



**Development
Bank of Namibia**

Prospectus
2019/20



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*On the front cover:
Big Dog Resources (see page 32)*



About Development Bank of Namibia

The Development Bank of Namibia is mandated to contribute to the development of Namibia, and the socio-economic wellbeing of its citizens.

The goals that it sets itself are ambitious. In order to achieve its vision of prosperity, the Bank continuously evolves and develops its capacity with the aim of being an exceptional agent of economic development.



To achieve prosperity, the Bank transforms the private sector through finance for larger enterprises in key economic sectors that are expected to deliver development impact, economic activity and employment, particularly in the fields of infrastructure, manufacturing, tourism and transport & logistics.

To achieve transformation through inclusive economic participation, the Bank finances previously disadvantaged Namibians and women entrepreneurs. With an eye on the future, the Bank also provides finance to youth entrepreneurs, the next generation of Namibian enterprise leaders.

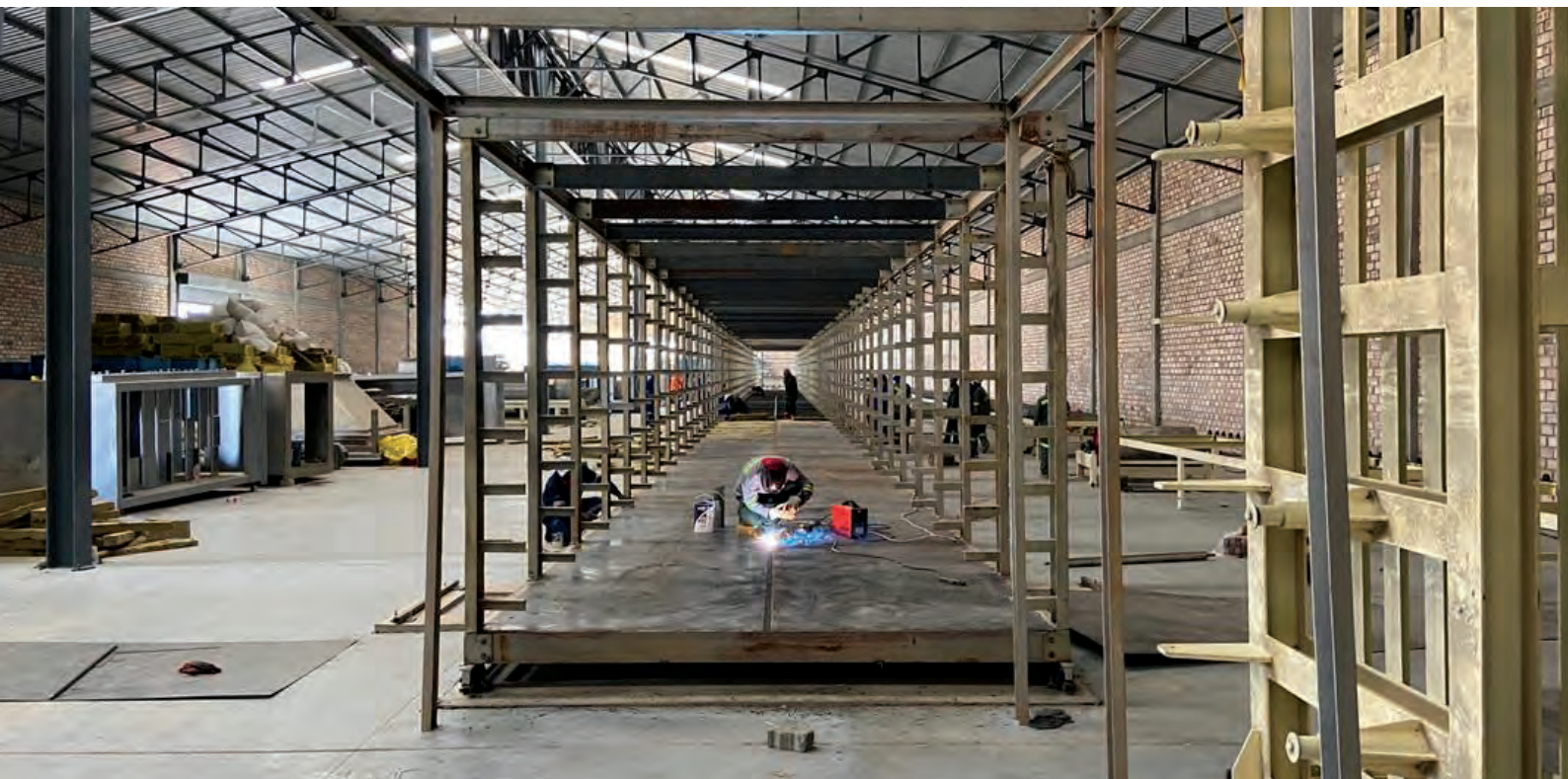
To develop a conducive environment for enterprise and social wellbeing, the Bank provides finance for infrastructure and utilities, notably energy, electricity and water.

With the aim of socio-economic wellbeing, the Bank participates in development of towns and villages, serviced land, affordable housing, and private sector health and educational facilities.

The Bank represents an ongoing endeavour to materially improve Namibia, now and in future. This is an ongoing challenge which the Bank continuously reviews, and to which it rises.

Financed By DBN

The Ongos Village housing project will significantly contribute to alleviating the need for affordable housing in Windhoek.



Governance and leadership

There were no failures of governance observed in the Bank during the 2019/20 financial year.

Financed by DBN

Namibia Gypsum (pictured under construction) will transform Namibia's gypsum resource and add value to it.

Mandate

The main objective of the Bank

is to contribute to economic growth and social development of Namibia and for the sustainable promotion of the welfare of the Namibian people by:

mobilising financial and other resources from the private and public sectors nationally and internationally;

appraising, planning and monitoring the implementation of development schemes, export projects and other economic programmes of national importance;

facilitating the participation of the private sector and community organisations in development schemes, export projects and other economic programmes of national importance;

and assisting in the development of money and capital markets.

The ancillary objectives of the Bank

are to:

cooperate with, and assist, other development financial institutions in order to achieve an integrated finance system in Namibia for economic growth and sustainable development; and

assist other institutions in the public and private sectors with the management of specific funds in order that the development requirements of Namibia may be met.

Governing legislation and its key features

The Bank was established through the Development Bank of Namibia Act of 2002 and incorporated as a public company.

Its memorandum and articles are drawn up in terms of the Companies Act, which applies to the Bank, subject to the provision of the Development Bank of Namibia Act.

The Minister of Finance, by gazette, may exempt the Bank from any provisions of the Companies Act.

The Banking Institutions Act does not apply to the Bank, but the Minister may in consultation with the Bank of Namibia apply any provision to the Development Bank of Namibia.

The Public Enterprises Governance Act of 2019, applies to the Bank, which requires the Bank to provide regular feedback in compliance with the Public Enterprises Governance Act to the Minister of Public Enterprises.

A governance agreement was concluded on 13 June 2013 between the Bank and the Ministry of Finance as per section 11 of the Public Enterprises Governance Act.

All Directors for the year under review signed performance agreements with the shareholder in terms of section 12 of the Public Enterprises Governance Act.

The Bank must, no later than 6 months after the end of each financial year, submit its annual report to the Minister of Finance and the Minister of Public Enterprises. This has been adhered to.

Internal governance

The DBN articles of association provide for the number of directors, their powers and for their retirement. They further provide for the payment of dividends, directors' remuneration and auditors' fees.

The Bank has Board and Management Charters that are reviewed on an annual basis. In the Charters, the limits of authority are stipulated as well as the roles and responsibility of the various Board Committees, Board members and management.

The Corporate Governance Code for Namibia provides for the establishment of structures and processes, with appropriate checks and balances that enable directors to discharge their legal responsibilities, and oversee compliance with legislation.

The Code of Business Conduct and Ethics requires all employees and persons acting on behalf of the Bank to act in an ethical and professional manner, upholding the Bank's core values, standards and principles at all times. The Code of Business Conduct and Ethics clarifies what is deemed acceptable business behaviour from a Bank employee so as to ensure the Bank's sustainable business. At the core of this Code are the values of:

- Service
- Integrity
- Transparency
- Excellence

Board of Directors

The Board's primary mandate is to ensure the sustainability and successful continuation of the Bank's business activities by providing strategic direction to the executive management. Independent non-executive directors are appointed by the share-

holder in terms of section 10 of the Development Bank of Namibia Act, 2002 for a period not exceeding five years, and can be reappointed. Current Board members were appointed on a three year term which commenced 1 April 2018.



Tania Hangula (Chairperson)

Qualifications: Post Graduate Diploma Business Management (UCT), National Diploma Commerce (NUST) Paralegal Certificate (UCT)

Experience: Businesswoman & Executive Assistant (World Bank, Washington DC), Civil servant (Government of Namibia)



Tabitha Mbome

Qualifications: B.Juris (UNAM), B.Law (UNAM), Notary Public (Namibia), Accredited Mediator (High Court of Namibia)

Experience: Legal Advisor (Namibia Statistics Agency), Senior Legal Practitioner (Neves Legal Practitioners), Legal Clerk - Legal Aid (Ministry of Justice)



James Cumming

Qualifications: B.BusSc (UCT), Postgraduate Diploma in Accounting (UCT), Chartered Financial Analyst and Chartered Accountant (Namibia)

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



Diana Husselmann

Qualifications: Bachelor in Human Resources Management (NUST), Certificate in Dispute Resolution (UNAM), Certificate in Industrial Psychology and Organisational Behaviour (UNISA), Diploma in Human Resources Management (NUST)

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)



Kai Victor Geschke

Qualifications: Bachelor of Accountancy (UOS), Honours Bachelor of Accounting Science (UNISA), Postgraduate Diploma in Auditing (UNISA), Chartered Accountant (Namibia) (South Africa), Public Accountant and Auditor (Namibia)

Experience: Businessman, Managing Director (NEO Paints Factory), Group Financial Manager (Old Mutual Holdings Namibia), Assistant Audit Manager (PricewaterhouseCoopers Namibia)



Martin Inkumbi (CEO)

Qualifications: M.Sc Financial Economics (University of London), Postgraduate Diploma in Banking and Finance (University of Natal), B.Com (UCT)

Experience: Chief Executive Officer (DBN), Head Lending (DBN), Portfolio Manager (DBN), Manager: Corporate Business Services (First National Bank of Namibia), Financial Market Analyst (Bank of Namibia), Research Officer (Bank of Namibia)

Executive management and committees

Executive managers form an Executive Management Committee (Exco), and participate in the Asset and Liabilities Committee (ALCO), the Procurement Committee, the Risk and Compliance Committee, the Human Capital and Remuneration Committee, the

Information Technology Committee, and the Credit and Investment Committee. Exco members report to the CEO, but may also report to the Board of Directors. The Company Secretary reports to the Board, as well as the CEO, on management matters.



Hanri Jacobs (Head: Finance & ICT, Chief Financial Officer)

Qualifications: Bachelor of Accounting, (UFS), Bachelor of Accounting Honours (UFS), Certificate of Theory of Accounting (UFS), CIMA Final Exam, Chartered Accountant (South Africa), Certified Professional Accountant, Chartered Accountant (Canada)

Experience: CFO (DBN) Executive Finance Director (Transmission Company of Nigeria - Manitoba Hydro International contract), CFO (NamPower), Corporate Controller (Manitoba Hydro Canada), Financial Director (Etosha Transport), Financial Manager (Dundee Precious Metals, Tsumeb), Consultant (BCHydro Canada), SAP Consultant (Ohlthaver & List), Manager of Finance (FortisBC Canada), Finance & IT Manager (Transnet Rail Engineering South Africa), Audit Manager (PWC South Africa)



Vivian Groenewald (Head: Credit Risk)

Qualifications: MBA (General Management) (USB), B.Com in Banking Management (Credit Management) (Oxford Brookes University, (UK) – Damelin School of Banking (SA)), Associate Diploma (CAIB, SA), Advanced Credit Management Diploma (IoB), Credit Management Diploma (IoB), Certificate in Banking (IoB)

Experience: Head: Credit & Operations (Cavmont Bank, Zambia), Senior Manager Credit (Bank Windhoek), Manager: Credit Wholesale (Standard Bank, Namibia), Assistant Branch Manager: Oshakati (Standard Bank)



Robert Eiman (Acting Head: Lending)

Qualifications: MBA (UNAM), Certified Associate (IoB), Advanced Marketing Diploma (IoB), Marketing Diploma (IoB), Certificate in Banking (IoB)

Experience: Acting Head of Investments DBN, Senior Investment Manager DBN, Portfolio Manager DBN, Head of SMEs at FNB Namibia, Commercial Manager FNB Commercial and Corporate Banking, Branch Manager North at FNB, Business Manager FNB



Saima Nimengobe (Head: Risk & Compliance)

Qualifications: Master of Business Management & Administration (USB), Bachelor of Accounting (UNAM), Postgraduate Certificate in Compliance Management (UJ), Certificate in Project Management (USB)

Experience: Senior Manager: Risk & Compliance (DBN), Group Manager: ERM & Compliance (O&L Group), Risk Manager, (Namibia Breweries), Risk Officer (NamPower), Risk & Compliance Officer (Old Mutual), Trainee Accountant (Ernst & Young)



John Mbango (Head: Portfolio Management)

Qualifications: MSc in Financial Economics (University of London), B.Econ (UNAM)

Experience: Portfolio Manager (DBN), Business Analyst (DBN), Team Leader: Namibia Early Warning and Food Information Unit (Ministry of Agriculture, Water & Rural Development), Economics Tutor (UNAM)



Adda Angula (Company Secretary & Legal Services)

Qualifications: 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

Experience: Head: Governance & Reporting (Capricorn Group), Assistant Company Secretary (Capricorn Group), Lecturer (UNAM), Legal Practitioner (Sisa Namandje and Company Inc)



Elriana Burger (Head: Human Capital & Operations Support)

Qualifications: B.Com (Personnel Management) (University of Pretoria), Executive Human Resources Certificate (UOS)

Experience: Acting Head of Human Resources (Bank Windhoek), Head: Human Resources Administration (Bank Windhoek), Human Resources Administrator (Bank Windhoek), Personnel Officer (Meatco), Efficiency Analyst (Office of the Prime Minister), Division Human Resources and Development, Senior Assistant Personnel Officer (Ministry of Health & Social Services) Senior Assistant Personnel Officer (Administration for Whites)



Heike Scholtz (Head: Business Strategy)

Qualifications: MPA (Infrastructure Management) (University of Pretoria), MBA (University of Pretoria), B.Eng (Civil) (University of Pretoria)

Experience: Head: Business Development (DBN), Portfolio Manager (DBN), Head: Research (IJG Securities), Investment Analyst (Allan Gray Namibia), Senior Financial Analyst (Bank of Namibia), Engineer (Namibia Water Corporation)

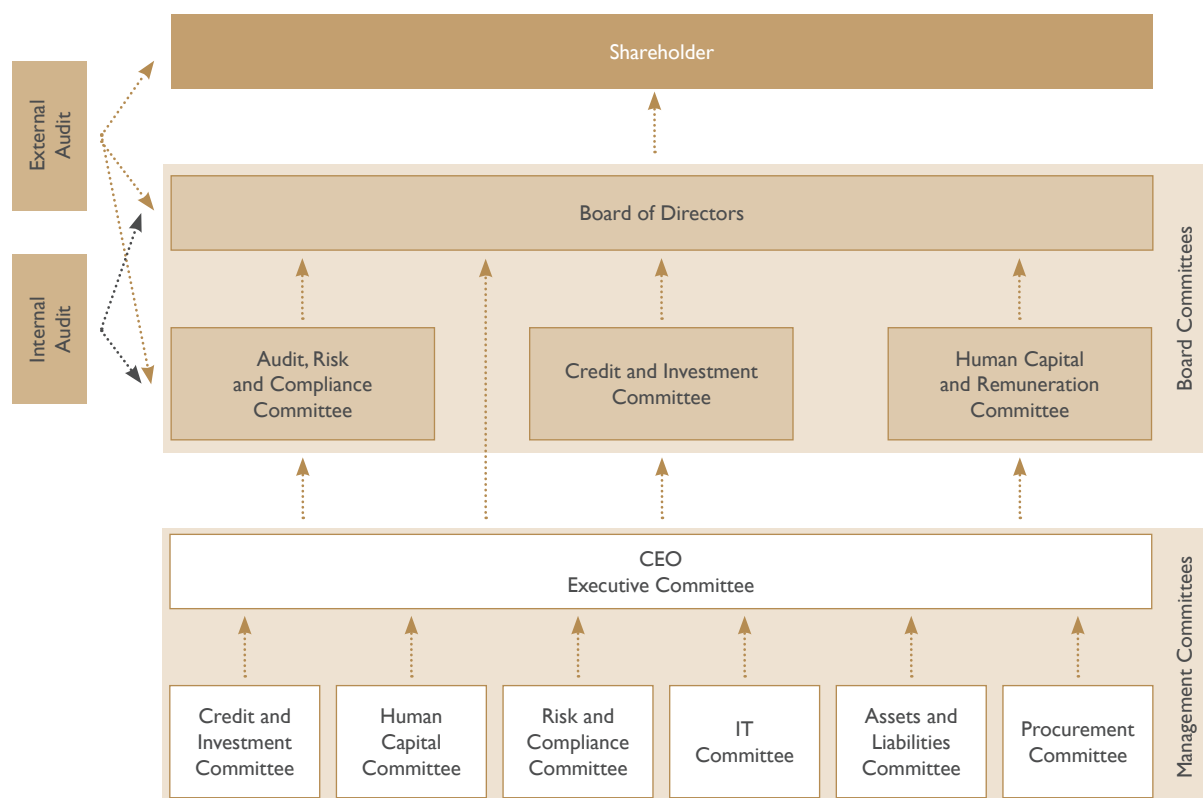


Erik de Waal (Senior Manager: Strategic Investments)

Qualifications: MBA Graduate School of Business (UCT), B.Eng (UOS)

Experience: Manager: Strategic Transactions – DBN, Portfolio Manager (Mining & Manufacturing) (DBN), Senior Engineer (Energy Partners), Account Manager (Mining, Power, Energy, Technology) (Frost & Sullivan) Electrical Engineer (Debmarine Namibia)

Governance structure



Shareholder

The shareholder representative (the Minister of Finance) is responsible for the appointment of the members of the Board and the Chairperson of the Board. The Bank's Memorandum of Incorporation provides that there should be a majority of independent non-executive directors.

Board and Board Committees

The Board holds ultimate responsibility for the Bank's business strategy and financial soundness, key personnel decisions, internal organisation and governance structure and practices, risk management and compliance obligations.

As at 31 March 2020, the Board comprised of six directors, of whom the majority were non-executive and independent, including the Chairperson, as well as one executive director, the Chief Executive Officer.

The independent, non-executive Directors have diverse skills, experience and backgrounds, and all have a comprehensive understanding of the industry as well as the business of the Bank.

The Board has delegated some of its functions, though not its responsibilities, to Board Committees to

increase efficiency and allow deeper focus in specific areas. The Committees are created and mandated by the full Board. The Committees are the Board Credit and Investment Committee, Board Audit, Risk and Compliance Committee and the Board Human Capital and Remuneration Committee.

Internal Audit

The internal audit function provides independent assurance to the Board, and supports the Board in promoting effective effectiveness of the Bank's internal control, risk management and governance systems and processes.

External Audit

The external auditors provide external assurance. The relationship between the external auditors and the Bank is overseen by the Audit, Risk and Compliance Committee.

CEO and Executive Committee

Under the direction and oversight of the Board, Exco carries out and manages the Bank's activities in a manner consistent with the business strategy, risk appetite, remuneration and other policies approved by the Board.



Approvals and development impact

In 2019/20, the Bank approved N\$1,137.8 million in loans.

SME approvals amounted to N\$279.3 million. This amounts to approximately 24.5% of cumulative approvals.

The Bank approved finance for 11,609 jobs.

Excluding the stabilizing impact on existing jobs in enterprise approvals, new and temporary jobs impacted amounted to 9,823 jobs.

SMEs accounted for 1,573 or 16% of the total new and temporary jobs.

Financed by DBN

Su-Zan's, an SME in Lüderitz, manufactures work clothing and school uniforms.

Impact highlights
2019/2020

General approvals

Total approvals amounted to N\$1,137.8 million.

Employment

Bank finance is projected to create 8,130 new permanent jobs lasting more than three years, and 1,693 temporary jobs.

SME finance

N\$279.3 million was approved for SME finance in 2019/20, climbing from N\$160.3 million in 2018/19.

Start-ups

The Bank approved finance for 36 start-ups in 2019/20, climbing from 21 start-ups in 2018/19.

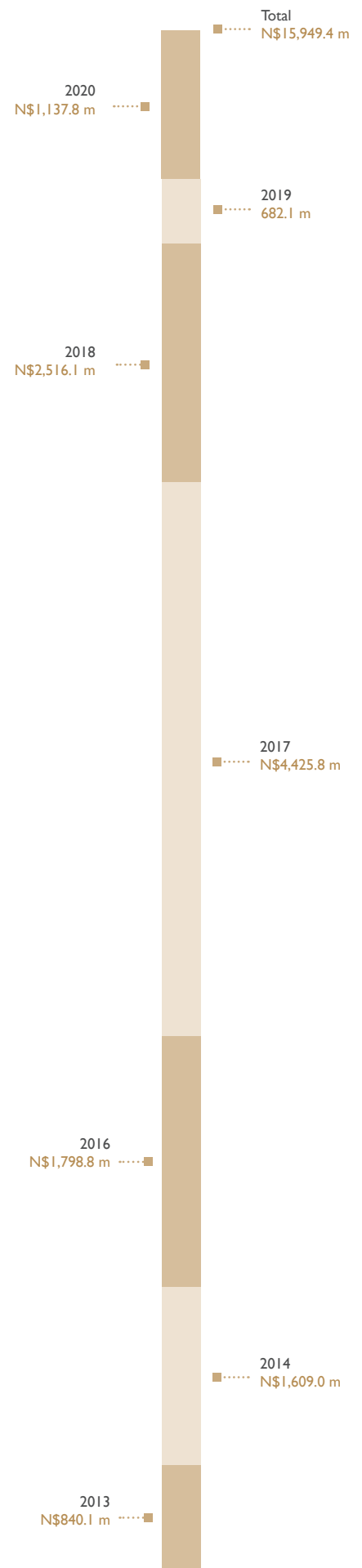
Affordable land and housing

Bank finance was approved for 228.8 ha of serviced land and 416 residential units.

Youth finance

The Bank launched skills based finance for artisans and professionals aged 35 and under

Cumulative approvals
2013 - 2020



Approvals: 2013 - 2020 including NEF

Overview of the operating economic environment in 2019/20

In 2019, the global economy sank to the weakest performance since the global financial crisis, following weak trade and investment. The World Bank estimated the global economy to grow at 2.5% in 2020, however the outlook has been revised down due to the outbreak and spread of Covid-19 which will negatively affect growth.

The expected economic recovery in Sub-Saharan Africa has lost momentum, with growth in 2019 estimated to have edged down to 2.4%, from 2.6% in 2018 in World Bank estimates. Economic performance in the Sub-Saharan African region will also be revised downward due to COVID-19. Slower growth, was also influenced by global headwinds that affected economic activities in many developed countries, as well as commodity prices. With the exception of gold, all prices declined.

According to the 2019 Bank of Namibia Preliminary National Accounts, Namibian real GDP contracted by 1.1% in 2019 following a moderate positive growth rate of 0.7 percent in 2018.

Weak Namibian economic performance in 2019 is attributed to the drought. Primary industries are estimated to have contracted by 7.8%, down from growth of 8.5% in 2018. Secondary industries maintained a growth of 0.9%, unchanged from that of 2018. Tertiary industries improved to positive growth of 0.6% from a contraction of 1.4% in 2018. Real sector performance has a direct impact on DBN's portfolio.

Government intervention is critical in times of poor economic performance. In the year under review, the government had to continue its spending to help businesses stay afloat, supporting households and helping to preserve employment. Public debt increased from 49.1% of GDP in 2018/19 to 54.9% in 2019/20. Weakening fiscal balances and increases in public debt are indicators of a deteriorating fiscal position.

In an environment of limited fiscal space, government spending is reduced to the critical areas, sometimes leaving out activities that could be impacted on by the DBN.

DBN, like the economy, faced a year of growing headwinds. However, despite the complex and tough economic environment, it registered an increase in loan approvals.

The Government imposed severe restrictions and lockdown measures, subsequently bringing economic activities to a virtual standstill. As a result, real GDP, expected to contract by 7.8% in 2020, could contract even more according to statistics from the Bank of Namibia published in August 2020. This will result in more negative impacts of COVID-19 restrictions and lockdown measures that are affecting economic activities in the country's key sectors of tourism and hospitality, mining and quarrying, and beverages, amongst others.

The repo rate was 6.75% at the end of 2018/19 but was cut by 150 basis points to stand at 5.25% in March 2020. The repo rate was reduced by 25 basis points in August 2019, and another 25 basis points in February 2020, before a large reduction of 100 basis points in March of 2020, as the central bank tried to support domestic activity in response to COVID-19. The cumulative impact of the falling repo rate will negatively impact the Bank's financial position, but may strengthen demand for finance.

Covid-19 will result in more businesses closing or being restructured, job losses and salary cuts. This will result in reduced consumption and lower investment demand. Businesses will take drastic actions to ensure survival and stability of their businesses. This will have repercussions for household wealth and income as well as private business investments and growth, further impacting DBN's performance.

Impact-led finance

DBN is cognisant of persistent challenges, such as high unemployment, poverty and income inequality and in line with its mandate, the Bank makes efforts to enhance its impact.

DBN aims to make positive development impacts, harnessing the power of the public and private sectors to promote growth and employment. This translates into structural economic changes, which are a necessary pre-condition for widespread and sustainable development impacts. Structural changes are aimed at translation into outcomes such as enterprise growth and development, boosting competitiveness, positive employment impacts and economic and socio-economic transformation.

DBN finances private sector operations with the objective of creating positive developmental impacts through its finance. Private sector enterprise growth also results in increased government revenues. The Bank's strategy guides the DBN to

achieve prosperous, inclusive, resilient, and sustainable growth. The Bank, operates on the basis of the catalytic effect that it can have on private sector investments, the ability of those businesses to contribute to sustainable economic growth and development impact. DBN's lending products provide a form of mitigation against risks as well as finance for projects that would not otherwise have been implemented

The Bank's strategy ensures access to finance in all regions, particularly those with low economic activities as well as unproclaimed areas. DBN promotes finance for previously disadvantaged Namibians, including businesses owned by women and youth. It also provides finance for activities that would usually be risky for commercial finance. In this regard, DBN acts as first mover and initial risk-taker, essentially piloting and testing new areas of finance, which will then spur, or provide evidence for other commercial finance.

Measurement of impact

DBN aligns its activities to the country's development priorities. The priority focus of the finance is therefore aimed at facilitating, establishing and building industries and infrastructure, as well as employment.

DBN's impact is assessed using the Bank's impact measurement tool, the Development Impact Score Card (DISC). The DISC is structured around the Bank's strategic focus and reflects the Bank's business strategy. The development impact assessment gives an indication of the Bank's potential economic and socio-economic impact.

The DISC enables the Bank to boost its development impact by providing a measurable basis for benchmark scores, structured around combinations of seven key development pillars:

- Creation of sustainable employment opportunities
- Contribution to economic growth and sectoral diversity
- Infrastructure development
- Manufacturing
- Socio-economic transformation
- Import substitutions and export promotion
- Regional equity

Weights are allocated to each pillar, totalling 100 per cent, and loan applications are assessed on this basis.

- The highest average development impact score is 5
 - A score of less than 1 is considered to have low development impact, and a motivation must be provided prior to approval for a project in this band.
 - A score of more than 1 but less than or equal to 3 is considered to have moderate development impact
 - A score of more than 3 but less than or equal to 4 is considered to have a high development impact
 - A project with a score of 4 and up to 5 has a very high development impact, and should be prioritised
 -
- In 2018/19 the DISC was evolved to encompass multiple measures:
- Manufacturing is treated separately to provide an overview of impact in light of Namibia's industrialisation drive.
 - SMEs were added to score the impact of the class of enterprises in light of the Bank's realignment which is intended to ringfence SMEs into their own lending operation.

- Infrastructure is scored separately as it is an enabler of socio-economic wellbeing and enterprise success, but is not comparable to enterprise, for instance.
- All other sectors are scored cumulatively under services.

Cumulative impact score measures

SMEs

A total of 156 SME projects to the value of N\$279.3 million have a weighted average development impact score of 3.4.

Infrastructure

Six infrastructure projects to the value of N\$573.7 million have a weighted average development impact score of 4.1.

Manufacturing

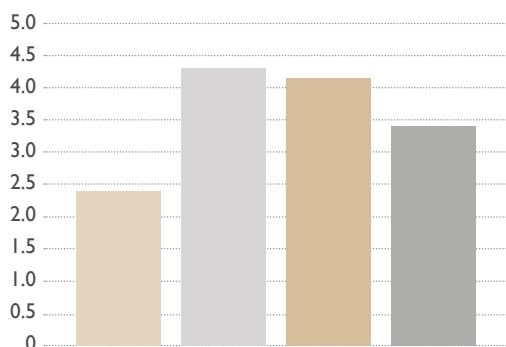
Two manufacturing projects to the value of N\$114.2 million have a weighted average development impact score of 4.0.

Services

Nineteen services projects to the value of N\$170.7 million have a weighted average development impact score of 2.5.

Weighted average impact scores in 2019/20 -

Weighted average / month	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Total
Services	-	-	2.3	-	3.3	2.8	-	-	2.3	1.4	2.2	2.4	2.5
Infrastructure	-	4.3	-	4.3	-	-	-	-	-	-	4.3	-	4.1
Manufacturing	4.4	-	-	-	-	3.8	-	-	-	-	-	-	4.0
SMEs	3.1	3.3	3.5	3.2	4.0	3.2	3.1	3.4	3.7	3.2	3.5	3.5	3.4



Services	2.5
Infrastructure	4.1
Manufacturing	4.0
SMEs	3.4

Overview of 2020 development impact

In 2019/20, DBN committed N\$1,137.8 million in loans, guarantees, and co-financing to support the country's development needs. Despite persistent negative economic growth, the amount was 40% more than the N\$678.2 million

approved in 2018/19. There was no finance that was directly channelled to the public sector (SOEs) during 2019/20, so all the funds benefited the private sector, with 3.6% or N\$40.7 million of those funds benefiting PPP arrangements.

Public / Private Split	2018/19		2019/20	
	N\$ m	% of total	N\$ m	% of total
Private	475.7	69.7	1,097.1	96.4
Public	-	-	-	-
Public Private Partnership	206.4	30.3	40.7	3.6
Total Approvals	682.1	100.0	1,137.8	100.0

In total 271 approvals were made, compared to 185 approvals in 2018/19. Thirty-six of the loans were start-up businesses compared to 21 start-ups in the previous year. More than half of the total loan approval amount in 2019/20, N\$634.8 million

was for start-ups. The total amount approved for start-ups the previous year was N\$90.5 million, so although the number of enterprises was higher, the requirement for capital was lower.

Transformation (Private sector approvals)	2018/19		2019/20	
	No.	N\$ m	No.	N\$ m
Start-Up Businesses	21	90.5	36	634.8

A total of 84.3% of DBN finance in 2019/20 effectively benefited previously disadvantaged Namibians across all geographical regions, and various economic sectors, with infrastructure development, particularly land servicing, receiving the largest

share of loan approvals. The Bank disbursed N\$884.12 million in 2019/20. This was less than half of the N\$2,003.02 million disbursed in 2018/19.

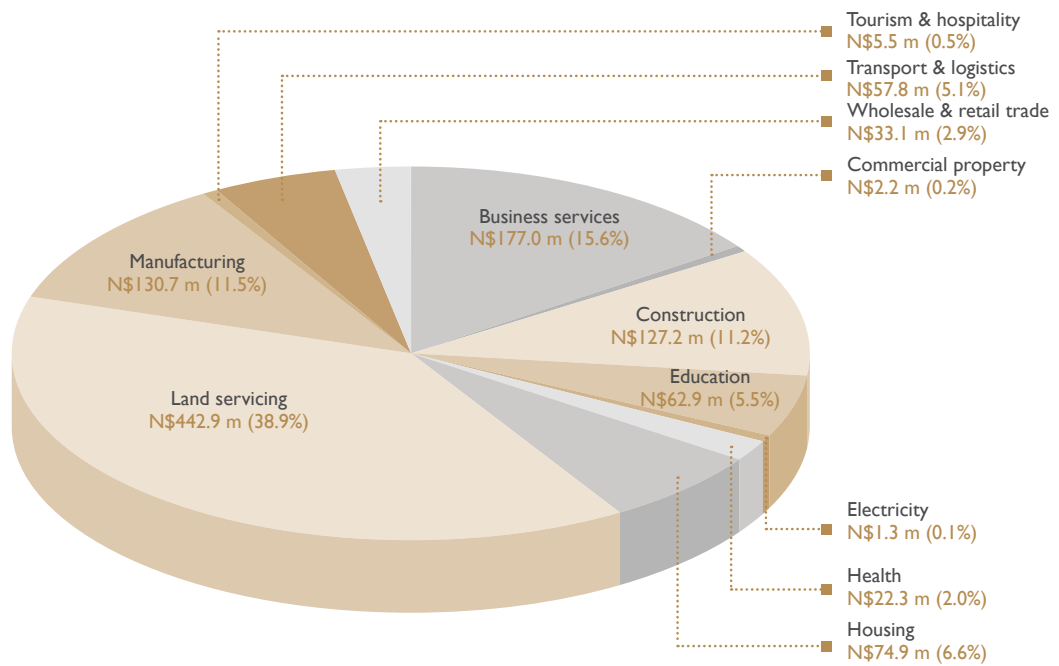
Financing for sectoral development

In alignment to Government plans and strategies, DBN finance prioritizes some sectors over the others. These are NDP5 sectors that are key to driving industrial expansion, inclusivity, job creation, delivering essential infrastructure, as well as addressing persistent inequalities, fostering economic transformation, and ultimately economic growth. Of the N\$1.14

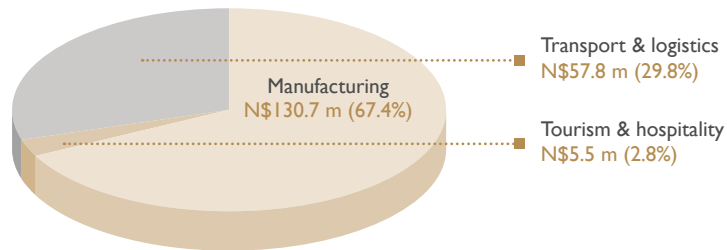
billion approved, 38.9% or N\$442.9 million, benefited businesses in the land servicing sector. The second largest amount went to the manufacturing sector, accounting for N\$130.7 million, or 11.5%. The details on actual business activities financed for land servicing and manufacturing as well as for other sectors are noted in the subsections below.

Sectoral approvals

	2018/19: all		2018/19: SMEs		2019/20: all		2019/20: SMEs	
	N\$m	% of total	N\$m	% of total	N\$m	% of total	N\$m	% of total
Business Services	72.3	10.6	30.5	19.1	177.0	15.6	150.9	54.0
Commercial property	35.2	5.2	7.1	4.4	2.2	0.2	2.2	0.8
Construction	89.5	13.1	73.1	45.6	127.2	11.2	67.4	24.0
Education	31.7	4.6	3.0	1.9	62.9	5.5	-	-
Electricity	-	-	-	-	1.3	0.1	1.3	0.5
Financial intermediation	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Health	2.4	0.3	2.4	1.5	22.3	2.0	8.9	3.2
Housing	101.4	14.8	16.8	10.5	74.9	6.6	12.2	4.4
Land servicing	144.8	21.2	-	-	442.9	38.9	2.2	0.8
Manufacturing	92.5	13.6	6.6	4.1	130.7	11.5	16.5	5.9
Mining & quarrying	5.3	0.8	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-
Tourism & hospitality	93.0	13.7	13.0	8.1	5.5	0.5	5.5	2.0
Transport & logistics	8.7	1.3	3.3	2.1	57.8	5.0	3.8	1.4
Water	-	-	-	-	-	-	-	-
Wholesale & retail trade	5.3	0.8	4.5	2.8	33.1	2.9	8.4	3.0
Grand total	682.1	100.0	160.3	100.0	1,137.8	100.0	279.3	100.0



NDP5 sector approvals



Land servicing

DBN's finance for land servicing and housing development benefits municipalities and town councils who face challenges that constrain their ability to develop and maintain infrastructure. These municipalities and town councils also face increasing urbanization with limited options to collect revenue. Financing that matches private business to local government projects, such as DBN's PPPs lending facility, makes it possible

for local authorities to enhance service delivery, advancing both local and national goals.

A total amount of 228.8 hectares was serviced in the //Kharas, Khomas, and Zambezi regions, comprising of 5,028 single residential, 6 general residential, 4 non-residential and 2 institutional erven.



IMPACT SCORE
4.5
5

Ongos Valley Development

Ongos Valley Development is a newly established large enterprise which is developing a township located on Farm Ongos 15-20 km from Windhoek. The development will be done in several phases. DBN approved N\$400 million to install bulk infrastructure for the township, creating space to act as catalyst for private sector development.

Other financial institutions will also extend finance for the construction of top structures (houses, etc.). The first phase will see a development of 4,457 housing units and creation of 7,000 new jobs. Ongos supports much needed infrastructure development, creates substantial employment, and will use local skills. This positively impacts socio economic development, and stands to stimulate other economic activities in the area.

Key land servicing approvals

Description.	Ha.
42.5 ha (531 single residential plots, 6 general residential, 4 business and 2 institutional) at Katima Mulilo	42.5
Servicing of 176 ha, 4457 housing units over 5 years at Farm Ongos on the outskirts of Windhoek	176.0
Servicing of 10.253 ha (40 plots) at Kroneline Keetmanshoop	10.3
Total	228.8

Erven specification

Description.	Erven
Single Residential	5,028
General Residential	6
Non-residential	4
Institutional	2
Total	5,040

In addition to the loan amount approved for Ongos (see previous page), DBN also disbursed N\$159 million for land servicing. This amount was for projects that were approved in the preceding years. In total, the DBN has approved a total of

N\$1.034 billion for land servicing in the last ten years, servicing a total of 939.22 hectares, and providing 8,820 erven, while creating 7,175 permanent jobs and 1,687 temporary jobs.



Otweya Land Developers

Otweya is a large, newly established land development company, based in Windhoek. The business is 100% PDN owned. Otweya was involved in a Public Partnership Agreement (PPP) with the City of Windhoek (CoW) that will see provision of bulk services for residential, general residential, business erven and institutional erven on 45-ha. There will be 231 erven for residential units with 27ha for commercial use. This development will be in Rocky Crest, Extension 4, within the Windhoek municipal area.

Finance was approved by the DBN for this project, to construct the bulk services. The development ultimately targets the delivery of land to the low and middle income segments of Windhoek. A total of 99 new temporary jobs will be created. The development will only use local skills.

Housing

Housing projects contribute to infrastructure development for town councils and municipalities and also to improved quality of life. More value is also created along the housing infrastructure

chain. In 2019/20 N\$74.9 million was approved for the housing sector, supporting five notable projects. Approved finance supports development of 385 houses and 31 residential units.

Key housing approvals

Description.	N\$ m
Construction of 285 units	57.75
Construct 2 town houses Erf size 390 m ²	1.15
Construction of 10 double-storey sectional titles Erf size 1114 square meters	5.00
Develop 5 sectional titles measuring 60m ² (Total erf size 857.02m ²)	1.04
14 flats in a quiet and natural surrounding erf size 4,827 m ² block D Rehoboth	5.00
Development of 10 single storey free standing houses at Osona Village.	5.00
Total	74.94

Housing specification

Description.	No.
Houses	385
Town houses	31
Total	416



IMPACT SCORE
3.65
5

Rossmund Golf Course

Rossmund Golf Course is an old-established large enterprise, involved in a property development outside Swakopmund, in the Erongo Region. It consists of a golf course, lodge and residential estate. Rossmund is an existing residential area, first established 2003. Long-term planning for commercial use includes a small clinic, fitness center and grocery store. DBN extended finance for water reticulation, sewer reticulation, roads construction, and electrical reticulation. The serviced land was divided into 56 plots, ranging between 500 and 1,000 square metres.

Rossmund Golf Course had 36 permanent employees and 35 temporary employees. DBN finance, which is limited to land servicing only, will facilitate creation of 37 more new jobs, of which five are permanent jobs while 32 will be temporary. More jobs are expected to be created after the land servicing phase, once the construction of houses and houses by home buyers has started. This project is expected to boost economic activities for Swakopmund.

Tourism & hospitality

Tourism and hospitality businesses, in line with the country's development plans, have received approvals of N\$760.1 million, since the Bank's inception. These were mainly accommodation establishments. In 2019/20, DBN approved four loans, amounting

N\$5.5 million, to benefit projects, mainly SME businesses, an amount significantly lower when compared to N\$93.0 million in the previous year.

Transport & logistics

The transport and logistics sector is vital for economic growth and socio-economic development, as stated in NDP5. DBN supports the sector as it is an integral part of most of economic

activities. In 2019/20, the Bank approved loans to the sector of N\$57.8 million

Electricity

DBN has established itself as a notable player in financing for electricity generation and infrastructure for distribution. In 2019/20 the Bank only approved N\$1.3 million for the

electricity sector. However, to date, the Bank has approved N\$1,426.1 million for the electricity industry.

Manufacturing

A competitive manufacturing sector is central to socio-economic transformation and poverty reduction. The manufacturing sector should ideally be the foundation for industrialisation. However, in Namibia, this sector plays a limited role in job creation, ranking behind, agriculture and forestry, fishing, accommodation & food services activities, wholesale and retail trade, education and the construction sectors. Although the manufacturing sector is one of the largest contributors to GDP (12.5% in 2018), the contribution is still far from the NDP5 target for manufacturing and non-government services contribution to GDP of 60%.

Since it is one of the key sectors in NDP5, DBN's financing strategy also supports manufacturing. DBN approved loans to 25 manufacturing enterprises in 2019/20, with a total approval value of N\$130.7 million. Economic activities include finance for a plastic recycling manufacturing plant, a plant to manufacture gypsum products, and other manufacturing activities on smaller scales, including metal fabrication. These manufacturing activities have the potential to create value chains of production and to replace imports.

Key manufacturing approvals

Description
Setting up a new plastic recycling manufacturing plant and to buy equipment
Equipment to manufacture gypsum related products
Crafted metal fabrication in Namibia (Car accessories, trailers, steel works, agricultural and construction equipment, advertising boards and other metal or steel products)



Namibia Gypsum

Namibia Gypsum is a privately owned, newly established, large sized start-up. It is setting up a manufacturing plant in Arandis, in the Erongo Region. It manufactures products such as gypsum boards, ceiling tiles and cornice strips. This is the first manufacturing plant for these products in Namibia. They were all previously imported from South Africa and China. The business promoters were involved in the import and distribution of the manufactured products prior to the establishment of the plant. The business supplies the local wholesale and retail industry and feeds into the construction industry throughout Namibia. The construction industry is critical to the country's socio economic development.

DBN finance for this manufacturing plant will see the facilitation of 149 new permanent employment opportunities and an additional 30 temporary jobs. The operations of this business may also potentially facilitate export of the products to other SADC countries and improving the country's trade balance. The key input for producing these product, namely the gypsum, is locally sourced. Namibia is endowed with large deposits of gypsum of excellent quality.

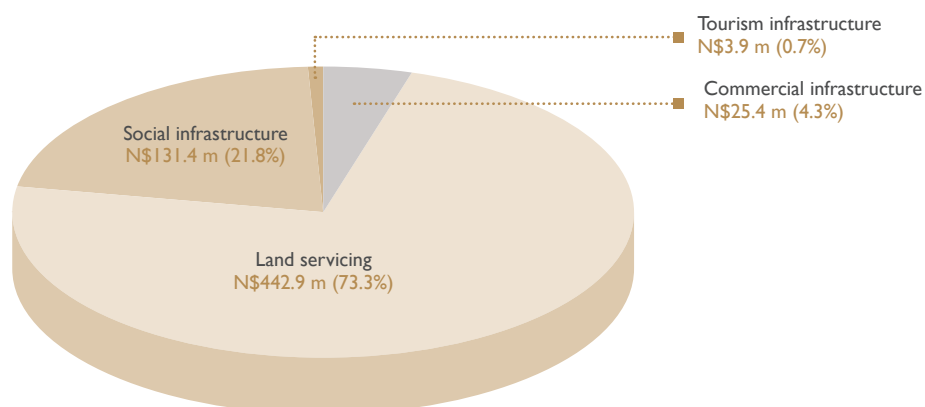
Infrastructure development

Infrastructure is crucial for socio-economic transformation purposes. There is a notable infrastructure deficit across the country. Thus, there is a need to close this gap, a step which will accelerate economic development, and in turn drive progress and stimulate economic growth and increase GDP per capita.

53.1%, or N\$603.9 million, of the total approvals in 2019/20 were for infrastructure development purposes. The amounts approved were significantly more when compared to the N\$367.7 million approved in the previous year. Key

infrastructure financed consisted of land servicing and housing development.

DBN has created notable value through infrastructure financing, in particular finance PPP arrangements, and thus linking private businesses with the local authorities to amplify the value of development impact created. For land servicing and housing development projects, the Bank's development impact enhances both social and economic development



Infrastructure approvals

Infrastructure	2018/19		2019/20	
	N\$m	% of total	N\$m	% of total
Commercial infrastructure	87.0	23.7	25.4	4.3
Commercial buildings	7.1	1.9	2.2	0.4
Industrial buildings	64.9	17.7	8.2	1.4
Service stations	15.0	4.1	15.0	2.5
Land servicing	129.8	35.3	442.9	73.3
Bulk infrastructure	129.8	35.3	442.9	73.3
Social infrastructure	121.4	33.0	131.4	21.8
Education	26.7	7.3	56.5	9.4
Housing	94.7	25.7	74.9	12.4
Tourism infrastructure	29.5	8.0	3.9	0.7
New hotels	-	-	-	-
New lodges	-	-	-	-
New bed and breakfasts	5.0	1.3	-	-
New guest houses	-	-	3.9	0.7
Upgrading and additions to tourism establishments	24.5	6.7	-	-
Grand Total	367.7	100.0	603.6	100.0

During the 2019 and 2020 periods, no approvals were made for new healthcare facilities (social infrastructure) and hotels, lodges, rest camps and restaurants (tourism infrastructure). In the same periods, no finance was approved in the overall

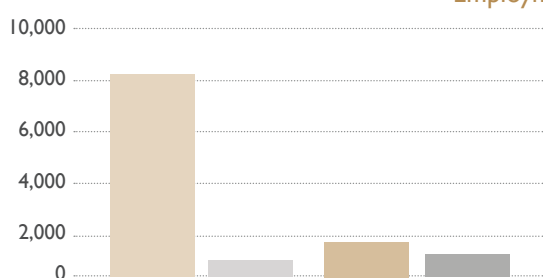
categories for local government buildings, state-owned enterprise infrastructure, transport and logistics infrastructure and utility infrastructure

Employment creation

Financing projects that can potentially create jobs is key for DBN as this is important in the alleviation of unemployment. Although some of these projects may not create many direct jobs, they may have the potential to unlock downstream economic activity and increase competitiveness with investment

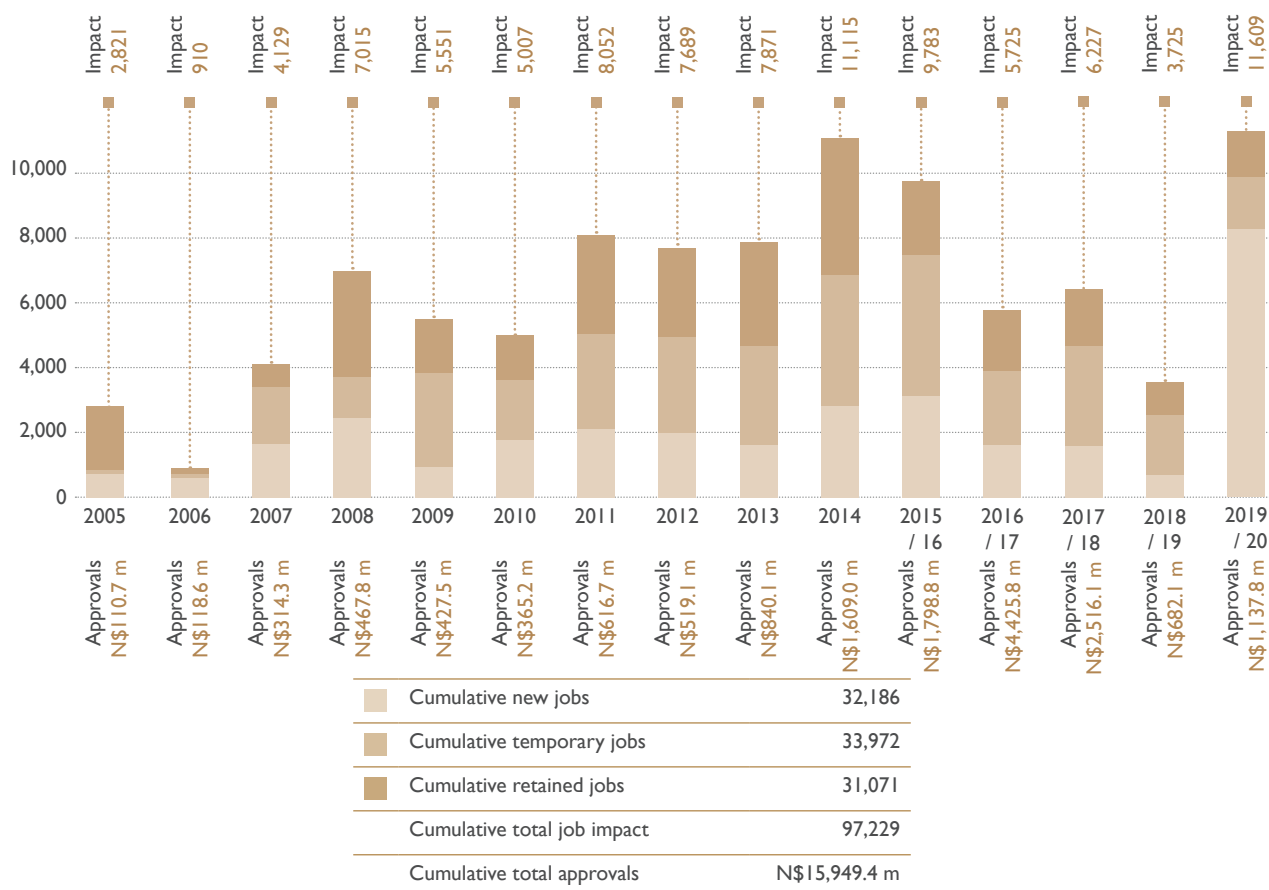
in more labour-intensive downstream businesses that create jobs. The Bank's finance during 2019/20 facilitated creation of 8,130 jobs. 86% of those jobs are envisaged to be created in land servicing and housing projects.

Employment 2019/20



2020 total new jobs (incl. SMEs)	8,130
2020 new jobs: SMEs	645
2020 total temporary jobs (incl. SMEs)	1,693
2020 temporary jobs: SMEs	928
2020 total job impact	11,609
2020 total job impact: SMEs only	1,573

Projected employment impact since inception



Job creation by sector

Sector	2018/19 SME jobs		2018/19 Total jobs		2019/20 SME jobs		2019/20 Total jobs	
	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary
Business services	46	109	52	118	221	158	231	168
Commercial property	33	35	117	115	5	45	5	45
Construction	164	469	212	799	188	375	215	623
Education	10	-	21	72	12	0	111	80
Electricity	-	-	-	-	-	-	-	20
Financial intermediation	-	-	-	-	-	-	-	-
Health	7	7	7	7	26	24	33	24
Housing	11	122	103	248	40	115	65	315
Land servicing	-	-	42	355	8	68	7,008 *	68
Manufacturing	27	13	92	15	72	55	222	255
Mining & quarrying	-	-	-	20	-	-	-	-
Tourism & hospitality	18	23	152	68	21	39	21	39
Transport & logistics	3	2	7	2	3	1	63	1
Water	-	-	-	-	-	-	-	-
Wholesale & retail trade	32	12	43	12	49	48	156	55
Grand total	351	792	848	1,831	645	928	8,130	1,693

* Ongos housing project. Jobs expected to last for 3 years.

Support for women and youth entrepreneurs

To enhance socio-economic development reduce inequalities and enhance access to finance, Bank finance is aimed at start-ups and scaling up existing businesses of previously disadvantaged

Namibians (PDNs). 84.3% of N\$959.3 million of loans approved benefits PDNs. The loan amount is higher when compared to the N\$483.5 million approved in the previous year.

	2018/19	2019/20
Transformation (private sector)	N\$m	N\$m
Total effective PDN	483.5	959.3
Effective F-PDN	104.3	121.5
Effective youth	94.5	149.4

Women entrepreneurs

The Bank directs a portion of finance to women led businesses. This maximises the contribution to socio-economic development, bringing about gender equality, promoting empowerment, reducing poverty, narrowing gender gaps in access to economic assets and resources, and strengthening women's resilience to economic shocks and other setbacks. To date, the Bank has ap-

proved N\$1,887.1 million towards women. In 2019/20, a total of N\$121.5 million, or 10.7% benefited women. These were all business with at least 25% women ownership. The amount of the 2019/20 loan approvals for women was higher than the N\$104.3 million approved in 2018/19.

Approvals to women by sector

	Number of approvals		Effective women	
	2018/19	2019/20	2018/19 N\$ m	2019/20 N\$ m
Business Services	9	21	5.4	31.3
Commercial property	2	0	5.6	0
Construction	16	12	8.9	8.6
Education	5	2	30.4	39.5
Electricity	0	1	0	1.3
Health	0	4	0	6.4
Housing	1	1	6.3	3.8
Land servicing	2	1	8.9	20.4
Manufacturing	4	6	1.9	3.0
Tourism & hospitality	8	1	34.3	2.0
Transport & logistics	1	0	1.9	0
Water	0	0	0	0
Wholesale & retail trade	2	7	0.6	5.4
Grand total	50	56	104.2	121.7



IMPACT SCORE
3.75
5

Shililifa Property Development

Shililifa is an existing, large property development company in Windhoek. It is 100% owned by PDNs, and 50% owned by a woman. The disbursement in 2019/20 supported construction of 34 sectional title units for low and middle income individuals. Housing, especially among low and ultra-low income earners, is a challenge. Finance for residential property development in Katutura is of strategic importance. The business employs 18 people and created a further 70 temporary jobs during construction.

Approvals to women by region

Approvals were spread across most regions, except for Kunene and Omaheke, with the largest approvals for Oshana (N\$35.8 million or 29.4%) and Zambezi (N\$21.5 million or 17.7%). Business activities included education, land servicing of 42.5 ha, as well as business services. Loans approved to women owned businesses in 2019/20 facilitated the creation of total of 563 jobs, of which 291 jobs were permanent jobs.

Job creation by women entrepreneurs

	No. approvals		Permanent jobs		Retained jobs		Temporary jobs	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
SMEs	41	46	90	114	175	57	117	135
Large enterprises	10	11	162	177	149	187	307	110
Grand total	51	57	252	291	324	244	424	245

Youth entrepreneurs

Persistently high levels of youth unemployment and undesirable levels of poverty and income inequality have made it imperative for the Bank to consider initiatives to enhance inclusive growth. N\$149.4 million was approved for youth led business. This brought the total amount lent to youth led business since 2010 to N\$1,101.8 million, or 7.6% of total loan approvals.

Approvals to youth by sector

	Number of approvals		Effective Youth	
	2018/19	2019/20	2018/19 - N\$ m	2019/20 - N\$ m
Business Services	15	50	17.3	87.0
Construction	41	20	36.4	19.4
Education	0	2	0	23.4
Health	0	3	0	5.9
Housing	2	1	14.5	1.2
Manufacturing	3	7	1.6	3.5
Tourism & hospitality	8	1	19.1	0.6
Transport & logistics	2	2	3.0	5.4
Wholesale & retail trade	1	4	2.7	3.1
Grand total	72	90	94.6	149.5

Approvals to youth by region

Youth loans were spread across all the regions, except for Kunene, Omaheke, and Zambezi, with most loans benefiting //Kharas region (N\$53.9 million or 38.1%) and Oshana region (N\$26.4 million or 17.7%). The most notable business activities were construction tenders. Loans approved facilitated creation of 563 jobs, of which 291 jobs were permanent jobs.

Job creation by youth entrepreneurs

	No. approvals		Permanent jobs		Retained jobs		Temporary jobs	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
SMEs	62	84	155	193	168	205	343	544
Large enterprises	12	11	84	15	65	20	68	55
Grand total	74	95	239	208	233	225	411	599

Skills-based lending facility for youth

Background

Entrepreneurship is a sustainable and empowering response to the persistent challenge of youth unemployment and underemployment. If not addressed it risks leaving behind a generation, and reducing future standards of living through missed economic, social and personal opportunities. To increase youth entrepreneurship development, support youth entry into the economy, enhance employment, and socio-economic development, DBN introduced a targeted lending product, the Skills-based lending facility. This facility supports start-ups and existing businesses.

Expanding opportunities is critical to sustainable growth and development. The facility prioritises service and value addition industries. It benefits professionals and artisans, but gives preference to artisans. The funds will mainly be used for equipment, tools, movable assets, and working capital.

Motivation

Generally, youth entrepreneurs have great difficulty in gaining access to traditional sources of financing:

1. They tend to have little management experience; and
2. They have few or no assets that can be used as collateral and/or owners' equity.

Therefore, access to finance for youth entrepreneurs tends to be a challenge and hindrance to their progress, despite the modest amounts of funds that many require.

DBN sees significant development impacts in providing youth finance to start or grow businesses. Unlocking capital for youth entrepreneurs will have a multiplier effect in the economy. Supporting youth initiatives also contribute to employment creation and SME-driven economic growth.

Facility differentiation

1. It is targeted at youth entrepreneurs.
2. No or minimal collateral. In events where DBN will require collateral, the proportion will be minimal.
3. Skilled youth with viable business plans will qualify even if they don't have capital to contribute. If DBN will require that the youth entrepreneur contribute some capital, the equity contribution will be minimal.
4. The loan amount is as low as N\$50,000, lower than the minimum of N\$150,000 usually required.
5. Pricing. Interest rate on this facility is capped at prime rate.
6. Mentoring and coaching will be required.

Key facility requirements

1. Youth entrepreneurs with viable business propositions.
2. Youth under the age of 35 years.
3. The business must be incorporated in Namibia
4. The enterprise must be managed by the owner on a full-time basis
5. All members, partners or shareholders must be Namibian citizens
6. All the members, partners or shareholders must be under the age of 35 at the time of the loan application.
7. The business promoters must have at least an NQF3. NTA's recognition of prior learning (RPL) may also be considered
8. Business activities must be in line with the field of qualification of the promoter(s)
9. Mentoring and coaching. Pre-lending coaching of the borrower will be a pre-requisite prior to disbursement.

The strict requirements mitigate risks and manage sustainability.

Skills-based lending facility for youth: pilot study

Background

The facility was approved in December 2019, and was immediately piloted. A total of N\$21 million was budgeted. As most applications were received after mid-January 2020, this analysis took into consideration all applications up to the time of writing, i.e. post the end of the 2019/20 financial year.

As of mid-June 2020, a total of 59 applications were received from nine of fourteen regions. Eighteen, were received from the Khomas, followed by Oshana region with fifteen and the Erongo with eleven applications.

Regions	No.	Approved
Erongo	11	2
Hardap	1	-
Kavango East	3	1
Kavango West	2	-
Khomas	18	2
Ohangwena	4	-
Omusati	3	-
Oshana	15	2
Oshikoto	2	-
Total	59	7

Of 59 applications, 7 were approved, while 17 are still under due diligence at the time of writing. Twenty-four applications were

declined, while the rest were at other stages of consideration. Reasons for declined applications included lack of market, financial viability, and promoters' qualification not being in line with the proposal. Approved projects involved activities such as a pharmacy, business services, electrical works, engineering services, manufacturing, and plumbing services.

Regions	No.	Approved
Level 3 – Diploma in Electrical		1
Level 3 Electrical Engineering		1
Level 3, Fitter & Turner		1
Level 3, Plumber & Fitter		1
Level 3, Welding		1
Level 6, Electrical Engineering		1
Level 9 - Masters in Medicine Delivery		1
Total		7

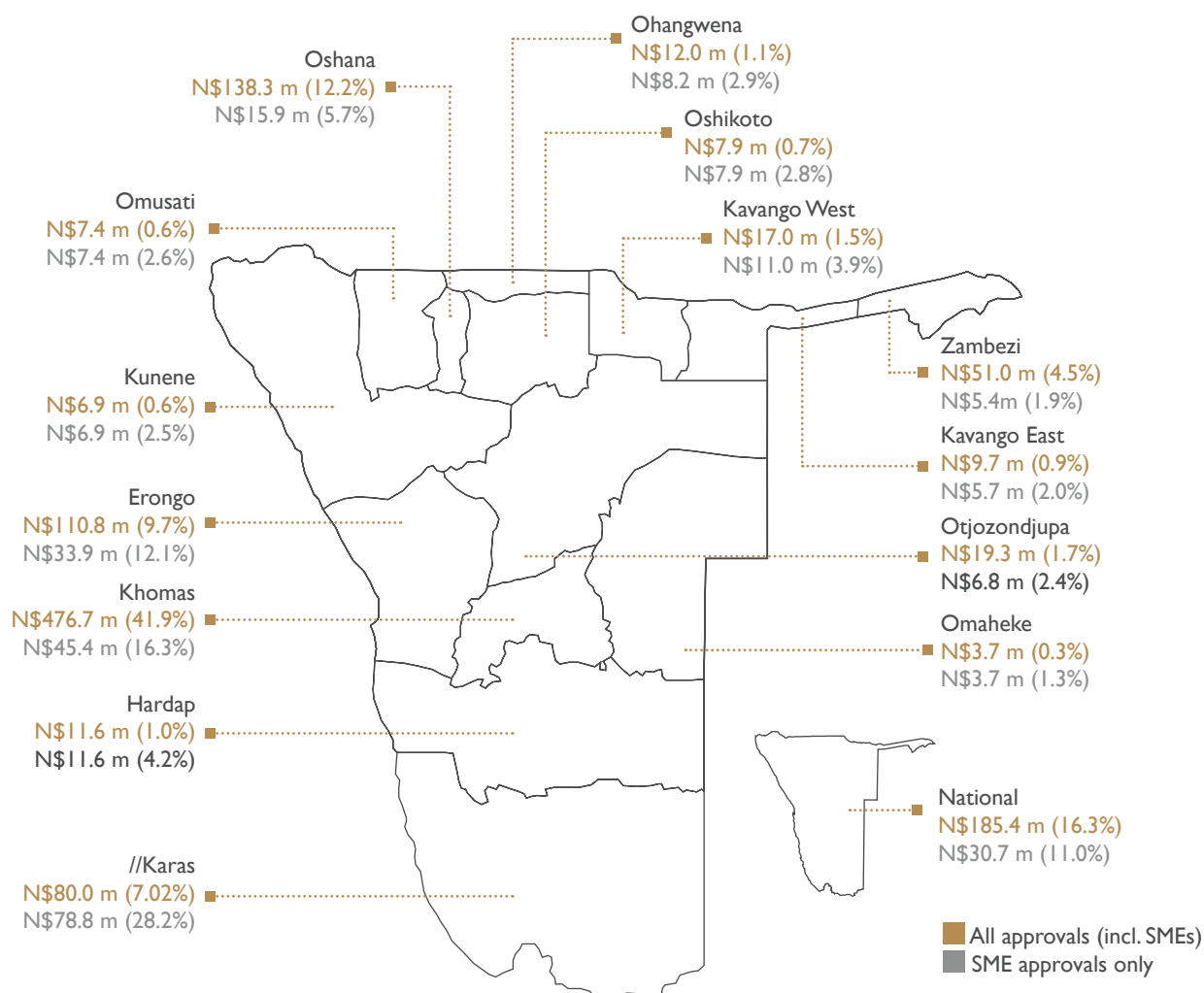
Approved projects are projected to facilitate a creation of 42 new permanent jobs, as well as 31 temporary jobs, and to retain 4 jobs.

Permanent jobs	Retained jobs	Temporary jobs
45	4	31

Economic decentralization and regional economic development

There are disparities in terms of economic activities taking place across the regions. By expanding its footprint across the country, the Bank addresses the country's development imperatives. This also accelerates development and addresses poverty, inequality and unemployment. The Bank's finance favours projects, and initiatives in regions with less economic activities. The Bank's loan approvals in 2019/20 impacted

businesses in all 14 regions. A larger portion of approvals, 41.9% (N\$476.7 million) benefited businesses in Khomas region. In some instances, projects funded by the Bank impacted more than one region. These loans are classified as benefitting "national". In 2019/20 16.3%, or N\$185.4 million, of the total loan approvals impacted projects that have impact in two or more regions.



Region(s)	2018/2019 (incl. SMEs)		2018/2019 SMEs only		2019/20 (incl. SMEs)		2019/20 SMEs only		Since inception	
	N\$m	% of total	N\$m	% of total	N\$m	% of total	N\$m	% of total	N\$m	% of total
Erongo	66.9	9.9	10.0	6.2	110.8	9.7	33.9	12.1	5,971.2	37.4
Hardap	15.0	2.2	0.0	0.0	11.6	1.0	11.6	4.2	164.5	1.0
//Karas	35.0	5.2	9.8	6.1	80.0	7.0	78.8	28.2	945.7	6.0
Kavango East	3.3	0.5	3.3	2.0	9.8	0.9	5.7	2.0	236.8	1.5
Kavango West	5.0	0.7	5.0	3.1	17.0	1.5	11.0	3.9	45.7	0.3
Khomas	219.8	32.2	34.3	21.4	476.7	41.9	45.4	16.3	2,930.6	18.4
Kunene	2.0	0.3	2.0	1.2	6.9	0.6	6.9	2.5	134.7	0.8
National	60.3	8.9	39.3	24.5	185.4	16.3	30.7	11.0	2,397.6	15.0
Oshangwana	6.2	0.6	6.2	3.9	12.0	1.1	8.2	2.9	170.4	1.1
Omaheke	85.1	12.5	0.2	0.1	3.7	0.3	3.7	1.3	332.0	2.1
Omusati	59.1	8.7	6.3	3.9	7.4	0.6	7.4	2.6	494.4	3.1
Oshana	51.1	7.5	22.1	13.8	138.3	12.2	15.9	5.7	767.6	4.8
Oshikoto	23.0	3.4	6.0	3.7	7.9	0.7	7.9	2.8	227.7	1.4
Otjozondjupa	15.1	2.2	9.2	5.9	19.3	1.7	6.8	2.4	866.3	5.4
Zambezi	35.2	5.2	6.6	4.2	51.0	4.5	5.4	1.9	264.2	1.7
Grand Total	682.1	100.0	160.3	100.0	1,137.8	100.0	279.3	100.0	15,949.4	100.0

SME finance

SMEs are particularly important for promotion of entrepreneurship and economic transformation. SME access to finance is crucial in fostering of economic growth and development, and they are a vehicle for employment. Due to risk aversion on the part of sources of finance, access to finance remains a

barrier to growth for SMEs. DBN approved a total amount of N\$279.3 million for 318 SMEs, 24.5% of total approvals. Approvals facilitated creation of 956 new permanent jobs and 1,696 temporary jobs during this period.

SME finance by sector and purpose

SME lending activities spread across several sectors, including, business services, commercial property developments, general constructions, education, health, housing, land servicing, manufacturing, tourism and hospitality, transport and logistics, and wholesale and retail trade. N\$150.9 million of the SME business activities approved by the Bank in 2019/20 were business services activities. These are generally contract based projects, involving supplies and deliveries of several goods. SMEs financing also involved contracts in the construction industry.

78.2% of all the SMEs activities funded by the bank were contract based. This included bridging finance to build classrooms, houses, health facilities, as well as upgrading and maintenance of roads. It also included purchase orders to supply vehicles, materials and other goods and services. SME financing also saw small businesses involved in other business activities such as manufacturing, land servicing, housing development, as well as tourism related activities. Some of the SME activities financed are listed below.

Illustrative SME approvals

Description	Region	N\$ m
Bakery	Khomas	1.60
Develop 5 sectional titles houses	Otjozondjupa	1.04
Setting up a pharmacy	Omusati	1.50
Build a restaurant lounge and 20 rooms	//Karas	3.95
Expansion of a Mahangu milling project and to start up a butchery	Khomas	0.35
Crafted metal fabrication	Khomas	0.34
Paper manufacturer	Khomas	0.72
Expanding a furniture manufacturing business	Khomas	0.32
Expand Commercial building complex	Omusati	2.16
Manufacturing soft paper	Omusati	0.66
Setting up a pharmacy	Khomas	1.00
Restaurant	Khomas	0.25
Construction of temporary structures to be used as office block and office space	Kavango East	1.30
Trailer manufacturing	Khomas	0.75
Sanitary pads manufacturers	Khomas	1.50
Manufacture chemicals, pest control and cleaning services	Erongo	0.77
14 flats	Hardap	5.00
Servicing of 10,253 ha (40 plots) at Kroneline Keetmanshoop	//Karas	2.20
Tender to supply and deliver charcoal products	Omaheke	1.00
Restaurant & take away	Khomas	0.80
Expand existing restaurant	Hardap	0.55



Su-Zan's Trading Enterprise

Su-Zan's is an existing manufacturing SME business based in Lüderitz. It is 100% owned by a woman, and employs two people. The business is involved in clothing retail and manufacturing. It manufactures a variety of clothing lines including school uniforms, safety wear for fishing, tourism, mining and the Government, as well as corporate wear and other clothing items as demanded. The business used finance to expand and increase its manufacturing output. The loan will be used to acquire machinery and buy stock.

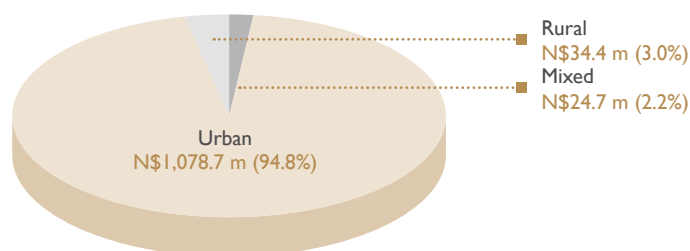
Rural urban split

N\$1,078.7 million benefitted projects in urban areas (94.8%), N\$34.4 million benefitted 46 projects in rural areas (3.0%) and N\$24.7 million benefitted projects in both urban and rural areas (2.2%). Rural area projects are projected to create 138 permanent jobs and 236 temporary jobs. A notable proportion (88.2%) of the SMEs businesses are located in urban areas, with only 8.5% of loans benefiting business in rural areas.

Additional support for enterprises in unproclaimed areas provides an opportunity to draw more entrepreneurs into the economy. Financing in rural areas improves demand conditions in these areas, paving the way for future investment and funding by other financial institutions. In turn, this supports transformation of communities, improve livelihoods, and makes strides in economic growth and poverty reduction.

Region(s)	2018/2019 (incl. SMEs)		2018/2019 SMEs only		2019/20 (incl. SMEs)		2019/20 SMEs only	
	N\$m	% of total	N\$m	% of total	N\$m	% of total	N\$m	% of total
Rural	139.4	20.4	19.5	12.2	34.4	3.0	23.6	8.5
Urban	492.3	72.2	90.4	56.4	1,078.7	94.8	246.3	88.1
Mixed	50.4	7.4	50.4	31.4	24.7	2.2	9.4	3.4
Total	682.1	100.0	160.3	100.0	1,137.8	100.0	279.3	100.0

Rural urban split



Illustrative rural approvals

Description	Region	N\$ m
Operate a retail store	Kunene	0.15
Operate a wholesale store	Otjondjupa	0.32
Expand commercial building complex	Omusati	2.16
Build a service station	Ohangwena	1.90
Operate a retail store	Omusati & Kavango West	0.75



IMPACT SCORE
2.45
5

Big Dog Resources Trading

Big Dog is a start-up, SME mineral blasting and drilling company, carrying out work in Uis. It is 80% owned by a woman, and employs two. It obtained an 18-month contract from Uis Tin Mining Company, known as AfriTin, for blast hole drilling in waste rock material and ore material from the open pit. AfriTin will pilot a processing plant, to process approximately 500,000 tpa producing approximately 60 tons of tin concentrate per month. Thereafter, AfriTin plans for a 3 Mtpa processing plant.

Uis was once the world's largest hard rock tin mine, but significant mining activities came to an end almost three decades ago. The Uis community is sustained by small scale mining and tourism activities. The investment by AfriTin Mining will not only revive the mining operations, but it will increase economic activities of Uis, and Erongo Region, increasing economic development in poorer areas.



Environmental and social management

During 2019/20, projects valued at N\$5.8 billion were inspected and assessed for compliance against their submitted Environmental and Social Management Plans as well as the Environmental Management Act and the Labour Act.

No active loans were terminated due to non-compliance.

Inspected by DBN

Facilities such as the Uis Tin Mine processing plant have substantial environmental and health risks, and so are inspected by DBN to ensure compliance with environmental and social regulations.

Environmental and social risk management

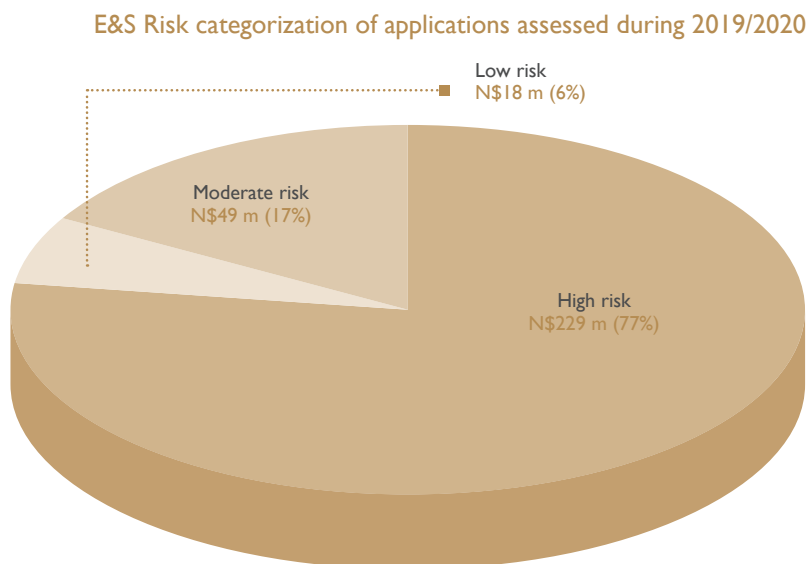
The Development Bank of Namibia is committed to ensure that the Environmental Management Act No 7 of 2007 (“EMA”) and its Regulations as well as the Labour Act No 11 of 2007 (“LA”) and its Regulations for the health and safety of employees at work are complied with by funded businesses.

Assessment

All projects applying for finance are screened for environmental, occupational health & safety and social (E&S) risks.

The risks are identified, managed, monitored and controlled to proactively embed E&S risk management into lending processes and minimize the risk of reputational or financial loss.

The figure below shows the categorization of 296 applications received for E&S screening during the 2019/2020 financial year



Monitoring and Evaluation

Monitoring and evaluation of occupational health, safety, environmental and social performance businesses financed by DBN is done by conducting site visit inspections and meeting with clients for compliance to the submitted Environmental and Social Management Plan/Environmental Management Plan (ESMP/EMP).

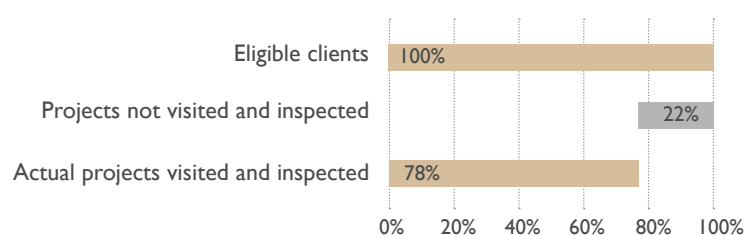
Compliance to ESMP/EMP and Namibian Laws are captured as covenants in Loan Agreements, signed at loan approval, and

failure to abide by these can result in breach of contract. During 2019/20, projects valued at N\$5.8 billion were inspected and assessed for compliance against their submitted Environmental and Social Management Plans as well as the Environmental Management Act and the Labour Act.

Findings of inspection and assessments are reported back to the business owners, Board Audit, Risk & Compliance and financiers.

Total value of funded projects vs ESM site visits performed at 31 December 2019

	2019	
	N\$m	% of total
Total value of loan book	9,560	100.0%
Value of excluded clients from total loan book	(2,024)	(21.2%)
Total value of funded projects eligible for ESM site visits & inspections	7,536	78.8%
Value of actual projects visited & inspected	5,881	78.0%



All relevant transactions are monitored to ensure that the E&S commitments (stipulated in the Environmental and Social Management Plan and set as part of the loan agreement) are adhered to.

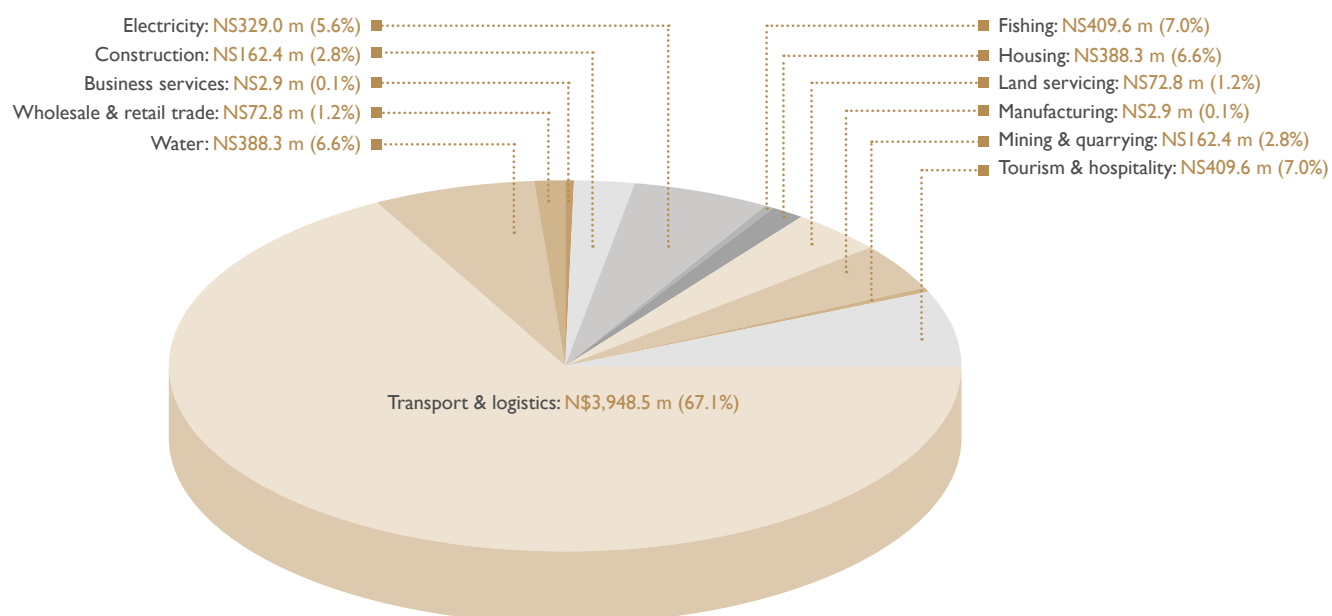
The Environmental and Social Officers monitor the implementation and progress of remedial action for the action of the tenure of the loan. The frequency and duration of the

monitoring depend on the type of transaction being financed and the level of risk perceived.

In cases where clients do not comply with environmental and social risk requirements, DBN works together with clients to achieve the necessary standards.

During 2019/20, no active loans were terminated due to non-compliance.

ESM site visits per sector



	2019	
	N\$m	% of total
Business services	2.9	0.1
Construction	162.4	2.8
Electricity	329.0	5.6
Fishing	5.7	0.1
Housing	93.9	1.6
Land Servicing	219.7	3.7
Manufacturing	243.4	4.1
Mining and Quarrying	5.0	0.1
Tourism & Hospitality	409.6	7.0
Transport & Logistics	3,948.5	67.1
Water	388.3	6.6
Wholesale and Retail trade	72.8	1.2
Total	5,881.2	100.0



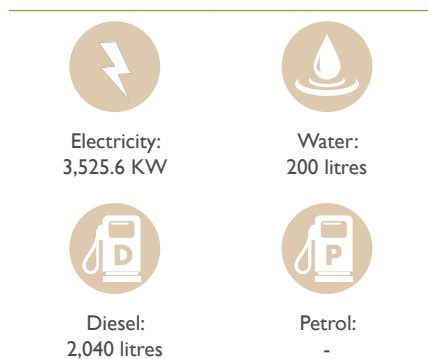
Environmental and social case study: Miiyelo Investments

Miiyelo is in the business of sales of new tyres, wheel balancing, tow-in services and it operates a car wash.

The business was in operation for three years in Orwetoveni in Otjiwarongo but decided to move to central Otjiwarongo to attract more business. It obtained DBN finance to purchase equipment, inventory and for rental payment at start-up.

This is a project with low environmental and social risks as it is a services enterprise with low site-specific impacts.

Operations comply and adhere to the commitments made in the submitted Environmental and Social Management Plan (ESMP). No major findings on non-conformances were noted during site inspections.



Labour relations	
Employees covered by collective bargaining agreements	-
Training and development	
Average days / employee	10
Amount spent	N\$5,000
Employee benefits	
Share and stock options	-
Pension fund	-
Medical aid	-
Governance	
HR Policies in place	2
Corporate governance policies	-
Women in management	1

Employment type	No.
Permanent	8
Temporary	-
Total	8

Gender	-	No.
Male		7
Female		1
Total		8

Hierarchical gender	M	F
Senior management	-	1
Middle and junior management	-	-
White and blue collar	7	-
Total	7	1

Age group	No.
<=25	4
>25 <= 30	2
>30 and <=35	1
>35 and <=40	1
>40 and <=45	-
>45 and <=50	-
>50 and <=55	-
>55 and <=60	-
>60	-
Total	8

Education	No.
Master's and higher	-
Bachelor's degree	-
Secondary	5
Primary	3
None	-
Total	8

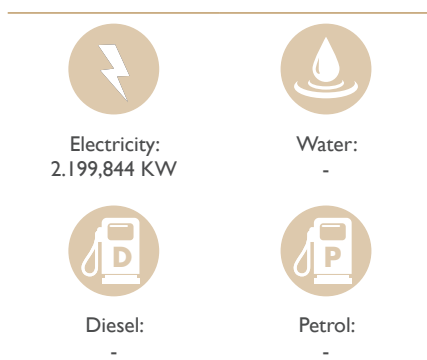


Environmental and social case study: Erongo RED

Erongo RED distributes electricity to all local authorities in Erongo. In 2013 Erongo Red began to upgrade distribution infrastructure starting with Walvis Bay and Swakopmund, using DBN finance. Phase 1 entailed upgrading the main power lines feeding Walvis Bay and local municipal infrastructure. Phase 2 consists of upgrades for several township establishments and the Waterfront development in Swakopmund.

This is a high risk environmental and social project.

The company implemented works by complying and adhering to the commitments made in the submitted Environmental and Social Management Plan (ESMP) and in line with the Environmental Clearance Certificate (ECC) conditions. No major findings on non-conformance were noted during site inspections.



Labour relations	
Employees covered by collective bargaining agreements	260
Training and development	
Average days / employee	14
Amount spent	N\$3.2 m
Employee benefits	
Share and stock options	-
Pension fund	Yes
Medical aid	Yes
Governance	
HR Policies in place	6
Corporate governance policies	3
Women in management	22
Female board representation	4 of 8

Employment type	No.
Permanent	309
Temporary	5
Total	314

Gender	-	No.
Male		184
Female		130
Total		314

Hierarchical gender	M	F
Senior management	9	1
Middle and junior management	21	21
White and blue collar	155	107
Total	185	129

Age group	No.
<=25	2
>25 <= 30	34
>30 and <=35	64
>35 and <=40	79
>35 and <=40	56
>45 and <=50	35
>50 and <=55	23
>55 and <=60	15
>60	6
Total	314

Education	No.
Master's and higher	13
Bachelor's degree	76
Secondary	178
Primary	7
None	40
Total	314

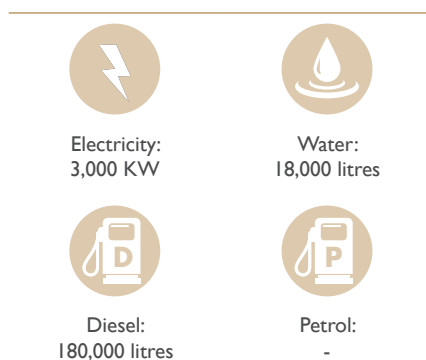


Environmental and social case study: Easy United Investment Services & Paralo Investment Joint Venture

The joint venture ran a concurrent land servicing and top structure (housing) construction programme from January to October 2019 which saw the construction of 120 houses.

The majority of the 205 workers are unskilled workers drawn from the Oshikuku area. The company also employs vocational centre students for on the job training and upskilling on their site.

This is a high risk environmental and social project as it established a new township. The company implemented works by complying and adhering to the commitments made in the submitted Environmental and Social Management Plan (ESMP) and in line with the Environmental Clearance Certificate (ECC) conditions. No major findings on non-conformance were noted during site inspections.



Labour relations	
Employees covered by collective bargaining agreements	20
Training and development	
Average days / employee	20
Amount spent	N\$25,000
Employee benefits	
Share and stock options	-
Pension fund	-
Medical aid	Optional
Governance	
HR Policies in place	1
Corporate governance policies	1
Women in management	-
Female board representation	No board

Employment type	No.
Permanent	20
Temporary	205
Total	225

Gender	-	No.
Male		208
Female		17
Total		225

Hierarchical gender	M	F
Senior management	2	-
Middle and junior management	3	1
White and blue collar	203	16
Total	208	17

Age group	No.
<=25	20
>25 <= 30	70
>30 and =<35	120
>35 and =<40	15
>40 and =<45	-
>45 and =<50	-
>50 and =<55	-
>55 and =<60	-
>60	-
Total	225

Education	No.
Master's and higher	1
Bachelor's degree	2
Secondary	150
Primary	40
None	32
Total	225

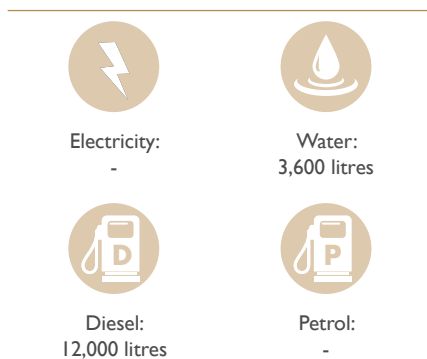


Environmental and social case study: Trans Kalahari Group

Trans Kalahari Group is a logistics company that provides domestic and long-haul transport of goods. Transport of copper and cobalt from Zambia and DRC to Walvis Bay currently accounts for a significant part of its business.

The company used Development Bank finance to acquire trucks and trailers, and for working capital.

This is a high risk environmental and social project as it entails the transportation of mineral ores across borders. The company implemented works by complying and adhering to the commitments made in the submitted Environmental and Social Management Plan (ESMP) and in line with the Environmental Clearance Certificate (ECC) conditions. No major findings on non-conformance were noted during site inspections.



Labour relations	
Employees covered by collective bargaining agreements	63
Training and development	
Average days / employee	24
Amount spent	N\$322,000
Employee benefits	
Share and stock options	-
Pension fund	Yes
Medical aid	Yes
Governance	
HR Policies in place	1
Corporate governance policies	1
Women in management	2
Female board representation	-

Employment type	No.
Permanent	69
Temporary	-
Total *	69

Gender	-	No.
Male		54
Female		15
Total		69

Hierarchical gender	M	F
Senior management	4	2
Middle and junior management	-	-
White and blue collar	50	13
Total	54	15

Age group	No.
<=25	2
>25 <= 30	10
>30 and <=35	17
>35 and <=40	20
>40 and <=45	15
>45 and <=50	5
>50 and <=55	-
>55 and <=60	-
>60	-
Total	69

Education	No.
Master's and higher	-
Bachelor's degree	4
Secondary	6
Primary	59
None	-
Total	69

* Includes staff and contractors.

Development Bank of Namibia
Annual Financial Statements
for the year ended 31 March 2020

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2020

N\$	2020	2019
Interest income	945,254,359	848,404,138
Interest expense	(517,023,781)	(460,048,866)
Net interest income	428,230,578	388,355,272
Fee and commission income	23,353,295	28,246,751
Operating income	451,583,873	416,602,023
Other income	41,969,998	73,762,001
Fair value adjustments on loans and receivables	(4,835,839)	(7,430,353)
Fair value gain on cross currency swap	-	32,920,590
Foreign exchange gain on loan	-	6,169,410
Net impairment on loans and advances	(119,349,053)	(173,893,996)
Operating expenses	(140,267,091)	(136,446,574)
Profit before tax	229,101,888	211,683,101
Tax expense	-	-
Profit for the year	229,101,888	211,683,101
Profit for the year	229,101,888	211,683,101
Other comprehensive income, net of income tax	(10,924,625)	27,168,709
Items that may be reclassified subsequently to profit or loss		
Cash flow hedge: effective portion of changes in fair value on interest rate swap - IAS39	-	2,754,870
Items that will not be reclassified subsequently to profit or loss		
Revaluation gain on property	(2,011,627)	7,918,078
Fair value adjustments on FVOCI equity investment financial assets – IFRS 9	(8,912,998)	16,495,761
Total comprehensive income	218,177,263	238,851,810

Statement of Financial Position

as at 31 March 2020

N\$	2020	2019
Assets		
Cash and cash equivalents	601,368,773	698,977,010
Trade and other receivables	5,424,474	6,714,938
Staff home ownership scheme loans	99,116,912	84,889,580
Loans and advances to customers	8,465,903,601	8,507,838,685
Equity investments	272,789,349	281,702,347
Property and equipment and right of use assets	85,551,111	84,946,577
Intangible assets	5,201,186	5,600,646
Total assets	9,535,355,406	9,670,669,783
Liabilities		
Trade and other liabilities	85,586,382	27,675,865
Term loan facilities	233,000,000	233,000,000
Line of credit facility	4,048,129,370	4,050,767,808
Bonds	624,284,482	725,067,502
Fixed term facility	1,054,996,252	1,448,574,297
Credit line facility	112,757,242	-
Dividends retained for redeployment	49,510,183	55,501,769
Total liabilities	6,208,263,911	6,540,587,241
Equity		
Share capital and share premium	2,007,071,178	2,007,071,178
Retained earnings	1,276,970,120	1,069,036,542
Reserves	43,050,197	53,974,822
Total equity	3,327,091,495	3,130,082,542
Total liabilities and equity	9,535,355,406	9,670,669,783

Statement of Changes in Equity

for the year ended 31 March 2020

N\$	Share capital and share premium		Revaluation reserve on land and buildings	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total
	Share capital	Share premium					
Balance at 1 April 2019	165,000,000	1,842,071,178	56,246,966	(2,272,144)	-	1,069,036,542	3,130,082,542
Total comprehensive income for the year	-	-	(2,011,627)	(8,912,998)	-	229,101,888	218,177,263
Profit for the year	-	-	-	-	-	229,101,888	229,101,888
Other comprehensive income, net of income tax	-	-	(2,011,627)	(8,912,998)	-	-	(10,924,625)
Dividend paid	-	-	-	-	-	(21,168,310)	(21,168,310)
Balance at 31 March 2020	165,000,000	1,842,071,178	54,235,339	(11,185,142)	-	1,276,970,120	3,327,091,495

N\$	Share capital and share premium		Revaluation reserve on land and buildings	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total
	Share capital	Share premium					
Balance at 1 April 2018	165,000,000	1,842,071,178	48,328,888	(18,767,905)	(2,754,870)	1,215,684,783	3,249,562,074
Changes on initial application of IFRS 9	-	-	-	-	-	(349,551,858)	(349,551,858)
Re-stated balance at 1 April 2018	165,000,000	1,842,071,178	48,328,888	(18,767,905)	(2,754,870)	866,132,925	2,900,010,216
Total comprehensive income for the year	-	-	7,918,078	16,495,761	2,754,870	211,683,101	238,851,810
Profit for the year	-	-	-	-	-	211,683,101	211,683,101
Other comprehensive income, net of income tax	-	-	7,918,078	16,495,761	2,754,870	-	27,168,709
Transfer to dividend retained for redeployment	-	-	-	-	-	(8,779,484)	(8,779,484)
Balance at 31 March 2019	165,000,000	1,842,071,178	56,246,966	(2,272,144)	-	1,069,036,542	3,130,082,542

Cash Flow Statement

for the year ended 31 March 2020

N\$	2020	2019
Cash flows utilised in operating activities		
Cash receipts from customers	1,046,680,310	882,957,616
Cash paid to suppliers, lenders and employees	(654,347,384)	(565,451,915)
Cash flows from operating activities	392,332,926	317,505,701
Government grants received	-	60,000,000
Payments from special funds	(5,991,586)	(1,601,336)
Increase in loans and advance	(130,762,369)	(1,307,101,708)
Net cash utilised in operating activities	255,578,971	(931,197,343)
Cash flows utilised by investing activities	(4,082,034)	(7,007,301)
Acquisition of property and equipment	(4,374,570)	(1,734,583)
Proceeds from disposal of property and equipment	178,565	11,437
Acquisition of intangible assets	113,971	(5,284,155)
Cash flows from financing activities	(349,105,174)	975,306,091
Funding liabilities raised bonds	-	290,000,000
Funding liabilities raised fixed term facility	-	1,500,000,000
Funding liabilities raised credit line facility	120,375,000	-
Funding liabilities paid term loan	-	(670,000,000)
Funding liabilities paid bonds	(100,000,000)	(71,000,000)
Funding liabilities paid fixed term facility	(386,822,473)	(73,693,909)
Funding liabilities paid credit line facility	(10,467,391)	-
Current liabilities credit guarantee scheme funding received	48,978,000	-
Dividends paid	(21,168,310)	-
Net (decrease) / increase in cash and cash equivalents	(97,608,237)	37,101,447
Cash and cash equivalents at the beginning of the year	698,977,010	661,875,563
Cash and cash equivalents at the end of the year	601,368,773	698,977,010



**Development
Bank of Namibia**

Expect more.

12 Daniel Munamava Street
PO Box 235
Windhoek
Namibia

Tel. + 264 61 290 8000
www.dbn.com.na