DBN
Development
Bank of Nigeria

MANAGEMENT ACCOUNTS

March 31, 2020

...Financing Sustainable Growth

Index to the financial statements

For the year ended 31 March 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	2020 3months (Jan - Mar) N'000	2019 3months (Jan - Mar) N'000
Interest income	1	10,078,167	9,798,154
Interest expense	2	(2,836,231)	(1,455,986)
Net interest income		**7,241,936**	**8,342,168**
Impairment charge on financial assets	3	(107,858)	(45,349)
Net Interest income after impairment		**7,134,078**	**8,296,819**
Other income	4	1,336	-
Fee and commission expense	5	(39,888)	(30,514)
Operating expenses	6	(765,964)	(726,417)
Profit before tax		**6,329,562**	**7,539,888**

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

Assets	Notes	2020 3months (Jan - Mar) N'000	2019 3months (Jan - Mar) N'000
Cash and bank balances	7	1,116,869	338,263
Due from financial institutions	8	180,255,245	54,777,576
Loans and advances	9	85,337,255	52,876,144
Investment securities	10	198,411,928	191,991,950
Investment in subsidiaries	11	11,375,000	-
Other assets	12	609,489	487,452
Intangible assets	13	96,725	55,145
Property, plant and equipment	14	603,850	563,388
Deferred tax	15	1,546,819	-
Total assets		**479,353,180**	**301,089,918**
Liabilities			
Long term debt	16	311,321,852	166,308,704
Income tax payable	17	600,043	229,109
Other liabilities	18	1,460,784	968,147
Total liabilities		**313,382,679**	**167,505,960**
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		46,690,273	25,230,277
Shareholders' Fund		**165,970,500**	**133,583,958**
Total liabilities and Equity		**479,353,180**	**301,089,918**

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 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			6,329,562			6,329,562
Transfer between reserves:						
Transfer to regulatory risk reserve					-	-
Transfer to statutory reserve				-		-
Total comprehensive income	**-**	**-**	**6,329,562**	**-**	**-**	**6,329,562**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at 31 March, 2020	**100,000**	**99,762,570**	**46,690,273**	**18,102,257**	**1,315,400**	**165,970,500**

	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 31 MARCH 2020

	2020 3months (Jan - Mar) N'000	2019 3months (Jan - Mar) N'000
Cash flows from operating activities		
Profit for the period before tax	6,329,562	7,539,888
Adjust for non-cash items		
Depreciation and Amortization	94,672	56,487
Interest income on treasury bills	(6,319,158)	(7,330,291)
Impairment on financial assets	107,858	45,349
Interest expense accrual for the period	2,836,231	1,455,986
Changes in:		
Net decrease/(increase) in Accruals and other payables	(42,182)	144,557
Net increase in Other assets	(79,717)	(89,352)
Net decrease/(increase) in loans and advances	12,786,325	(24,652,439)
Net increase in other financial assets ECL	(265,371)	(220,846)
Net cash flows from operating activities	**15,448,219**	**(23,050,662)**
Investment income received on treasury bills	7,043,264	3,241,653
Cash flows from investing activities		
Purchase of treasury bills	(19,696,579)	(51,933,554)
Proceeds from matured investment in treasury bills	48,581,785	50,198,009
Acquisition of property and equipment	(5,287)	(47,302)
Purchase of intangible assets	(75)	-
Net cash flows used in investing activities	**35,923,108**	**1,458,806**
Cash flows from financing activities		
Proceeds from long term borrowing	-	13,141,984
Net cash flows from financing activities	**-**	**13,141,984**
Net increase/(decrease) in cash and cash equivalents	51,371,326	(8,449,872)
Cash and cash equivalents, beginning of year	130,000,788	63,565,711
Cash and cash equivalents, end of period	**181,372,114**	**55,115,839**

		2020 3months (Jan - Mar)	2019 3months (Jan - Mar)
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2020	N'000	N'000
1	**Interest and discount income**		
	Placements	1,642,766	1,753,076
	Treasury bills	6,319,158	7,330,291
	Loans and advances	2,116,243	714,787
	Total interest income	**10,078,167**	**9,798,154**
2	**Interest and similar expense**		
	Borrowed funds	2,836,231	1,455,986
	Interest expense	**2,836,231**	**1,455,986**
3	**Net Impairment charge**		
	ECL - Financial assets	(107,858)	(45,349)
		(107,858)	**(45,349)**
4	**Other incomes**		
	Profit/(loss) on disposal of fixed assets	274	-
	Other income	1,062	-
		1,336	**-**
5	**Fee and commission income/Expense**		
	Fees	(39,888)	(30,514)
		(39,888)	**(30,514)**
6	**Operating expenses**		
	Staff cost (6a)	362,102	482,880
	Administration and general expenses (6b)	192,112	133,558
	Depreciation of property plant and equipment	94,672	56,487
	Auditor's renumeration	3,938	2,625
	Directors emolument	58,175	18,850
	Legal, consultancy and other professional fees	54,965	32,018
	Operating expenses	**765,964**	**726,417**

NOTES TO THE MANAGEMENT ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2020

		2020 3months (Jan - Mar) N'000	2019 3months (Jan - Mar) N'000
6a	**Staff Cost**		
	Salaries	291,614	222,644
	ITF Level & NSITF	4,352	5,916
	Staff training	13,359	17,841
	Recruitment expenses	650	524
	Other staff expense	52,127	235,955
	Staff cost	**362,102**	**482,880**
6b	**Administrative and General expenses**		
	Stationery	1,661	445
	Outsourcing	5,638	3,745
	Office rent and rates	23,273	6,639
	Marketing, advertising and Sponsorship	35,043	54,808
	Subscriptions, publications, and communications	10,256	8,468
	Insurance and licences	4,738	7,273
	Repairs and maintenance	5,240	4,015
	Other administration and general expenses	20,420	7,588
	Bank charges	781	442
	Travels and accommodation	25,658	11,501
	IT and Communications expenses	33,284	19,945
	Board expenses	19,180	8,689
	PIU Expense	6,940	-
	Administration and General Expenses	**192,112**	**133,558**
7	**Cash and bank balances**		
	With Local Banks:		
	- Guaranty Trust Bank	202,054	27,356
	- United Bank for Africa	86,869	36,041
	- First Bank of Nigeria	427	31,883
	- Eco Bank	1,309	41,204
	- Stanbic IBTC	24,729	8,157
	- Access Bank	13,682	7,389
	- Zenith bank	4,580	30,443
	- Fidelity bank	98,674	-
	- FCMB	34	-
	- Union bank	1,333	-
		433,692	**182,473**

		2020 3months (Jan - Mar)	2019 3months (Jan - Mar)
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2020	**N'000**	**N'000**
	Current account with CBN:		
	- DBN-CBN Operations account	541,772	150,781
	- DBN-PIU CBN Operations account - NGN	8,043	-
	- DBN-PIU CBN Operations account - USD	128,949	-
	- DBN-IBRD account with CBN	953	15
	- DBN-AFD account with CBN	484	3,918
	- DBN-KfW account with CBN	981	981
	- DBN-AfDB account with CBN	1,423	91
	- DBN-ADF account with CBN	572	4
		683,177	**155,790**
	Total Cash and Bank balances	**1,116,869**	**338,263**
8	**Due from financial institutions**		
	Fixed placements	177,900,000	54,060,000
	Call placements	2,888,000	450,000
		180,788,000	54,510,000
	Interest receivable - Bank placements	399,612	488,313
	Interest receivable - Call placements	13,968	110
		413,580	488,422
	Other asset ECL	(946,336)	(220,846)
		180,255,245	**54,777,576**
9	**Loans and advances to customers**		
	PFI Loans	85,917,081	53,051,039
		85,917,081	**53,051,039**
	Term loan ECL	(579,826)	(174,895)
		85,337,255	**52,876,144**

		2020 3months (Jan - Mar)	2019 3months (Jan - Mar)
	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2020	N'000	N'000
10	**Investment securities**		
	Investment securities at amortized cost		
	FGN Treasury securities		
	Treasury bills at amortized cost	207,635,307	210,623,202
		207,635,307	**210,623,202**
	Unearned discount income - Treasury bills	(9,223,379)	(18,631,252)
		(9,223,379)	**(18,631,252)**
	Total investment securities @ amortized cost	**198,411,928**	**191,991,950**
11	**Investment in subsidiaries**		
	Investment in subsidiaries	11,375,000	-
		11,375,000	-
12	**Other assets**		
	Other receivables	49,088	3,069
	WHT Receivable	368,292	318,614
		417,380	**321,682**
	Allowance for receivables (b)	-	-
	Net Financial Asset	**417,380**	**321,682**
	Prepayments	192,109	165,770
	Non Financial Asset	**192,109**	**165,770**
	Total other assets	**609,489**	**487,452**
13	**Intangible assets**		
	Computer software	153,473	79,832
	Amortisation-computer software	(56,748)	(24,687)
		96,725	**55,145**
14	**Property Plant and equipment**		
.	Property Plant and equipment	1,143,464	813,846
	Accumulated Depreciation on PPE	(539,614)	(250,458)
	Net book values	**603,850**	**563,388**
15	**Deferred Tax**		
	Deferred Tax Asset	1,546,819	-
		1,546,819	-

		2020 3months (Jan - Mar)	2019 3months (Jan - Mar)
	NOTES TO THE MANAGEMENT ACCOUNTS		
	FOR THE PERIOD ENDED 31 MARCH 2020	N'000	N'000
16	**Long term debt**		
	Long term debt - IBRD	135,682,292	38,881,670
	Long term debt - AFD	29,631,208	28,644,175
	Long term debt - KfW	58,712,537	61,649,823
	Long term debt - ADF	14,582,186	9,629,656
	Long term debt - AfDB	72,713,630	27,503,380
		311,321,852	**166,308,704**
17	**Current income tax liabilities**		
	Education Tax	(43,135)	-
	Police Trust Fund Levy	(1,631)	-
	NITDA Levy	(326,501)	-
	Corporate Income Tax	(228,776)	229,109
		(600,043)	**229,109**
18	**Other liabilities**		
	Accrued expenses	1,259,112	935,147
	Other liabilities	201,672	32,999
		1,460,784	**968,147**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2020

	Notes	2020 3months (Jan - Mar) N'000	2019 3months (Jan - Mar) N'000
Revenue	1	10,079,503	9,798,154
Gross profit		10,079,503	9,798,154
Profit before tax		**6,329,562**	**7,539,888**
Tax provision		(1,898,869)	(2,261,966)
Profit after tax		**4,430,694**	**5,277,922**

DEVELOPMENT BANK OF NIGERIA PLC

REPORT CERTIFICATION

MARCH 31, 2020

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	TONY OKPANACHI