DBN
Development
Bank of Nigeria Plc

UNAUDITED MANAGEMENT ACCOUNTS

DECEMBER 31, 2022

...Financing Sustainable Growth

Index to the financial statements

For the year ended 31 December, 2022

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022 3months (Oct - Dec) N'000	2022 12months (Jan - Dec) N'000	2021 3months (Oct - Dec) N'000	2021 12months (Jan - Dec) N'000
Interest income	1	13,787,106	46,915,903	11,278,765	37,684,265
Interest expense	2	(2,822,962)	(11,128,997)	(2,789,590)	(11,231,314)
Net interest income		**10,964,144**	**35,786,905**	**8,489,174**	**26,452,951**
Impairment (charge)/write-back	3	(1,056,165)	(1,217,699)	584,994	351,334
Net Interest income after impairment		**9,907,979**	**34,569,207**	**9,074,169**	**26,804,285**
Other income/(PIU Expense)	4	5,037	69,059	6,324	78,665
Fee and commission expense	5	(809)	(9,202)	6,923	(20,845)
Operating expenses	6	(1,351,731)	(5,168,378)	(974,494)	(3,685,422)
Profit before tax		**8,560,475**	**29,460,686**	**8,112,921**	**23,176,683**

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

Assets	Notes	2022 12months (Jan - Dec) N'000	2021 12months (Jan - Dec) N'000
Cash and bank balances	7	617,274	237,837
Due from financial institutions	8	130,441,499	135,076,015
Loans and advances	9	369,402,568	321,694,875
Investment securities	10	(0)	26,618,294
Investment in subsidiary	11	11,375,000	11,375,000
Other assets	12	1,560,170	1,068,047
Intangible assets	13	233,649	149,303
Property, plant and equipment	14	2,404,476	2,300,425
Deferred tax	15	724,664	875,249
Total assets		**516,759,300**	**499,395,045**
Liabilities			
PFI Deposits for loan repayments	16	504,327	187,320
Long term debt	17	291,139,708	297,724,296
Income tax payable	18	1,170,978	2,545
Other liabilities	19	1,832,165	1,377,217
Total liabilities		**294,647,177**	**299,291,379**
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		4,905,519	4,905,519
Retained earnings		89,340,471	72,047,506
Shareholders' Fund		**222,112,123**	**200,103,666**
Total liabilities and Equity		**516,759,300**	**499,395,045**

STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 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			29,460,686			29,460,686
Transfer between reserves:						
Transfer to regulatory risk reserve			-		-	
Transfer to statutory reserve				-		-
Total comprehensive income	**-**	**-**	**29,460,686**	**-**	**-**	**29,460,686**
Transactions with equity holders, recorded directly in equity:						
Issued shares paid up during the year	-	-				-
Share issue cost		-				-
	-	-	-	-	-	-
Balance as at December 31, 2022	**100,000**	**99,762,570**	**89,340,470**	**28,003,563**	**4,905,520**	**222,112,123**
	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 YEAR ENDED DECEMBER 31, 2022

	December 2022 N'000	December 2021 N'000
Cash flows from operating activities		
Profit for the period before tax	29,460,686	23,176,683
2022 YOA Company Income Tax paid	(5,212,391)	(248,401)
Adjust for non-cash items		
Depreciation of plant and equipment	349,034	279,868
Amortization of Intangibles	45,947	49,404
Loss/(Profit) on disposal of PPE	(8,962)	(14,945)
Interest income on treasury bills	(917,267)	(1,886,525)
Impairment on financial assets	1,217,699	(351,334)
Unrealized exchange gain	(3,156)	-
Interest expense accrual for the period	11,128,997	11,231,314
Changes in working capital		
Net increase/(decrease) in Accruals and other payables	454,947	200,086
WHT Credit notes set off against Income Tax liability	(510,097)	(83,942)
Net (increase)/decrease in Other assets	(562,433)	(556,962)
Net (increase)/decrease in loans and advances	(48,614,215)	(108,085,579)
Net increase in other financial assets ECL	5,829	804,246
Net cash flows from operating activities	**(13,165,381)**	**(75,486,088)**

Investment income received on treasury bills	2,527,293	464,748
Cash flows from investing activities		
Purchase of treasury bills	(964,438)	(25,008,268)
Proceeds from matured investment in treasury bills	25,972,707	14,035,252
Acquisition of property and equipment	(465,386)	(719,349)
2021 FY Lease accounting ROU Assets impact	148,347	237,327
2022 FY Lease accounting ROU Assets impact	(62,166)	(148,347)
Proceeds on sale of assets	9,758	31955
(Purchase)/Reclass/Disposal of intangible assets	(131,503)	(75,239)
Net cash flows used in investing activities	**27,034,610**	**(11,181,921)**
Cash flows from financing activities		
Principal loan repayments - KfW	(5,812,951)	(5,812,951)
Principal loan repayments - AfDB	(4,650,998)	(4,650,998)
Principal loan repayments - ADF	(574,489)	(574,489)
Principal loan repayments - AFD	(4,441,157)	(4,441,157)
Principal loan repayments - IBRD	(8,400,990)	(5,438,604)
Tranche 9 inflow - IBRD	16,812,000	14,185,500
Interest paid on long term borrowing - KfW	(1,797,351)	(2,029,272)
Interest paid on long term borrowing - AfDB	(2,371,881)	(2,556,420)
Interest paid on long term borrowing - ADF	(130,692)	(136,358)
Interest paid on long term borrowing - AFD	(1,300,596)	(1,372,019)
Interest paid on long term borrowing - IBRD	(5,455,203)	(14,405,196)
Net cash flows from financing activities	**(18,124,309)**	**(27,231,963)**
Net increase/(decrease) in cash and cash equivalents	(4,255,079)	(113,899,972)
Cash and cash equivalents, beginning of year	135,313,852	249,213,824
Cash and cash equivalents, end of period	**131,058,773**	**135,313,852**

NOTES TO THE MANAGEMENT ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022		2022 3months (Oct - Dec) N'000	2022 12months (Jan - Dec) N'000	2021 3months (Oct - Dec) N'000	2021 12months (Jan - Dec) N'000
1	**Interest and discount income**				
	Placements	4,836,865	14,470,128	3,620,670	12,801,062
	Placements - SDIS	1,274	4,184	1,129	3,043
	Treasury bills	17,942	917,267	631,600	1,886,525
	Loans and advances	8,952,856	31,608,001	7,045,379	23,036,045
	Total interest income	**13,808,937**	**46,999,580**	**11,298,779**	**37,726,675**
	Provision for IDB	21,831	83,677	20,014	42,410
	Net Interest Income	**13,787,106**	**46,915,903**	**11,278,765**	**37,684,265**
2	**Interest and similar expense**				
	Borrowed funds	2,822,962	11,128,997	2,789,590	11,231,314
	Interest expense	**2,822,962**	**11,128,997**	**2,789,590**	**11,231,314**
3	**Net Impairment (charge)/write back**				
	ECL - Loan assets	(1,158,557)	(1,223,528)	138,531	(452,912)
	ECL - Other assets	102,392	5,829	446,463	804,246
		(1,056,165)	**(1,217,699)**	**584,994**	**351,334**
4	**Other incomes**				
	Profit/(loss) on disposal of fixed assets	(12)	8,962	-	14,945
	Other income	1,398	30,851	3,820	35,078
	FX revaluation gain/(loss)	3,156	3,156	-	-
	PIU other income	-	-	19,640	344,206
	Recovered Shared Service Cost	46,248	84,020	27,150	53,288
	Grant Income (PIU)	53,815	361,685	-	-
	PIU Expense	(99,568)	(419,616)	(44,286)	(368,852)
		5,037	**69,059**	**6,324**	**78,665**
5	**Fee and commission income/Expense**				
	Fees	(809)	(9,202)	6,923	(20,845)
		(809)	**(9,202)**	**6,923**	**(20,845)**

6	**Operating expenses**				
	Staff cost (6a)	802,687	2,812,326	679,333	2,091,872
	Administration and general expenses (6b)	250,254	1,339,085	46,640	763,005
	Depreciation of property plant and equipment	69,806	273,586	71,131	279,868
	Depreciation of Right of Use (ROU) Asset	72,399	72,399	73,810	73,810
	Lease Liability expense	3,049	3,049	5,113	5,113
	Amortization of intangible assets	12,040	45,947	15,373	49,404
	Auditor's remuneration	1,075	21,500	3,628	16,125
	Directors emolument	48,747	229,565	32,550	205,493
	Legal, consultancy and other professional fees	91,673	370,920	46,915	200,732
	Operating expenses	**1,351,731**	**5,168,378**	**974,494**	**3,685,422**
6a	**Staff Cost**				
	Salaries	353,855	1,432,455	351,450	1,384,688
	ITF Level & NSITF	11,694	28,409	5,562	21,695
	Performance bonus	249,224	931,724	258,525	514,775
	Staff training	70,682	219,426	15,498	57,762
	Recruitment expenses	32,435	34,404	1,663	1,820
	Other staff expense	84,798	165,908	46,636	111,131
	Staff cost	**802,687**	**2,812,326**	**679,333**	**2,091,872**
6b	**Administrative and General expenses**				
	Stationery	1,014	5,214	69	2,607
	Outsourcing	7,751	22,503	10,724	32,033
	Office rent and rates	(60,357)	5,063	105,590	89,225
	Marketing, advertising and Sponsorship	31,763	230,254	49,124	262,448
	Subscriptions, publications, and communications	8,222	49,264	13,177	51,025
	Insurance and licences	6,323	23,890	6,298	22,434
	Repairs and maintenance	2,886	28,303	16,108	35,822
	Other administration and general expenses	130,984	312,377	11,984	79,608
	Bank charges	2,338	6,090	932	3,429
	Travels and accommodation	35,855	107,540	29,854	58,050
	IT and Communications expenses	56,247	202,382	53,513	172,165
	Board expenses	27,229	172,775	145,694	152,372
	Stamp Duty Levy	-	173,431	-	-
	2020 Accruals on Admin cost reversed in 2021	-	-	(113,969)	(113,969)
	Lease accounting entries related to office rent	-	-	(84,244)	(84,244)
	Total admin and general expense	**250,254**	**1,339,085**	**244,853**	**763,005**

7	**Cash and bank balances**				
	With Local Banks:				
	- Guaranty Trust Bank	102,579	102,579	13,106	13,106
	- United Bank for Africa	53,643	53,643	4,414	4,414
	- First Bank of Nigeria	1	1	167	167
	- Eco Bank	3,755	3,755	660	660
	- Stanbic IBTC	1,363	1,363	1,363	1,363
	- Access Bank	300	300	936	936
	- Zenith bank	1,779	1,779	1,780	1,780
	- Fidelity bank	203	203	796	796
	- FCMB	1,004	1,004	879	879
	- Union bank	132,250	132,250	797	797
	- Wema bank	395	395	197	197
	- FSDH	133	133	266	266
		297,405	297,405	25,359	25,359
	Current account with CBN:				
	- DBN-CBN Operations account	268,476	268,476	50,968	50,968
	- DBN-PIU CBN Operations account - NGN	14,613	14,613	13,302	13,302
	- DBN-PIU CBN Operations account - USD	32,850	32,850	143,678	143,678
	- DBN-IBRD account with CBN	310	310	910	910
	- 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
		319,869	319,869	212,477	212,477
	Total Cash and Bank balances	617,274	617,274	237,837	237,837
8	**Due from financial institutions**				
	Fixed placements	125,314,000	125,314,000	134,575,500	134,575,500
	Call placements	3,711,000	3,711,000	-	-
	Fixed Placements - SDIS	43,790	43,790	39,733	39,733
		129,068,790	129,068,790	134,615,233	134,615,233
	Interest receivable - Bank placements	1,702,889	1,702,889	797,549	797,549
	Interest receivable - Call placements	1,081	1,081	(0)	(0)
	Interest receivable - SDIS Fixed placements	36	36	359	359
		1,704,006	1,704,006	797,908	797,908
	Other asset ECL	(331,297)	(331,297)	(337,126)	(337,126)
		130,441,499	130,441,499	135,076,015	135,076,015

9	**Loans and advances to customers**				
	PFI Loans	372,185,667	372,185,667	323,254,445	323,254,445
		372,185,667	**372,185,667**	**323,254,445**	**323,254,445**
	Term loan ECL	(2,783,098)	(2,783,098)	(1,559,570)	(1,559,570)
		369,402,568	**369,402,568**	**321,694,875**	**321,694,875**
10	**FGN Treasury securities**				
	Treasury bills at amortized cost	(0)	(0)	27,500,000	27,500,000
		(0)	**(0)**	**27,500,000**	**27,500,000**
	Unearned discount income - Treasury bills	(0)	(0)	(881,706)	(881,706)
		(0)	**(0)**	**(881,706)**	**(881,706)**
	Total investment securities @ amortized cost	**(0)**	**(0)**	**26,618,294**	**26,618,294**
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	294,115	294,115	85,491	85,491
	WHT Receivable	1,180,226	1,180,226	913,691	913,691
		1,474,341	**1,474,341**	**999,182**	**999,182**
	Prepayments	85,829	85,829	68,865	68,865
	Non Financial Asset	**85,829**	**85,829**	**68,865**	**68,865**
	Total other assets	**1,560,170**	**1,560,170**	**1,068,047**	**1,068,047**
13	**Intangible assets**				
	Computer software	412,378	412,378	293,551	293,551
	Amortisation-computer software	(178,729)	(178,729)	(144,248)	(144,248)
		233,649	**233,649**	**149,303**	**149,303**

14	**Property Plant and equipment**				
	Motor Vehicles	1,066,512	1,066,512	861,700	861,700
	Furniture and Fittings	89,916	89,916	86,083	86,083
	Computer Equipment	350,139	350,139	224,293	224,293
	Office Equipment	109,094	109,094	106,176	106,176
	Leasehold Improvement	105,937	105,937	105,937	105,937
	Work In Progress - PPE	5,276	5,276	2,055	2,055
	Asset Under Construction	1,542,736	1,542,736	1,533,108	1,533,108
	Right of Use (ROU) Asset	62,166	62,166	148,347	148,347
	Book Value of PPE	**3,331,776**	**3,331,776**	**3,067,699**	**3,067,699**
	Accumulated Depreciation on PPE				
	Motor Vehicles - Depreciation	(461,817)	(461,817)	(384,571)	(384,571)
	Furniture and Fittings - Depreciation	(68,314)	(68,314)	(51,308)	(51,308)
	Computer Equipment - Depreciation	(205,128)	(205,128)	(169,906)	(169,906)
	Office Equipment - Depreciation	(86,105)	(86,105)	(67,157)	(67,157)
	Leasehold Improvement - Amortization	(105,937)	(105,937)	(94,331)	(94,331)
	Accumulated Depreciation on PPE	**(927,300)**	**(927,300)**	**(767,273)**	**(767,273)**
	Net Book Value of PPE	**2,404,476**	**2,404,476**	**2,300,425**	**2,300,425**
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	504,327	504,327	187,320	187,320
		504,327	**504,327**	**187,320**	**187,320**

17	**Long term debt**				
	Long term debt - IBRD	147,900,493	147,900,493	139,023,827	139,023,827
	Long term debt - AFD	33,551,972	33,551,972	37,977,472	37,977,472
	Long term debt - KfW	40,695,688	40,695,688	46,508,691	46,508,691
	Long term debt - ADF	12,666,635	12,666,635	13,241,129	13,241,129
	Long term debt - AfDB	56,324,920	56,324,920	60,973,177	60,973,177
		291,139,708	**291,139,708**	**297,724,296**	**297,724,296**
18	**Current income tax liabilities**				
	Income tax payable	1,046,319	1,046,319	1	1
	Education Tax	86,780	86,780	-	-
	Police Trust Fund Levy	2,200	2,200	2,545	2,545
	NITDA Levy	35,680	35,680	-	-
		1,170,978	**1,170,978**	**2,545**	**2,545**
19	**Other liabilities**				
	Accrued expenses	1,318,177	1,318,177	1,032,533	1,032,533
	Other liabilities	363,615	363,615	206,910	206,910
	Provision on IDB Loans	125,445	125,445	42,410	42,410
	Lease Liabilities	24,928	24,928	95,363	95,363
		1,832,165	**1,832,165**	**1,377,217**	**1,377,217**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2022

	Notes	2022 3months (Oct - Dec) N'000	2022 12months (Jan - Dec) N'000	2021 3months (Oct - Dec) N'000	2021 12months (Jan - Dec) N'000
Revenue	1	13,787,106	46,915,903	11,278,765	37,684,265
Gross profit		10,964,144	35,786,905	8,489,174	26,452,951
Profit before tax		**8,560,475**	**29,460,686**	**8,112,921**	**23,176,683**

DEVELOPMENT BANK OF NIGERIA PLC
REPORT CERTIFICATION
DECEMBER 31, 2022

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
EXECUTIVE DIRECTOR, FINANCE & CORPORATE SERVICES

TONY OKPANACHI
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER