



Development Bank of Namibia





## About Development Bank of Namibia

- Established 2004 (Development Bank of Namibia Act)
- Government of Namibia is sole shareholder
- Large enterprises, infrastructure & SMEs
- Pioneers new forms of lending
- Develops financial markets
- Transformative lending to address persistent economic issues
  - Youth finance to empower youth
  - Develop next generation of entrepreneurs



## Loans

- Asset backed finance
- Contract based finance (tenders)
- Performance guarantees
- Project finance
- Property development finance
- Commercial property finance
- Business recovery loans
- Climate adaptation finance
- Skills-based finance (youth)
- Franchise finance
- Management buy ins & buy outs
- PPP finance
- Infrastructure finance





Development Bank in Erongo





Erongo Sectoral Approvals (Inception to July 2022)		
	Since Inception	
Sectoral Spread	N\$ mil	% Share
Business Services	293.9	4.5
Commercial Property	44.7	0.7
Construction	185.3	2.8
Education	5.0	0.1
Electricity	799.6	12.2
Financial Intermediation	-	0.0
Fishing	14.3	0.2
Health	3.2	0.0
Housing	151.3	2.3
Land Servicing	30.0	0.5
Manufacturing	167.6	2.6
Mining & Quarrying	195.3	3.0
Tourism & Hospitality	121.1	1.9
Transport & Logistics	4,490.0	68.7
Water	-	0.0
Wholesale & Retail Trade	37.3	0.6
<b>Grand Total</b>	<b>6,538.5</b>	<b>100</b>





Agri-enterprise



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## Types of finance and purpose

- SME finance
- Finance for larger enterprises
- Agri-processing
  - Processing of agricultural products, e.g. abattoirs, milling, grading, freezing facilities, food manufacturing, etc.
- Agri-industry
  - Industry that supports agriculture, e.g. packaging, transport and logistics, services, feeds, fertilisers etc.
- NOT direct finance for farming (Agribank field)



## Other financing opportunities

- Credit Guarantee Scheme offered by commercial banks
- Financing of agri-value chain
  - Transport & logistics
- Infrastructure
  - Renewable energy
  - Water
  - *Climate adaptation finance*







## Business Recovery Loans



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## General

- Recovery for EXISTING businesses affected by Covid-19, the recession and the drought
- Developing sustainable, innovative new products and services
- Diversification and expansion to become more resilient in future
- Working capital, acquisition of plant and equipment and / or other short-term financing





## Types of finance

- Asset backed finance (equipment and vehicles)
- Business finance (term loans)
- Contract based finance
- Performance guarantees
- Management buy-ins and buy-outs





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Youth Finance



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## Financing opportunities for young entrepreneurs

- Skills-based finance
  - Youth finance to empower youth
  - Develop next generation of entrepreneurs
- SME finance
- Large enterprise
- Collateral and the Credit Guarantee Scheme (CGS)
- More information  
[www.dbn.com.na/youth](http://www.dbn.com.na/youth)





## Features: skills-based finance

- N\$50,000 minimum
- N\$1 million maximum
- Operating capital and assets
- No collateral / low collateral
- Assets financed are used as collateral
- Formal business registration required
- Insurance required
- Mentoring and coaching





SME finance



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## General

- SME has annual turnover of N\$10 million or less
- SME growth or start-up
- Less complex needs / lower amounts / individual products
- Lower threshold is N\$150,000







## **Types of finance**

- Asset backed finance (equipment and vehicles)
- Business finance (term loans)
- Contract based finance
- Performance guarantees
- Management buy-ins and buy-outs





Applications for finance



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## Application elements

- Application form
- Business plan / description
- Cash flow statement / 6 months' bank statements
- Balance sheet
- Collateral (case-by-case basis)
- CV & organogram
- All documentation at [www.dbn.com.na/applications](http://www.dbn.com.na/applications)
- KYC compliance
- ESM  
*Environmental and social management elements*
- Complete documentation enables DBN to make a timely decision





## Assistance

- Assistance with documentation requirements at all offices / telephonic / email  
[www.dbn.com.na/assistance](http://www.dbn.com.na/assistance)
- Website is mobile device compatible
- Application information to be developed by borrower







Collateral



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## Owner's contribution & collateral

- Owners contribution  
*Shared risk creates confidence in application*
- Collateral considered on a case-by-case basis
- Third party guarantees
- Assets financed may qualify as collateral
- [www.dbn.com.na/collateral](http://www.dbn.com.na/collateral)





## Credit Guarantee Scheme (CGS)

- Reduced collateral available through participating banks at discretion of banks
- Offered by
  - FNB
  - Standard Bank
- Not offered by DBN as the Bank already offers relaxed collateral requirements





Showcase projects



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## National Energy Fund (NEF)

- Strategic Fuel Storage
- Extension of Namibia's fuel storage capacity from 1 month to 2 months
- Financed by DBN with concessional capital from AfDB
- Proxy governance of funds during project on behalf of NEF
- Risk mitigation and supervision by Project Preparation Fund
- Value: N\$4.2 billion



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## Omburu Solar Photovoltaic Park

- Pioneering finance for independent power producer (IPP) and renewable energy
- Namibian partnership with French company
- Multiple solar parks and one wind farm followed
- Relieves shortage of electricity through PPP model with electricity buyers
- Value: N\$ 84 million



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## Ohorongo Cement

- Equity participation (minority shareholding)
- Majority shareholder: Schwenk Zement (German parent)
- Establishment of cement plant
- Secures local production of cement
- Equity participation with Industrial Development Corporation (IDC) and Development Bank of Southern Africa (DBSA)
- Value: N\$83 million



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## Pulsar Electronics

- DBN Innovation Award Winner & showcase project
- Manufacturing of remote electricity meter management and wi-fi router
- Supports electricity saving and internet access
- DBN assistance with product prototyping and business model
- N\$500,000





Programmes ~ past and ongoing







## Bond programme

- N\$2.5 billion bond subscription programme listed on Namibian Stock Exchange
- Deepen private sector participation in development (governance by proxy)
- Extend range of Namibian investment mechanisms



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## Project Preparation Fund

- Last-mile activities to prepare major enterprises for bankability
- Demand studies
- Risk mitigation
- Environmental and social management
- Supervision of complex projects



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## Credit Guarantee Scheme

- Increase access to finance for SMEs
- Component of SME Financing Strategy (includes Mentoring & Coaching Programme and Venture Capital Fund)
- Smart partnership to reduce commercial bank collateral requirements for SMEs
- Scheme provides collateral cover of up to 60%
- Two participating banks
- More banks expected to follow





## Skills-based finance for young entrepreneurs

- Alleviate shortage of trade and technical skills for enterprises
- Develop professional services
- Future pool of entrepreneurs
- Employment creation
- No collateral requirement at application
- Assets financed serve as collateral
- Reduced borrowing floor: N\$50,000



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## Climate adaptation

- Reduce impact of climate change
- Water consumption reduction
- Heat reduction
- Focus on National Development Plan sectors
- Socio-economic wellbeing



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## Questions?

Find frequently asked questions and answers  
at [www.dbn.com.na/faq](http://www.dbn.com.na/faq)



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Scan with mobile camera to visit website.





Stay healthy!



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