MANAGEMENT ACCOUNTS

June 30, 2019

...Financing Sustainable Growth

Index to the financial statements
For the period ended 30 June, 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	Notes	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
Interest income	1	10,354,791	20,152,945	7,657,405	14,085,752
Interest expense	2	(1,558,427)	(3,014,413)	(1,148,832)	(2,001,687)
Net interest income		**8,796,364**	**17,138,532**	**6,508,573**	**12,084,065**
Impairment (charge)/write-back	3	(32,850)	(328,712)	(9,773)	(8,583)
Net Interest income after impairment		**8,763,514**	**16,809,821**	**6,498,800**	**12,075,482**
Other income	4	-	-	93,345	93,345
Fee and commission expense	5	(30,017)	(60,531)	(36,753)	(40,740)
Operating expenses	6	(852,773)	(1,579,190)	(586,873)	(1,049,874)
Profit before tax		**7,880,724**	**15,170,099**	**5,968,519**	**11,078,213**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	30-Jun-19	30-Jun-18
Assets		N'000	N'000
Cash and bank balances	7	494,117	354,807
Due from financial institutions	8	80,616,138	44,351,725
Loans and advances	9	67,877,730	604,563
Investment securities	10	209,188,900	194,540,741
Other assets	11	532,334	392,553
Intangible assets	12	50,427	71,444
Property, plant and equipment	13	537,144	458,074
Total assets		**359,296,791**	**240,773,907**
Liabilities			
Long term debt	14	216,610,459	125,860,701
Income tax payable	15	152,740	27,355
Other liabilities	16	1,319,427	445,084
Total liabilities		**218,082,626**	**126,333,140**
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		8,023,196	1,218,646
Credit risk reserve		467,915	84
Retained earnings		32,860,485	13,359,467
Shareholders' Fund		**141,214,165**	**114,440,767**
Total liabilities and Equity		**359,296,791**	**240,773,907**

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2019

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 2019	**100,000**	**99,762,570**	**17,690,388**	**8,023,196**	**467,915**	**126,044,069**
Profit before tax for the year			15,170,099			15,170,099
Transfer between reserves:						
Transfer to regulatory risk reserve			-		-	-
Transfer to statutory reserve			-	-		-
Total comprehensive income	**-**	**-**	**15,170,099**	**-**	**-**	**15,170,099**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share is cost		-				-
	-	-	-	-	-	-
Balance as at 30 June, 2019	**100,000**	**99,762,570**	**32,860,485**	**8,023,196**	**467,915**	**141,214,165**

	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 2018	**40,000**	**39,940,842**	**2,281,255**	**1,218,646**	**84**	**43,480,827**
Profit after tax for the year			22,681,836			22,681,836
Re-measurement of prior year loan loss provision			(321)			(321)
Transfer between reserves:						
Transfer to regulatory risk reserve			(467,915)		467,915	-
			84		(84)	-
Transfer to statutory reserve			(6,804,550)	6,804,550		-
Total comprehensive income	**-**	**-**	**15,409,133**	**6,804,550**	**467,831**	**22,681,514**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	60,000	59,940,000				60,000,000
Share is cost		(118,272)				(118,272)
	60,000	59,821,728	-	-	-	59,881,728
At 31 December 2018	**100,000**	**99,762,570**	**17,690,388**	**8,023,196**	**467,915**	**126,044,069**

DBN Development Bank of Nigeria

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019

	30-Jun-19 N'000	30-Jun-18 N'000
Cash flows from operating activities		
Profit for the period before tax	15,170,099	11,078,213
Adjust for non-cash items		
Depreciation of plant and equipment	103,528	55,106
Amortization of Intangibles	14,026	2,637
Interest income on treasury bills	(14,848,876)	(12,361,504)
Impairment on financial assets	328,712	8,583
Company Income Tax paid	(76,370)	(13,677)
Interest expense accrual for the period	3,014,413	2,001,687
Changes in:		
Net increase in Accruals and other payables	487,901	126,433
Net decrease in Other assets	(134,233)	(328,102)
Net increase in loans and advances	(39,678,280)	(434,558)
Net increase in other financial assets ECL	(488,806)	-
Net cash flows from operating activities	**(36,107,888)**	**134,816**
Investment income received on treasury bills	3,263,290	8,090,436
Cash flows from investing activities		
Purchase of treasury bills	(61,933,554)	(159,707,785)
Proceeds from matured investment in treasury bills	50,498,009	78,238,588
Acquisition of property and equipment	(66,228)	(263,825)
Net cash flows used in investing activities	**(8,238,483)**	**(73,642,586)**
Cash flows from financing activities		
Proceeds from long term borrowing	62,663,900	15,354,331
Interest expense on long term borrowing paid during the period	(771,916)	-
FMOF loan repayment	-	(100,000)
Financing private placement	-	(35,000)
Proceeds from share issue	-	59,864,286
Net cash flows from financing activities	**61,891,984**	**75,083,617**
Net increase/(decrease) in cash and cash equivalents	17,545,613	1,575,847
Cash and cash equivalents, beginning of year	63,564,642	43,130,684
Cash and cash equivalents, end of year	**81,110,256**	**44,706,531**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
1 Net interest income				
Placements	1,228,008	2,981,083	1,047,690	1,705,711
Treasury bills	7,518,585	14,848,876	6,596,365	12,361,504
Loans and advances	1,608,199	2,322,986	13,350	18,536
Interest income	**10,354,791**	**20,152,945**	**7,657,405**	**14,085,752**
2 Interest and similar expense				
Borrowed funds	1,558,427	3,014,413	1,148,832	2,001,687
Interest expense	**1,558,427**	**3,014,413**	**1,148,832**	**2,001,687**
3 Net Impairment charge				
Impairment on financial assets:				
ECL - Financial assets	(32,850)	(328,712)	(9,773)	(8,583)
	(32,850)	**(328,712)**	**(9,773)**	**(8,583)**
4 Other incomes				
Other incomes	-	-	93,345	93,345
	-	**-**	**93,345**	**93,345**
5 Fee and commission income/Expense				
Fees	(30,017)	(60,531)	(36,753)	(40,740)
	(30,017)	**(60,531)**	**(36,753)**	**(40,740)**
6 Operating expenses				
Staff cost (6a)	491,603	974,482	345,077	583,674
Administration and general expenses (6b)	167,777	301,336	115,155	161,868
Depreciation of property plant and equipment	54,054	103,528	32,510	55,106
Amortization of intangible assets	7,013	14,026	1,931	2,637
Auditor's renumeration	2,625	5,250	2,500	8,000
Directors emolument	18,850	37,700	17,662	37,700
Legal, consultancy and other professional fees	110,851	142,869	72,037	200,889
Operating expenses	**852,773**	**1,579,190**	**586,873**	**1,049,874**

	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
6a	**Staff Cost**				
	Salaries	237,421	460,065	178,429	356,372
	ITF Level & NSITF	3,678	9,593	2,803	5,498
	Staff training	11,627	29,468	6,100	8,425
	Recruitment expenses	750	1,273	396	16,929
	Other staff expense	238,127	474,082	155,024	196,451
	Staff cost	**491,603**	**974,482**	**342,752**	**583,674**
6b	**Administrative and General expenses**				
	Outsourcing	4,307	8,496	2,773	6,477
	Office rent and rates	13,699	20,339	13,739	27,479
	Marketing, advertising and Sponsorship	22,934	77,742	31,618	43,122
	subscriptions, publications, and communications	5,120	13,588	14,290	17,542
	Insurance and licences	7,424	14,697	4,697	8,005
	Repairs and maintenance	4,576	8,591	5,702	7,774
	Other administration and general expenses	10,589	18,177	5,359	8,886
	Bank charges	412	854	187	285
	Travels and accommodation	38,131	49,632	21,693	32,549
	IT and Communications expenses	25,947	45,892	972	1,491
	Board expenses	34,638	43,327	7,072	8,259
	Administration and General Expenses	**167,777**	**301,336**	**108,102**	**161,868**
7	**Cash and bank balances**				
	With Local Banks:				
	- Guaranty Trust Bank	13,962	13,962	44,291	44,291
	- United Bank for Africa	8,272	8,272	69,263	69,263
	- First Bank of Nigeria	6,866	6,866	38,727	38,727
	- Eco Bank	3,052	3,052	86,841	86,841
	- Stanbic IBTC	992	992	-	-
	- Access Bank	49,304	49,304	95,685	95,685
	- Zenith bank	37,437	37,437	-	-
		119,885	**119,885**	**334,806**	**334,806**
	Current account with CBN:				
	- DBN-CBN Operations account	368,260	368,260	14,532	14,532
	- DBN-IBRD account with CBN	978	978	1,385	1,385
	- DBN-AFD account with CBN	3,918	3,918	1,087	1,087
	- DBN-KfW account with CBN	981	981	243	243
	- DBN-AfDB account with CBN	91	91	91	91
	- DBN-ADF account with CBN	4	4	2,664	2,664
		374,232	**374,232**	**20,000**	**20,000**
	Total Cash and Bank balances	**494,117**	**494,117**	**354,807**	**354,807**

	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
8	**Due from financial institutions**				
	Fixed placements	78,397,000	78,397,000	44,200,000	44,200,000
	Call placements	2,476,000	2,476,000	-	-
		80,873,000	80,873,000	44,200,000	44,200,000
	Interest receivable - Bank placements	228,028	228,028	151,725	151,725
	Interest receivable - Call placements	3,917	3,917	-	-
		231,945	231,945	151,725	151,725
	Other asset ECL	(488,806)	(488,806)	-	-
		80,616,138	**80,616,138**	**44,351,725**	**44,351,725**
9	**Loans and advances to customers**				
	PFI Loans	68,068,028	68,068,028	616,780	616,780
		68,068,028	**68,068,028**	**616,780**	**616,780**
	Term loan ECL	(190,297)	(190,297)	(12,217)	(12,217)
		67,877,730	**67,877,730**	**604,563**	**604,563**
10	**Investment securities**				
10a	**Investment securities at amortized cost**				
	FGN Treasury securities				
	FV of Treasury bills - HTM	220,672,416	220,672,416	204,712,181	204,712,181
		220,672,416	**220,672,416**	**204,712,181**	**204,712,181**
	Unearned discount income - Treasury bills - HTM	(11,483,516)	(11,483,516)	(10,171,440)	(10,171,440)
		(11,483,516)	**(11,483,516)**	**(10,171,440)**	**(10,171,440)**
	Total investment securities @ amortized cost	**209,188,900**	**209,188,900**	**194,540,741**	**194,540,741**
11	**Other assets**				
	Other receivables	38,352	38,352	16,337	16,337
	WHT Receivable	223,328	223,328	104,559	104,559
		261,680	**261,680**	**120,896**	**120,896**
	Allowance for receivables (b)	-	-	-	-
	Net Financial Asset	**261,680**	**261,680**	**120,896**	**120,896**
	Prepayments	270,654	270,654	271,657	271,657
	Non Financial Asset	**270,654**	**270,654**	**271,657**	**271,657**
	Total other assets	**532,334**	**532,334**	**392,553**	**392,553**

	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
12	**Intangible assets**				
	Computer software	79,832	79,832	75,478	75,478
	Amortisation-computer software	(29,405)	(29,405)	(4,034)	(4,034)
		50,427	**50,427**	**71,444**	**71,444**
13	**Property Plant and equipment**				
	Property Plant and equipment	832,772	832,772	553,692	553,692
	Accumulated Depreciation on PPE	(295,628)	(295,628)	(95,618)	(95,618)
	Net book values	**537,144**	**537,144**	**458,074**	**458,074**
14	**Long term debt**				
	Long term debt - IBRD	88,049,673	88,049,673	37,783,929	37,783,929
	Long term debt - AFD	28,890,087	28,890,087	14,271,316	14,271,316
	Long term debt - KfW	62,250,317	62,250,317	37,537,616	37,537,616
	Long term debt - ADF	9,653,410	9,653,410	9,558,133	9,558,133
	Long term debt - AfDB	27,766,972	27,766,972	26,709,707	26,709,707
		216,610,459	**216,610,459**	**125,860,701**	**125,860,701**
15	**Current income tax liabilities**				
	Income tax payable	152,740	152,740	27,355	27,355
		152,740	**152,740**	**27,355**	**27,355**
16	**Other liabilities**				
	Accrued expenses	994,040	994,040	407,267	407,267
	Other liabilities	325,387	325,387	37,817	37,817
		1,319,427	**1,319,427**	**445,084**	**445,084**

DEVELOPMENT BANK OF NIGERIA PLC
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2019

	Notes	2019 3months (Apr-Jun) N'000	2019 6months (Jan-Jun) N'000	2018 3months (Apr-Jun) N'000	2018 6months (Jan-Jun) N'000
Revenue	1	10,354,791	20,152,945	7,657,405	14,085,752
Gross profit		8,796,364	17,138,532	6,508,573	12,084,065
Profit before tax		**7,880,724**	**15,170,099**	**5,968,519**	**11,078,213**

DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
JUNE 30, 2019

We the undersigned, pursuant to section 60 subsection 2 of the Investments and Securities Act 2007, have reviewed the 4th 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 OFFICER