DBN
Development
Bank of Nigeria

...Financing Sustainable Growth



YOUTH & STARTUPS

IMPACT REPORT 2025

Financing Young Entrepreneurs and Early-Stage Enterprises Through Their Most Vulnerable Years

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Dr. Tony Okpanachi
Managing Director / CEO
Development Bank of Nigeria Plc

Message from the **Managing Director / CEO**

At Development Bank of Nigeria, we believe that the strength of Nigeria's economy rests on two groups too often left at the margins of formal finance: our young entrepreneurs, and the early-stage enterprises fighting to survive their most fragile years. Both are central to our mandate, and both are the focus of this report.

Since inception, DBN has cumulatively disbursed over ₦1.42 trillion, supporting more than one million loans to MSMEs nationwide. Within that reach, we have deliberately expanded access for youth-owned enterprises and for startups in their formative years, two segments where the absence of finance most often decides whether a business grows or closes.

The stories in this report show what becomes possible when finance reaches these enterprises on the right terms: young founders creating jobs for themselves and others, and early-stage businesses surviving inflation, regulatory hurdles, and the cash-flow shocks that end so many promising ventures before their fifth year. Beyond capital, we continue to invest in capacity, through our Entrepreneurship Training Programme and technical assistance, because resilient enterprises need knowledge and skills as much as they need credit.

On behalf of the Board, Management, and Staff of the Development Bank of Nigeria, I thank our shareholders, development partners, regulators, and Participating Financial Institutions, and above all the young and early-stage entrepreneurs whose resilience continues to inspire our work.

₦1.42tn
Cumulative Disbursements Since Inception

1,000,000+
MSMEs supported nationwide



Message from the **Chief Economist**

The economics of Nigeria's development challenge point clearly to youth and early-stage enterprises. With a median age of around 18 and close to six in ten Nigerians under 30, the country's growth depends on whether its young people can create and sustain productive work.

At the same time, the data on enterprise survival is sobering: most Nigerian small businesses do not see their fifth year, and limited access to finance is among the most cited reasons. These two facts, a young population and a high rate of early-stage business failure, define the development case this report addresses.

In 2025, DBN's response was both deliberate and measurable. The Bank disbursed ₦57.6 billion to youth-owned enterprises and financed startups at scale, while its Entrepreneurship Training Programme reached tens of thousands of young entrepreneurs and converted promising ideas into grant-backed, bankable businesses.

The figures in this report are encouraging, but they also point to where the work is unfinished; funding remains concentrated in a few states and sectors, and the frontier now is to deepen reach into underserved regions and higher-value, job-rich activities. We see access to finance, paired with capacity building, as the most powerful lever available for turning Nigeria's demographic profile into durable, inclusive growth.

Prof. Joseph Nnanna
Chief Economist,
Development Bank of Nigeria Plc

> The Bank disbursed ₦57.6 billion to youth-owned enterprises and financed startups at scale while its Entrepreneurship Training Programme reached tens of thousands.

DBN Overview

Development Bank of Nigeria Plc (DBN) was established in 2017 by the Federal Government of Nigeria to address a critical market gap in financing the Micro, Small, and Medium Enterprises (MSME) sector. As a Wholesale Development Finance Institution (WDFI), DBN provides funding and risk-sharing facilities to Participating Financial Institutions (PFIs), including commercial banks, microfinance banks, and other licensed financial intermediaries, which in turn lend to MSMEs across the country. Our core purpose is to expand access to finance for Nigeria's MSMEs in a sustainable and market-oriented manner, thereby driving economic diversification, job creation, and inclusive growth. Beyond lending, DBN also plays a catalytic role in building capacity for both MSMEs and PFIs, ensuring that financial inclusion is supported by enterprise viability and institutional strength.

Our core purpose is to expand access to finance for Nigeria's MSMEs in a sustainable and market-oriented manner thereby driving economic diversification.

Core Values, STEDI



Our shared values, Sustainability, Transparency, Excellence, Diversity, and Innovation (STEDI), guide how we operate, engage partners, and deliver impact, underpinning our commitment to responsible growth and long-term value creation for all stakeholders.

On-Lending: DBN provides wholesale term funding to Participating Financial Institutions (commercial banks, microfinance banks, existing retail DFIs, and leasing companies) for on-lending to MSMEs.

Risk Sharing (Credit Guarantee): through its wholly owned subsidiary, Impact Credit Guarantee Limited (ICGL), DBN provides partial credit guarantees to PFIs to further encourage lending to the MSME segment.

Capacity Building: DBN provides technical assistance to PFIs to strengthen their capacity to develop products suited to the MSME segment, and implements an annual Entrepreneurship Training Programme (ETP) to build a viable pipeline of eligible businesses for on-lending.

Our Vision

To be Nigeria's primary development finance institution, promoting growth and sustainability.

Our Mission

To facilitate sustainable socio-economic development through the provision of finance to Nigeria's underserved MSMEs through eligible financial intermediaries.

DBN at a Glance (As at 31 December 2025)

Million - mn I Billion - bn I Trillion - tn



Cumulative Disbursement

₦1.42 tn



Total Loans Made

Over 1 million



Disbursement to Youth-Owned MSMEs

₦161.2 bn



Disbursement to Startups

₦135.2 bn



Disbursement to Women-Owned MSMEs

₦352.7 bn



Disbursement to First-Time Borrowers

₦239 bn



Disbursement to Focus States

₦108.7 bn



Jobs Created & Sustained (2025)

447,173



Customer Satisfaction

87%



MSMEs Trained (inception to 2025)

Over 60,000



Participating Financial Institutions

84

Our Development Partners and PFIs

The Case for Financing Youth and Startups

MSMEs are the backbone of Nigeria's economy, accounting for about 96 percent of all businesses, contributing roughly 48 percent of GDP, and providing over 84 percent of employment. Yet the enterprises that most need capital, those led by young founders and those in their earliest years, are precisely the ones formal finance reaches least. Closing that gap is both a development imperative and a growth strategy.

Youth: Turning a Demographic Bulge into Job Creators

Nigeria is among the youngest nations on earth: its median age is roughly 18 years and about 58 percent of the population is under 30.

This young majority can be a powerful engine of growth, but only if young people can find or create work. Youth (ages 15 to 34) record the highest unemployment rate of any age group in Nigeria, and when asked, a clear majority of young Nigerians, around 60 percent, say that, given the choice, they would prefer to start their own business rather than seek a salaried job, with access to business loans ranking among their top priorities.

Financing youth-owned enterprises is therefore one of the most direct ways to convert Nigeria's demographic energy into employment, incomes, and enterprise, rather than into unemployment and emigration.

48%
MSMEs contribution to Nigeria's GDP

MSMEs provide over
84%
of employment

58%
of Nigeria's population is under 30

Startups: Keeping Early-Stage Enterprises Alive Past Year Five

In this report, "startups" does not mean technology ventures only; it means MSMEs in their vulnerable formative years, typically under five years old. These are the businesses most likely to fail: the normative longevity of a Nigerian MSME is estimated at just four to five years, and a large majority of small businesses do not survive beyond their first five years, with limited access to finance repeatedly cited among the leading causes.

Globally, the financing picture is no less stark: the IFC estimates that around 40 percent of formal MSMEs in developing countries have an unmet financing need, and in Nigeria only a minority of small businesses access formal credit. DBN's startup focus is deliberately about survival, providing the working capital and patient financing that early-stage enterprises need to cross the "mortality wall" of their first five years and go on to grow, employ, and contribute to the economy.



As a result of limited access to finance, a large majority of Nigerian MSMEs do not survive beyond their first

5 YEARS

Two Segments - One Agenda

Youth and startups are distinct impact segments with distinct rationales: one is defined by the age of the founder, the other by the age of the business. In practice they overlap heavily, as many young entrepreneurs are also running early-stage firms, and DBN serves them through the same wholesale model and PFI network.

Throughout this report, the two are discussed together, but their results are reported separately so that neither loses its identity, and so that the Bank can track how finance reaches both a generation and a cohort of fragile young businesses.

Startups, Surviving the Formative Years

Startup businesses often face significant barriers in accessing finance due to limited operating history and perceived risk.

DBN's focus on this segment bridges that gap, providing the critical financing and capacity support that early-stage businesses need to survive, grow, and contribute meaningfully to the economy.

₦135.2 bn
disbursed to startups since inception

132,225
financed early-stage enterprises

FEATURED IMPACT STORY 1

Thames & Hudson Architects Ltd.

Building infrastructure through strategic project financing.

Years in Operation:
7

Loan Amount:
₦900 million

Participating Financial Institution(PFI):
UBA United Bank for Africa

Sector:
Construction and real estate

30% female representation

Thames & Hudson Architects Ltd. accessed and utilised ₦900 million in financing through United Bank for Africa (UBA), a Participating Financial Institution (PFI) of the Development Bank of Nigeria (DBN).



The CEO of Thames & Hudson Architects Ltd. interacting with DBN staff during a visit to the DBN-supported business.

Background

Thames & Hudson Architects Ltd. is a licensed architectural and construction services firm established in 2017 and operational from 2018. The firm delivers architectural design, project management, general contracting, and road construction services to public and private clients, including government agencies and international development partners. It operates a project-based management structure, employs a diverse professional team with about 30 percent female architects, and is led by four directors.

Situation

The firm required project financing to execute a consultancy assignment. Like many firms working on government projects, it needed upfront funding to cover planning, design documentation, and supervision milestones before client payments, which are often delayed, were released. Without external financing, project timelines and cash-flow stability would have been constrained.

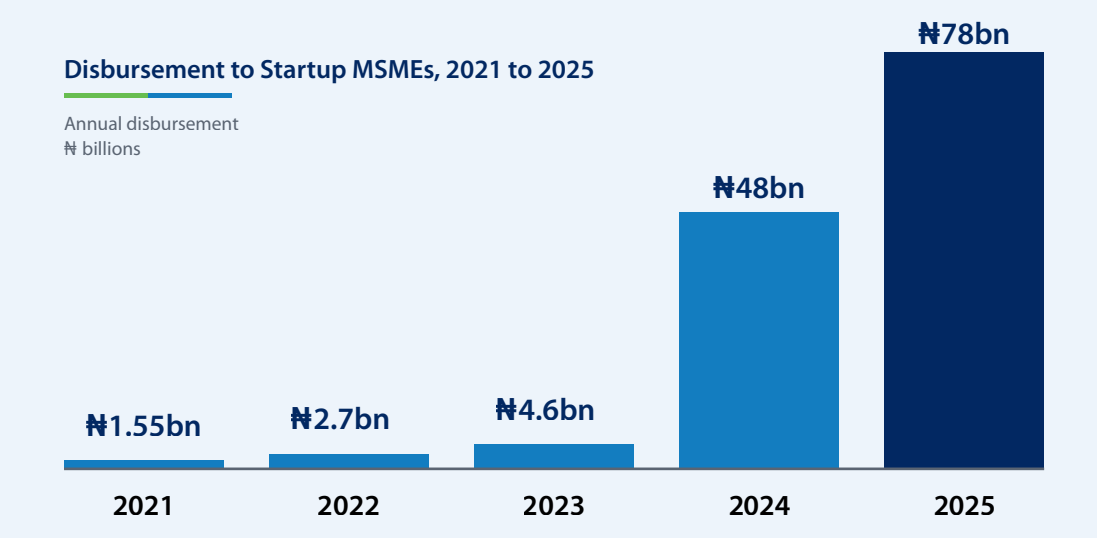
Solution

With a ₦900 million project-financing facility from UBA, backed by a government guarantee under an existing tripartite arrangement, the loan funded stages 1 to 3 of the project, providing liquidity to execute deliverables on schedule, deploy a full project team, and manage operational costs without reliance on delayed government disbursements.

Outcome

The financing enabled the firm to engage a seven-member project team, including three female professionals, while generating indirect employment for local service providers. The project contributed about 25 percent of the firm's annual revenue for the year and significantly improved operational efficiency and risk management. Beyond the financial impact, the firm strengthened its project-delivery capacity, adopted advanced technology tools to boost productivity, and reinforced its market position, while highlighting the policy and financing reforms needed to improve SME access to credit in the construction and real-estate services sector.







Startup disbursement grew from

₦1.55bn → ₦78bn

2021 — 2025

Disbursement by Priority Sector

Across the Bank's HEARTBEAT sectors, startup businesses play an active role. In 2025, the Bank reached startups in key sectors including those advancing sustainable energy, expanding financial services, boosting food security and those engaged in light manufacturing

Power and Energy	Financial & insurance activities	Agriculture	
₦13.07 bn	**₦6.45 bn**	**₦6.41 bn**	
Manufacturing	Health Services	Transportation	
₦3.63 bn	**₦2.17 bn**	**₦1.88 bn**	

Youth, Financing a Young Generation of Entrepreneurs



Since inception, DBN has made significant strides in advancing the economic empowerment of young people across Nigeria.

As at 2025, ₦161.2 billion was facilitated through 282,655 sub-loans to youth-owned enterprises through our PFI network.

In 2025 alone, DBN disbursed ₦57.6 billion to youth-led businesses, reflecting a deliberate commitment to fostering entrepreneurship and economic participation among Nigeria's young population, many of whom have limited credit histories.

₦161.2 bn
Amount disbursed to youth-owned businesses since inception

282,655
Subloans facilitated to through PFIs

₦57.6 bn
Amount disbursed to youth-led businesses in 2025

FEATURED IMPACT STORY 2

Drug Line Stores,

Navigating Inflation Through Strategic Financing

Years in Operation:
7

Loan Amount:
₦5.5 million

Participating Financial Institution(PFI):
Sterling

Sector:
Healthcare

Drug Line Stores accessed and utilised ₦5.5 million in financing through Sterling Bank Plc, a Participating Financial Institution (PFI) of the Development Bank of Nigeria (DBN).



Background

Drug Line Stores is a pharmaceutical wholesale business established in 2018 in Abakaliki, Ebonyi State, by Sunday John Nwankwuda. What began as a single retail outlet has grown into a trusted wholesale distributor of medical drugs, serving retailers and healthcare providers across the region. The business operates a traditional apprenticeship model, currently training four apprentices with the long-term goal of helping them establish their own ventures, sustaining sector expertise while promoting entrepreneurship and intergenerational knowledge transfer within the healthcare value chain.

Situation

During Nigeria's recent inflationary surge, the cost of pharmaceutical products rose sharply, disrupting supply chains and significantly increasing inventory-replacement costs. To maintain customer relationships and continue providing essential medicines at competitive prices, Drug Line Stores required additional working capital to restock at elevated price levels. Without timely support, the business risked stock shortages, reduced competitiveness, and weakened service delivery in a sector critical to community health.

Solution

Through its existing relationship with Sterling Bank Plc, Drug Line Stores accessed a ₦5.5 million facility supported by DBN. A regulatory requirement for a Pharmacy Council of Nigeria licence presented an initial challenge, as such licences are typically not issued to wholesale market traders; to comply, Mr. Nwankwuda established a retail outlet to obtain the necessary certification, enabling access to the financing. The facility provided critical working capital to replenish inventory at higher market prices and stabilise operations during a period of economic volatility.

Outcome

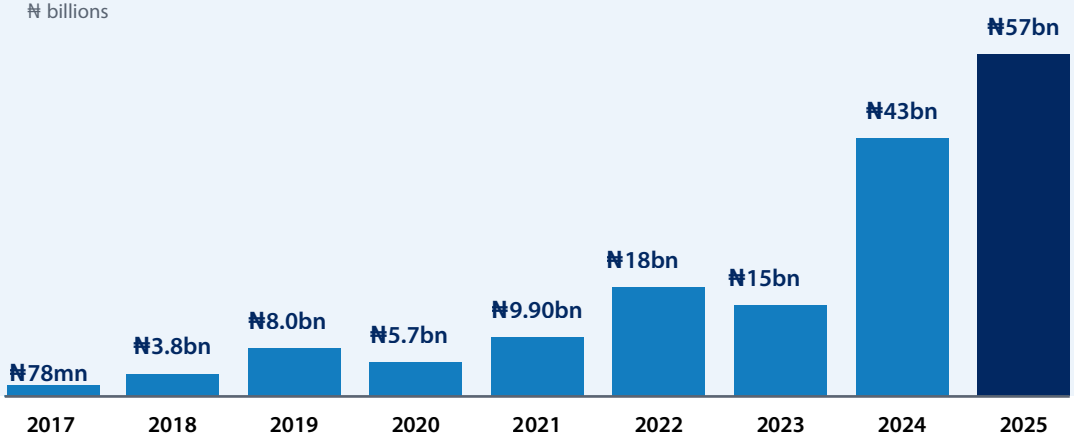
The DBN-supported financing enabled Drug Line Stores to sustain operations, meet customer demand, and maintain market presence through one of the most challenging inflationary periods in recent history. While no additional staff were employed, the business preserved existing operations and safeguarded its apprenticeship programme, ensuring continued skills development for four trainees.

The facility strengthened liquidity, supported profitability, and kept the enterprise a reliable supplier of essential medicines in Ebonyi State, contributing indirectly to improved community access to healthcare products.



Disbursement to Youth-Led MSMEs

Annual disbursement, 2017 to 2025
₦ billions





Youth disbursement grew from

₦78mn (2017) → **₦57.6bn** (2025)

Disbursement by Priority Sector

Youth-led businesses are advancing productivity and job creation across key sectors. In 2025, across the Bank's priority sectors, youth businesses utilised over ₦20 billion spanning manufacturing, agriculture, sustainable energy, financial services and transportation.

Power and Energy	**₦2.24 bn**
Financial & insurance activities	**₦1.04 bn**
Agriculture	**₦5.70 bn**
Manufacturing	**₦7.28 bn**
Health Services	**₦3.53 bn**
Transportation	**₦0.69 bn**

Productive Sectors and Job Creation

Aligned with Nigeria's national development priorities, DBN continues to provide strategic financing to productive sectors that contribute to economic growth, enterprise development and employment generation. Manufacturing and agriculture are key components of the productive sector, with strong multiplier effects through value-chain linkages, enterprise expansion and job creation. By directing finance to these sectors, DBN supports businesses to expand their operations, strengthen competitiveness and sustain livelihoods across the MSME landscape.

In 2025, DBN disbursed approximately ₦45.6 billion to the manufacturing sector, benefiting more than 360 enterprises, and ₦35.4 billion to agribusinesses, reaching over 1,200 enterprises nationwide. These investments not only support the growth of individual businesses but also generate wider economic benefits through demand for inputs, distribution, logistics and other services across their respective value chains.

Disbursement to Manufacturing

₦45.6bn

Over 360 enterprises supported

Disbursement to Agribusiness

₦35.4bn

Over 1,200 enterprises supported

Jobs Growth

21%

Year-on-year increase

Jobs Created

≈120,000

from youth-owned/led enterprises

Jobs Created

≈107,000

from startup enterprises



The employment impact reported by DBN extends beyond manufacturing and agriculture and cuts across the Bank's priority sectors, reflecting the broader contribution of DBN-supported enterprises to job creation and livelihood opportunities. In 2025, youth-owned and youth-led enterprises accounted for approximately 120,000 of the jobs created and sustained, while an estimated 107,000 additional jobs were generated by startup enterprises in their early years of operation. These figures demonstrate the important role of DBN's financing in supporting productive enterprises, particularly young businesses, to scale, create employment and contribute to Nigeria's economic development."

Capacity Building and the Entrepreneurship Training Programme



Capacity building workshop for MSMEs in Warri, Delta State



Capacity building workshop for MSMEs in Abia State

DBN understands that sustainable enterprise growth requires more than capital; it requires knowledge, skills, and investment readiness. Beyond lending, the Bank therefore invests directly in building the capacity of MSMEs and of the Participating Financial Institutions that serve them.

From inception to year-end 2025, over 60,000 entrepreneurs have been trained through a blended model of in-person workshops, virtual masterclasses, and digital learning on the Bank's BizAid platform, reaching all six geopolitical zones.

The overarching goal is to build a pipeline of bankable MSMEs that can access and manage credit, while strengthening PFIs' capacity to lend to the segment.

60,000 +
Entrepreneurs Trained

48,310
Participants enrolled through BizAid Learning Systems

Youth Participation in the 2025 ETP

The flagship DBN Entrepreneurship Training Programme (DBN-ETP) remained the cornerstone of the Bank's capacity-building agenda in 2025, combining online sessions with in-person workshops to maximise reach and cost-effectiveness. Participants gained practical skills in financial management, digital strategy, and investment readiness, exactly the capabilities that help young and early-stage founders survive and scale.

In 2025, the programme recorded 48,310 participants enrolled through the BizAid Learning Management System, with strong nationwide uptake led by the Southwest (23.7 percent), North Central (14.5 percent), and Northwest (13.5 percent). Because the ETP is a deliberate pipeline for young entrepreneurs, this large training cohort feeds directly into the youth and startup financing reported in earlier sections.

ETP PARTICIPATION BY GEO POLITICAL ZONES

23.7%
South West

14.5%
North Central

13.5%
North West



From Training to Grants

From over 48,000 entrepreneurs trained online, 900 high-performing participants were shortlisted for intensive in-person workshops, where they engaged directly with PFIs, networked with peers, and pitched their businesses.

After rigorous evaluation of business plans and competitive pitching across the six regions, 48 outstanding entrepreneurs emerged as grant winners, sharing ₦99 million in prizes, with the highest individual award of ₦5 million. Grant funding expanded sharply in 2025: an additional ₦99 million was disbursed during the year, against cumulative grant disbursements of about ₦30 million up to the end of 2024.

48,310 Entrepreneurs trained online via the BizAid platform

900 Shortlisted for in-person workshops

48 Grant winners after competitive regional pitching

₦99 mn Total grant pool shared, ₦5M highest single award



Cross section of grant winners from different geo-political zones



The grants were awarded with a strong equity lens. Funding was distributed evenly across all six geopolitical zones (about 16.5 percent each, eight beneficiaries per region), 59.1 percent of the total grant value went to women, and Agriculture led by sector with 39.6 percent of beneficiaries, followed by Manufacturing.

Many grantees were young founders in early-stage agribusiness, manufacturing, green, and services enterprises, using the funds to acquire equipment, expand capacity, and strengthen operations, the practical translation of training into bankable, growing businesses.

AWARDED WITH AN EQUITY LENS

16.5% of total funding evenly distributed to each of the six geopolitical zones, eight beneficiaries per region

59.1% of total grant value went to women-owned businesses

39.6% of beneficiaries were in agriculture

Regional Innovation Hub Partnerships

DBN launched its first regional innovation hub

Under the Innovative Ventures pillar of its AMPLIFI strategy, DBN launched its first regional innovation hub in 2025. Based in Kaduna State, the North-West hub serves as a resource centre for tech-enabled, youth-led businesses and startups, offering the tools, knowledge, and networks they need to scale.

Building on this model, the Bank plans to establish further hubs across the country through partnerships with development and implementing partners, extending hands-on support for young entrepreneurs into more regions. In the coming year, the DBN-AGFUND Incubation programme is set to be implemented through this hub with 80 innovative businesses incubated through the process.



Cutting the ribbon at the Launch of the DBN Innovation Hub in Kaduna

Building on this model, the Bank plans to establish further hubs across the country through partnerships with development and implementing partners...







Looking Ahead

DBN's youth and startup financing is growing quickly, but the data in this report also points clearly to where the next gains lie. There is opportunity to unlock more financing for higher-value, job-rich sectors and the youth and startup segments that hold significant untapped potential. In the period ahead, the Bank will focus on:

- Mobilising more patient capital for youth and early-stage entrepreneurs in manufacturing, agriculture, and other productive, higher-value sectors.

- Scaling the ETP-to-finance pipeline, expanding training and grants so that more trained entrepreneurs convert into bankable, financed businesses.

- Implementing incubation programmes through the recently launched hubs and scale support for startup and youth businesses.

- Expanding innovation hubs, replicating the Kaduna model in additional regions through partnerships with development and implementing partners.



Acronyms	Full Meaning
AGFUND	Arab Gulf Programme for Development
AMPLIFI	Advocacy for MSMEs; MSME Capacity Building; Propositions for Impact; Lending Reach; Integrated Risk Sharing; Financial Sustainability; Innovative Ventures
BizAid	DBN's digital MSME learning and enterprise development platform
DBN	Development Bank of Nigeria
ETP	Entrepreneurship Training Programme
GDP	Gross Domestic Product
ICGL	Impact Credit Guarantee Limited (DBN's wholly owned credit-guarantee subsidiary)
IFC	International Finance Corporation
LMS	Learning Management System (the BizAid platform)
MAN	Manufacturers Association of Nigeria
MSME(s)	Micro, Small, and Medium Enterprise(s)
NBS	National Bureau of Statistics
PFI(s)	Participating Financial Institution(s)
SME	Small and Medium Enterprise
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
STEDI	Sustainability, Transparency, Excellence, Diversity, Innovatior
Sterling Bank	a DBN Participating Financial Institution
UBA	United Bank for Africa (a DBN Participating Financial Institution)
WDFI	Wholesale Development Finance Institution
₦	Nigerian Naira (bn = billion; tn = trillion)

DBN
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...Financing Sustainable Growth

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