DBN Development Bank of Nigeria Plc
RC 2125724

UNAUDITED MANAGEMENT ACCOUNTS

MARCH 31, 2023

...Financing Sustainable Growth

Index to the financial statements

For the quarter ended 31 March, 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2023

	Notes	2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
Interest income	1	12,629,500	10,644,966
Interest expense	2	(2,716,895)	(2,777,291)
Net interest income		**9,912,605**	**7,867,674**
Impairment (charge)/write-back	3	(81,605)	22,927
Net Interest income after impairment		**9,831,000**	**7,890,601**
Other income/(PIU Expense)	4	92,810	(131,246)
Fee and commission expense	5	(274)	(5,056)
Operating expenses	6	(1,395,580)	(1,265,765)
Profit before tax		**8,527,956**	**6,488,534**

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

Assets	Notes	2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
Cash and bank balances	7	5,743,716	3,344,492
Due from financial institutions	8	145,126,030	143,745,643
Loans and advances	9	360,365,410	323,281,241
Investment securities	10	(0)	27,251,067
Investment in subsidiary	11	11,375,000	11,375,000
Other assets	12	1,583,374	1,343,517
Intangible assets	13	243,437	144,310
Property, plant and equipment	14	5,559,461	2,175,994
Deferred tax	15	1,140,471	724,664
Total assets		**531,136,900**	**513,385,927**
Liabilities			
PFI Deposits for loan repayments	16	1,984,021	1,699,129
Long term debt	17	293,766,821	300,912,312
Income tax payable	18	11,575,456	6,893,466
Other liabilities	19	3,103,439	4,741,050
Total liabilities		**310,429,738**	**314,245,956**
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		33,863,738	28,003,563
Credit risk reserve		4,660,615	4,905,519
Retained earnings		82,320,239	66,368,319
Shareholders' Fund		**220,707,162**	**199,139,971**
Total liabilities and Equity		**531,136,900**	**513,385,927**

STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2023

BANK	**Share Capital N'000**	**Share Premium N'000**	**Retained Earnings N'000**	**Statutory Reserves N'000**	**Credit Risk Reserve N'000**	**Total N'000**
Balance at 1 January 2023	**100,000**	**99,762,570**	**73,792,283**	**33,863,738**	**4,660,616**	**212,179,207**
Profit before tax for the period			8,527,956			8,527,956
Transfer between reserves:						
Transfer to regulatory risk reserve						-
Transfer to statutory reserve						-
Total comprehensive income	**-**	**-**	**8,527,956**	**-**	**-**	**8,527,956**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at 31 March, 2023	**100,000**	**99,762,570**	**82,320,239**	**33,863,738**	**4,660,616**	**220,707,162**

	Share Capital N'000	**Share Premium N'000**	**Retained Earnings N'000**	**Statutory Reserves N'000**	**Credit Risk Reserve N'000**	**Total N'000**
Balance at 1 January 2022	**100,000**	**99,762,570**	**59,873,638**	**28,003,563**	**4,905,520**	**192,645,291**
Profit after tax for the year			19,533,916			19,533,916
Re-measurement of prior year loan loss provision			-			-
Transfer between reserves:						
Transfer to regulatory risk reserve			244,904		(244,904)	-
Transfer to statutory reserve			(5,860,175)	5,860,175		-
Total comprehensive income	**-**	**-**	**13,918,645**	**5,860,175**	**(244,904)**	**19,533,916**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year						-
Share issue cost						-
	-	-	-	-	-	-
At 31 December 2022	**100,000**	**99,762,570**	**73,792,283**	**33,863,738**	**4,660,616**	**212,179,207**

STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2023

	March 2023 N'000	March 2022 N'000
Cash flows from operating activities		
Profit for the period before tax	8,527,956	6,488,534
Adjust for non-cash items		
Depreciation of plant and equipment	70,002	73,134
Amortization of Intangibles	12,838	10,239
Interest income on treasury bills	-	(632,772)
Impairment on financial assets	81,605	(22,927)
Interest expense accrual for the period	2,735,902	2,777,291
Changes in working capital		
Net increase/(decrease) in Accruals and other payables	1,271,274	3,363,833
Net (increase)/decrease in Other assets	(427,447)	(275,470)
Net (increase)/decrease in loans and advances	10,641,935	(8,903)
Net increase in other financial assets ECL	206,687	(42,728)
Net cash flows from operating activities	**23,120,752**	**11,730,232**

STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2023

	March 2023 N'000	March 2022 N'000
Cash flows from investing activities		
Acquisition of property and equipment	(3,287,152)	(95,840)
2021 FY Lease accounting ROU Assets impact	-	148,347
(Purchase)/Reclass/Disposal of intangible assets	(22,627)	(6,456)
Net cash flows used in investing activities	**(3,309,779)**	**46,050**
Cash flows from financing activities		
Net cash flows from financing activities	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	19,810,973	11,776,282
Cash and cash equivalents, beginning of year	131,058,773	135,313,852
Cash and cash equivalents, end of period	**150,869,746**	**147,090,135**

		2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023		
1	**Interest and discount income**		
	Placements	3,353,993	2,711,455
	Placements - SDIS	1,317	985
	Treasury bills	-	632,772
	Loans and advances	9,293,197	7,314,814
	Total interest income	**12,648,507**	**10,660,027**
	Provision for IDB	19,008	15,061
	Net Interest Income	**12,629,500**	**10,644,966**
2	**Interest and similar expense**		
	Borrowed funds	2,716,895	2,777,291
	Interest expense	**2,716,895**	**2,777,291**
3	**Net Impairment (charge)/write back**		
	ECL - Loan assets	125,082	65,655
	ECL - Other assets	(206,687)	(42,728)
		(81,605)	**22,927**
4	**Other incomes**		
	Other income	61,000	5,923
	Grant Income (PIU)	211,811	-
	PIU Expense	(180,001)	(137,169)
		92,810	**(131,246)**
5	**Fee and commission income/Expense**		
	Fees	(274)	(5,056)
		(274)	**(5,056)**

	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023	2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
6	**Operating expenses**		
	Staff cost (6a)	769,140	659,851
	Administration and general expenses (6b)	339,665	358,426
	Depreciation of property plant and equipment	70,002	73,134
	Amortization of intangible assets	12,838	10,239
	Auditor's remuneration	8,575	5,375
	Directors emolument	77,125	60,272
	Legal, consultancy and other professional fees	118,235	98,468
	Operating expenses	**1,395,580**	**1,265,765**
6a	**Staff Cost**		
	Salaries	359,788	355,742
	ITF Level & NSITF	5,630	5,584
	Performance bonus	250,000	227,500
	Staff training	118,750	49,178
	Recruitment expenses	6,225	-
	Other staff expense	28,748	21,847
	Staff cost	**769,140**	**659,851**
6b	**Administrative and General expenses**		
	Stationery	549	3,107
	Outsourcing	5,252	4,475
	Office rent and rates	16,237	21,895
	Marketing, advertising and Sponsorship	41,796	67,322
	Subscriptions, publications, and communications	23,710	8,425
	Insurance and licences	13,502	4,268
	Repairs and maintenance	10,066	11,160
	Other administration and general expenses	71,861	40,265
	Bank charges	625	871
	Travels and accommodation	14,486	25,749
	IT and Communications expenses	66,478	50,773
	Board expenses	75,104	50,743
	Stamp Duty Levy	-	69,372
	Total admin and general expense	**339,665**	**358,426**

		2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023		
7	**Cash and bank balances**		
	With Local Banks:		
	- Guaranty Trust Bank	331,942	29,439
	- United Bank for Africa	1,712	1,238
	- First Bank of Nigeria	538	870
	- Eco Bank	238	602
	- Stanbic IBTC	1,363	1,363
	- Access Bank	57	224
	- Zenith bank	1,779	1,779
	- Fidelity bank	258	754
	- FCMB	952	955
	- Union bank	16,600	14,012
	- Wema bank	142	421
	- FSDH	859	24
		356,440	**51,680**
	Current account with CBN:		
	- DBN-CBN Operations account	5,388,613	3,136,598
	- DBN-PIU CBN Operations account - NGN	9,842	58,768
	- DBN-PIU CBN Operations account - USD	(15,093)	92,916
	- DBN-IBRD account with CBN	294	910
	- DBN-AFD account with CBN	643	643
	- DBN-KfW account with CBN	981	981
	- DBN-AfDB account with CBN	1,423	1,423
	- DBN-ADF account with CBN	572	572
		5,387,276	**3,292,812**
	Total Cash and Bank balances	**5,743,716**	**3,344,492**
8	**Due from financial institutions**		
	Fixed placements	144,993,000	143,678,000
	Fixed Placements - SDIS	44,778	40,774
		145,037,778	143,718,774
	Interest receivable - Bank placements	625,981	406,535
	Interest receivable - SDIS Fixed placements	255	188
		626,236	**406,723**
	Other asset ECL	(537,984)	(379,854)
		145,126,030	**143,745,643**

		2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023		
9	**Loans and advances to customers**		
	PFI Loans	363,023,427	324,775,156
		363,023,427	**324,775,156**
	Term loan ECL	(2,658,016)	(1,493,915)
		360,365,410	**323,281,241**
10	**FGN Treasury securities**		
	Treasury bills at amortized cost	(0)	27,500,000
		(0)	**27,500,000**
	Unearned discount income - Treasury bills	(0)	(248,933)
		(0)	**(248,933)**
	Total investment securities @ amortized cost	**(0)**	**27,251,067**
11	**Investment in subsidiaries**		
	Investment in subsidiary	11,375,000	11,375,000
		11,375,000	**11,375,000**
12	**Other assets**		
	Other receivables	82,608	94,042
	WHT Receivable	1,346,260	1,064,798
		1,428,868	**1,158,840**
	Prepayments	154,506	184,677
	Non Financial Asset	**154,506**	**184,677**
	Total other assets	**1,583,374**	**1,343,517**
13	**Intangible assets**		
	Computer software	435,005	287,331
	Amortisation-computer software	(191,567)	(143,021)
		243,437	**144,310**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023		2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
14	**Property Plant and equipment**		
	Motor Vehicles	1,066,512	861,700
	Furniture and Fittings	89,916	87,201
	Computer Equipment	359,816	258,614
	Office Equipment	109,094	107,990
	Leasehold Improvement	105,937	105,937
	Work In Progress - PPE	5,276	4
	Asset Under Construction	4,820,211	1,596,434
	Book Value of PPE	**6,556,763**	**3,017,882**
	Accumulated Depreciation on PPE		
	Motor Vehicles - Depreciation	(507,772)	(429,704)
	Furniture and Fittings - Depreciation	(72,263)	(56,188)
	Computer Equipment - Depreciation	(221,136)	(184,750)
	Office Equipment - Depreciation	(90,194)	(73,512)
	Leasehold Improvement - Amortization	(105,937)	(97,733)
	Accumulated Depreciation on PPE	**(997,302)**	**(841,888)**
	Net Book Value of PPE	**5,559,461**	**2,175,994**
15	**Deferred Tax**		
	Deferred Tax Asset	1,140,471	724,664
		1,140,471	**724,664**
16	**PFI Deposits for loan repayments**		
	Deposit for loan repayments	1,984,021	1,699,129
		1,984,021	**1,699,129**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2023	2023 3 months (Jan - Mar) N'000	2022 3 months (Jan - Mar) N'000
17 Long term debt		
Long term debt - IBRD	149,035,167	140,707,626
Long term debt - AFD	33,804,338	38,350,566
Long term debt - KfW	41,099,882	46,967,429
Long term debt - ADF	12,696,938	13,274,925
Long term debt - AfDB	56,839,524	61,611,767
	293,475,849	**300,912,312**
18 Current income tax liabilities		
Income tax payable	10,303,147	6,090,088
Education Tax	863,918	517,795
Police Trust Fund Levy	3,679	3,338
NITDA Levy	330,905	225,345
NASENI Levy	73,806	56,900
	11,575,456	**6,893,466**
19 Other liabilities		
Accrued expenses	1,621,832	1,410,109
Other liabilities	1,337,154	3,273,470
Provision on IDB Loans	144,452	57,471
	3,103,439	**4,741,050**

DEVELOPMENT BANK OF NIGERIA PLC		
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
FOR THE 1ST QUARTER ENDED 31 MARCH 2022	2023	2022
	3 months	3 months
	(Jan - Mar)	(Jan - Mar)
	N'000	N'000
Revenue	12,722,310	10,513,720
Gross Profit	9,831,000	7,890,601
Profit before tax	**8,527,956**	**6,488,534**

DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
MARCH 31, 2023

We the undersigned, pursuant to section 60 subsection 2 of the Investments and Securities Act 2007, have reviewed the 1st quarter financial statements report to the Securities and Exchange Commission and based on our knowledge, certify that:

a. the report does not contain any untrue statement of a material fact, or

b. omit to state a material fact, which would make the statement, misleading in the light of the circumstances under which such statement was made;

c. the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Bank as of, and for the periods presented in the report.

IJEOMA OZULUMBA
EXECUTIVE DIRECTOR/CFO

TONY OKPANACHI
MANAGING DIRECTOR/CEO