Tel: 01 8987982
- 69 Trade Fair Complex, Aspamda,
Hall 2, ASPAMDA Plaza, Trade Fair Complex,
Badagry Expressway,
Lagos State. Tel: 01 3208330-9
- 70 Umuahia, Library Avenue
10 Library Avenue, Umuahia,
Abia State.
Tel: 088-224340, 223213, 223216, 224345
- 71 Uyo, Abak Road, 74 Abak Road,
Akwa-Ibom
Tel: 085-204667, 200913, 200439
- 72 Victoria Island, Adeola Hopewell
Plot 730 Adeola Hopewell Street,
Victoria Island, Lagos
Tel: 01-2626094-8. Fax: 01-2626094-8
- 73 Victoria Island, Adeola Odeku
Plot 64 Adeola Odeku Street,
Victoria Island, Lagos
Tel: 01-2601902-6 Fax: 01-2601904
- 74 Warri, Sapele Road
84 Warri-Sapele Road,
Effurun, Warri, Delta State.
Tel: 053-254093, 254301-3, 255271,
252067, 253364
- 75 Wuse II Abuja,
Adetokunbo Ademola Crescent
Plot 21, Adetokunbo Ademola
Crescent, Cadastral Zone 8, Abuja.
Tel: 09-4134248-51, 4135492-5
- 76 Yola, Galadima Aminu Way
10 Galadima Aminu Way,
Yola, Adamawa State.
Tel: 075-627960
- 77 Abuja, National Assembly Complex
Plot 1486 Ahmadu Bello
Way Garki II Abuja
Tel: 09-3146484, 3146483, 3146482,
3146480
- 78 Yenegoa, Central Business District
Plot A6B Central Business District, Yenegoa
Tel: 089- 504313
- 79 Suleja Opp IBB Main Market,
Suleja, along Minna Road
Tel: 09- 8502450, 8502451, 8502452,
8502453
- 80 Oke-Arin 1, Oke-Arin Street,
Lagos. Tel: 01-2717034-7
- 81 Ogba, Ijaye Road
36, Ijaye Road, Ogba,
Lagos State.
Tel: 01- 4920049, 4920369,
4920370, 7618687, 7618688
- 82 Ibadan, Iwo Road
53, Iwo Road, Ibadan, Oyo State.
Tel: 02- 8100118, 8100123,
8100128, 8100130, 8100132
- 83 Garki, Ahmadu Bello
Plot 1486, Ahmadu Bello Way
Tel: 09-3146480-4
- 84 Onitsha, I Sokoto Road, Onitsha
Tel: 046-413291, 410648
- 85 Otta Nigeria Distilleries
Compound Otta Industrial Area, Otta.
Tel: 039-721826- 9

DIAMOND MINIS

- 1 Gudu Market, Abuja
Shop 144, block 6,
Gudu Market Abuja
- 2 Ikota, Ikota Shopping Complex
Shop C 96 C101 Ikota Shopping
Complex, Ikota VGC
- 3 Lekki, The Palms Shopping Mall
The Palms Shopping Mall,
Shop 41 Lekki Lagos
- 4 Okota, Ago Palace Way
116/118 Ago Palace Way,
Okota Lagos
- 5 PH Odual Road, 1 Odual Road,
Port Harcourt, Rivers State
- 6 Savanah Suites, Abuja
Savanah Suites, Area3, Abuja
- 7 Tejuosho, Ojuelegba Road
6 Ojuelegba Road, Tejuosho Yaba
- 8 Warri Refinery, Warri Refinery,
Delta State

CORRESPONDENT BANKS

CITIBANK LONDON

Citigroup Centre, Canada Square,
Canary Wharf, London E14 5LB

CITIBANK NEW YORK

111 Wall Street, New York N.Y. 10043

ANZ BANK

Minerva House P. O. Box 7,
Montague Close, London SE1 9DH

FORTIS BANK

6th Floor, Camomile Court,
23, Camomile Street London EC3A 7PP

STANDARD CHARTERED BANK

22 Billiter Street London EC3M 2RY

HSBC BANK PLC JOHANNESBURG

2 Exchange Square 85 Maude Street Sandown,
Sandton, 2196 South Africa

HSBC BANK PLC LONDON

Level 19, 8 Canada Square
London E14 5HQ

BHF BANK

60323 Frankfurt am Main Bockenheimer
Landstrasse. 10 Frankfurt

ING BANK

ING Belgium SA/NV Avenue Marnixlaan 241000
Brussels Belgium

NORDEA BANK FINLAND PLC

Hamngatan 10
SE-105 71 Stockholm Sweden

FBN BANK (UK) LTD

28 Finsbury Circus London EC2M 7DT

DEUTSCHE BANK AG

Global Institutional
Services Frankfurt Taunusanlage
12D-60325 Frankfurt am Main Federal Republic of
Germany

BANK OF BEIRUT (UK) LTD

17A Curzon Street London W1J 5HS

BNP PARIBAS (SUISSE) SA

11 Quai des Bergues 1201
Geneva Switzerland

COMMERZBANK

AKTIENGESELLSCHAFT

Kaiserplatz 60311 Frankfurt am Main



ANNUAL GENERAL MEETING TO BE HELD ON AUGUST 30, 2006 AT THE EXPO HALL OF EKO HOTEL AND SUITES, ADETOKUNBO ADEMOLA STREET, VICTORIS ISLAND, LAGOS STATE, AT 11 A.M PROMPT.

I/We*.....

Being a member/members of DIAMOND BANK PLC hereby appoint**.....

of.....

Or failing him the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on August 30, 2006 and at any adjournment thereof

Dated this.....day of.....

Signature.....

NOTE:

- Please sign this form and send it to reach the Company Secretary not later than 48 Hours, before the time fixed for the meeting. If executed by a Corporation, this form should be sealed under its common seal or under the hand of some officer or an attorney duly authorized in writing.
- Shareholder's name to be inserted in BLOCK CAPITALS in the blank space marked*. In the case of joint shareholders, anyone of such may complete this form, but the names of all joint holders may be inserted.
- Following the normal practice, the Chairman of the Meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but you may insert in the balance space marked** the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf.
- Agreement has been reached with the Federal Board of Inland Revenue for the Company to pay stamp duty on proxy forms used. IF USED, THIS FORM SHALL BE DEEMED STAMPED AND VALID FOR THE PURPOSE OF VOTING AT THE MEETING AND ANY ADJOURNMENT THEREOF.

RESOLUTION	Number of shares held	
	FOR	AGAINST
1. To adopt the Report of the Directors, the Balance Sheet as at 30 th April 2006 together with the profit and loss account and Report of the Auditors.		
2. To re-elect/elect Directors		
3. To authorize the Directors to fix the remuneration of the Auditors		
4. To re-elect the members of the Audit Committee		
5. To approve the remuneration of Directors 6. To approve write off of goodwill arising from acquisition of Lion Bank of Nigeria Plc.		
7. To amend Clause 103 of the Articles of Association		
8. To insert a new Clause 98 in the Articles of Association. Please indicate with "X" in the appropriate space above how you wish your votes to be cast on the Resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.		

Before posting the above form, please tear off this part and retain it for admission to the meeting.



ANNUAL GENERAL MEETING

NUMBER OF SHARES HELD

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS FORM OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING TO BE HELD AT THE EXPO HALL OF EKO HOTEL & SUITES ON AUGUST 30, 2006.

Name of Shareholder

.....

Signature of Person Attending

NOTE: You are requested to sign this form at the entrance of the venue in the presence of the Secretary on the day of the Annual General Meeting.

Affix
postage
stamp
here

www.diamondbank.com

Plot 1261, Adeola Hopewell Street, Victoria Island, Lagos. Tel 01-270 1500, Email info@diamondbank.com

Diamond Bank Plc RC. 161996

Subsidiary Bank: Diamond Bank S.A Rue 308 Reverend Pere collineau, Cotonou, Rep. Du