

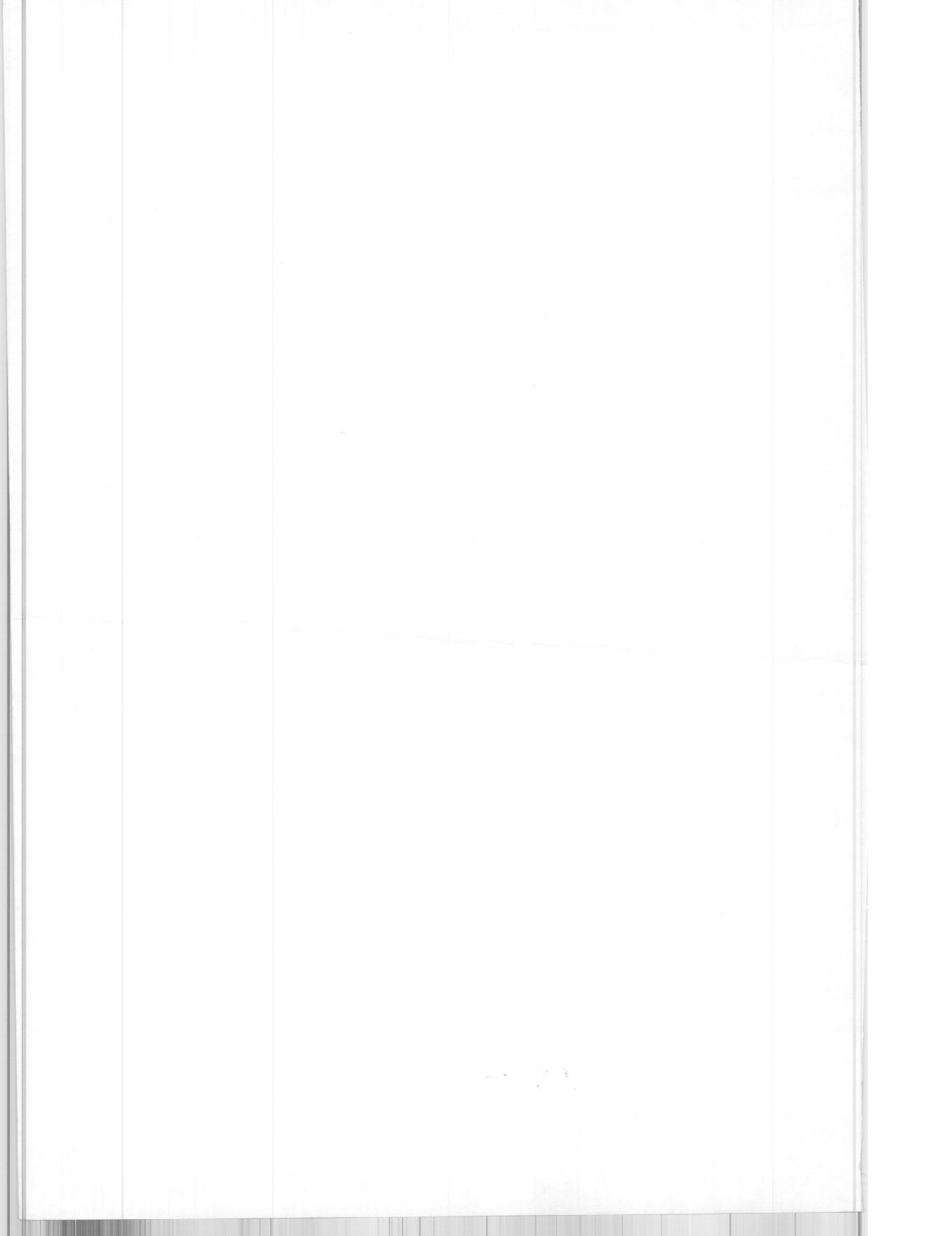
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1990

**A**nnual Report and Accounts

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1 Diamond trust of Kenya -- periodicals  
2 Banks and banking -- Kenya -- periodicals

## Directors

Zaher K Ahamed	(Chairman)
Sultan E Shariff	(Expired on 9 July 1990)
Amirali K Somji	
Christopher H Malavu	
Nurdin G Ajania	
Nizar S Meruani*	(Managing Director)
William B Robinson**	
David R Hinde***	
Ernest M Kepper****	(Retired 16 November 1990)
Amirali H Rashid	(Appointed as a Substantive Director on 20 April 1990).

\*Pakistani \*\*Australian \*\*\*British \*\*\*\*Canadian

## Secretaries and Registrars

Services and Systems Limited  
Diamond Trust House  
Moi Avenue  
PO Box 49988  
Nairobi

## Registered Office

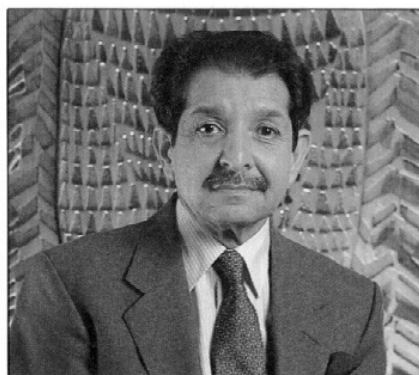
Diamond Trust House  
Moi Avenue  
PO Box 61711  
Nairobi

## Auditors

Kassim-Lakha Abdulla & Co  
Certified Public Accountants

2007/0336.

## Board of Directors



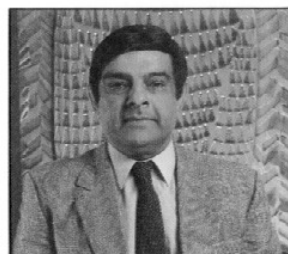
Zaher K Ahamed  
Chairman



Amirali K Somji  
Director



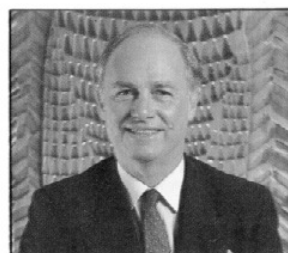
Christopher H Malavu  
Director



Nurdin G Ajania  
Director



Amirali H Rashid  
Director



William B Robinson  
Director

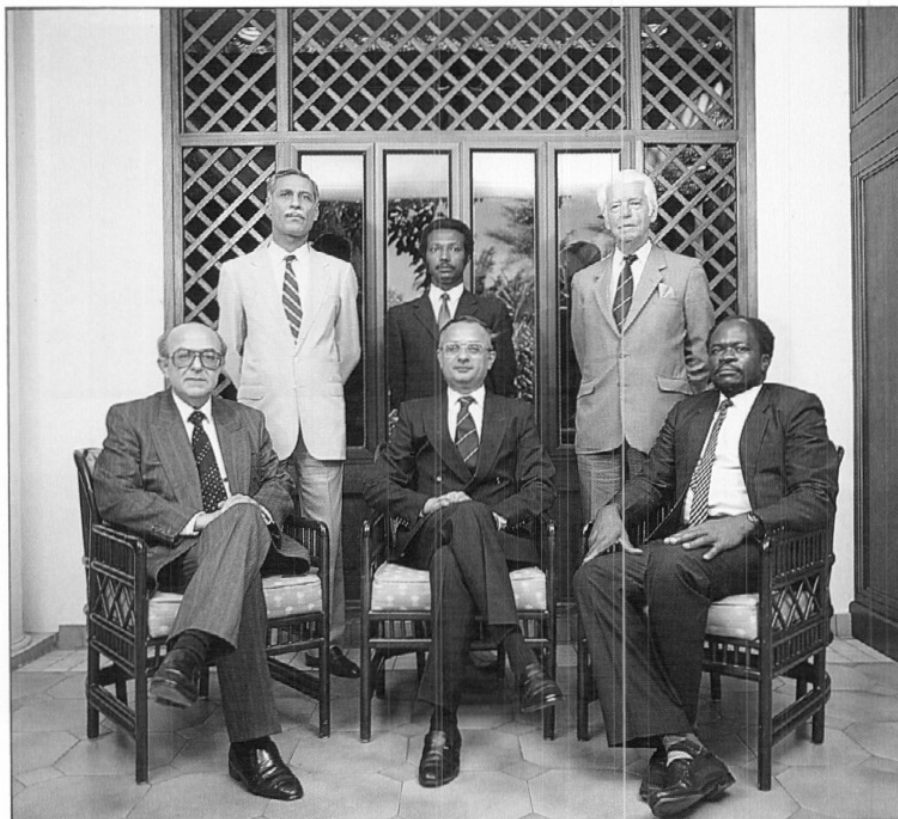


David R Hinde  
Director

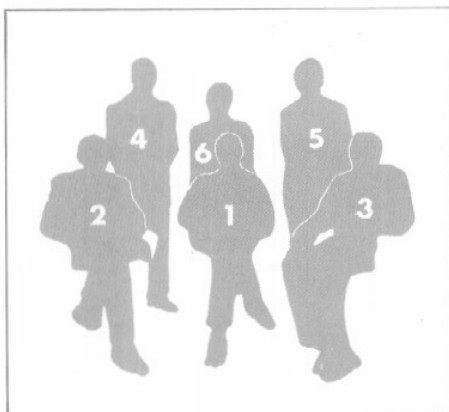


Nizar S Meruani  
Managing Director

## Senior Management



Senior Management staff.



1. Nizar S Meruani — Managing Director
2. Sultan Essani — General Manager,  
Mombasa
3. Francis O Okello — General Manager,  
Merchant Banking
4. Anwer A Hussain — General Manager,  
Operations
5. Ian W Sinclair — Advisor  
Merchant Banking
6. Kanyi K Thuo — Secretary to Services  
and Systems Ltd

## Notice of Annual General Meeting

**N**otice is hereby given that the Twenty-fifth Annual General Meeting of the Shareholders of Diamond Trust of Kenya Limited will be held at the Company's registered office, Diamond Trust House, Moi Avenue, Nairobi, on Friday the Twenty-sixth day of April, 1991, at 11.00 am to transact the following business:

1. To confirm the Minutes of the Twenty-fourth Annual General Meeting held on 20 April, 1990.
2. To receive, consider and adopt the Accounts for the year ended 31 December, 1990, together with the Directors' and Auditors' Reports thereon.
3. To confirm payment of the interim dividend of 15% made on 26 October, 1990, and approve payment of a final dividend of 20% on the Issued and Paid-up Share Capital of KShs 56,533,333 as at 31 December 1990, to shareholders registered in our books as at 29 April, 1991, on or about 24 May, 1991, as recommended by the Board.
4. To elect Directors:  
In accordance with Articles No 93 and 94 of the Company's Articles of Association, Mr Amirali K Somji, Mr Christopher H Malavu and Mr Nurdin G Ajania are due for retirement by rotation and, being eligible, offer themselves for re-election.
5. To approve the Directors' fees.
6. To authorise the Directors to fix the Auditors' remuneration.
7. To transact any other Ordinary Business of an Annual General Meeting.

### SPECIAL BUSINESS

8. To consider and, if deemed appropriate, adopt the following ordinary resolution:  
"That the authorised share capital of the Company be and is hereby increased from KShs 100 million to KShs 200 million by the creation of a further 25,000,000 Ordinary Shares of KShs 4.00 each ranking pari passu as regards dividends and in all other respects with the existing Ordinary Shares of the Company".

By Order of the Board  
Kanyi Kiiru Thuo  
Services and Systems Limited  
Secretaries

4 March 1991  
Nairobi

### NOTE

A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. Such proxy need not be a member of the Company. A form of proxy, which must be lodged with the Company's Secretaries, Services and Systems Limited, PO Box 49988, Nairobi, not later than 48 hours before the time for holding the Meeting, is enclosed.

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## Chairman's Statement

**I**would like to begin this statement by paying tribute to the late Chairman, Mr. Sultan E. Shariff who passed away on July 9, 1990. Mr. Shariff had resigned his chairmanship just prior to his sad and untimely demise. He was first appointed to the Board in January, 1973 and became chairman at the end of 1979. Under his able leadership and guidance, your Company achieved remarkable growth in assets and profitability. He also took active part in the restructuring of your Company to facilitate diversification into merchant banking activities, with the entry of institutional shareholders in 1983. He was a warm and genuine person. His vast experience and practical knowledge of business, people and the local environment will be greatly missed by his colleagues on the Board. May his soul rest in eternal peace.

During 1990, business conditions for the banking industry turned out to be much as forecast, with tight liquidity and restricted lending rates resulting in high cost of funds and thin margins. During the year the Central Bank of Kenya made adjustments to the deposit rates as well as lending rates, on two occasions. As a result, the gap of the maximum lending rate of commercial banks compared to that of non-bank financial institutions was narrowed by one-half percentage point.

Notwithstanding the difficult conditions, the Management of your Company has once again, ably, diligently and creditably achieved results which are commendable. Pre-tax profits increased from KShs 91 million to KShs 117.3 million registering a growth of 28.9 per cent. Our subsidiary and associated companies have continued their useful contribution to the Company's profits. Total assets increased from KShs 2,374 million to KShs 2,490 million, registering a growth of 5 per cent. Advances and deposits registered growth rates of 6 per cent and 4 per cent respectively. Advances increased from KShs 1,669 million to KShs 1,773 million, while deposits increased from KShs 1,897 million to KShs 1,977 million. The balance sheet growth rates were monitored by your Board and it was a conscious decision on the part of your Board that taking into account the prevailing market conditions, it would be prudent to consolidate the position in this area.

You will recall that at the Annual General Meeting held on April 20, 1990, the shareholders approved a bonus issue of one for two subject to the consent and approval of the Capital Issues Committee and Exchange Control. The relevant consent and approval were duly received and the formalities to effect the issue were completed at an Extraordinary General Meeting held on February 15, 1991. The relevant share certificates will be despatched on or about March 21, 1991. The paid up capital of the company now stands at KShs 84.8 million.

In October 1990, your Company resumed payment of interim dividends starting with a payment of 15 per cent on the then Issued and Paid-up Share Capital of KShs 56.5 million. Your Board is now recommending, subject to Exchange Control approval, a final dividend of 20 per cent on the Issued and Paid-up Share Capital of KShs 56.5 million as at December 31, 1990, to be paid on or about May 24, 1991.

Your Board is also recommending subject to consent and approval of the Capital Issues Committee and Exchange Control, a further Bonus Issue at the rate of one share for every three shares held in the Issued and Paid-up Share Capital of KShs 84.8 million, such new issue to rank *pari passu* in all respects with the existing shares in the capital of the Company except for the aforementioned final dividend and any further dividend paid prior to the Bonus Issue. This, will increase the Paid-up Share Capital to KShs 113.1 million.

The future development of your Company will be predicated on a number of factors. First, an orderly development of the capital markets in Kenya. Second, the existence of a stable capital base. Third, strong management and manpower support. Fourth, introduction of appropriate technology and new financial instruments.

The Capital Market Development Authority set up in 1989 is continuing to make satisfactory progress. It is our hope that this body will be instrumental in the orderly and rapid development of capital markets in Kenya, and, indeed, in the region. Your Company is looking forward to continue its important and effective role in the enlargement of the capital markets in Kenya and elsewhere. The proposed increase of share capital to KShs 113.1 million will give it a wider and even more stable capital base. Your Company has an enviable track record of performance, experience, resources and technical back-up. The Board, together with the Management has decided



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## Chairman's Statement

### Continued

to put in place all other requirements to meet the challenge of growth. To this end, your Company has decided to move its headquarters to the prestigious Nation Centre which is a modern high-tech communications centre identifying the evolution of Nairobi as a major logistic and communications hub. The building is presently under construction and will have up-to-date communication facilities. Your Management is presently actively engaged in a programme of computerisation to take full advantage of the information technology and the communications facilities. Your Company is reviewing its training programmes with the aim of improving, strengthening and developing capability in all areas of its operations. Development of manpower is considered by your Board to be an essential step in the continuance of the Company's growth.

Pursuant to the ongoing liberalisation of the financial sector, it is likely that interest rates may be deregulated in June 1991. Although the detailed modalities of implementing the expected policy change are not yet known, it is apparent that when this happens the rates for both borrowing, i.e. taking of deposits, and lending by banks and non-bank financial institutions, will immediately increase. Your Company has in place financial instruments, systems and procedures to ensure that we maintain our competitiveness in the market and give advantage of this development to our depositors, borrowers and shareholders.

As to the prospects for 1991, the envisaged development of the capital market together with other measures being taken by the Government are expected to result in sustained growth in exports, more savings, increased investment and inflow of foreign exchange to pay for essential imports. The possible positive effect of these measures has been neutralised, to an extent, by the Gulf war, which has had a particularly severe adverse impact on tourism and has resulted in increases in the price of petroleum products and in electricity costs. These, in turn, have resulted in a general increase in the cost of living.

The Management and Staff have consistently achieved successful results which have put your Company in the forefront in the industry. I take this opportunity to express, on your behalf, our appreciation for their hard work and dedication which has resulted in these successful results year after year.

I should also like to take this opportunity to express our gratitude to the many depositors and loan customers of the Company who have continued to give us their support which we value very much. I should like to assure them that with their continued support, we will continue to offer quality services that have characterised our business operations.

Finally I should like to thank my colleagues on the Board for their confidence in appointing me as your Chairman. I would like to assure you that the Board will continue to work towards maintaining the growth and leadership that has been achieved in the industry to date.

ZAHER K. AHAMED  
Chairman

March 1, 1991

## Report of the Directors for the year ended 31 December, 1990

**T**he Directors have pleasure in presenting their Report and Audited Accounts for the year ended 31 December, 1990.

The following information refers to the Parent Company only; comments on the affairs of the Group are dealt with in the Chairman's Statement.

RESULTS	1990 KShs'000	1989 KShs'000
Profit before taxation	117,324	90,988
Taxation	54,185	40,787
Profit after taxation	63,139	50,201
Statutory Reserve Fund	—	6,275
	63,139	43,926
Dividends:		
Interim paid — 15%	8,480	—
Proposed final — 20%	11,307	19,787
	19,787	19,787
Profit retained	43,352	24,139
Profit brought forward	120,265	76,277
Transfer from Statutory Reserve Fund	—	19,849
Profit carried forward	163,617	120,265

### DIVIDENDS

An interim dividend of 15% (1989 — Nil) on the Paid-up Share Capital of KShs 56,533,333 was paid on 26 October, 1990. It is proposed that a Final Dividend of 20% on the Paid-up Share Capital of KShs 56,533,333 as at 31 December, 1990, be paid on or about 24 May, 1991. The payment of the Dividend in respect of non-resident Shareholders is subject to Exchange Control approval.

### BONUS ISSUE

The Directors also propose to recommend to the Shareholders, subject to consent and approval of the Capital Issues Committee and Exchange Control, a Bonus Issue at the rate of one share for every three shares held in the Issued and Paid-up Share Capital of KShs 84,800,000 (increased from KShs 56,533,333 on 18 February, 1991) such new Issue to rank *pari passu* in all respects with the existing shares in the Capital of the Company except for the afore-mentioned final dividend and any further dividend paid prior to the implementation of the Bonus Issue.

An Extraordinary General Meeting of the Shareholders will be convened to give effect to this proposal upon receipt of the necessary consent and approval.

### DIRECTORS

From the present members of the Board of Directors as listed, Mr Amirali K Somji, Mr Christopher H Malavu and Mr Nurdin G Ajania retire by rotation under Articles No 93 and 94 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

### AUDITORS

The Company's Auditors, Kassim-Lakha Abdulla & Co., being eligible, continue in office in accordance with Section 159(2) of the Companies Act (Cap 486), and it is proposed that they also be appointed under Section 24(1) of the Banking Act 1989.

By Order of the Board  
Kanyo Kiiru Thuo  
Services and Systems Limited  
Secretaries

1 March, 1991  
Nairobi

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## Report of the Auditors

to the Members of Diamond Trust of Kenya Limited

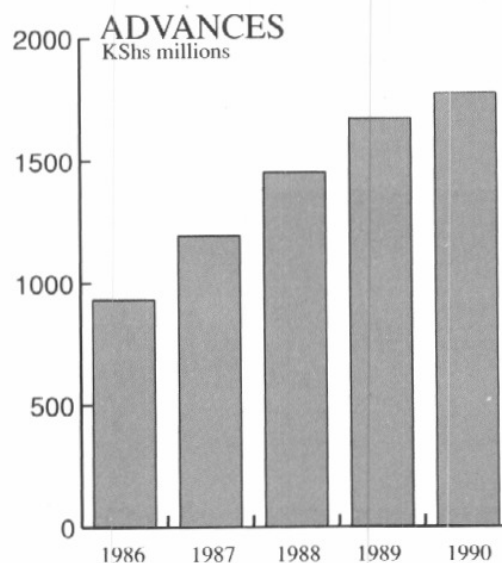
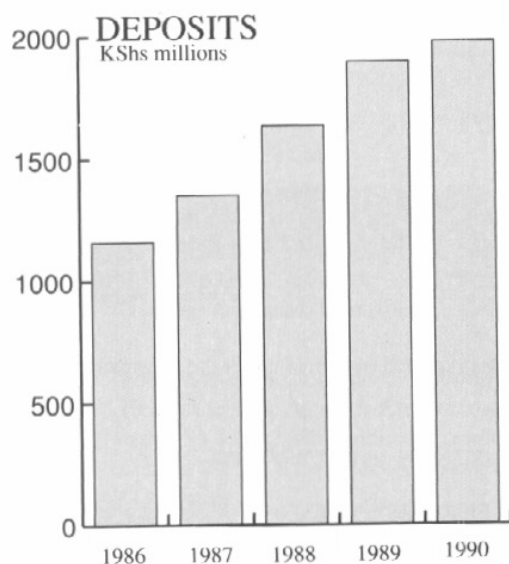
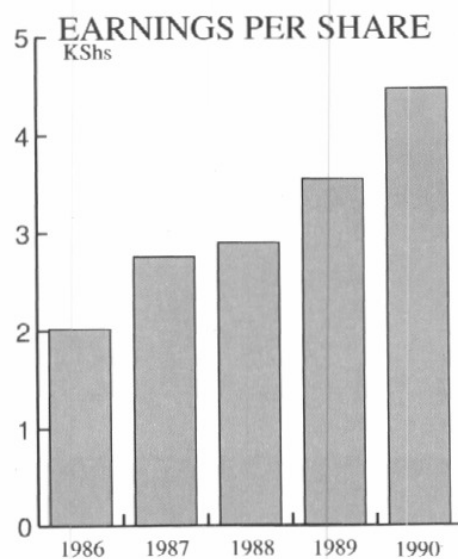
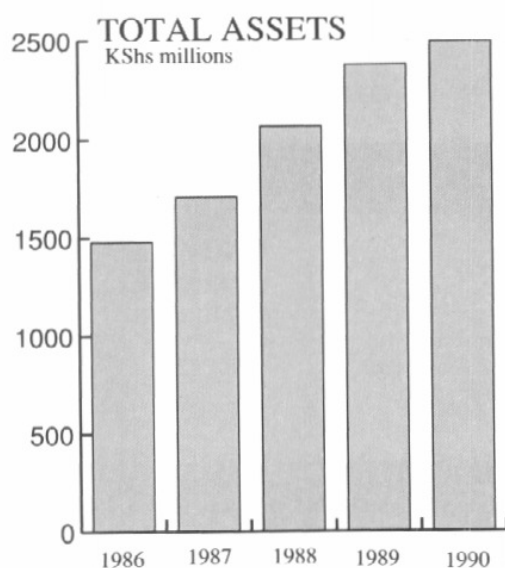
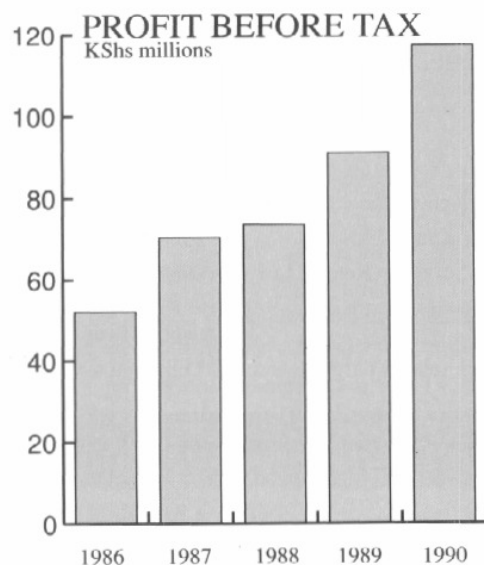
**W**e have audited the accounts set out on pages 10 to 17. The accounts are in agreement with the books of account. We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion proper books of account have been kept and the accounts give a true and fair view of the state of financial affairs of the Company and the Group at 31 December, 1990, and of the profit and source and application of funds of the Group for the year ended on that date and comply with the Companies Act (Cap 486).

Kassim-Lakha Abdulla & Co.  
Certified Public Accountants

1 March, 1991  
Nairobi

## Financial Highlights



## Report of the Auditors

to the Members of Diamond Trust of Kenya Limited

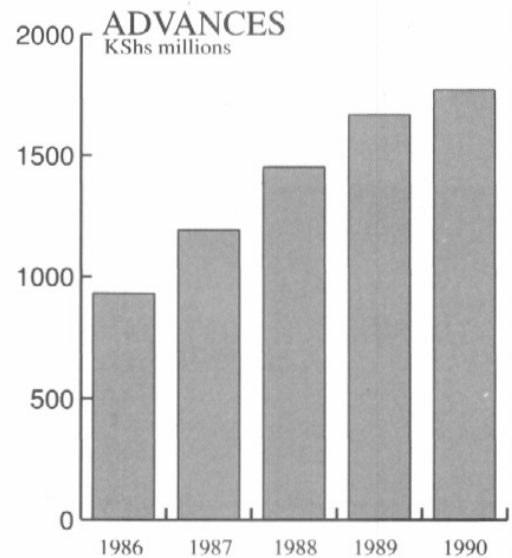
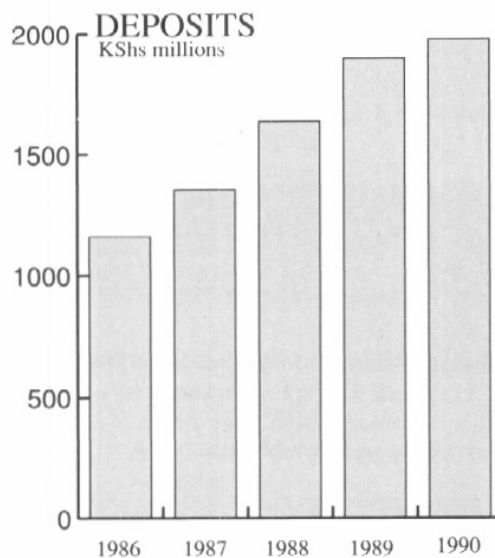
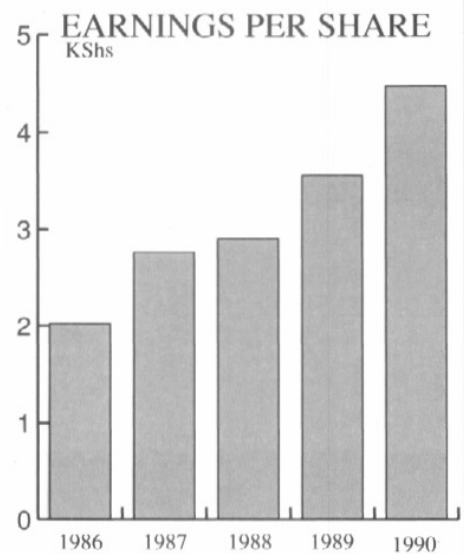
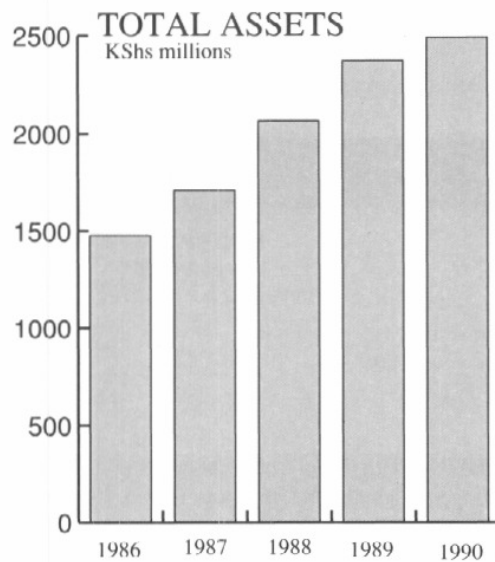
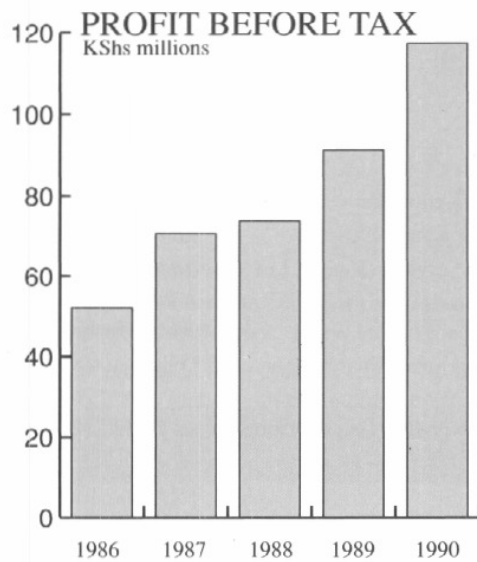
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Kassim-Lakha Abdulla & Co.  
Certified Public Accountants

1 March, 1991  
Nairobi

## Financial Highlights



# Proxy Form

I/We ..... of .....

..... being a member/members of Diamond Trust of Kenya Limited

hereby appoint .....

of ..... and failing him,

..... of .....

..... and

failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the twenty-sixth day of April 1991 at 11.00am and at any adjournment thereon.

As witness my/our hand this ..... day of ..... 1991

Signature .....

## IMPORTANT NOTES:

1. If you are unable to attend this meeting personally, this Form of Proxy should be completed and returned to the Secretaries, Services and Systems Limited, PO Box 49988, Nairobi, to reach them not later than 48 hours before the time appointed for holding the meeting.
2. A person appointed to act as a proxy need not be a member of the Company.
3. If the appointer is a Corporation, this Form of Proxy must be under Seal or under the hand of an Officer or Attorney duly authorised in writing.

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## Subsidiary and Associated Companies

31 December, 1990

SUBSIDIARY COMPANIES	HOLDING %
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The Diamond Trust Properties (Kenya) Limited	52.34
Premier Savings and Finance Limited (formerly Mombasa Savings and Finance Limited)	66.8

### ASSOCIATED COMPANIES

Agricraft Kenya Limited	20.0
Combined Warehouses Limited	44.1
Drumcon (1973) Limited	40.0
Industrial Promotion Building Limited	24.9
Services and Systems Limited	40.0

## Head Office and Branches

### HEAD OFFICE:

Diamond Trust House  
Moi Avenue  
PO Box 61711  
Nairobi  
Telephone 337445, 227326  
& 332431  
Telex 23294

### CHIEF OFFICERS

Managing Director N S Meruani  
General Manager—Merchant Banking F O Okello  
General Manager—Operations A A Hussain  
Advisor Merchant Banking I W Sinclair  
Secretary to Services & Systems Ltd K K Thuo  
Chief Internal Auditor K V R Rao  
Senior Manager J S M Mwangi-Kioi

### BRANCHES:

#### MOMBASA

Diamond Trust House  
Moi Avenue  
PO Box 90564, Mombasa  
Telephone 21924, 21495  
26313 & 26314

General Manager S Essani

#### NAIROBI

Diamond Trust House  
Moi Avenue  
PO Box 49988, Nairobi  
Telephone 337424, 332431  
& 225972

Senior Manager A I Bodal

IPS Building  
Standard Street  
PO Box 34675, Nairobi  
Telephone 219785 & 217326

#### KISUMU

Jubilee Insurance House  
Oginga Odinga Street  
PO Box 1081, Kisumu  
Telephone 43535/6/7

Senior Manager S S Ahmed

#### NAKURU

Agricultural Finance  
Corporation House  
Geoffrey Kamau Way  
PO Box 3399, Nakuru  
Telephone 44281 & 44283

Manager J M Ayuya



Diamond Trust House, Nairobi