DBN Development Bank of Nigeria Plc
RC 2125724

UNAUDITED MANAGEMENT ACCOUNTS

JUNE 30, 2022

...Financing Sustainable Growth

DBN Development Bank of Nigeria Plc
RC 2125724

Index to the financial statements

For the period ended 30 June, 2022

DBN Development Bank of Nigeria Plc
RC 2125724

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2022	Notes	2022 3 months (Apr-June) N'000	2022 6 months (Jan- June) N'000	2021 3 months (Apr - June) N'000	2021 6 months (Jan -June) N'000
Interest income	1	10,033,533	20,678,498	9,115,077	14,852,841
Interest expense	2	(2,743,567)	(5,520,858)	(2,810,348)	(5,644,723)
Net interest income		**7,289,966**	**15,157,640**	**6,304,729**	**9,208,118**
Impairment (charge)/write-back	3	(25,859)	(2,932)	73,230	(70,854)
Net Interest income after impairment		**7,264,107**	**15,154,708**	**6,377,959**	**9,137,264**
Other income/(PIU Expense)	4	(40,225)	(171,471)	324,216	324,289
Fee and commission expense	5	(4,917)	(9,974)	(16,399)	(21,310)
Operating expenses	6	(1,277,758)	(2,543,523)	(1,600,282)	(1,914,643)
Profit before tax		**5,941,206**	**12,429,740**	**5,085,494**	**7,525,601**

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STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

Assets	Notes	June 30, 2022 N'000	June 30, 2021 N'000
Cash and bank balances	7	476,798	614,160
Due from financial institutions	8	160,192,835	159,433,508
Loans and advances	9	320,723,565	270,003,018
Investment securities	10	(0)	34,320,470
Investment in subsidiary	11	11,375,000	11,375,000
Other assets	12	1,473,750	755,231
Intangible assets	13	172,030	105,612
Property, plant and equipment	14	2,062,431	1,896,907
Deferred tax	15	724,664	875,249
Total assets		**497,201,072**	**479,379,154**
Liabilities			
PFI Deposits for loan repayments	16	188,705	177,201
Long term debt	17	286,632,757	294,007,199
Income tax payable	18	3,800,854	86,487
Other liabilities	19	1,497,580	655,683
Total liabilities		**292,119,896**	**294,926,570**
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		28,003,563	23,288,071
Credit risk reserve		4,973,383	3,195,938
Retained earnings		72,241,660	58,106,005
Shareholders' Fund		**205,081,177**	**184,452,584**
Total liabilities and Equity		**497,201,072**	**479,379,154**

STATEMENT OF CHANGES IN EQUITY
AS AT JUNE 30, 2022

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 2022	**100,000**	**99,762,570**	**59,879,784**	**28,003,563**	**4,905,520**	**192,651,437**
Profit before tax for the period			12,429,740			12,429,740
Transfer between reserves:						
Transfer to regulatory risk reserve			(67,865)		67,865	
Transfer to statutory reserve				-		-
Total comprehensive income	**-**	**-**	**12,361,875**	**-**	**67,865**	**12,429,740**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at June 30, 2022	**100,000**	**99,762,570**	**72,241,659**	**28,003,563**	**4,973,385**	**205,081,177**
	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 after tax for the year			15,724,454			15,724,454
Re-measurement of prior year loan loss provision			-			-
Transfer between reserves:						
Transfer to regulatory risk reserve			(1,709,581)		1,709,581	-
Transfer to statutory reserve			(4,715,492)	4,715,492		-
Total comprehensive income	**-**	**-**	**9,299,381**	**4,715,492**	**1,709,581**	**15,724,454**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year						-
Share issue cost						-
	-	-	-	-	-	-
At 31 December 2021	**100,000**	**99,762,570**	**59,879,784**	**28,003,563**	**4,905,520**	**192,651,437**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2022

	2022 6 months (Jan - June) N'000	2021 6 months (Jan -June) N'000
Cash flows from operating activities		
Profit for the period before tax	12,429,740	7,525,601
2022 YOA Company Income Tax paid	(3,092,612)	-
Prior years FIRS taxes - Stamp duties	(173,431)	-
Prior years FIRS taxes - WHT	(594,975)	-
2020 Company Income Tax Paid		(248,401)
Adjust for non-cash items		
Depreciation of plant and equipment	138,125	140,367
Amortization of Intangibles	21,203	25,039
Loss/(Profit) on disposal of PPE	-	(6,519)
Interest income on treasury bills	(881,705)	(588,700)
Impairment on financial assets	2,932	70,854
Interest expense accrual for the period	5,520,858	5,644,723
Changes in working capital		
Net increase/(decrease) in Accruals and other payables	120,363	(521,448)
WHT Credit notes set off against Income Tax liability	-	-
Net (increase)/decrease in Other assets	(405,703)	(244,146)
Net (increase)/decrease in loans and advances	1,144,672	(56,498,438)
Net increase in other financial assets ECL	(92,006)	476,655
Net cash flows from operating activities	**14,137,461**	**(44,224,415)**

Cash flows from investing activities		
Purchase of treasury bills	-	(25,008,268)
Proceeds from matured investment in treasury bills	25,008,268	5,286,565
Acquisition of property and equipment	(49,262)	(324,820)
2020 FY Lease accounting ROU Assets impact	-	241,031
2021 FY Lease accounting ROU Assets impact	148,347	-
Proceeds on sale of assets	-	19968
(Purchase)/Reclass/Disposal of intangible assets	(45,140)	(7,183)
Net cash flows used in investing activities	**27,553,945**	**(19,579,272)**
Cash flows from financing activities		
Principal loan repayments - KfW	(2,311,500)	(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	(3,736,979)	(2,687,006)
Interest paid on long term borrowing - KfW	(832,685)	(1,040,840)
Interest paid on long term borrowing - AfDB	(1,205,946)	(1,297,210)
Interest paid on long term borrowing - ADF	(65,885)	(68,670)
Interest paid on long term borrowing - AFD	(668,224)	(660,600)
Interest paid on long term borrowing - IBRD	(2,681,084)	(11,868,345)
Net cash flows from financing activities	**(16,335,626)**	**(25,362,469)**
Net increase/(decrease) in cash and cash equivalents	25,355,781	(89,166,156)
Cash and cash equivalents, beginning of year	135,313,852	249,213,824
Cash and cash equivalents, end of period	**160,669,633**	**160,047,667**

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	NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2022	2022 3 months (Apr-June) N'000	2022 6 months (Jan- June) N'000	2021 3 months (Apr - June) N'000	2021 6 months (Jan -June) N'000
1	**Interest and discount income**				
	Placements	2,497,326	5,208,781	3,475,016	4,630,303
	Placements - SDIS	692	1,677	517	594
	Treasury bills	248,933	881,705	473,528	588,700
	Loans and advances	7,311,098	14,625,913	5,166,016	9,633,243
	Total interest income	**10,058,050**	**20,718,076**	**9,115,077**	**14,852,841**
	Provision for IDB	24,517	39,578	-	-
	Net Interest Income	**10,033,533**	**20,678,498**	**9,115,077**	**14,852,841**
2	**Interest and similar expense**				
	Borrowed funds	2,743,567	5,520,858	2,810,348	5,644,723
	Interest expense	**2,743,567**	**5,520,858**	**2,810,348**	**5,644,723**
3	**Net Impairment (charge)/write back**				
	ECL - Loan assets	23,419	89,074	(399,959)	(547,509)
	ECL - Other assets	(49,278)	(92,006)	473,190	476,655
		(25,859)	**(2,932)**	**73,230**	**(70,854)**
4	**Other incomes**				
	Profit/(loss) on disposal of fixed assets	(0)	(0)	6,519	6,519
	Other income	23,419	29,342	31,211	31,211
	PIU other income	-	-	286,486	286,560
	Grant Income (PIU)	51,581	51,581	-	-
	PIU Expense	(115,225)	(252,394)	-	
		(40,225)	**(171,471)**	**324,216**	**324,289**
5	**Fee and commission income/Expense**				
	Fees	(4,917)	(9,974)	(16,399)	(21,310)
		(4,917)	**(9,974)**	**(16,399)**	**(21,310)**

6	**Operating expenses**				
	Staff cost (6a)	680,226	1,340,076	635,118	763,078
	Administration and general expenses (6b)	378,394	736,820	644,571	772,681
	Depreciation of property plant and equipment	64,991	138,125	116,794	140,367
	Amortization of intangible assets	10,964	21,203	20,168	25,039
	Auditor's remuneration	5,375	10,750	7,659	8,869
	Directors emolument	60,272	120,545	96,079	115,295
	Legal, consultancy and other professional fees	77,536	176,004	79,892	89,315
	Operating expenses	**1,277,758**	**2,543,523**	**1,600,282**	**1,914,643**
6a	**Staff Cost**				
	Salaries	364,278	720,019	571,563	680,302
	ITF Level & NSITF	5,671	11,255	8,888	10,597
	Performance bonus	227,500	455,000	-	-
	Staff training	49,178	98,356	23,866	30,142
	Recruitment expenses	-	-	30	30
	Other staff expense	33,599	55,446	30,771	42,006
	Staff cost	**680,226**	**1,340,076**	**635,118**	**763,078**
6b	**Administrative and General expenses**				
	Stationery	1,008	4,115	2,251	2,251
	Outsourcing	5,726	10,201	14,040	21,022
	Office rent and rates	17,895	39,791	37,440	44,487
	Marketing, advertising and Sponsorship	43,906	111,227	131,314	144,118
	Subscriptions, publications, and communications	19,872	28,296	18,713	29,608
	Insurance and licences	7,043	11,310	8,156	9,747
	Repairs and maintenance	6,970	18,131	10,654	17,413
	Other administration and general expenses	57,630	97,895	29,634	38,881
	Bank charges	1,357	2,228	1,469	1,749
	Travels and accommodation	20,369	46,118	10,466	12,224
	IT and Communications expenses	40,172	90,945	67,454	78,897
	Board expenses	52,388	103,131	62,410	74,187
	Stamp Duty Levy	104,058	173,431	250,569	298,098
	Total admin and general expense	**378,394**	**736,820**	**644,571**	**772,681**

7	**Cash and bank balances**				
	With Local Banks:				
	- Guaranty Trust Bank	20,929	20,929	45,246	45,246
	- United Bank for Africa	16,769	16,769	2,843	2,843
	- First Bank of Nigeria	499	499	647	647
	- Eco Bank	475	475	26,967	26,967
	- Stanbic IBTC	1,363	1,363	1,363	1,363
	- Access Bank	803	803	(1,294)	(1,294)
	- Zenith bank	1,779	1,779	238	238
	- Fidelity bank	844	844	23	23
	- FCMB	1,325	1,325	8,463	8,463
	- Union bank	13,909	13,909	3,356	3,356
	- Wema bank	743	743	978	978
	- FSDH	157	157	1,493	1,493
		59,595	**59,595**	**90,323**	**90,323**
	Current account with CBN:				
	- DBN-CBN Operations account	362,006	362,006	353,378	353,378
	- DBN-PIU CBN Operations account - NGN	3,793	3,793	5,149	5,149
	- DBN-PIU CBN Operations account - USD	46,874	46,874	160,764	160,764
	- DBN-IBRD account with CBN	910	910	926	926
	- DBN-AFD account with CBN	643	643	643	643
	- 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
		417,203	**417,203**	**523,836**	**523,836**
	Total Cash and Bank balances	**476,798**	**476,798**	**614,160**	**614,160**
8	**Due from financial institutions**				
	Fixed placements	159,969,000	159,969,000	142,704,000	142,704,000
	Call placements	-	-	16,391,000	16,391,000
	Fixed Placements - SDIS	41,196	41,196	37,783	37,783
		160,010,196	160,010,196	159,132,783	159,132,783
	Interest receivable - Bank placements	611,360	611,360	958,872	958,872
	Interest receivable - Call placements	(0)	(0)	6,493	6,493
	Interest receivable - SDIS Fixed placements	411	411	78	78
		611,771	**611,770**	**965,442**	**965,442**
	Other asset ECL	(429,132)	(429,132)	(664,717)	(664,717)
		160,192,836	**160,192,835**	**159,433,508**	**159,433,508**

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9	**Loans and advances to customers**				
	PFI Loans	322,194,062	322,194,062	271,657,185	271,657,185
		322,194,062	**322,194,062**	**271,657,185**	**271,657,185**
	Term loan ECL	(1,470,497)	(1,470,497)	(1,654,167)	(1,654,167)
		320,723,565	**320,723,565**	**270,003,018**	**270,003,018**
10	**FGN Treasury securities**				
	Treasury bills at amortized cost	(0)	(0)	36,500,000	36,500,000
		(0)	**(0)**	**36,500,000**	**36,500,000**
	Unearned discount income - Treasury bills	(0)	(0)	(2,179,530)	(2,179,530)
		(0)	**(0)**	**(2,179,530)**	**(2,179,530)**
	Total investment securities @ amortized cost	**(0)**	**(0)**	**34,320,470**	**34,320,470**
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	122,035	122,035	22,627	22,627
	WHT Receivable	1,175,604	1,175,604	570,655	570,655
		1,297,638	**1,297,638**	**593,281**	**593,281**
	Prepayments	176,112	176,112	161,950	161,950
	Non Financial Asset	**176,112**	**176,112**	**161,950**	**161,950**
	Total other assets	**1,473,750**	**1,473,750**	**755,231**	**755,231**
13	**Intangible assets**				
	Computer software	326,015	326,015	225,495	225,495
	Amortisation-computer software	(153,985)	(153,985)	(119,883)	(119,883)
		172,030	**172,030**	**105,612**	**105,612**

14	**Property Plant and equipment**				
	Motor Vehicles	861,700	861,700	803,704	803,704
	Furniture and Fittings	89,083	89,083	79,418	79,418
	Computer Equipment	258,614	258,614	210,752	210,752
	Office Equipment	108,474	108,474	98,047	98,047
	Leasehold Improvement	105,937	105,937	102,233	102,233
	Work In Progress - PPE	-	-	3,077	3,077
	Asset Under Construction	1,545,501	1,545,501	1,317,831	1,317,831
	Book Value of PPE	**2,969,309**	**2,969,309**	**2,615,062**	**2,615,062**
	Accumulated Depreciation on PPE				
	Motor Vehicles - Depreciation	(469,561)	(469,561)	(378,636)	(378,636)
	Furniture and Fittings - Depreciation	(60,579)	(60,579)	(43,160)	(43,160)
	Computer Equipment - Depreciation	(198,043)	(198,043)	(151,347)	(151,347)
	Office Equipment - Depreciation	(77,823)	(77,823)	(56,902)	(56,902)
	Leasehold Improvement - Amortization	(100,872)	(100,872)	(88,110)	(88,110)
	Accumulated Depreciation on PPE	**(906,878)**	**(906,878)**	**(718,155)**	**(718,155)**
	Net Book Value of PPE	**2,062,431**	**2,062,431**	**1,896,907**	**1,896,907**
15	**Deferred Tax**				
	Deferred Tax Asset	724,664	724,664	875,249	875,249
		724,664	**724,664**	**875,249**	**875,249**
16	**PFI Deposits for loan repayments**				
	Deposit for loan repayments	188,705	188,705	177,201	177,201
		188,705	**188,705**	**177,201**	**177,201**

17	**Long term debt**				
	Long term debt - IBRD	135,633,958	135,633,958	127,549,534	127,549,534
	Long term debt - AFD	35,782,701	35,782,701	40,207,553	40,207,553
	Long term debt - KfW	43,598,033	43,598,033	49,410,083	49,410,083
	Long term debt - ADF	12,954,139	12,954,139	13,528,610	13,528,610
	Long term debt - AfDB	58,663,926	58,663,926	63,311,419	63,311,419
		286,632,757	**286,632,757**	**294,007,199**	**294,007,199**
18	**Current income tax liabilities**				
	Income tax payable	3,369,885	3,369,885	83,943	83,943
	Education Tax	259,186	259,186	-	-
	Police Trust Fund Levy	3,338	3,338	2,545	2,545
	NITDA Levy	111,546	111,546	-	-
	NASENI Levy	56,900	56,900	-	-
		3,800,854	**3,800,854**	**86,487**	**86,487**
19	**Other liabilities**				
	Accrued expenses	884,808	884,808	407,542	407,542
	Other liabilities	530,784	530,784	226,620	226,620
	Provision on IDB Loans	81,988	81,988	21,521	21,521
		1,497,580	**1,497,580**	**655,683**	**655,683**

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DEVELOPMENT BANK OF NIGERIA PLC

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER ENDED 30 JUNE 2022	**2022**	**2022**	**2021**	**2021**
	3 months	**6 months**	**3 months**	**6 months**
	(Apr-June)	**(Jan- June)**	**(Apr - June)**	**(Jan -June)**
	N'000	N'000	N'000	N'000
Revenue	9,993,308	20,507,028	9,439,293	15,177,130
Gross profit	7,264,107	15,154,708	6,377,959	9,137,264
Profit before tax	**5,941,206**	**12,429,740**	**5,085,494**	**7,525,601**

DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
JUNE 30, 2022

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 D. OZULUMBA

EXECUTIVE DIRECTOR/CHIEF FINANCIAL OFFICER

TONY OKPANACHI

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER