

# Development Bank of Nigeria Plc

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2025 Final Bond Rating Report

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# Development Bank of Nigeria Plc

**₦23 billion Series 1 Senior Unsecured Fixed Rate Bond due 2028 under the ₦100 billion Debt Issuance Programme**

## Issue Rating: Aaa

**Outlook:** Stable

**Issue Date:** 13 June 2025

**Expiry Date:** 18 April 2026

*The rating is valid throughout the life of the instrument but will be subject to periodic monitoring and review.*

**Previous Rating:** Aaa

**Bond tenor:** 5 years

**Industry:** Development Finance Institution (DFI)

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## RATING RATIONALE

Agusto & Co. affirms the “Aaa” rating assigned to Development Bank of Nigeria Plc’s (“DBN” or “the Bank” or “the Issuer”) ₦23 billion Series I Senior Unsecured Fixed Rate Bond Due 2028 (“the Issue” or “the Bond”). The rating reflects a high capacity to meet all obligations associated with the Bond, relative to all other issues in Nigeria. This mirrors the “Aaa” rating assigned to DBN on the back of strong shareholders’ support, good profitability, good asset quality, a good capital adequacy, and good liquidity position. However, the rating is constrained by the prevailing macroeconomic headwinds that have adversely impacted some small and medium-sized businesses and some participating financial institutions (PFIs).

DBN commenced operations as a Wholesale Development Finance Institution in November 2017 to provide financial support to micro, small, and medium-sized enterprises (MSMEs) through PFIs. Credit guarantees issuance through a dedicated subsidiary, Impact Credit Guarantee Limited, and capacity-building for both the MSMEs and PFIs are also part of the Bank’s mandate. The Bond is a 5-year senior unsecured non-amortising instrument issued at 14.4% annual interest rate on 13 July 2023, to support the Bank’s mandate. As at 30 April 2025, three coupons amounting to ₦4.9 billion had been paid and the Issuer did not breach any of the covenants stated in the prospectus, based on the Trustee’s report.

In the financial year ended 31 December 2024, the Issuer had onboarded 79 PFIs (FYE 2023: 69 PFIs) with loans extended to 40 PFIs (FYE 2023: 32 PFIs) for onward lending to MSMEs. The loan portfolio rose by 12.9% to ₦463.4 billion on the back of additional long-term borrowings and the increase in the number of funded PFIs. MSMEs located outside the South-West (which includes Lagos State, Nigeria’s most prominent economic zone) accounted for a higher 53.1% (FYE 2023: 42.4%) as at FYE 2024. This reflects the priority accorded to MSMEs in some economic disadvantaged regions during the year under review.

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The Bank recorded the first Stage 3 loan since inception during the financial year. An outstanding exposure to a microfinance bank with severe liquidity challenges, amounting to ₦977.8 million became impaired. Notwithstanding, the exposure represented only 0.2% of the loan book, well below the 5% regulatory guidance. The specific provision for the facility covered 72.1% of the exposure while the pledged treasury security represented the remaining 28.3%. We consider the Issuer's asset quality to be good upheld by a conservative credit risk management framework.

In the year under review, the Bank's funding was bolstered by borrowings from the international development partners, priced between 2% - 3.1%. Thus, total borrowings grew by 55.1% to ₦453.4 billion (FYE 2023: ₦292.2 billion) and represented 171.6% of the shareholders' funds, lower than the 250% internal maximum threshold. The relatively low interest rate on the new borrowings moderated the full-year impact of the Bond's coupon payment. Hence, the weighted average cost of funds was maintained at 4.2%. Given the improved funding, the liquid assets grew by 71.7% to ₦179.4 billion and represented 39.6% (FYE 2023: 35.8%) of total borrowings, significantly above the 20% minimum regulatory guidance for wholesale development banks. The liquid assets also covered the outstanding obligations on the bond 7.4 times. We consider the DBN's liquidity profile and ability to refinance to be good and we note positively its foray into the Nigerian debt market by the issuance of this debt which has helped broaden its funding sources.

We view the Issuer's capital to be good for current business risks. As at FYE 2024, the Bank's shareholders' funds (₦264.3 billion) and capital adequacy ratio (61.2%) stood well above the ₦100 billion and 10% respective regulatory minimum for wholesale development finance institutions. We expect DBN's capitalisation to remain good in the near term, supported by the reserve accretion associated with the anticipated higher profit.

Although profitability is secondary to the Issuer's developmental mandate, performance continues to exhibit an upward trajectory. Profit before tax grew by 51.3% to ₦53.5 billion and covered the Bond obligations in FY2025 (coupon payments) 16.2 times. The pre-tax return on average assets and pre-tax return on average equity improved to 8.3% (FY 2023: 6.7%) and 21.6% (FY 2023: 15.9%), respectively. In the near term, we believe profitability will be sustained by loan book expansion and improved returns on the investment portfolio.

Based on the aforementioned, we hereby attach a **stable** outlook to the rating of DBN's ₦23 billion Series 1 Senior Unsecured Fixed Rate Bond under the ₦100 billion debt issuance programme as we adjudge the Issuer's capacity to repay all obligations strong.

### Strengths

- Strong shareholder support
- Strong refinancing ability
- Good capitalisation
- Experienced management team
- Expanding footprint in the youth, women and other underserved segments

### Weakness

- Concentration in borrowings

### Challenges

- Maintaining good asset quality in an adverse operating environment
- Rising cost of operations due to inflationary pressure
- Retaining talent given the raging emigration wave

Table 1: Issuer's Financial Information

	31 December 2023	31 December 2024
<b>Total Assets</b>	₦539.6 billion	₦749.9 billion
<b>Operating Income</b>	₦42.8 billion	₦63.1 billion
<b>Pre-tax Return on Average Assets (ROA)</b>	6.7%	8.3%
<b>Pre-tax Return on Average Equity (ROE)</b>	15.9%	21.6%

## ISSUER'S PROFILE

Development Bank of Nigeria Plc ("**DBN**" or "**the Bank**" or "**the Issuer**") was incorporated on 19 September 2014 and granted an operating license by the Central Bank of Nigeria (CBN) as a Wholesale Development Finance Institution on 29 March 2017. Subsequently, the Bank commenced operations on 1 November 2017. DBN was established to support micro, small, and medium-scale enterprises (MSMEs) in Nigeria by the Federal Government of Nigeria (FGN) in collaboration with the World Bank Group, the African Development Bank (AfDB) rated "**Aaa**" by Fitch, the KfW German Development Bank rated "**Aaa**" by Fitch, Agence Francaise de Developpement (AFD) rated "**Aa**" by Fitch, and the European Investment Bank (EIB) rated "**Aaa**" by Fitch. These international development partners provide funding (equity and long-term borrowings), technical support, and governance oversight.

DBN adopts a tripartite approach to supporting MSMEs; technical assistance, funding through Participating Financial Institutions (PFIs), and partial credit guarantees through a wholly owned subsidiary - Impact Credit Guarantee Limited. Eligible PFIs include commercial banks, merchant banks, mortgage banks and microfinance banks. DBN operates from the head office at The Clan Place, Plot 1386A Tigris Crescent, Maitama, Abuja, and a liaison office at Plot 952/953 Idejo Street, Victoria Island, Lagos.

Development Bank of Nigeria Plc is governed by a 10-member Board of Directors comprising eight Non-Executive Directors (six of whom are Independent Non-Executive Directors) and two Executive Directors. The Board is currently being chaired by Mr Kyari Bukar, an Independent Non-Executive Director, in acting capacity, while the Ministry of Finance Incorporated (MoFI), the largest shareholder, conducts the process of nominating the next Board Chairman.

## THE ISSUE

The Issue is a ₦23 billion Senior Unsecured Fixed-Rate Bond ("**the Bond**" or "**the Issue**") due in 2028, which is the first tranche of a ₦100 billion Debt Issuance Programme registered with the Securities and Exchange Commission (SEC). The principal would be paid at maturity (July 2028) although the coupons (set at 14.4% per annum) are paid semi-annually. The Issue is a direct, unsecured, senior and unconditional obligation of the Issuer and ranks pari-passu with other unsecured obligations of the Bank.

The proceeds of the Bond, which is tradable on the FMDQ platform, were used to support DBN's MSMEs lending activities through the PFIs. According to the performance report obtained from the trustees on 6 May 2025, the first, second and third coupon payments totalling ₦4.9 billion have been paid.

**Table 2: Summary of Coupon Payments Completed as at 6 May 2025**

Description	Amount (₦)	Payment Status	Payment Date
1st Coupon Payment	1,656,000,000	Paid	January 13, 2024
2nd Coupon Payment	1,656,000,000	Paid	July 13, 2024
3rd Coupon Payment	1,656,000,000	Paid	January 13, 2025

The next coupon is due on 13 July 2025, and the Issuer did not breach any bond covenant as at 6 May 2025 based on the Trustees' performance report.

#### ANALYSTS' COMMENTS

## ISSUER'S FINANCIAL CONDITION

### *Asset growth continues despite the prevailing headwinds*

Development Bank of Nigeria Plc sustained its growth momentum with total assets expanding to ₦749.9 billion (FYE 2023: ₦539.7 billion) as at 31 December 2024. Similarly, the loan book grew by 12.9% year-on-year to ₦463.4 billion supported by additional borrowings. During the year under review, eight additional financial institutions were allocated funds which increased the Bank's obligors to 40 PFIs. As at FYE 2024, 17 PFIs (FYE 2023: 27 PFIs) were considered investment-grade counterparties while 23 PFIs (FYE 2023: 5 PFIs) were in the speculative rating bucket based on the Issuer's internal credit rating model. There are plans to cautiously broaden the pool of PFIs to include institutions outside the CBN's purview which command a strong foothold of the MSME space to support the planned 11.3% near-term loan growth plans.

### *First impaired credit recorded since inception*

As at FYE 2024, MSME beneficiaries supported by DBN's loans outside the South West region rose to 53.1% (FYE 2023: 42.4%), reflecting increasing diversification of the loan book. Whereas MSME beneficiaries based in the South West, totalled 46.9% (FYE 2023: 57.6%). The South West includes Lagos State which is Nigeria's leading economic hub. Beneficiaries involved in trade and commerce, the most prominent activity among MSMEs, remained dominant in the loan book at 49.1% (FYE 2023: 49.9%) while the manufacturing sector (10.7%) and agribusinesses (6.9%) were also significant as at FYE 2024.

During the year under review, one of the PFIs, a microfinance bank, encountered severe liquidity challenges and defaulted on the obligations to DBN. As a result, the exposure, amounting to ₦977.8 million and representing 0.2% of gross loans as at FYE 2024, was downgraded to the stage 3 category. However, the impaired loan ratio was significantly lower than the 5% maximum regulatory guidance. As at FYE 2024, the

specific provision for the exposure covered 72.1% of the outstanding balance. As at the same date, the treasury bills pledged by the PFI covered the outstanding balance by 28.3%. Furthermore, the Bank engaged an independent consultant to monitor the obligor and oversee efforts to recover the outstanding funds.

Overall, we consider Development Bank of Nigeria Plc's asset quality good. However, we anticipate that the lingering macroeconomic challenges will further test the effectiveness of the Bank's credit risk management framework.

#### ***Additional borrowings from international development partners***

During the year under review, the Issuer secured €25 million from the AFD to support women-owned businesses and another €25 million from KfW to finance renewable energy and other energy efficiency initiatives. The Bank also accessed ₦104.1 billion from the Livestock Productivity and Resilience Support Project (LPRES) of the International Bank for Reconstruction and Development (IBRD) to support livestock farmers. As a result, total borrowings rose by 55.1% to ₦453.4 billion as at FYE 2024 but represented 171.6% of the shareholders' funds, lower than the Bank's internal 250% maximum limit. However, we note the Issuer's high dependency on a concentrated group of funding providers namely: KfW, AFD, IBRD and AfDB. As at FYE 2024 the IBRD accounted for the largest share of borrowings at 52.2%, followed by facilities from the AfDB at 12.9% with the remaining 34.9% ascribed to KfW, AFD and the Bank's Series I Bond. As at FYE 2024, 65.4% of the borrowings were denominated in foreign currency and the Issuer hedged the exposures through foreign currency swap agreements with the CBN to mitigate the risk of losses from exchange rate fluctuations.

During FY 2024, the full year impact of the Bond's coupon payment exerted pressure on the funding costs. However, the relatively low interest rates (ranging between 2% and 3.1%) of the new borrowings provided some moderation. As a result, the Issuer's weighted average cost of funds (WACF) remained stable at 4.2% in the year under review. In the near term, we do not anticipate a significant increase in the funding cost given the priority accorded to concessionary priced funding sources. We note positively the expanded borrowings of the Bank, reflecting an effective liability generation strategy.

#### ***Good liquidity profile***

DBN's liquid assets, largely comprising treasury securities and bank placements, grew by 71.7% to ₦179.4 billion as at FYE 2024. As a result, the liquid assets represented a higher 39.3% (FYE 2023: 35.8%) of total borrowings and remained above the 20% minimum regulatory threshold for wholesale development banks. The liquid assets also covered the Bond obligations 7.4 times. We consider the Issuer's liquidity profile to be good.

#### ***Higher operating income***

In FY 2024, DBN's interest income grew by 51.9% to ₦77.6 billion, as a result of the higher loan disbursements to PFIs, as well as increased allocations to treasury bills and bank placements in the elevated yield environment. Net interest expenses expanded by 13.8% to ₦13.9 billion due to the full year impact of the Bond's coupon payment and the new borrowings. Notwithstanding, net interest income increased by 63.9% to ₦63.6 billion.

The Bank's non-interest income fell by 48% to ₦732.3 million due to a fair value loss on derivative instruments and a moderation in foreign exchange income. However, additional income from capacity development initiatives and shared services billed to the subsidiary augmented non-interest income. Overall, the operating income grew by 47.6% to ₦63.1 billion in FY 2024. We expect the positive trajectory in operating income to be maintained in the near term.

#### *Profitability maintains an upward trajectory*

The Issuer's operating expenses rose by 29.8% to ₦9.6 billion as a result of inflationary pressures and the business expansion in FY 2024. Nevertheless, the enhanced operating income moderated the impact as the cost-to-income ratio declined to 15.3% (FY 2023: 17.3%). Overall, profit before tax grew by 51.3% to ₦53.5 billion while the pre-tax return on average assets (ROA) improved to 8.3% (FYE 2022: 6.7%) and the pre-tax return on average equity (ROE) appreciated to 21.6% (FYE 2022: 15.9%). We consider the Issuer's profitability good for a development finance institution. However, we note that maximising profitability is not the core mandate of the Bank.

#### *Good capitalisation for current business risk*

As at 31 December 2024, the Bank's shareholders' funds stood at ₦264.3 billion, a 13.8% year-on-year growth underpinned by reserve accretion emanating from the improved profitability. At this level, the shareholders' funds remained significantly above the ₦100 billion regulatory minimum for development finance institutions operating in Nigeria.

Notwithstanding the expansion in risk-weighted assets, the Bank maintained a steady capital adequacy ratio at 61.2%, which remained significantly above the 10% prudential requirement. We consider the Bank's capital good for current business risks and near-term growth plans.

## OUTLOOK

Development Bank of Nigeria Plc intends to leverage the lessons from its seven years of operations to support near-term growth plans and improve performance. The Issuer plans to expand the loan book to ₦515.6 billion by FYE 2025, as more financial institutions are expected to be on-boarded as PFIs while fintechs, non-governmental organisations, co-operative societies, and other institutions with a strong presence in the MSMEs space will be accredited to support the growth plans and increase developmental impact. However, DBN



intends to adopt a cautious approach in granting loans to institutions and organisations outside the regulatory purview of the CBN to preserve asset quality. Notwithstanding, underserved segments (such as women, youths and financially excluded communities) and economic sectors (including education, agriculture, light manufacturing, among others) are to be prioritised to improve the developmental impact.

In 2025, DBN intends to invest \$2.5 million in equity to the proposed Nigeria Youth Entrepreneurship Investment Bank (N-YEIB), an initiative being undertaken in collaboration with the African Development Bank (AfDB) and the Nigerian Sovereign Investment Authority (NSIA) which will provide debt and equity financing respectively. N-YEIB is intended to serve as a dedicated investment vehicle to support youth-owned enterprises across Nigeria to expand DBN's footprint in the country's development finance ecosystem.

The Bank plans to grow its funding base (shareholders' funds and borrowings) to ₦1.5 trillion by December 2028. Additional debt of \$130 million is expected from development partners before 31 December 2025. Given the Issuer's accreditation as a Direct Access Entity (DAE) by the Green Climate Fund (GCF) in 2024, DBN plans to further embed sustainability in its operations as well as crowd in additional financing from both the private and public sectors to bridge the climate finance gap in Nigeria.

We expect the Bank's capitalisation to remain good in the near term, upheld by continued shareholders' support. The Issuer's liquidity profile and refinancing capacity are also anticipated to remain strong, underpinned by stable funding from development partners. Asset quality is expected to remain good, given the wholesale lending model and prudent risk management practices. DBN's operational efficiency is expected to lead to sustained profitability in the near term, despite the organisation's developmental mandate taking priority over profit maximisation.

Based on the aforementioned, Agosto & Co. hereby attaches a “**stable**” outlook to the Development Bank of Nigeria Plc's ₦23 billion, Series I Senior Unsecured Fixed Rate Bond due in 2028 under the ₦100 billion debt issuance programme as we view the Issuer's ability to meet the associated obligations to be strong.

***For more comprehensive information, kindly refer to the 2025 credit rating report of the Development Bank of Nigeria Plc.***

## FINANCIAL SUMMARY

Development Bank of Nigeria Plc						
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>31-Dec-22</b>		<b>31-Dec-23</b>		<b>31-Dec-24</b>	
	<b>N'million</b>		<b>N'million</b>		<b>N'million</b>	
<b>ASSETS</b>						
1 Cash & Equivalents	617	0%	1,527	0%	1,070	0%
2 Government Securities		5%	19,246	3%	35,744	5%
3 Quoted Equity Investments (Net)						
<b>4 CASH &amp; MARKETABLE SECURITIES</b>	<b>617</b>	<b>5%</b>	<b>20,773</b>	<b>3%</b>	<b>36,814</b>	<b>5%</b>
5 Due from Financial Institutions	130,441	27%	83,686	51%	142,551	27%
6 Loans to Customers	372,186	65%	410,518	44%	463,443	65%
7 Others						
<b>Gross Loans</b>	<b>502,627</b>	<b>92%</b>	<b>494,203</b>	<b>94%</b>	<b>605,994</b>	<b>92%</b>
8 Less: Cumulative loan loss provision	(2,783)	0%	(172)	0%	(812)	0%
<b>9 TOTAL LOANS &amp; ADVANCES - NET</b>	<b>499,844</b>	<b>91%</b>	<b>494,032</b>	<b>94%</b>	<b>605,182</b>	<b>91%</b>
10 Unquoted Equity Investments(Net)	-		-		-	
11 Trading Securities	-		-		-	
12 <b>OTHER EARNING ASSETS</b>	<b>-</b>		<b>-</b>		<b>-</b>	
13 <b>TOTAL OTHER ASSETS</b>	<b>2,764</b>	<b>0%</b>	<b>1,049</b>	<b>0%</b>	<b>62,175</b>	<b>0%</b>
14 <b>TOTAL OTHER LONG-TERM ASSETS</b>	<b>11,375</b>	<b>2%</b>	<b>11,675</b>	<b>2%</b>	<b>31,865</b>	<b>2%</b>
15 <b>TOTAL FIXED ASSETS &amp; INTANGIBLES</b>	<b>2,636</b>	<b>0%</b>	<b>12,117</b>	<b>0%</b>	<b>13,957</b>	<b>0%</b>
16 <b>TOTAL ASSETS</b>	<b>517,236</b>	<b>100%</b>	<b>539,646</b>	<b>100%</b>	<b>749,993</b>	<b>100%</b>
17 <b>TOTAL COMMITMENTS</b>						
18 <b>TOTAL ASSETS &amp; COMMITEMENTS</b>	<b>517,236</b>	<b>100%</b>	<b>539,646</b>	<b>100%</b>	<b>749,993</b>	<b>100%</b>
<b>CAPITAL &amp; LIABILITIES</b>						
19 TIER 1 CAPITAL (CORE CAPITAL)	212,179	39%	232,231	36%	264,271	39%
20 SHORT TERM BORROWINGS						
21 LONG TERM BORROWINGS	291,140	60%	267,981	64%	429,057	60%
22 TOTAL INTEREST BEARING LIABILITIES	291,140	60%	292,226	64%	453,358	60%
23 <b>TIER 2 CAPITAL</b>	<b>291,140</b>	<b>60%</b>	<b>292,226</b>	<b>64%</b>	<b>453,358</b>	<b>60%</b>
24 TOTAL OTHER LIABILITIES	13,917	2%	15,189	0%	32,364	2%
25 <b>TOTAL CAPITAL &amp; LIABILITIES</b>	<b>517,236</b>	<b>100%</b>	<b>539,646</b>	<b>100%</b>	<b>749,993</b>	<b>100%</b>
26 TOTAL COMMITMENTS						
27 <b>TOTAL CAPITAL, LIABILITIES &amp; COMMITMENT</b>	<b>517,236</b>	<b>100%</b>	<b>539,646</b>	<b>100%</b>	<b>749,993</b>	<b>100%</b>

Development Bank of Nigeria Plc						
<b>INCOME STATEMENT FOR THE YEAR ENDED</b>		<b>31-Dec-22</b>		<b>31-Dec-23</b>		<b>31-Dec-24</b>
		<b>N'million</b>		<b>N'million</b>		<b>N'million</b>
28	Interest income	47,000	99%	51,071	100%	77,566
29	Interest expense	(11,216)	-31%	(12,261)	-34%	(13,959)
30	<b>NET INTEREST REVENUE</b>	<b>35,784</b>	<b>68%</b>	<b>38,809</b>	<b>66%</b>	<b>63,607</b>
31	INCOME FROM EQUITY INVESTMENTS					
32	FEES & OTHER INCOME	543	1%	1,369	0%	712
33	Loan loss expense	(1,218)	1%	2,611	-2%	(1,180)
34	Equity impairment Charges	-		-		-
35	<b>OPERATING INCOME</b>	<b>35,109</b>	<b>70%</b>	<b>42,790</b>	<b>64%</b>	<b>63,139</b>
36	STAFF COSTS	(2,374)	-5%	(2,920)	-4%	(3,890)
37	DEPRECIATION EXPENSE	(392)	-1%	(453)	-1%	(614)
38	OTHER OPERATING EXPENSES	(2,821)	-5%	(4,047)	-4%	(5,129)
39	<b>OPERATING EXPENSES</b>	<b>(5,587)</b>	<b>-11%</b>	<b>(7,420)</b>	<b>-9%</b>	<b>(9,632)</b>
40	<b>NET INCOME</b>	<b>29,523</b>	<b>60%</b>	<b>35,370</b>	<b>55%</b>	<b>53,506</b>
41	NON-OPERATING INCOME (EXPENSE) - NET	-		-		-
<b>ADDITIONAL INFORMATION</b>						
42	Type of institution	<b>DFI</b>		<b>DFI</b>		<b>DFI</b>
43	Age (in years)	6		7		8
44	Number of offices	2		2		2
45	Average staff per office	21		27		31
	AUDITORS	KPMG		KPMG		KPMG
	OPINION	CLEAN		CLEAN		CLEAN

Development Bank of Nigeria Plc			
KEY RATIOS	31-Dec-22	31-Dec-23	31-Dec-24
<b>PROFITABILITY RATIOS</b>			
46 Return on earning assets (average)	7%	8%	11%
47 Return on average assets	6%	7%	8%
48 Return on average equity	15%	16%	22%
49 Loan loss expense/Interest income	3%		2%
50 Operating expenses/Net earnings	16%	17%	15%
51 Gross earnings/Total assets & contingents (average)	9%	10%	12%
52 Income from Equity Investments/Equity Investments			
<b>LIQUIDITY RATIOS</b>			
53 Total Debt/Liquid assets	222%	280%	253%
54 Liquid assets/Long term debts	45%	39%	42%
55 Liquid assets/Short term debts	100%	100%	100%
56 Liquid assets/Total assets	25%	19%	24%
<b>ASSET QUALITY RATIOS</b>			
57 PERFORMING LOANS (N'million)	372,186	410,518	462,465
58 NON-PERFORMING LOANS (N'million)	-	-	978
59 Non-performing loans/Total loans - Gross			0%
60 Loan loss provision/Total loans - Gross	3%	-7%	2%
61 Loan loss provision/Non-performing loans			83%
62 Equity loss provision/Equity investments			
<b>CAPITAL ADEQUACY</b>			
63 Tier 1 (N'million)	210,805	231,691	263,902
64 Tier 2 (N'million)	210,805	231,691	263,902
65 Equity Cushion	41%	43%	35%
66 Risk Weighted Assets (N'million)	450,024	476,490	641,535
67 Adjusted Capital (N'million)	421,610	463,381	527,803
68 Tier 1/ Total Capital	50%	50%	50%
69 Net Loans to adjusted capital	1.19	1.07	1.15
71 Tier 1/Risk Weighted Assets	47%	49%	41%
<b>STAFF INFORMATION</b>			
72 Average number of employees	41	53	62
73 Staff cost per employee (N'million)	58	55	63
74 Operating Income per staff (N'million)	856	807	1,018
75 Staff cost/Operating income	6.8%	6.8%	6.2%
76 Staff costs/Operating expenses	42.5%	39.4%	40.4%

## RATING DEFINITIONS

<b>Aaa</b>	Bonds rated 'Aaa' are judged to offer the highest safety of timely payment of interest and principal relative to all other issues in the same country.
<b>Aa</b>	Bonds rated 'Aa' are judged to offer high safety of timely payment of interest and principal relative to all other issues in the same country.
<b>A</b>	Bonds rated 'A' are judged to offer adequate safety of timely payment of interest and principal relative to all other issues in the same country.
<b>Bbb</b>	Bonds rated 'Bbb' are judged to offer sufficient safety of timely payment of interest and principal for the present relative to all other issues in the same country.
<b>Bb</b>	Bonds rated 'Bb' are judged to carry inadequate safety of timely payment of interest and principal relative to all other issues in the same country.
<b>B</b>	Bonds rated 'B' are judged to have a greater susceptibility to default relative to all other issues in the same country.
<b>C</b>	Bonds rated 'C' are judged to have factors present that make them vulnerable to default; timely payment of interest and principal is possible only if favourable circumstances continue.
<b>D</b>	Bonds rated 'D' are in default and in arrears of interest and principal payments or are expected to default on maturity.

### Rating Category Modifiers

A "+" (plus) or "-" (minus) sign may be assigned to ratings from 'Aa' to 'C' to reflect comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign



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