



DBN
Development
Bank of Nigeria

MANAGEMENT ACCOUNTS

December 31, 2019



Index to the financial statements
For the year ended 31 December, 2019

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019 3months (Oct - Dec)	2019 12months (Jan- Dec)	2018 3months (Oct - Dec)	2018 12months (Jan- Dec)
	Notes	N'000	N'000	N'000	N'000
Interest income	1	13,384,472	45,754,097	8,244,605	30,511,766
Interest expense	2	(2,860,103)	(8,212,029)	(1,189,887)	(4,342,680)
Net interest income		10,524,369	37,542,068	7,054,718	26,169,086
Impairment (charge)/write-back	3	(634,863)	(1,004,513)	(208,892)	(346,436)
Net Interest income after impairment		9,889,506	36,537,556	6,845,827	25,822,650
Other income	4	-	3,707	36,838	130,183
Fee and commission expense	5	(38,286)	(133,242)	(36,944)	(104,999)
Operating expenses	6	(1,104,441)	(3,691,643)	(1,099,912)	(2,936,889)
Profit before tax		8,746,779	32,716,378	5,745,809	22,910,945



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

		2019 12months (Jan-Dec)	2018 12months (Jan-Dec)
Assets	Notes	N'000	N'000
Cash and bank balances	7	334,913	106,987
Due from financial institutions	8	129,668,218	63,207,151
Loans and advances	9	98,029,465	28,289,868
Investment securities	10	228,021,240	186,167,762
Investment in subsidiaries	11	11,375,000	-
Other assets	12	530,869	398,102
Intangible assets	13	106,472	64,452
Property, plant and equipment	14	683,353	574,445
Total assets		468,749,529	278,808,767
Liabilities			
Long term debt	15	308,509,166	151,704,062
Income tax payable	16	(0)	229,109
Other liabilities	17	1,479,919	831,526
Total liabilities		309,989,086	152,764,697
Equity			
Share Capital		100,000	100,000
Share premium		99,762,570	99,762,570
Statutory reserve		17,838,109	8,023,196
Credit risk reserve		1,768,043	467,915
Retained earnings		39,291,721	17,690,389
Shareholders' Fund		158,760,443	126,044,070
Total liabilities and Equity		468,749,529	278,808,767



**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 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			32,716,378			32,716,378
Transfer between reserves:						
Transfer to regulatory risk reserve			(1,300,128)		1,300,128	-
Transfer to statutory reserve			(9,814,913)	9,814,913		-
Total comprehensive income	-	-	21,601,336	9,814,913	1,300,128	32,716,378
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
Balance as at 31 December, 2019	100,000	99,762,570	39,291,724	17,838,109	1,768,043	158,760,443
	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 issue 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



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Cash flows from operating activities

Profit for the period before tax

Adjust for non-cash items

Depreciation of plant and equipment

Amortization of Intangibles

Interest income on treasury bills

Impairment on financial assets

Company Income Tax paid

Interest expense accrual for the period

Changes in:

Net increase in Accruals and other payables

Net increase in Other assets

Net increase in loans and advances

Net increase in other financial assets ECL

Net cash flows from operating activities

Investment income received on treasury bills

Cash flows from investing activities

Purchase of treasury bills

Proceeds from matured investment in treasury bills

Acquisition of property and equipment

Investment in subsidiaries

Purchase of intangible assets

Net cash flows used in investing activities

Cash flows from financing activities

Proceeds from issue of share capital

Proceeds from long term borrowing

Principal loan repayments - KfW

Interest paid on long term borrowing - KfW

Share issue cost

Net cash flows from financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of period

**2019
N'000**

**2018
N'000**

32,716,378

22,910,945

262,861

150,946

31,547

13,983

(32,187,248)

(25,983,907)

1,004,513

346,436

(229,109)

(41,032)

8,212,029

4,342,680

648,393

406,730

(132,767)

(338,638)

(70,313,658)

(28,203,807)

(430,460)

(250,512)

(60,417,524)

(26,646,176)

25,310,169

26,289,133

(251,224,888)

(321,647,652)

216,248,358

243,936,636

(371,632)

(412,275)

(11,375,000)

-

(73,566)

(68,756)

(21,486,559)

(51,902,914)

-

39,360,035

154,706,802

59,461,664

(2,906,475)

-

(3,207,252)

-

-

(118,272)

148,593,075

98,703,427

66,688,993

20,154,338

63,314,138

43,159,800

130,003,131

63,314,138



NOTES TO THE MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019		2019 3months (Oct - Dec) N'000	2019 12months (Jan-Dec) N'000	2018 3months (Oct - Dec) N'000	2018 12months (Jan-Dec) N'000
1 Interest and discount income					
Placements		2,214,107	7,009,393	1,172,564	3,971,649
Treasury bills		8,686,687	32,187,248	6,645,852	25,983,907
Loans and advances		2,483,678	6,557,456	426,189	556,210
Total interest income		13,384,472	45,754,097	8,244,605	30,511,766
2 Interest and similar expense					
Borrowed funds		2,860,103	8,212,029	1,189,887	4,342,680
Interest expense		2,860,103	8,212,029	1,189,887	4,342,680
3 Net Impairment charge					
Impairment on financial assets:					
ECL - Financial assets		(634,863)	(1,004,513)	(208,892)	(346,436)
		(634,863)	(1,004,513)	(208,892)	(346,436)
4 Other incomes					
Profit/(loss) on disposal of fixed assets		11	11	-	-
Other income		3,588	3,588	36,838	130,183
PIU Income		108	108	-	-
		3,707	3,707	36,838	130,183
5 Fee and commission income/Expense					
Fees		(38,286)	(133,242)	(36,944)	(104,999)
		(38,286)	(133,242)	(36,944)	(104,999)
6 Operating expenses					
Staff cost (6a)		447,763	1,912,061	283,755	1,255,950
Administration and general expenses (6b)		415,780	1,046,227	525,769	937,077
Depreciation of property plant and equipment		86,161	262,861	53,168	150,946
Amortization of intangible assets		10,509	31,547	6,857	13,983
Auditor's remuneration		2,625	10,500	(1,250)	10,500
Directors emolument		25,800	82,350	20,800	77,350
Legal, consultancy and other professional fees		115,803	346,096	210,812	491,083
Operating expenses		1,104,441	3,691,643	1,099,912	2,936,889



	2019 3months (Oct - Dec) N'000	2019 12months (Jan-Dec) N'000	2018 3months (Oct - Dec) N'000	2018 12months (Jan-Dec) N'000
6a Staff Cost				
Salaries	270,949	981,325	154,710	714,008
ITF Level & NSITF	4,101	17,572	3,326	11,934
Staff training	148,815	251,167	36,212	62,988
Recruitment expenses	13,017	17,548	10,216	35,059
Other staff expense	10,881	644,450	79,291	431,961
Staff cost	447,763	1,912,061	283,755	1,255,950
6b Administrative and General expenses				
Stationery	3,768	9,046	(2,677)	2,761
Outsourcing	8,474	33,175	7,404	15,333
Office rent and rates	23,315	76,131	16,760	57,978
Marketing, advertising and Sponsorship	175,093	405,344	275,979	468,608
Subscriptions, publications, and communications	5,179	23,208	(17,466)	15,977
Insurance and licences	8,767	30,951	25,177	39,653
Repairs and maintenance	(156)	17,553	(7,960)	4,877
Other administration and general expenses	55,663	89,832	138,907	154,549
Bank charges	1,600	6,641	1,075	2,146
Travels and accommodation	51,484	124,662	29,107	93,197
IT and Communications expenses	36,307	119,161	46,688	50,173
Board expenses	22,369	86,608	12,775	31,824
PIU Expense	23,917	23,917	-	-
Administration and General Expenses	415,780	1,046,227	525,769	937,077
7 Cash and bank balances				
With Local Banks:				
- Guaranty Trust Bank	10,082	10,082	7,771	7,771
- United Bank for Africa	177	177	32,687	32,687
- First Bank of Nigeria	878	878	460	460
- Eco Bank	226	226	2,812	2,812
- Stanbic IBTC	1,815	1,815	3,308	3,308
- Access Bank	862	862	9,093	9,093
- Zenith bank	4,580	4,580	-	-
- Fidelity bank	11,700	11,700	-	-
- FCMB	262	262	-	-
- Union bank	2,717	2,717	-	-
	33,300	33,300	56,131	56,131



	2019 3months (Oct - Dec) N'000	2019 12months (Jan-Dec) N'000	2018 3months (Oct - Dec) N'000	2018 12months (Jan-Dec) N'000
Current account with CBN:				
- DBN-CBN Operations account	151,015	151,015	49,731	49,731
- DBN-PIU CBN Operations account - NGN	5,083	5,083	-	-
- DBN-PIU CBN Operations account - USD	141,100	141,100	-	-
- DBN-IBRD account with CBN	953	953	15	15
- DBN-AFD account with CBN	484	484	34	34
- 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
	301,613	301,613	50,856	50,856
Total Cash and Bank balances	334,913	334,913	106,987	106,987
8 Due from financial institutions				
Fixed placements	102,663,000	102,663,000	63,100,000	63,100,000
Call placements	26,883,500	26,883,500	101,000	101,000
	129,546,500	129,546,500	63,201,000	63,201,000
Interest receivable - Bank placements	783,537	783,537	256,655	256,655
Interest receivable - Call placements	19,146	19,146	-	-
	802,682	802,682	256,655	256,655
Other asset ECL	(680,965)	(680,965)	(250,504)	(250,504)
	129,668,218	129,668,218	63,207,151	63,207,151
9 Loans and advances to customers				
PFI Loans	98,703,405	98,703,405	28,389,748	28,389,748
	98,703,405	98,703,405	28,389,748	28,389,748
Term loan ECL	(673,940)	(673,940)	(99,880)	(99,880)
	98,029,465	98,029,465	28,289,868	28,289,868
10 Investment securities				
Investment securities at amortized cost				
FGN Treasury securities				
Treasury bills at amortized cost	243,260,356	243,260,356	204,902,674	204,902,674
	243,260,356	243,260,356	204,902,674	204,902,674
Unearned discount income - Treasury bills	(15,239,116)	(15,239,116)	(18,734,912)	(18,734,912)
	(15,239,116)	(15,239,116)	(18,734,912)	(18,734,912)
Total investment securities @ amortized cost	228,021,240	228,021,240	186,167,762	186,167,762



	2019 3months (Oct - Dec) N'000	2019 12months (Jan-Dec) N'000	2018 3months (Oct - Dec) N'000	2018 12months (Jan-Dec) N'000
11 Investment in subsidiaries				
Investment in subsidiaries	11,375,000	11,375,000	-	-
	11,375,000	11,375,000	-	-
12 Other assets				
Other receivables	4,339	4,339	5,517	5,517
WHT Receivable	331,959	331,959	230,487	230,487
	336,298	336,298	236,004	236,004
Allowance for receivables (b)	-	-	-	-
Net Financial Asset	336,298	336,298	236,004	236,004
Prepayments	194,571	194,571	162,098	162,098
Non Financial Asset	194,571	194,571	162,098	162,098
Total other assets	530,869	530,869	398,102	398,102
13 Intangible assets				
Computer software	153,398	153,398	79,832	79,832
Amortisation-computer software	(46,927)	(46,927)	(15,380)	(15,380)
	106,472	106,472	64,452	64,452
14 Property Plant and equipment				
Property Plant and equipment	1,138,176	1,138,176	766,544	766,544
Accumulated Depreciation on PPE	(454,823)	(454,823)	(192,099)	(192,099)
Net book values	683,353	683,353	574,445	574,445
15 Long term debt				
Long term debt - IBRD	134,411,678	134,411,678	38,521,098	38,521,098
Long term debt - AFD	29,387,317	29,387,317	14,519,544	14,519,544
Long term debt - KfW	58,135,864	58,135,864	61,814,573	61,814,573
Long term debt - ADF	14,546,870	14,546,870	-	-
Long term debt - AfDB	72,027,438	72,027,438	36,848,847	36,848,847
	308,509,166	308,509,166	151,704,062	151,704,062
16 Current income tax liabilities				
Income tax payable	(0)	(0)	229,109	229,109
	(0)	(0)	229,109	229,109
17 Other liabilities				
Accrued expenses	1,267,881	1,267,881	652,207	652,207
Other liabilities	212,038	212,038	179,318	179,318
	1,479,919	1,479,919	831,526	831,526



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2019

		2019 3months (Oct - Dec) N'000	2019 12months (Jan-Dec) N'000	2018 3months (Oct - Dec) N'000	2018 12months (Jan-Dec) N'000
	Notes				
Revenue	1	13,384,472	45,757,804	8,281,443	30,641,949
Gross profit		9,889,506	36,537,556	6,845,827	25,822,650
Profit before tax		8,746,779	32,716,378	5,745,809	22,910,945



DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
DECEMBER 31, 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