



# **DEVELOPMENT BANK OF NAMIBIA LIMITED (“DBN”)**

**Avior & Cirrus Namibian Conference**

**07 June 2021**

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# **DEVELOPMENT BANK OF NAMIBIA CREDIT HIGHLIGHTS**

# CREDIT HIGHLIGHTS

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- ✓ Sovereign Rating Level
  - *Long-Term IDR BB*
  - *National Long-Term Rating AAA(zaf)*
- ✓ Strong Capital Base
  - *Capital Adequate Ratio (CAR) 82%*
- ✓ Conservative Risk Management Strategy
- ✓ Conservative Statutory Policies
- ✓ Strong Shareholder Support
  - *100% state ownership*
  - *89% of funding liabilities is Government-guaranteed*
- ✓ Diversification
- ✓ Zero Risk Weighting

# ABOUT DBN



# ABOUT DBN

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- DBN is established by an Act of Parliament (DBN Act 2002).
- Incorporated under the Company's act as public company with share capital.
- Currently, the Government of the Republic of Namibia is a 100% shareholder.
- The main objective of DBN is to support Namibia's economic growth & social development in a sustainable manner.

# INTRODUCTION: **RATING**

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- Fitch Ratings
  - Long-Term Issuer Default Rating: BB
  - National Long-Term Rating: AAA(zaf)

# DBN MANDATE

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- Mobilize capital (locally and internationally)
- Manage development schemes, export projects and other economic programmes
- Facilitate private sector participation in development
- Develop money and capital markets

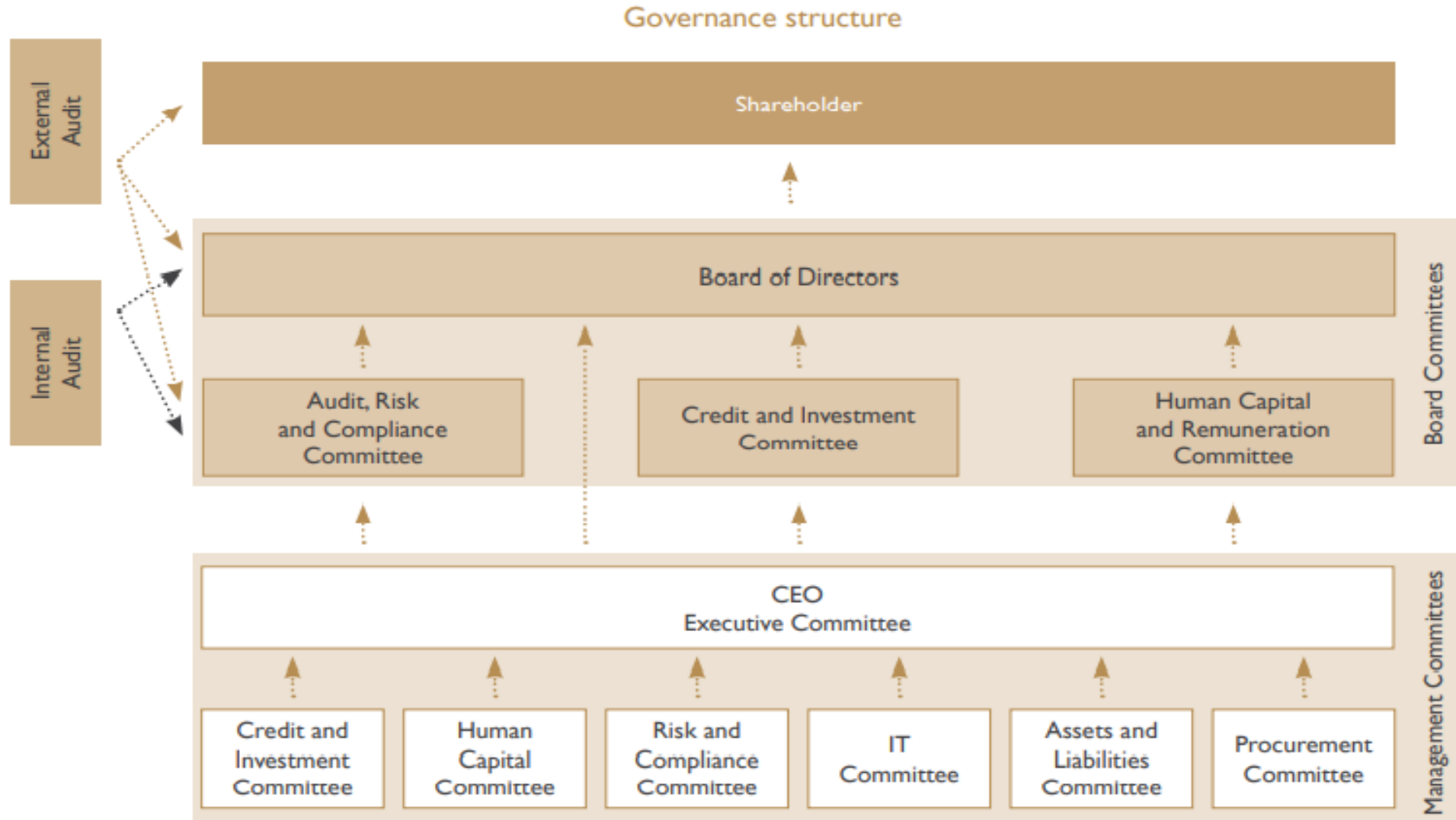
# GOVERNANCE: GENERAL

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- Legislation: DBN Act (Act 8 of 2002)
- Shareholder representative: Minister of Finance
- Independent board
- Board and management charters
- Enterprise-wide risk management framework
- IFRS and NamCode
- Regulatory adherence: FIA- AML
- Characterized by transparency and accountability

# GOVERNANCE STRUCTURE



# **DBN BOARD OF DIRECTORS**



# BOARD OF DIRECTORS: MEMBERS



## Board of Directors



**Tania Hangula (Chairperson)**

**Qualifications:** Post Graduate Diploma Business Management – University of Cape Town, National Diploma Commerce – Namibia University of Science and Technology, Paralegal Certificate – University of Cape Town

**Experience:** Businesswoman, Executive Assistant to the Executive Director Global Coalition for Africa World Bank, Washington DC, Executive Secretary to the Prime Minister Republic of Namibia, Private Secretary to the Deputy Minister – Ministry of Prisons and Correctional Services Republic of Namibia



**Tabitha Mbome**

**Qualifications:** Baccalaureus Juris, B Juris Degree – University of Namibia, Bachelor of Law Degree – University of Namibia, Admitted as Notary Public in Namibia, Accredited Mediator – High Court of Namibia

**Experience:** Assistant Company Secretary and Legal Advisor – Namibia Statistics Agency, Senior Legal Practitioner – Neves Legal Practitioners, Law Student – Ministry of Justice.



**Diana Husselmann**

**Qualifications:** Bachelor in Human Resources Management – Namibia University of Science and Technology, Certificate in Dispute Resolution – University of Namibia, Certificate in Industrial Psychology and Organisational Behaviour – University of South Africa, Diploma in Human Resources Management – Namibia University of Science and Technology

**Experience:** Manager: Remuneration – Swakopmund Uranium, Superintendent: Remuneration – Swakopmund Uranium, Specialist: Remuneration and Benefits – Rio Tinto (Rossing Uranium Limited), Head: Remuneration and Administration – Nampower, HR Business Partner – Namdeb Diamond Corporation



**James Cumming**

**Qualifications:** Bachelor of Science – University of Cape Town, Postgraduate Diploma in Accounting – University of Cape Town, Chartered Financial Analyst and Chartered Accountant

**Experience:** Businessman, Head Researcher – Simonis Storm Securities, Financial Officer – Clareville Capital, London(UK), Audit Manager – Deloitte (Ireland), Trainee Accountant – Deloitte and Touche Namibia



**Kai Victor Geschke**

**Qualifications:** Bachelor of Accounting – University of Stellenbosch, Bachelor of Computer Science (Honours) – University of South Africa, Chartered Accountant (Namibia), Public Accountant and Auditor (Namibia), Chartered Accountant (South Africa)

**Experience:** Businessman, Managing Director – Neo Paints Group, Group Financial Manager – Old Mutual Life Assurance Company (Namibia) Limited, Assistant Audit Manager – PricewaterhouseCoopers Namibia



**Martin Inkumbi (CEO)**

**Qualifications:** Master of Science in Financial Economics – University of London, Postgraduate Diploma in Banking and Finance – University of Natal, Bachelor of Commerce Degree – University of Cape Town

**Experience:** Chief Executive Officer – Development Bank of Namibia, Head Lending – Development Bank of Namibia, Portfolio Manager – Development Bank of Namibia, Manager: Corporate Business Services – First National Bank of Namibia, Financial Market Analyst – Bank of Namibia, Research Officer – Bank of Namibia

# EXECUTIVE'S EXPERIENCE



## Management Team Experience

<b>Hanri Jacobs</b> <i>Chief Financial Officer</i>	<p><b>Qualifications:</b> Certificate of Theory of Accounting - UOFS, Bachelor of Commerce Honours, University of the Orange Free State, Bachelor of Commerce, University of the Orange Free State, PAAB Qualifying Exam, CIMA Final Exam, Institute of Chartered Accountants in British Columbia</p> <p><b>Previous work experience includes:</b> Executive Director - Transmission Company of Nigeria (Independent Contractor Manitoba Hydro International), Acting Managing Director and CFO - NamPower, Corporate Controller - Manitoba Hydro, Canada, Financial Director - Etosha Transport, Financial Manager - Namibia Custom Smelters, Tsumeb,</p>
<b>Elriana Burger</b> <i>Head: HR &amp; Operations Support</i>	<p><b>Qualifications:</b> Bachelor of Commerce (Personnel Management) - University of Pretoria, Executive Human Resources Certificate - University of Stellenbosch Business School</p> <p><b>Previous work experience includes:</b> Acting Head of Human Resources - Bank Windhoek, Head: Human Resources Administration - Bank Windhoek, Human Resources Administrator - Bank Windhoek, Personnel Officer - Meat Corporation of Namibia, Efficiency Analyst - Office of the Prime Minister, Division Human Resources and Development, Senior Assistant Personnel Officer - Ministry of Health and Social Services, Senior Assistant Personnel Officer - Administration for Whites</p>
<b>Jerome Mutumba</b> <i>Head: Marketing and Corporate Communications</i>	<p><b>Qualifications:</b> Master in Business Administration (MBA Strategic Management) – Maastricht School of Management, Certificate: Senior Management Development Program - University of Stellenbosch Business School, Certificate in Project Management - University of Stellenbosch Business School, Master of Art (TESOL) - Southern Illinois University at Carbondale, Higher Education Diploma (English and Business Economics) - University of Namibia</p> <p><b>Previous work experience includes:</b> Senior Manager: Corporate Communications - DBN, Manager: Corporate Communications - DBN, Manager: External Affairs, Rössing Uranium Ltd, Manager: Corporate Communications - Bank of Namibia, Lecturer: English Communication - Polytechnic of Namibia, Consultant: African Institute of Management Services (AIMS), Lecturer: Complex English Patterns - University of Namibia</p>
<b>Robert Eiman</b> <i>Head: SME Finance</i>	<p><b>Qualifications:</b> MBA (UNAM / Maastricht), C.A.I.B (SA)</p> <p><b>Experience:</b> Senior Portfolio Manager (DBN), Portfolio Manager (DBN), Head: SMEs (FNB), Business Manager (FNB), Commercial Manager (FNB), Branch Manager North (FNB)</p>
<b>Hellen Amupolo</b> <i>Acting Head: Investments</i>	<p><b>Qualifications:</b> M.Dev Fin (USB), B.Econ (UNAM)</p> <p><b>Experience:</b> Senior Investment Manager (DBN), Senior Portfolio Manager: Infrastructure &amp; Utilities (DBN), Northern Regional Portfolio Manager (DBN), Senior Business Analyst (DBN), Business Analyst (DBN), Market Analyst (South Africa Breweries), Acting Chief Economist (Ministry of Fisheries and Marine Resources), Economist (Ministry of Fisheries and Marine Resources)</p>
<b>Adda Angula</b> <i>Company Secretary</i>	<p><b>Qualifications:</b> Bachelor of Laws Degree (UWC), Master of Laws Degree with specialisation in Human Rights and Democratisation in Africa (University of Pretoria), Admitted Legal Practitioner of the High Court of Namibia, Associate Member of Chartered Secretaries Southern Africa)</p> <p><b>Previous work experience includes:</b> Head: Governance and Reporting (Capricorn Group), Assistant Company Secretary (Capricorn Group), Lecturer (UNAM), Legal Practitioner (Sisa Namandje and Company Inc)</p>
<b>John Mbango</b> <i>Head: Portfolio Management</i>	<p><b>Qualifications:</b> Master of Science in Financial Economics - University of London, Bachelor of Economics - University of Namibia</p> <p><b>Previous work experience includes:</b> Portfolio Manager- DBN, Business Analyst - DBN, Team Leader: Namibia Early Warning and Food Information Unit of the Directorate of Planning, Ministry of Agriculture, Water &amp; Rural Development, Economics Tutor - University of Namibia, Personal Assistant to Administrative Manager - Edutech Ltd, Relief Teacher - Ministry of Basic Education &amp; Culture</p>
<b>Erastus Hoveka</b> <i>Head: Credit Risk</i>	<p><b>Qualifications:</b> B.Sc Accounting (Cum Laude) and MBA (Distinction) Bradley University (USA) Certified Public Accountant, (USA). Executive programs at Wharton (Housing Finance) and INSEAD (Strategic Bank Management)</p> <p><b>Experience:</b> Managing Director (ETH Capital), Senior Managing Director (NedNamibia Holdings), Founding CFO (Development Bank of Namibia), GM Finance (NHE), Senior Manager: Corporate Finance (Air Namibia), Manager: Management Accounting (Telecom Namibia), Senior Accountant, Corporate and Security and Exchange (SEC), Debt Reporting (Simon Property Group, USA)</p>
<b>Saima Nimengobe</b> <i>Head: Risk &amp; Compliance</i>	<p><b>Qualifications:</b> Master of Business Administration - University of Stellenbosch Business School, Bachelor of Accounting - University of Namibia, Postgraduate Certificate in Compliance Management - University of Johannesburg, Certificate in Project Management - University of Stellenbosch Business School</p> <p><b>Previous work experience includes:</b> Senior Manager: Risk &amp; Compliance – DBN, Group ERM Manager - O&amp;L Group, Risk Manager - Namibia Breweries Ltd, Risk Officer - NamPower, Risk &amp; Compliance Officer - Old Mutual</p>
<b>Heike Scholtz</b> <i>Head: Business Strategy</i>	<p><b>Qualifications:</b> Master in Philosophy in Public Administration - University of Pretoria, Master in Business Administration - University of Pretoria, Bachelor in Engineering (Civil) - University of Pretoria</p> <p><b>Previous work experience includes:</b> Portfolio Manager - DBN, Head: Research, IJG Securities, Investment Analyst - Allan Gray Namibia, Senior Financial Analyst - Bank of Namibia, Engineer - Namibia Water Corporation</p>

# DBN BUSINESS MODEL



# INTRODUCTION: BUSINESS MODEL

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- Lending on commercial principle
- Lending matched to mandate
- Targeted balance sheet approach (sustainability model)

# INTRODUCTION: PRODUCTS

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- Term loans
- Project finance
- Property finance
- Franchise finance
- Revolving credit facility
- Installment sales agreements
- Performance guarantees
- Letters of Credit (back to back with commercial banks)
- Financial guarantees

# LENDING PROCESS: **KEY CONSIDERATIONS**

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- Financial viability
- Environmental and Social requirements
- Developmental Impact

# LENDING PROCESS: APPLICATION RISK MITIGATION

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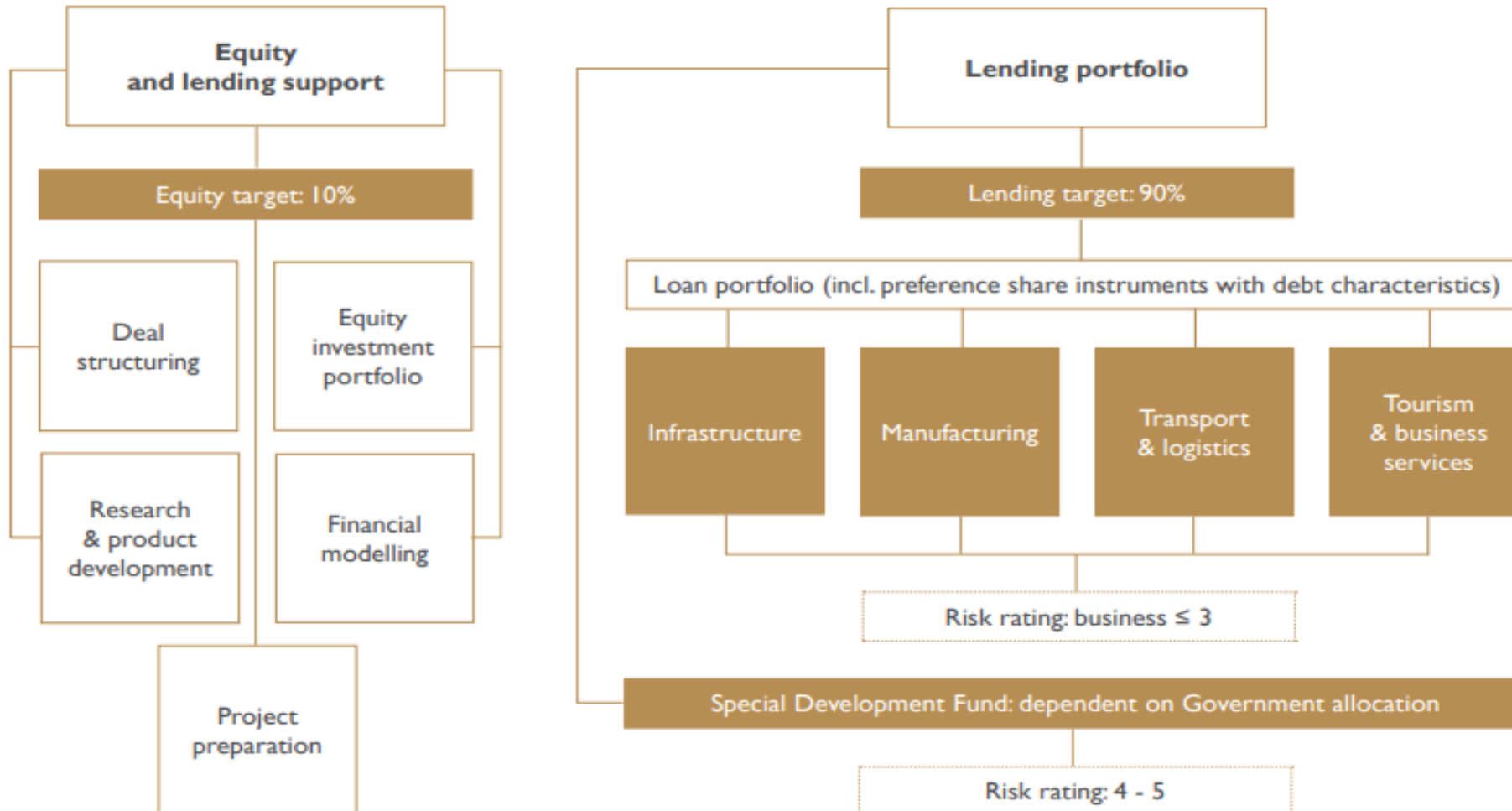
- Credit and Investment Policy
  - Robust business concept
  - Robust credit due diligence
  - Compliance: FIA- AML
  - Continuous loan monitoring

# LENDING AND INVESTMENT FOCUS



- Lending is aligned to national developmental objectives

## Structure of the DBN portfolio





# **DBN'S FINANCIAL PERFORMANCE HIGHLIGHTS**

# Financial Highlights



## Debt service capabilities

### Net interest income (N\$'m)

March 2020:

**428,2**

March 2019: 388,4

## Balance sheet strength

### Shareholder's equity (N\$'m)

March 2020:

**3,327**

March 2019: 3,130

## Balance sheet size

### Net Loan Book (N\$'m)

March 2020:

**8,467**

March 2019: 8,508

## Key ratios

### Cost-to-Income ratio

March 2020:

**28%**

March 2019: 33%

### Net interest margin\*

March 2020:

**45%**

March 2019: 46%

### Equity to Assets Ratio

March 2020:

**35%**

March 2019: 32%

### Total Assets (N\$'m)

March 2020:

**9,535**

March 2019: 9,671

### Non-performing loans ratio

March 2020:

**13,5%**

March 2019: 9,6%

\*Net interest margin = (Interest Income – Interest Expense)/Interest Income

The background image shows a modern building with a glass facade. On the left, there is a balcony with a metal railing and a glass balustrade. Several people are standing on the balcony, looking out. The building has multiple floors with large windows. The overall tone is professional and modern.

## **MEDIUM-TERM NOTE PROGRAMME**

# PURPOSE OF THE PROGRAMME

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- Diversify the bank's pool of funding
- Enterprise expansion and start-ups
- Infrastructure development
- Associated development impact

# CAPITAL RAISING STRATEGY

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- Board approved Capital Raising Strategy
- Target Debt to Equity Ratio of 2:1
- DFI Funding
- Medium Term Note Programme
- NAD/ZAR funding
- Cost of Funding
- Credit Rating

**THANK YOU**

