DBN Development Bank of Nigeria Plc
RC 2125724

MANAGEMENT ACCOUNTS

JUNE 30, 2021

...Financing Sustainable Growth

Index to the financial statements

For the period ended 30 June, 2021

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED JUNE 30, 2021	Notes	2021 3 months (Apr- Jun) N'000	2021 6 months (Jan-June) N'000	2020 3 months (Apr- Jun) N'000	2020 6 months (Jan-June) N'000
Interest income	1	9,115,077	14,852,841	9,036,658	19,124,193
Interest expense	2	(2,810,348)	(5,644,723)	(2,817,247)	(5,653,478)
Net interest income		**6,304,729**	**9,208,118**	**6,219,411**	**13,470,715**
Impairment (charge)/write-back	3	73,230	(70,854)	43,904	(63,953)
Net Interest income after impairment		**6,377,959**	**9,137,264**	**6,263,316**	**13,406,762**
Other income	4	324,216	324,289	9	1,345
Fee and commission expense	5	(16,399)	(21,310)	(33,779)	(73,667)
Operating expenses	6	(1,600,282)	(1,914,643)	(831,887)	(1,597,851)
Profit before tax		**5,085,494**	**7,525,601**	**5,397,659**	**11,736,590**

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

Assets	Notes	June 30, 2021 N'000	June 30, 2020 N'000
Cash and bank balances	7	614,160	336,932
Due from financial institutions	8	159,433,508	215,968,095
Loans and advances	9	270,003,018	82,976,271
Investment securities	10	34,320,470	163,432,111
Investment in subsidiary	11	11,375,000	11,375,000
Other assets	12	755,231	431,118
Intangible assets	13	105,612	84,060
Property, plant and equipment	14	1,896,907	568,593
Deferred tax	15	875,249	1,546,819
Total assets		**479,379,154**	**476,718,999**
Liabilities			
PFI Deposits for loan repayments	16	177,201	30,695
Long term debt	17	294,007,199	304,170,379
Income tax payable	18	86,487	124,843
Other liabilities	19	655,683	1,015,555
Total liabilities		**294,926,570**	**305,341,471**
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		23,288,071	18,102,257
Credit risk reserve		3,195,938	1,315,400
Retained earnings		58,106,005	52,097,300
Shareholders' Fund		**184,452,584**	**171,377,528**
Total liabilities and Equity		**479,379,154**	**476,718,999**

STATEMENT OF CHANGES IN EQUITY
AS AT JUNE 30, 2021

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 2021	**100,000**	**99,762,570**	**50,580,403**	**23,288,071**	**3,195,939**	**176,926,983**
Profit before tax for the period			7,525,601			7,525,601
Transfer between reserves:						
Transfer to regulatory risk reserve					-	-
Transfer to statutory reserve				-		-
Total comprehensive income	-	-	**7,525,601**	-	-	**7,525,601**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at June 30, 2021	**100,000**	**99,762,570**	**58,106,004**	**23,288,071**	**3,195,939**	**184,452,584**
	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 after tax for the year			17,286,045			17,286,045
Re-measurement of prior year loan loss provision						-
Transfer between reserves:						
Transfer to regulatory risk reserve			(1,880,539)		1,880,539	-
Transfer to statutory reserve			(5,185,814)	5,185,814		-
Total comprehensive income	-	-	**10,219,692**	**5,185,814**	**1,880,539**	**17,286,045**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year						-
Share issue cost						-
	-	-	-	-	-	-
At 31 December 2020	**100,000**	**99,762,570**	**50,580,403**	**23,288,071**	**3,195,939**	**176,926,983**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2021

	2021 6 months (Jan-Jun) N'000	2020 6 months (Jan-June) N'000
Cash flows from operating activities		
Profit for the period before tax	7,525,601	11,736,590
2020 FY Company Income Tax paid	(248,401)	(246,424)
Adjust for non-cash items		
Depreciation of plant and equipment	140,367	164,428
Amortization of Intangibles	25,039	19,967
Loss/(Profit) on disposal of PPE	(6,519)	(274)
Interest income on treasury bills	(588,700)	(11,310,405)
Impairment on financial assets	70,854	63,953
Unrealized exchange gain	-	-
Interest expense accrual for the period	5,644,723	5,653,478
Changes in:		
Net decrease in Accruals and other payables	(521,448)	(487,412)
WHT Credit notes set off against Income Tax liability	-	(228,776)
Net (increase)/decrease in Other assets	(244,146)	98,000
Net (increase)/decrease in loans and advances	(56,498,438)	15,158,313
Net increase in other financial assets ECL	476,655	(201,775)
Net cash flows from operating activities	**(44,224,415)**	**20,419,662**
Investment income received on treasury bills	213,435	10,597,418

Cash flows from investing activities		
Purchase of treasury bills	(25,008,268)	(26,174,999)
Proceeds from matured investment in treasury bills	5,286,565	91,477,115
Acquisition of property and equipment	(324,820)	(49,608)
2020 FY Lease accounting ROU Assets impact	241,031	-
Proceeds on sale of assets	19,968	0
Purchase/(Reclass/Disposal) of intangible assets	(7,183)	2,444
Net cash flows used in investing activities	**(19,579,272)**	**75,852,371**
Cash flows from financing activities		
Principal loan repayments - KfW	(2,906,475)	-
Principal loan repayments - AfDB	(2,325,499)	(2,325,499)
Principal loan repayments - ADF	(287,245)	(287,245)
Principal loan repayments - AFD	(2,220,579)	(2,220,579)
Principal loan repayments - IBRD	(2,687,006)	(2,687,006)
Long Term Debt inflow - AFD	-	-
Interest paid on long term borrowing - KfW	(1,040,840)	-
Interest paid on long term borrowing - AfDB	(1,297,210)	(1,297,210)
Interest paid on long term borrowing - ADF	(68,670)	(68,670)
Interest paid on long term borrowing - AFD	(660,600)	(660,600)
Interest paid on long term borrowing - IBRD	(11,868,345)	(11,868,345)
Net cash flows from financing activities	**(25,362,469)**	**(9,967,793)**
Net increase/(decrease) in cash and cash equivalents	(89,166,156)	86,304,240
Cash and cash equivalents, beginning of year	249,213,824	130,000,788
Cash and cash equivalents, end of period	**160,047,667**	**216,305,028**

		2021 3 months (Apr- Jun)	2021 6 months (Jan-June)	2020 3 months (Apr- Jun)	2020 6 months (Jan-June)
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2021	**N'000**	**N'000**	**N'000**	**N'000**
1	**Interest and discount income**				
	Placements	3,475,016	4,630,303	2,087,289	3,730,055
	Placements - SDIS	517	594	-	-
	Treasury bills	473,528	588,700	4,981,879	11,310,405
	Loans and advances	5,166,016	9,633,243	1,967,490	4,083,733
	Total interest income	**9,115,077**	**14,852,841**	**9,036,658**	**19,124,193**
2	**Interest and similar expense**				
	Borrowed funds	2,810,348	5,644,723	2,817,247	5,653,478
	Interest expense	**2,810,348**	**5,644,723**	**2,817,247**	**5,653,478**
3	**Net Impairment (charge)/write back**				
	ECL - Loan assets	(399,959)	(547,509)	(19,691)	137,822
	ECL - Other assets	473,190	476,655	63,596	(201,775)
		73,230	**(70,854)**	**43,904**	**(63,953)**
4	**Other incomes**				
	Profit/(loss) on disposal of fixed assets	6,519	6,519	-	274
	Other income	31,211	31,211	9	1,071
	PIU Income	286,486	286,560	-	-
	Recovered Shared Service Cost	-	-	-	-
		324,216	**324,289**	**9**	**1,345**
5	**Fee and commission income/Expense**				
	Fees	(16,399)	(21,310)	(33,779)	(73,667)
		(16,399)	**(21,310)**	**(33,779)**	**(73,667)**
6	**Operating expenses**				
	Staff cost (6a)	635,118	763,078	322,539	684,641
	Administration and general expenses (6b)	644,571	772,681	314,982	507,095
	Depreciation of property plant and equipment	116,794	140,367	79,578	164,428
	Amortization of intangible assets	20,168	25,039	10,146	19,967
	Auditor's remuneration	7,659	8,869	3,938	7,875
	Directors emolument	96,079	115,295	58,175	116,350
	Legal, consultancy and other professional fees	79,892	89,315	42,529	97,494
	Operating expenses	**1,600,282**	**1,914,643**	**831,887**	**1,597,851**

		2021 3 months (Apr- Jun)	2021 6 months (Jan-June)	2020 3 months (Apr- Jun)	2020 6 months (Jan-June)
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2021	**N'000**	**N'000**	**N'000**	**N'000**
6a	**Staff Cost**				
	Salaries	571,563	680,302	292,459	570,199
	ITF Level & NSITF	8,888	10,597	4,591	8,944
	Staff training	23,866	30,142	8,398	21,757
	Recruitment expenses	30	30	225	875
	Other staff expense	30,771	42,006	16,866	82,866
	Staff cost	**635,118**	**763,078**	**322,539**	**684,641**
6b	**Administrative and General expenses**				
	Stationery	2,251	2,251	1,412	3,073
	Outsourcing	14,040	21,022	5,703	11,341
	Office rent and rates	37,440	44,487	22,820	46,094
	Marketing, advertising and Sponsorship	131,314	144,118	208,057	243,100
	Subscriptions, publications, and communications	18,713	29,608	8,252	18,508
	Insurance and licences	8,156	9,747	4,784	9,521
	Repairs and maintenance	10,654	17,413	4,071	9,311
	Other administration and general expenses	29,634	38,881	12,108	32,528
	Bank charges	1,469	1,749	408	1,190
	Travels and accommodation	10,466	12,224	6,966	32,624
	IT and Communications expenses	67,454	78,897	31,996	65,279
	Board expenses	62,410	74,187	3,905	23,086
	PIU Expense	250,569	298,098	4,500	11,440
	Administration and General Expenses	**644,571**	**772,681**	**314,982**	**507,095**
7	**Cash and bank balances**				
	With Local Banks:				
	- Guaranty Trust Bank	45,246	45,246	9,861	9,861
	- United Bank for Africa	2,843	2,843	2	2
	- First Bank of Nigeria	647	647	776	776
	- Eco Bank	26,967	26,967	45,334	45,334
	- Stanbic IBTC	1,363	1,363	1,364	1,364
	- Access Bank	(1,294)	(1,294)	117	117
	- Zenith bank	238	238	4,580	4,580
	- Fidelity bank	23	23	84,652	84,652
	- FCMB	8,463	8,463	398	398
	- Union bank	3,356	3,356	92	92
	- Wema bank	978	978	-	-
	- FSDH	1,493	1,493	-	-
		90,323	90,323	147,177	147,177

		2021 3 months (Apr- Jun)	2021 6 months (Jan-June)	2020 3 months (Apr- Jun)	2020 6 months (Jan-June)
	NOTES TO THE MANAGEMENT ACCOUNTS				
	FOR THE PERIOD ENDED JUNE 30, 2021	**N'000**	**N'000**	**N'000**	**N'000**
	Current account with CBN:				
	- DBN-CBN Operations account	353,378	353,378	46,925	46,925
	- DBN-PIU CBN Operations account - NGN	5,149	5,149	9,468	9,468
	- DBN-PIU CBN Operations account - USD	160,764	160,764	128,949	128,949
	- DBN-IBRD account with CBN	926	926	953	953
	- DBN-AFD account with CBN	643	643	484	484
	- DBN-KfW account with CBN	981	981	981	981
	- DBN-AfDB account with CBN	1,423	1,423	1,423	1,423
	- DBN-ADF account with CBN	572	572	572	572
		523,836	**523,836**	**189,755**	**189,755**
	Total Cash and Bank balances	**614,160**	**614,160**	**336,932**	**336,932**
8	**Due from financial institutions**				
	Fixed placements	142,704,000	142,704,000	216,575,780	216,575,780
	Call placements	16,391,000	16,391,000	-	-
	Fixed Placements - SDIS	37,783	37,783	-	-
		159,132,783	159,132,783	216,575,780	216,575,780
	Interest receivable - Bank placements	958,872	958,872	275,056	275,056
	Interest receivable - Call placements	6,493	6,493	(0)	(0)
	Interest receivable - SDIS Fixed placements	78	78	-	-
		965,443	965,442	275,055	275,055
	Other asset ECL	(664,717)	(664,717)	(882,740)	(882,740)
		159,433,508	**159,433,508**	215,968,095	**215,968,095**
9	**Loans and advances to customers**				
	PFI Loans	271,657,185	271,657,185	83,575,788	83,575,788
		271,657,185	**271,657,185**	**83,575,788**	**83,575,788**
	Term loan ECL	(1,654,167)	(1,654,167)	(599,517)	(599,517)
		270,003,018	**270,003,018**	82,976,271	**82,976,271**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2021		2021 3 months (Apr- Jun) N'000	2021 6 months (Jan-June) N'000	2020 3 months (Apr- Jun) N'000	2020 6 months (Jan-June) N'000
10	**Investment securities**				
10a	**Investment securities at amortized cost**				
	FGN Treasury securities				
	Treasury bills at amortized cost	36,500,000	36,500,000	167,885,823	167,885,823
		36,500,000	**36,500,000**	167,885,823	**167,885,823**
	Unearned discount income - Treasury bills	(2,179,530)	(2,179,530)	(4,453,712)	(4,453,712)
		(2,179,530)	**(2,179,530)**	(4,453,712)	**(4,453,712)**
	Total investment securities @ amortized cost	**34,320,470**	**34,320,470**	163,432,111	**163,432,111**
11	**Investment in subsidiaries**				
	Investment in subsidiary	11,375,000	11,375,000	11,375,000	11,375,000
		11,375,000	**11,375,000**	11,375,000	**11,375,000**
12	**Other assets**				
	Other receivables	22,627	22,627	25,446	25,446
	WHT Receivable	570,655	570,655	237,635	237,635
		593,281	**593,281**	**263,081**	**263,081**
	Net Financial Asset	**593,281**	**593,281**	**263,081**	**263,081**
	Prepayments	161,950	161,950	168,037	168,037
	Non Financial Asset	**161,950**	**161,950**	**168,037**	**168,037**
	Total other assets	**755,231**	**755,231**	**431,118**	**431,118**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2021		2021 3 months (Apr- Jun) N'000	2021 6 months (Jan-June) N'000	2020 3 months (Apr- Jun) N'000	2020 6 months (Jan-June) N'000
13	**Intangible assets**				
	Computer software	225,495	225,495	150,954	150,954
	Amortisation-computer software	(119,883)	(119,883)	(66,894)	(66,894)
		105,612	**105,612**	**84,060**	**84,060**
14	**Property Plant and equipment**				
	Motor Vehicles	803,704	803,704	702,769	702,769
	Furniture and Fittings	79,418	79,418	79,291	79,291
	Computer Equipment	210,752	210,752	207,629	207,629
	Office Equipment	98,047	98,047	94,485	94,485
	Leasehold Improvement	102,233	102,233	101,561	101,561
	Work In Progress - PPE	3,077	3,077	2,051	2,051
	Asset Under Construction	1,317,831	1,317,831	-	-
	Book Value of PPE	**2,615,062**	**2,615,062**	**1,187,785**	**1,187,785**
	Accumulated Depreciation on PPE				
	Motor Vehicles - Depreciation	(378,636)	(378,636)	(370,438)	(370,438)
	Furniture and Fittings - Depreciation	(43,160)	(43,160)	(27,350)	(27,350)
	Computer Equipment - Depreciation	(151,347)	(151,347)	(102,146)	(102,146)
	Office Equipment - Depreciation	(56,902)	(56,902)	(39,147)	(39,147)
	Leasehold Improvement - Amortization	(88,110)	(88,110)	(80,111)	(80,111)
	Accumulated Depreciation on PPE	**(718,155)**	**(718,155)**	**(619,191)**	**(619,191)**
	Net Book Value of PPE	**1,896,907**	**1,896,907**	**568,593**	**568,593**
15	**Deferred Tax**				
	Deferred Tax Asset	875,249	875,249	1,546,819	1,546,819
		875,249	**875,249**	**1,546,819**	**1,546,819**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2021		2021 3 months (Apr- Jun) N'000	2021 6 months (Jan-June) N'000	2020 3 months (Apr- Jun) N'000	2020 6 months (Jan-June) N'000
16	**PFI Deposits for loan repayments**				
	Deposit for loan repayments	177,201	177,201	30,695	30,695
		177,201	**177,201**	**30,695**	**30,695**
17	**Long term debt**				
	Long term debt - IBRD	127,549,534	127,549,534	136,967,062	136,967,062
	Long term debt - AFD	40,207,553	40,207,553	29,876,448	29,876,448
	Long term debt - KfW	49,410,083	49,410,083	55,223,034	55,223,034
	Long term debt - Local Bond	-	-	-	-
	Long term debt - ADF	13,528,610	13,528,610	14,104,216	14,104,216
	Long term debt - AfDB	63,311,419	63,311,419	67,999,619	67,999,619
	Long term debt - Green Bond	-	-		
		294,007,199	**294,007,199**	**304,170,379**	**304,170,379**
18	**Current income tax liabilities**				
	Income tax payable	83,943	83,943	124,843	124,843
	Police Trust Fund Levy	2,545	2,545	-	-
		86,487	**86,487**	**124,843**	**124,843**
19	**Other liabilities**				
	Accrued expenses	407,542	407,542	807,418	807,418
	Other liabilities	226,620	226,620	208,136	208,136
	Provision on IDB Loans	21,521	21,521	-	-
		655,683	**655,683**	**1,015,555**	**1,015,555**

DEVELOPMENT BANK OF NIGERIA PLC

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER ENDED 30 JUNE 2021	2021 3 months (Apr- Jun) N'000	2021 6 months (Jan-June) N'000	2020 3 months (Apr- Jun) N'000	2020 6 months (Jan-June) N'000
Revenue	9,439,293	15,177,130	9,036,667	19,125,539
Gross profit	6,304,729	9,208,118	6,219,411	13,470,715
Profit before tax	**5,085,494**	**7,525,601**	**5,397,659**	**11,736,590**

DEVELOPMENT BANK OF NIGERIA PLC

REPORT CERTIFICATION

JUNE 30, 2021

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
EXECUTIVE DIRECTOR, FINANCE & CORPORATE SERVICES

TONY OKPANACHI
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER