



DBN
Development
Bank of Nigeria

MANAGEMENT ACCOUNTS

June 30, 2020



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For the period ended 30 June, 2020

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020**

		2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	Notes	N'000	N'000	N'000	N'000
Interest income	1	9,036,658	19,124,193	10,354,791	20,152,945
Interest expense	2	(2,817,247)	(5,653,478)	(1,558,427)	(3,014,413)
Net interest income		6,219,411	13,470,715	8,796,364	17,138,532
Impairment (charge)/write-back	3	43,904	(63,953)	(32,850)	(328,712)
Net Interest income after impairment		6,263,316	13,406,762	8,763,514	16,809,821
Other income	4	9	1,345	-	-
Fee and commission expense	5	(33,779)	(73,667)	(30,017)	(60,531)
Operating expenses	6	(831,887)	(1,597,851)	(852,773)	(1,579,190)
Profit before tax		5,397,659	11,736,590	7,880,724	15,170,099



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

		June 30, 2020	June 30, 2019
Assets	Notes	N'000	N'000
Cash and bank balances	7	336,932	494,117
Due from financial institutions	8	215,968,095	80,616,138
Loans and advances	9	82,976,271	67,877,730
Investment securities	10	163,432,111	209,188,900
Investment in subsidiary	11	11,375,000	-
Other assets	12	431,118	532,334
Intangible assets	13	84,060	50,427
Property, plant and equipment	14	568,593	537,144
Deferred tax	15	1,546,819	-
Total assets		476,718,999	359,296,792
Liabilities			
PFI Deposits for loan repayments	16	30,695	-
Long term debt	17	304,170,379	216,610,459
Income tax payable	18	124,843	152,740
Other liabilities	19	1,015,555	1,319,427
Total liabilities		305,341,471	218,082,626
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		18,102,257	8,023,196
Credit risk reserve		1,315,400	467,915
Retained earnings		52,097,300	32,860,485
Shareholders' Fund		171,377,528	141,214,166
Total liabilities and Equity		476,718,999	359,296,792



**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2020**

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 2020	100,000	99,762,570	40,360,711	18,102,257	1,315,400	159,640,938
Profit before tax for the year			11,736,590			11,736,590
Transfer between reserves:						
Transfer to regulatory risk reserve					-	-
Transfer to statutory reserve				-		-
Total comprehensive income	-	-	11,736,590	-	-	11,736,590
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at 30 June, 2020	100,000	99,762,570	52,097,300	18,102,257	1,315,400	171,377,528
	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 2019	100,000	99,762,570	17,690,388	8,023,196	467,915	126,044,069
Profit after tax for the year			33,596,869			33,596,869
Re-measurement of prior year loan loss provision						-
Transfer between reserves:						
Transfer to regulatory risk reserve			(847,485)		847,485	-
Transfer to statutory reserve			(10,079,061)	10,079,061		-
Total comprehensive income	-	-	22,670,323	10,079,061	847,485	33,596,869
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year						-
Share issue cost						-
	-	-	-	-	-	-
At 31 December 2019	100,000	99,762,570	40,360,711	18,102,257	1,315,400	159,640,938



**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020**

	June 30, 2020 N'000	May 31, 2020 N'000
Cash flows from operating activities		
Profit for the period before tax	11,736,590	9,796,194
Company Income Tax paid - 1st & 2nd Instalments	(246,424)	(123,212)
Adjust for non-cash items		
Depreciation of plant and equipment	164,428	140,077
Amortization of Intangibles	19,967	16,717
Profit on disposal of PPE	(274)	(274)
Interest income on treasury bills	(11,310,405)	(9,777,487)
Impairment on financial assets	63,953	336,826
Interest expense accrual for the period	5,653,478	4,737,441
Changes in:		
Net decrease in Accruals and other payables	(487,412)	(418,625)
WHT Credit notes set off against Income Tax liability	(228,776)	(228,776)
Net (increase)/decrease in Other assets	98,000	151,173
Net decrease in loans and advances	15,158,313	16,751,557
Net increase in other financial assets ECL	(201,775)	(424,552)
Net cash flows from operating activities	20,419,662	20,957,058
Investment income received on treasury bills	10,597,418	9,123,909
Cash flows from investing activities		
Purchase of treasury bills	(26,174,999)	(19,696,579)
Proceeds from matured investment in treasury bills	91,477,115	77,950,624
Acquisition of property and equipment	(49,608)	(24,083)
Purchase/(Reclass/Disposal) of intangible assets	2,444	2,444
Net cash flows used in investing activities	75,852,370	67,356,315
Cash flows from financing activities		
Principal loan repayments - KfV	(2,906,475)	-
Principal loan repayments - AfDB	(2,325,499)	-
Principal loan repayments - ADF	(287,245)	-
Interest paid on long term borrowing - KfV	(1,159,701)	-
Interest paid on long term borrowing - AfDB	(3,063,034)	-
Interest paid on long term borrowing - ADF	(225,839)	-
Net cash flows from financing activities	(9,967,793)	-
Net increase/(decrease) in cash and cash equivalents	86,304,239	88,314,197
Cash and cash equivalents, beginning of year	130,000,788	130,000,788
Cash and cash equivalents, end of period	216,305,027	218,314,985



NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2020				
	2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	N'000	N'000	N'000	N'000
1 Interest and discount income				
Placements	2,087,289	3,730,055	1,228,008	2,981,083
Treasury bills	4,981,879	11,310,405	7,518,585	14,848,876
Loans and advances	1,967,490	4,083,733	1,608,199	2,322,986
Total interest income	9,036,658	19,124,193	10,354,791	20,152,945
2 Interest and similar expense				
Borrowed funds	2,817,247	5,653,478	1,558,427	3,014,413
Interest expense	2,817,247	5,653,478	1,558,427	3,014,413
3 Net Impairment charge				
ECL - Financial assets	43,904	(63,953)	(32,850)	(328,712)
	43,904	(63,953)	(32,850)	(328,712)
4 Other incomes				
Profit/(loss) on disposal of fixed assets	-	274	-	-
Other income	9	1,071	-	-
	9	1,345	-	-
5 Fee and commission income/Expense				
Fees	(33,779)	(73,667)	(30,017)	(60,531)
	(33,779)	(73,667)	(30,017)	(60,531)
6 Operating expenses				
Staff cost (6a)	322,539	684,641	491,603	974,482
Administration and general expenses (6b)	314,982	507,095	167,777	301,336
Depreciation of property plant and equipment	79,578	164,428	54,054	103,528
Amortization of intangible assets	10,146	19,967	7,013	14,026
Auditor's remuneration	3,938	7,875	2,625	5,250
Directors emolument	58,175	116,350	18,850	37,700
Legal, consultancy and other professional fees	42,529	97,494	110,851	142,869
Operating expenses	831,887	1,597,851	852,773	1,579,190



	2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	N'000	N'000	N'000	N'000
6a Staff Cost				
Salaries	292,459	570,199	237,421	460,065
ITF Level & NSITF	4,591	8,944	3,678	9,593
Staff training	8,398	21,757	11,627	29,468
Recruitment expenses	225	875	750	1,273
Other staff expense	16,866	82,866	238,127	474,082
Staff cost	322,539	684,641	491,603	974,482
6b Administrative and General expenses				
Stationery	1,412	3,073	-	-
Outsourcing	5,703	11,341	4,307	8,496
Office rent and rates	22,820	46,094	13,699	20,339
Marketing, advertising and Sponsorship	208,057	243,100	22,934	77,742
Subscriptions, publications, and communications	8,252	18,508	5,120	13,588
Insurance and licences	4,784	9,521	7,424	14,697
Repairs and maintenance	4,071	9,311	4,576	8,591
Other administration and general expenses	12,108	32,528	10,589	18,177
Bank charges	408	1,190	412	854
Travels and accommodation	6,966	32,624	38,131	49,632
IT and Communications expenses	31,996	65,279	25,947	45,892
Board expenses	3,905	23,086	34,638	43,327
PIU Expense	4,500	11,440	-	-
Administration and General Expenses	314,982	507,095	167,777	301,336
7 Cash and bank balances				
With Local Banks:				
- Guaranty Trust Bank	9,861	9,861	13,962	13,962
- United Bank for Africa	2	2	8,272	8,272
- First Bank of Nigeria	776	776	6,866	6,866
- Eco Bank	45,334	45,334	3,052	3,052
- Stanbic IBTC	1,364	1,364	992	992
- Access Bank	117	117	49,304	49,304
- Zenith bank	4,580	4,580	37,437	37,437
- Fidelity bank	84,652	84,652	-	-
- FCMB	398	398	-	-
- Union bank	92	92	-	-
	147,177	147,177	119,885	119,885



	2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	N'000	N'000	N'000	N'000
Current account with CBN:				
- DBN-CBN Operations account	46,925	46,925	368,260	368,260
- DBN-PIU CBN Operations account - NGN	9,468	9,468	-	-
- DBN-PIU CBN Operations account - USD	128,949	128,949	-	-
- DBN-IBRD account with CBN	953	953	978	978
- DBN-AFD account with CBN	484	484	3,918	3,918
- DBN-KfW account with CBN	981	981	981	981
- DBN-AfDB account with CBN	1,423	1,423	91	91
- DBN-ADF account with CBN	572	572	4	4
	189,755	189,755	374,232	374,232
Total Cash and Bank balances	336,932	336,932	494,117	494,117
8 Due from financial institutions				
Fixed placements	216,575,780	216,575,780	78,397,000	78,397,000
Call placements	-	-	2,476,000	2,476,000
	216,575,780	216,575,780	80,873,000	80,873,000
Interest receivable - Bank placements	275,056	275,056	228,028	228,028
Interest receivable - Call placements	(0)	(0)	3,917	3,917
	275,056	275,055	231,945	231,945
Other asset ECL	(882,740)	(882,740)	(488,806)	(488,806)
	215,968,096	215,968,095	80,616,139	80,616,138
9 Loans and advances to customers				
PFI Loans	83,575,788	83,575,788	68,068,028	68,068,028
	83,575,788	83,575,788	68,068,028	68,068,028
Term loan ECL	(599,517)	(599,517)	(190,297)	(190,297)
	82,976,271	82,976,271	67,877,730	67,877,730
10 Investment securities				
Investment securities at amortized cost				
FGN Treasury securities				
Treasury bills at amortized cost	167,885,823	167,885,823	220,672,416	220,672,416
	167,885,823	167,885,823	220,672,416	220,672,416
Unearned discount income - Treasury bills	(4,453,712)	(4,453,712)	(11,483,516)	(11,483,516)
	(4,453,712)	(4,453,712)	(11,483,516)	(11,483,516)
Total investment securities @ amortized cost	163,432,111	163,432,111	209,188,900	209,188,900



	2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	N'000	N'000	N'000	N'000
11 Investment in subsidiaries				
Investment in subsidiary	11,375,000	11,375,000	-	-
	11,375,000	11,375,000	-	-
12 Other assets				
Other receivables	25,446	25,446	38,352	38,352
WHT Receivable	237,635	237,635	223,328	223,328
	263,081	263,081	261,680	261,680
Allowance for receivables (b)	-	-	-	-
Net Financial Asset	263,081	263,081	261,680	261,680
Prepayments	168,037	168,037	270,654	270,654
Non Financial Asset	168,037	168,037	270,654	270,654
Total other assets	431,118	431,118	532,334	532,334
13 Intangible assets				
Computer software	150,954	150,954	79,832	79,832
Amortisation-computer software	(66,894)	(66,894)	(29,405)	(29,405)
	84,060	84,060	50,427	50,427
14 Property Plant and equipment				
Book Value of PPE	1,187,785	1,187,785	832,772	832,772
Accumulated Depreciation on PPE	(619,191)	(619,191)	(295,628)	(295,628)
Net Book Value of PPE	568,593	568,593	537,144	537,144
15 Deferred Tax				
Deferred Tax Asset	1,546,819	1,546,819	-	-
	1,546,819	1,546,819	-	-
16 PFI Deposits for loan repayments				
Deposit for loan repayments	30,695	30,695	-	-
	30,695	30,695	-	-



	2020 3months (Apr-Jun)	2020 6months (Jan-Jun)	2019 3months (Apr-Jun)	2019 6months (Jan-Jun)
	N'000	N'000	N'000	N'000
17 Long term debt				
Long term debt - IBRD	136,967,062	136,967,062	88,049,673	88,049,673
Long term debt - AFD	29,876,448	29,876,448	28,890,087	28,890,087
Long term debt - KfW	55,223,034	55,223,034	62,250,317	62,250,317
Long term debt - ADF	14,104,216	14,104,216	9,653,410	9,653,410
Long term debt - AfDB	67,999,619	67,999,619	27,766,972	27,766,972
	304,170,379	304,170,379	216,610,459	216,610,459
18 Current income tax liabilities				
Company income tax	124,843	124,843	152,740	152,740
19 Other liabilities				
Accrued expenses	807,418	807,418	994,040	994,040
Other liabilities	208,136	208,136	325,387	325,387
	1,015,555	1,015,555	1,319,427	1,319,427



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER ENDED 30 JUNE 2020

	2020 3months (Apr-Jun) N'000	2020 6months (Jan-Jun) N'000	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000
Revenue	9,036,667	19,125,539	10,354,791	20,152,945
Gross profit	6,219,411	13,470,715	8,796,364	17,138,532
Profit before tax	5,397,659	11,736,590	7,880,724	15,170,099



DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
JUNE 30, 2020

We the undersigned, pursuant to section 60 subsection 2 of the Investments and Securities Act 2007, have reviewed the 2nd 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
CHIEF FINANCIAL OFFICER

TONY OKPANACHI
MANAGING DIRECTOR/CHIEF EXECUTIVE