



DBN
Development
Bank of Nigeria
RC 1215724



www.devbankng.com

@DevBankNG



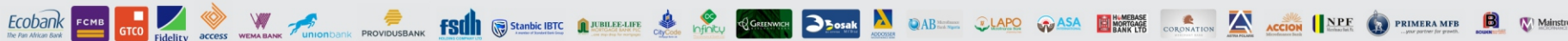
Impact is the goal, Partnership is the process

At DBN, we collaborate with global development partners and Participating Financial Institutions (PFIs) to provide lending to Micro, Small & Medium scale Enterprises (MSMEs).

Together, we can foster economic growth.



Our Participating Financial Institutions



CONTENTS

1. Remarks	4
From the MD/CEO's Desk	4
From the Office of the Chief Economist	7
2. About us	9
About DBN	9
Our Corporate Philosophy	10
DBN @ a Glance	11
Customer Satisfaction Feedback	12



3. 2023 Growth Initiatives for the MSME Sector	13
2023 DBN Entrepreneurship Training Program	13
Overview of Nigerian Micro, Small and Medium Scale Enterprises (MSMEs)	14
Capacity Building for MSMEs in the North-East and North-West Regions of Nigeria	15
2023 DBN-GAIN Capacity Building Program for Women	16

4. Our Impact	18
Women	19
Green	22
First-Time Access	26
Focus States	28
Youth	31
5. Our Theory of Change	33
Monitoring & Evaluation Cycle	34
2023 Monitoring & Evaluation Exercise	35
6. Credit Guarantees	36



From the MD/CEO's Desk



Dr. Tony Okpanachi MD/CEO

Dear Stakeholders,

As we reflect on the culmination of the year 2023, I am pleased to report the operating activities, financial results, and key achievements of Development Bank of Nigeria (DBN) Plc for the year ended 31st December, 2023.

This past year marked the completion of a significant chapter in our journey, as it concluded the maiden strategy cycle that guided our actions and decisions for the past 5 years.

As we stand at the threshold of a new era, we embrace the opportunity to introspect, course correct where necessary, and chart a visionary way forward. The year 2023 served as a stepping stone, propelling us towards a future where innovation, resilience, and adaptability are the cornerstones of our success.

We look to the horizon with optimism, committed to building upon our strengths and addressing the lessons of the past as we continue to strive for a brighter and more successful future.

6 years of Improving MSME Access to Finance:

We began business operations in 2017. Since then, we have disbursed N786 billion in loans to 494,819 Micro, Small and Medium Enterprises (MSMEs) across the country, a commendable 24% growth in disbursement from N631 billion in 2022, and a 58% increase from the 313,000 MSMEs impacted in the preceding year.

N187 billion of the disbursements in 2023 went to 356,451 women-owned businesses and N81 billion went to 120,326 youth-owned businesses, reinforcing our commitment to financing underserved MSME market segments and resulting in the creation of 1,200,000 jobs.

Our commitment to supporting the Federal Government's priority sectors is evident in our disbursement pattern; notably, N74 billion of our loans were allocated to the manufacturing sector, benefitting 3,696 end-borrowers. Furthermore, N38 billion was directed to agriculture, reaching 8,163 end-borrowers.



N81bn
disbursed in 2023 to
120,326
youth-owned businesses

To read the full 2023 Integrated Report, please go to: bit.ly/DBNIR23

These strategic investments underscore our drive to grow sectors vital to the nation's economic development.

Strategic delivery of Technical Assistance (TA) activities to our Participating Financial Institutions (PFIs) has been a cornerstone of our commitment to enhancing PFI capabilities. Tailored to strategic priorities, our TA programs aim to bolster PFIs' capacity to deliver products and services while expanding their lending portfolios, ensuring their profitability under market-conforming terms.

This year, we approached TA from two angles; each designed to address the unique operational needs of our PFIs.

N187bn
disbursed in 2023 to
356,451
women-owned businesses

The Frankfurt School of Finance and Management spearheaded the TA implemented for deposit money banks, while A2F Consulting LLC took charge of administering the second segment directed at microfinance banks. This dual-fold strategy was instrumental in ensuring that our clients are equipped with specific tools and knowledge necessary to introduce new MSME products, enhance existing offerings, and develop specialized products tailored to MSMEs especially those led by women and youth.

Additionally, we took a step forward to provide TA and capacity building directly to 1,121 MSMEs from financially excluded groups in the North East and North West regions of Nigeria; the exercise focused on building business management skills and capacity to take advantage of identified business opportunities; and provide business support services as required.

Sustainability remains at the core of our values. This is evident in our concerted efforts to grow our Green Portfolio. In 2023, the our Green Portfolio witnessed a substantial increase to N6 billion. This growth is particularly noteworthy as it signifies a dedicated commitment to environmentally responsible investments, aligning with global sustainability goals. It is also worth noting that this achievement follows a strategy cycle where the Green Portfolio was non-existent at inception, showcasing our proactive approach and steadfast commitment to sustainability.

Other significant milestones included the issuance of our inaugural bond on the domestic market, a landmark event that indicated the first instance of the bank independently raising funds in its name. This achievement is a testament to our strong financial position and favourable standing in the market, as evidenced by the recorded oversubscription of the bond.

In a momentous achievement, we secured a major highlight by winning the Prince Talal International (PTI) Prize for Human Development. This prize, presented by the Arab Gulf Programme for Development (AGFUND), recognises DBN's role in promoting inclusive and sustainable economic growth, employment, and decent work.

We applied as a World Bank Development Finance Project and emerged as the winner in the first category.

This accomplishment underscores our commitment to advancing human development and is a testament to our fast growth as a global leader in the realm of development finance. The award was received in December 2023, at COP28, in Dubai.

The award serves as a catalyst for continued excellence, motivating us to push the boundaries of innovation and impact as we contribute to the growth of MSMEs.

“
Together with our PFIs, we are ready to embark on this exciting path, ensuring that our efforts contribute meaningfully to the economic prosperity and sustainable development of Nigeria.

Charting a Bold Future: Our Strategic Vision for Accelerated Growth

Our commitment to easing access to finance for MSMEs in Nigeria remains at the forefront of our vision. Having successfully completed our initial 5-year strategy with impactful outcomes, we are excited to unveil our next strategic chapter, characterized by significant growth and an ambitious intent to achieve scale. This strategic vision reflects our commitment to elevating our impact and expanding our reach in the coming years.

Looking ahead, the next five years will be a journey of growth, innovation, and resilience. Together with our PFIs, we are ready to embark on this exciting path, ensuring that our efforts contribute meaningfully to the economic prosperity and sustainable development of Nigeria.

We extend our sincere gratitude for the trust our stakeholders have placed in us. Your support has been instrumental in our journey, and we look forward to continuing this collaborative and mutually beneficial relationship.

As we stride confidently into the future, we remain committed to our core values of sustainability, transparency, excellence, diversity, and innovation. The prospect of achieving scale will shape our trajectory and contribute significantly to improving access to finance for MSMEs.

Together, let us embark on this exciting journey of growth, resilience, and positive transformation.

Thank you for being a part of the DBN story.

Dr Tony Okpanachi
MD/CEO,
Development Bank of Nigeria Plc.



From the Office of the Chief Economist



Prof. Joseph Nnanna CHIEF ECONOMIST

MSMEs in Nigeria faced significant challenges in 2023, due to various government policies that put a strain on their operations and threatened their existence.

Businesses had to grapple with the harsh effects of the Naira redesign policy, removal of subsidies on petroleum products, and exchange rate unification, which elevated their operating costs.

In addition, access to affordable finance continued to pose a significant obstacle for MSMEs in Nigeria, making it cumbersome for these businesses to grow.

As an institution, we are tasked with the responsibility of alleviating the financing constraints of MSMEs in Nigeria, an objective we set out to achieve from day one. In fulfilling this mandate, we strategically identified some key lending indicators, which are used to measure the level of impact the institution makes through the loans it provides.

These indicators include loans to women, youth, first-time borrowers, and geographical spread to ensure no region in the country is left behind. We have so far disbursed over N700 billion to more than 400,000 MSMEs from inception in 2017 to December 2023.

Another major challenge for MSMEs in Nigeria is the unavailability of skills such as managerial capabilities, entrepreneurial skills, and technical expertise among business owners.

Every year, we aim to empower thousands of MSMEs through flagship Entrepreneurship Training Program/Capacity Building Initiatives.

The aim of the program is to upskill business owners and ensure they have the requisite tools to run sustainable businesses. In 2023, we trained over 2000 MSMEs through a combination of online courses and physical in-class training sessions across the six geopolitical zones of Nigeria.

Our annual Monitoring and Evaluation (M&E) exercise celebrates the remarkable impact and transformation achieved through our strategic activities in the MSME sector.

Key findings from the 2023 exercise revealed that 69.3% of our loans in 2022 were allocated to women, underscoring a commitment to gender equity in economic participation.

It also revealed that more than 200,000 jobs have been created by MSMEs in 2022 as a result of the financing received from DBN. Additionally, 57.6% of MSMEs reported an increase in revenue after receiving funding from DBN.

Looking ahead, we will continue to provide support to MSMEs in Nigeria, remain committed in helping them overcome their financial constraints, and provide them with the necessary expertise to manage and sustain their business ventures.

We are committed to being a reliable partner to MSMEs, fostering an environment conducive to their success and contributing to economic prosperity in Nigeria.

Prof. Joseph Nnanna,
Chief Economist

“ More than
**200,000
JOBS**

have been created by MSMEs
in 2022 because of the financing
received from DBN



57.6%
of **MSMEs**

reported an increase in revenue
after receiving funding from DBN.

2. About Us

Development Bank of Nigeria (DBN) Plc was set up by the Federal Government of Nigeria (FGN) in collaboration with global development partners to address the major financing challenges facing MSMEs in Nigeria.



Our main objective is to alleviate financing constraints faced by MSMEs and small corporates in Nigeria. We do this through the provision of financing and partial credit guarantees to eligible financial intermediaries on a market-conforming and fully financially sustainable basis.

We directly contribute to alleviating specific financing constraints that hamper the growth of domestic production and commerce by providing targeted wholesale funding to fill identified enterprise financing gaps in the MSME segment.

In addition, we play a focal and catalytic role in providing funding and risk-sharing facilities by incentivizing financial institutions, predominantly deposit-money and microfinance banks, and improving the capacity of our financial intermediaries by providing them with funding facilities designed to meet the needs of these smaller clients.

Our Partners include:



Our Corporate Philosophy

Our Vision
To be Nigeria's primary development finance institution; promoting growth and sustainability.

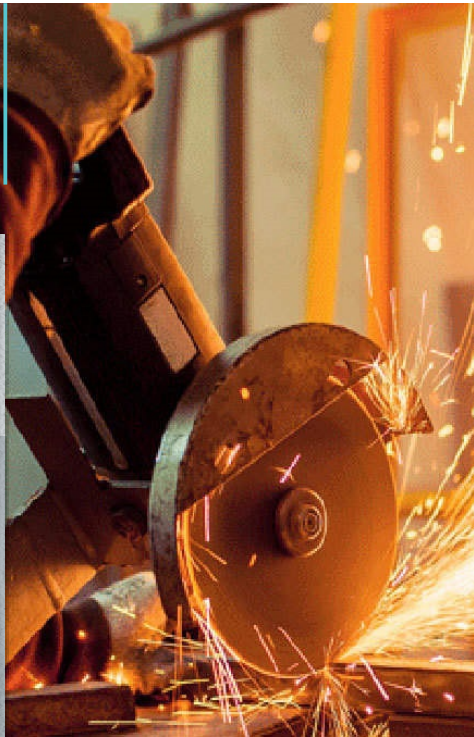


Our Mission
To facilitate sustainable socio-economic development through the provision of finance to Nigeria's underserved MSMEs through eligible financial intermediaries.

Core Values

S	T	E	D	I
Sustainability	Transparency	Excellence	Diversity	Innovation

Our Five-Year Strategic Plan



DBN @ a Glance

Major Highlights



N787bn
Loans Disbursed



Over
494,819
MSMEs impacted



120,326
Youth-owned
MSMEs impacted



53
Employees
(Full-time)



356,451
Women-owned
MSMEs impacted.



69 Participating
Financial
Institutions
On-boarded



Loan Amount
Guaranteed
206 b
by ICGL being a subsidiary of DBN



Head office (Abuja);
Liaison office (Lagos)

OUR
PARTNERS

THE
WORLD
BANK

AFD
AGENCE FRANÇAISE
DE DÉVELOPPEMENT



European
Investment
Bank

KFW

Our Awards



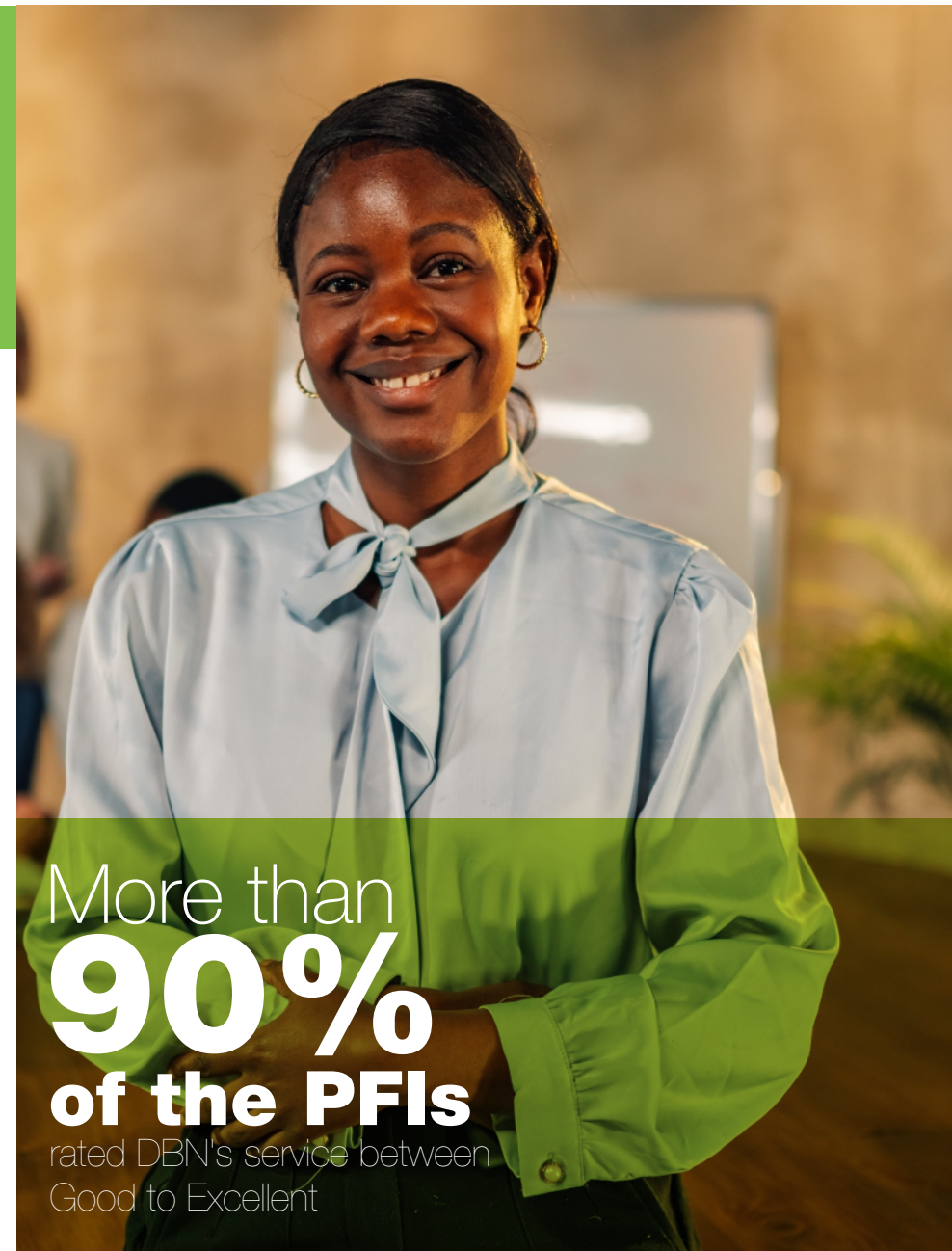
Our Ratings



Customer Satisfaction Feedback

The outcome of DBN's 2023 Customer Satisfaction Feedback and Improvement Survey is as follows:

- 88 percent of PFIs are satisfied with the quality of service received from DBN.
- The Net Promoter Score in 2023 is recorded at 77 percent. This means more than half of PFIs are willing to recommend DBN to their network.
- More than 90% of the PFIs rated DBN's service between Good to Excellent
- All PFIs attest to the fact that DBN's Monitoring & Evaluation process is helpful and received positive feedback on same from the MSME customers.
- PFIs view DBN as a reliable partner they can depend on regularly, and appreciate that DBN stays true to its commitments.
- PFIs rated the process of obtaining loans as timely and easy due to DBN's fast and agile onboarding process.
- PFIs value DBN's innovative offerings, such as relevant product suggestions and training seminars for both PFI staff members and end-borrowers.



More than
90%
of the PFIs

rated DBN's service between
Good to Excellent

3. 2023 Growth Initiatives for the MSME Sector

DBN Entrepreneurship Training Program

In line with our core mandate to build the capacity of MSMEs in Nigeria, we held our 5th Annual Entrepreneurship Training Program in August and September 2023 in Lagos, Abuja, and a maiden edition in Port Harcourt.

We utilized our in-house learning management system, BIZAID, for virtual business training, and partnered with Enterprise Development Centre and Wider Perspectives Limited for face-to-face training.

A total of 1,642 participants registered, with the top 350 invited for a 5-day in-class training in Abuja, Lagos, and Port

Harcourt. The diverse cohort aimed to improve access to finance, fund utilization, and job creation for MSMEs. The training included a pitching competition, with grants awarded to 16 businesses. Post-training mentoring began immediately, and an impact assessment was carried out six months later to measure learning investment returns.



Overview of the Nigerian Micro, Small and Medium Scale Enterprises (MSMEs)



Nigerian businesses, particularly MSMEs, which comprise about 97% of all businesses in Nigeria, and account for about 84% of employment, form a vital pillar of the economy.

However, despite their pivotal role, they suffer from numerous financial challenges, chief among them being the limited availability of funding.

The funding gap for Nigerian businesses is quite significant. In fact, a 2020 PwC survey estimates the funding gap for MSMEs to be about N617.3 billion annually.

According to the National Bureau of Statistics (NBS), less than 5% of MSMEs have been able to access adequate finance for working capital and for funding business expansion.

Data from CBN's annual statistical bulletin also revealed that MSMEs accounted for less than 1% of total commercial banking credit as of 2018.

N617
billion
annual funding gap
for MSMEs

97%
of all businesses
in Nigeria are
MSMEs

Despite their importance in our economy, Nigerian MSMEs struggle to access the funding they require to grow and scale their operations.

According to a study by Enterprise Development Centre (EDC) between 2020-2022, the rejection rate of MSME loan applications by commercial banks was about 50%.

Therefore, most MSMEs believe that the banks are unwilling to finance their businesses.

Capacity Building for MSMEs in the North-East and North-West Regions of Nigeria



MSMEs, particularly in the North-East and North-West regions, face a lot of challenges

In response to these challenges, we organized a one-day capacity-building program in six states of the North-East and North-West regions.

The workshops, conducted in Gombe, Adamawa, Borno, Katsina, Sokoto, and Kebbi states, targeted 1,000 MSMEs but ultimately trained 1,121.

In the North-East, Gombe, Yola, and Maiduguri had 228, 196, and 163

MSMEs respectively, while in the North-West, Katsina, Sokoto, and Kebbi recorded 154, 128, and 252 MSMEs in attendance.

Topics covered included business growth, access to finance, value creation, running an online business, and financial security.

Additionally, in Borno state, trainings on financial inclusion were provided in communities, enhancing literacy, and education especially among the youth, through collaboration with the Ubola Rural Community Foundation (URCF) and OPAY, a fintech partner.

The MSME sector
in Nigeria contributes

48% to the GDP
and employs
84% of the workforce

DBN GAIN Entrepreneurship Masterclass for Women

250
women
were trained
in 2023

Between July and September 2023, we partnered with the Grand Africa Initiative (GAIN) to deliver an empowerment program called the DBN GAIN Entrepreneurship Masterclass for Women.

This program was originally designed to train 200 promising young women entrepreneurs from various regions of Nigeria with the essential knowledge and skills to establish and grow their businesses, fostering job creation and economic empowerment.

However, due to high demand, the DBN GAIN Entrepreneurship Masterclass for Women eventually trained 250 women, marking the second successful edition of the partnership.

“This program came at a time when I needed it. The knowledge acquired can't be monetized, the facilitators did a good job on the topics. This program also gave me a mentor, for which I am grateful to God for as well as DBN & GAIN.”

Blessing Iwuofor,
CEO Gapec Jo Concept Ltd.



“

Many businesses fail as a result of oversights on the part of the owners to get informed and put up the right safeguards.

4. Our Impact

Our development objectives are measured through our contributions to enhancing loan access for youth-owned and women-managed businesses, as well as businesses in economically challenged states. The success of MSMEs in scaling their operations, bolstered by financial access, the support of credit guarantees and capacity building, is gauged by the number of jobs retained and created.

The following are our key impact areas:

- A. Women**
- B. Green**
- C. First-Time Access to Credit**
- D. Focus States**
- E. Youth**



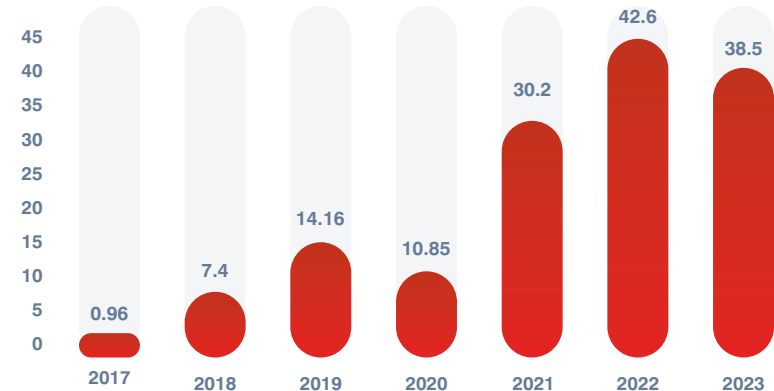
A. WOMEN

We have disbursed a total of N144.8bn to women-owned businesses from inception through 2023.

From N96m disbursed to women-owned businesses in 2017, the following years saw substantial increases: N7.4bn in 2018; N14.16bn in 2019; N10.85bn in 2020; N30.2bn in 2021; N42.6bn in 2022; and N38.5bn in 2023.



DISBURSEMENT TO WOMEN (2017-2023)



A total sum of
N144.8bn
disbursed from
2017 till date

DID
YOU
KNOW

?

We offer a
10% interest rebate

if a loan is given to women with a tenor of 36 months under the Interest Drawback Program.



We promote PFIs with
attractive product benefits for women.



We celebrate



INTERNATIONAL

WOMEN'S

Day

every year, as part of our gender inclusion strategy.



The Journey of Ifeyinwa Obi,

A Trailblazing Pharmacist and Entrepreneur

A decade ago, Ifeyinwa Obi took a bold step, transitioning from a career in Information Technology (IT) to reignite her passion for Pharmacy. This marked the beginning of an inspiring journey, blending her skills in IT and her expertise in Pharmacy to create a unique business model.

As a pharmacist and business owner, she has been actively involved in the business for about six years. She currently manages 3 stores with 21 direct employees, predominantly female.

Ifeyinwa embarked on her entrepreneurial journey facing familiar challenges. Initially, she grappled with the intricacies of the financial landscape to sustain and expand her business. Despite these obstacles, Ifeyinwa's tenacity prevailed. A standout asset for her venture was her IT background, lending a unique strength to her operations.

As a pharmacist, Ifeyinwa voiced concerns over the weight of interest rates, observing how they deter many from seeking bank loans, fearing they would end up toiling solely to repay debts. While Ifeyinwa utilized loans primarily for inventory and opening new branches, she found the available amounts inadequate for substantial expansions.

It was then that Wellmax Pharmacy became a beneficiary of DBN funds facilitated through Access Bank Plc, providing the boost needed for growth and development.



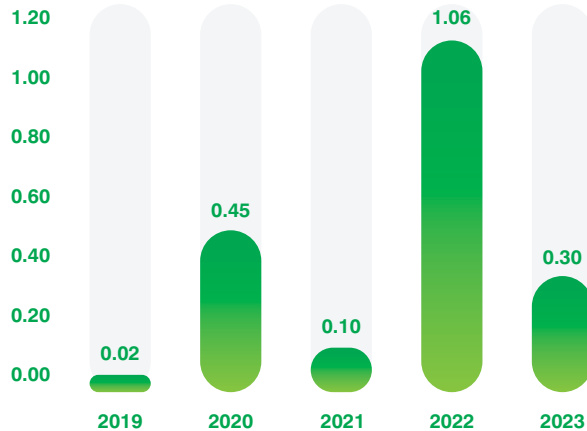
B. Green



Since the launch of the "DBN Green Initiative", there has been a strong commitment to promoting environmental sustainability through financial support for green projects. Starting with a modest N200m in its first year, the initiative has grown significantly, with total disbursements reaching approximately N1.934 billion by 2023.

Over the years, the DBN Green Initiative has financed a diverse range of projects that cut across various sectors such as trade and commerce, hospitality, manufacturing, and others critical to the economy

DISBURSEMENT TO GREEN MSMEs (Bn)



Total disbursement for Green projects
N1.934bn

DID
YOU
KNOW?

The DBN Green Initiative is not just investing money, it's sowing seeds for a sustainable future.

A Visionary Leader Transforming **The Wood and Door Manufacturing Industry**

For over 16 years, Bonny Orizu has been at the forefront of the wood and door manufacturing industry, demonstrating a remarkable blend of passion, business acumen, and commitment to Nigeria's economic development. His journey is a story of dedication, innovation, and a strong belief in the transformative power of manufacturing to create employment opportunities and foster national growth.



A Passion for Production and National Development

Bonny's venture into the manufacturing sector was driven by more than just a desire for business success. With a broad vision for national development, he recognized the limitations of a consumer-based economy and set out to contribute to Nigeria's growth through production and manufacturing.

His belief in empowering and employing the youth, transferring technology, and adding value across the production chain has been the cornerstone of his business philosophy.

"I'm deeply invested in manufacturing because I believe it's the cornerstone for Nigeria's development; we can't just rely on consumption; we need to create real opportunities and transfer technology to our youths."





Overcoming Challenges with DBN's Support

Like many in the manufacturing sector, Bonny has faced significant challenges, from navigating complex financial landscapes to dealing with infrastructural hurdles. Despite these obstacles, his resilience and determination have been unwavering. His advocacy for better support for the manufacturing sector aligns with DBN's mission to facilitate sustainable economic growth through access to finance.

Through a partnership with one of DBN's Participating Financial Institutions (PFIs), Bonny has been able to access financing tailored to the needs of MSMEs. However, he has highlighted the difficulties in managing high-interest rates and short loan tenures, which are common challenges for manufacturers.

DBN's role in providing credit guarantees and working with PFIs to offer more favourable loan terms has been crucial in helping businesses like Bonny's navigate these financial challenges.

A Commitment to Employment and Gender Balance

Bonny's commitment to employment and gender balance is evident in his workforce, which currently employs 56 workers, including a commendable number of women. His management philosophy centres on fairness and opportunity for all, regardless of gender.

With DBN's support, Bonny has been able to maintain consistent salary payments, with an average salary of N55,000, well above the current national minimum wage. This not only motivates his workforce but also contributes to the economic stability of their families and the broader community.

Opportunities and Aspirations

Despite the hurdles, Bonny remains optimistic about the future of Nigeria's manufacturing sector. With DBN's continued support, he envisions a future where increased production capacity meets the nation's housing and infrastructure needs, creating a ripple effect of employment and economic growth.

His expansion plans, though cautious due to the challenging financial environment, are bolstered by the opportunities DBN provides through innovative and sustainable financial products designed to support MSMEs..

“ Through a partnership with one of DBN's Participating Financial Institutions (PFIs), Bonny has been able to access financing tailored to the needs of MSMEs.

Empowering Healthcare Entrepreneurs in Akwa Ibom State

The Story of Safe Hand Healthcare and Medical Diagnostics

Mr. Usoro Uduak Friday Godswill, the visionary behind Safe Hand Healthcare and Medical Diagnostics, embarked on his entrepreneurial journey in May 2020 with a clear mission: to make a meaningful impact on the healthcare sector in Uyo, Akwa Ibom State.

Starting from a modest branch on Atiku Abubakar Road, Uyo, Mr. Usoro offered limited medical services, including scans. However, the journey was not without its challenges. As a sole proprietor without external financial support, Mr. Usoro navigated the unpredictable tides of Nigeria's economy, striving to provide quality healthcare services to his community.

The Need for Expansion

As the demand for medical services in Uyo grew, so did the need for expansion and additional staff at Safe Hand Healthcare. Mr. Usoro found himself at a crucial juncture, seeking ways to finance his business's growth.

He approached several banks in pursuit of the necessary funding, but the loan application processes were fraught with bureaucratic obstacles and frustrating delays. Despite his best efforts, securing a loan from traditional banks remained a significant challenge.

A Lifeline from a Bank Supported by DBN

Undeterred by the setbacks, Mr. Usoro's determination to expand his healthcare services never wavered. His breakthrough came when he shared his challenges with a friend, Kingsley, who worked at a Participating Financial Institution (PFI) under the Development Bank of Nigeria (DBN).

This connection marked a turning point in his journey. Supported by DBN's wholesale funding model, the Bank provided Mr. Usoro with a loan of two million naira.

Overcoming Challenges and Building Success

Despite the initial hurdles, Mr. Usoro successfully secured the loan and strategically invested it in upgrading his medical laboratory's facilities. The funds were used to acquire state-of-the-art medical equipment, significantly expanding the range of services offered to clients.

This investment not only boosted the business's revenue but also enabled Safe Hand Healthcare to meet the growing healthcare needs of the community more effectively. The support from DBN, through its PFI, played a pivotal role in empowering Mr. Usoro to enhance the quality and scope of his services.

Impact on the Community

The positive impact of the loan extended beyond the business itself. With the improved facilities and expanded service offerings, Safe Hand Healthcare became a vital healthcare resource for the community in Uyo.

The increased capacity also allowed Mr. Usoro to create employment opportunities, growing his team to 18 individuals, with a commendable emphasis on gender inclusivity, 12 of his employees are female, and 6 are male. This growth not only contributed to the local economy but also addressed critical healthcare needs in the region.

Promising Future

Looking ahead, Mr. Usoro envisions a bright and expansive future for Safe Hand Healthcare. He plans to further develop his business by offering a complete diagnostic program and potentially partnering with an optician.

The ownership of the building and the modern facilities, supported by the financial backing from DBN has positioned Safe Hand Healthcare for sustained growth and long-term success.

Challenges and Recommendations

While Mr. Usoro's journey has been marked by significant achievements, he acknowledges the ongoing challenges that MSMEs face in accessing loans from traditional banks. He emphasizes the need for policy reforms to streamline the loan acquisition process, reduce interest rates, and make financing more accessible for small businesses.

He also advocates for banks to offer training and support to entrepreneurs to optimize loan utilization and ensure successful repayment.

In alignment with this, the DBN capacity-building program includes courses like credit management and access to finance, designed to enhance MSMEs' ability to access and manage funds effectively.

“

Despite the initial hurdles, Mr. Usoro successfully secured the loan and strategically invested it in upgrading his medical laboratory's facilities.

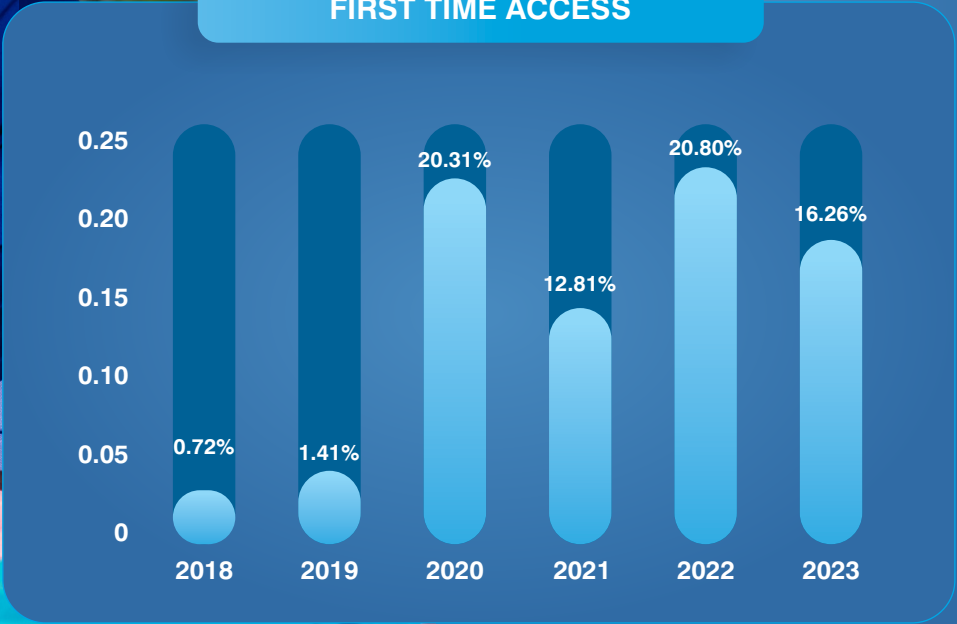


C. First-time Access

DID
YOU
KNOW

DBN disburses funds to PFIs with products for first-time access, including mortgages of shops for first-time businesses.

FIRST TIME ACCESS



From Determination to Prosperity:

Nba Queeneth's Inspiring Business Journey

The Inspiration

Six years ago, Nba Queeneth embarked on a transformative journey into entrepreneurship, driven by a singular goal: to succeed and achieve financial independence. Her unwavering determination and ambition led her to take her first steps into the world of business, with a vision to rise above her circumstances and create a better life for herself.

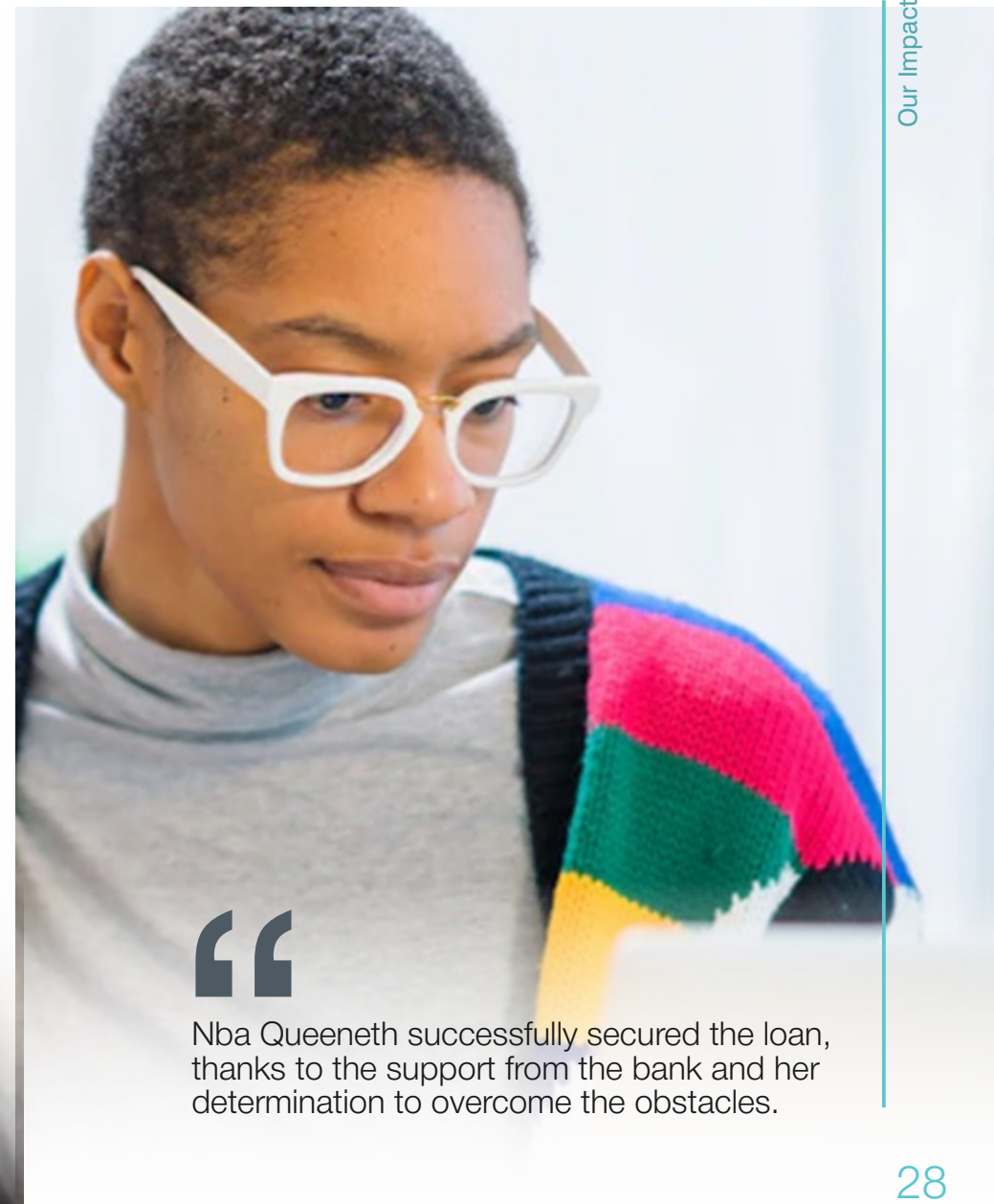
Accessing Loans

Understanding that access to capital was crucial for the growth and sustainability of her business, Nba Queeneth sought financial support. She discovered a loan opportunity through a friend working at one of DBN's Participating Financial Institutions, and that marked a turning point in her entrepreneurial journey.

However, accessing the loan came with its own set of challenges. Although, accessing credit for the first time came with its own challenges, Nba Queeneth successfully secured the loan, thanks to the support from the bank and her determination to overcome the obstacles.

The loan enabled her to stock her shop with in-demand products, which significantly boosted her business. Her revenue began to grow steadily, and her shop thrived as a result of her hard work and resourcefulness.

Nba Queeneth's journey underscores the importance of perseverance and seizing opportunities. She hopes her story will inspire others, particularly women, to pursue their dreams with confidence. She advocates for the need for continued financial support and encouragement for small business owners.



“

Nba Queeneth successfully secured the loan, thanks to the support from the bank and her determination to overcome the obstacles.



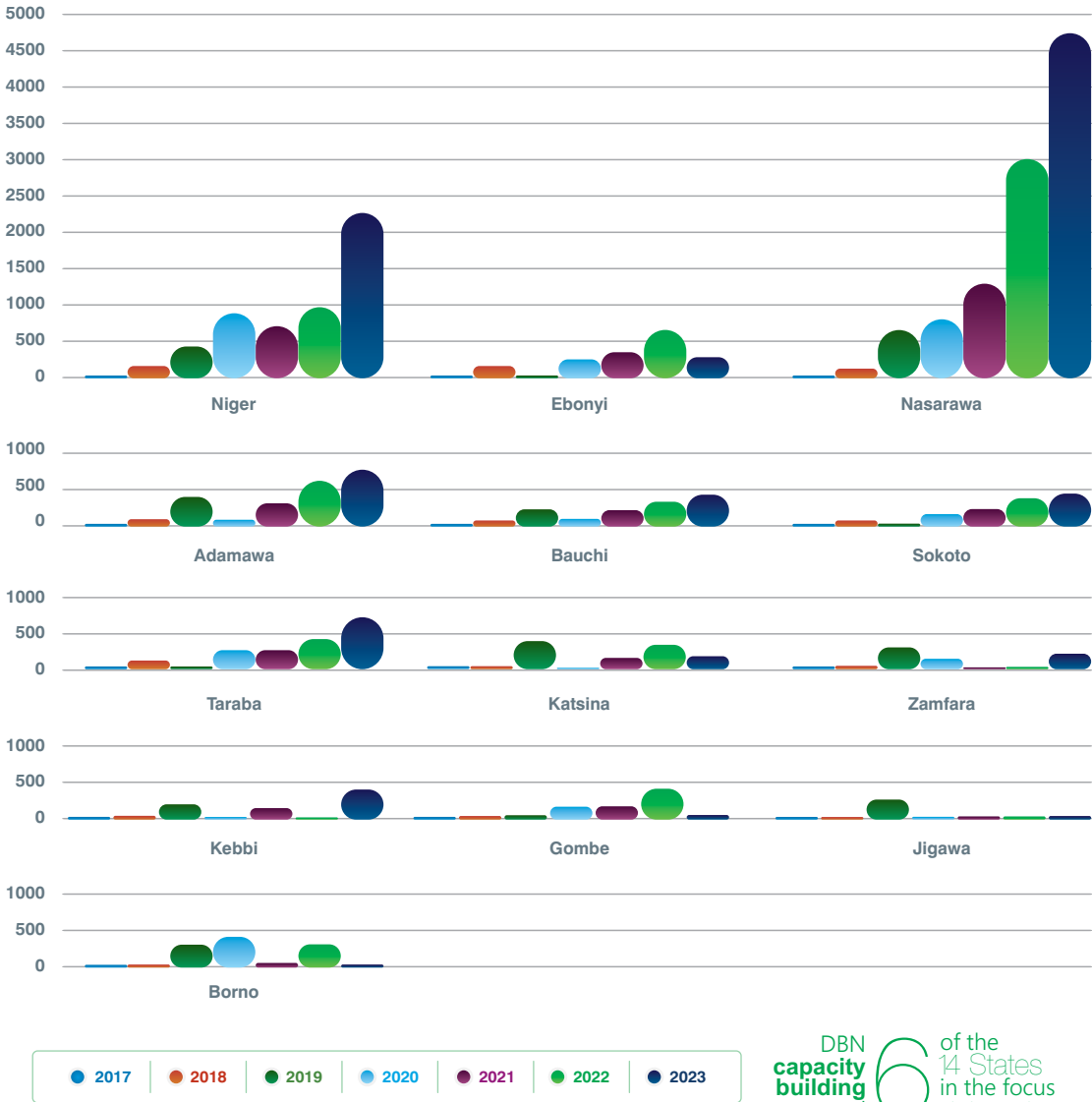
D. Focus States

One of DBN's key impact themes is to enhance the "number and diversity of MSMEs accessing finance" across all six geopolitical zones, with a particular emphasis on select focus states.

These focus states are economically disadvantaged regions characterized by low levels of MSME activity and limited human capital development. DBN aims to stimulate economic growth and foster the creation of new businesses in these areas, driving sustainable development and expanding opportunities for entrepreneurship.

Our focus states are Niger, Ebonyi, Nasarawa, Adamawa, Bauchi, Sokoto, Taraba, Katsina, Zamfara, Kebbi, Gombe, Jigawa, Borno, Bayelsa and Yobe.

In 2017, we disbursed N12.48m to focus states: N352m in 2018; N3.44B in 2019; N2.95B in 2020; N2.978B in 2021 and N8.395B in 2022.



DBN
capacity
building
covered 6 of the
14 States
in the focus
states category.

Resilience in Tailoring:

Lucy Lazarus' Journey from Passion to Profession

Background and Business Genesis

Within the community of Muazu Layout, Yelwan Kagadama, Bauchi, Lucy Lazarus exemplifies resilience and dedication in the Nigerian MSME sector.

With 19 years of experience in the tailoring business, Lucy's journey reflects perseverance and self-empowerment. Her venture into tailoring was driven by a need to contribute to her household's income and address the unemployment challenges after secondary education.

Lucy's Entrepreneurial Path and Partnership with a DBN PFI

As the sole proprietor and manager of her home-based tailoring business, Lucy has shown unwavering commitment to her craft. Despite the challenges of relinquishing her shop due

to unforeseen circumstances, she continues to thrive and mentor over 20 individuals in tailoring, demonstrating her leadership and skill in the community.

Lucy's interaction with one of DBN's Participating Financial Institution, began at a religious gathering, where she was introduced to essential financial support for her business.

The straightforward loan application process allowed her to efficiently allocate resources between her tailoring business and her husband's venture, contributing to a successful family business model.

"Yes, I was informed about all the criteria involved, and I accepted it and collected the loan..."



Loan Utilization and Business Operations

Lucy's prudent financial management is evident in her strategic use of the loan. She allocated 40% of the funds to her tailoring business and 60% to her husband's venture.

This careful diversification helped both businesses maintain a robust repayment schedule. Despite some challenges with delayed loan disbursement and personal health issues, Lucy managed to effectively utilize the funds to support her business operations.

Challenges and Employee Dynamics

Operating solo, Lucy focuses on training rather than employing, dedicating herself to educating women in tailoring.

Her commitment to skill development reflects her dedication to empowering others and contributing positively to her community.

Revenue and Business Growth

Lucy's journey has been characterized by highs and lows. The loan from the PFI enabled her to purchase essential sewing materials, which played a crucial role in sustaining and growing her business. Her ability to adapt and persevere despite challenges has been instrumental in her continued success.

Lucy's experience with the PFI has been marked by their honesty and fulfillment of promises. She acknowledges the importance of timely financial support and robust customer relations in the survival and growth of MSMEs.

Looking forward, Lucy remains optimistic about her business's future and is committed to continuing her work and expanding her impact.

“ The loan from the PFI enabled Lucy to purchase essential sewing materials, which played a crucial role in sustaining and growing her business.

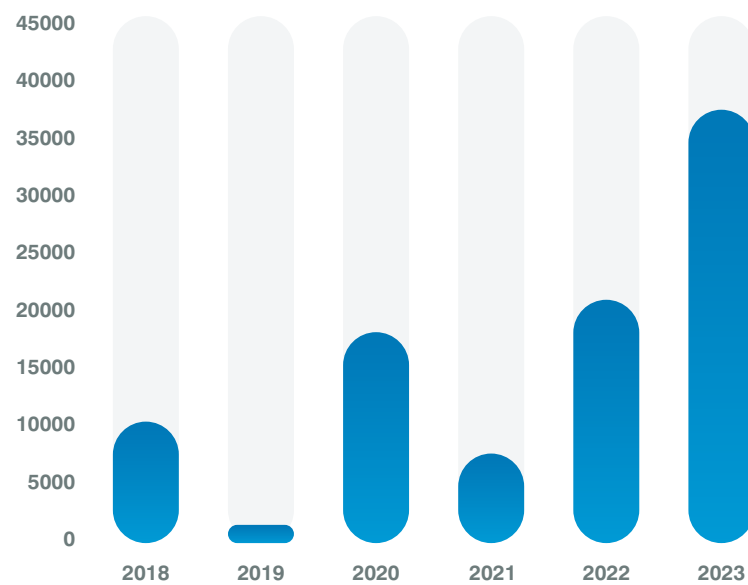


E. Youth

Since inception, we have made significant strides in supporting the economic empowerment of young people across the nation.

As of 2023, we have allocated a substantial N71.97 billion to youth-focused initiatives and enterprises, accounting for 11.96% of our total loan volume. This funding has supported a total of 120,320 youth-led businesses, highlighting our targeted approach to fostering entrepreneurial activities and economic growth among the younger demography.

NUMBER OF YOUTHS SUPPORTED



As of 2023, DBN has allocated a substantial N71.97 billion to youth-focused initiatives and enterprises

DBN champions young innovators with substantial financial investments!

DID YOU KNOW?

Unveiling Victor Nnamdi:

The Youthful Trailblazer in Lagos's Textile Business

Victor Nnamdi, a young entrepreneur in Lagos' textile industry, exemplifies resilience, ambition, and the transformative power of access to capital. Starting as an apprentice, he honed his skills before launching his own business.

One of DBN's PFIs provided a pivotal opportunity, approving his loan swiftly with an affordable interest rate.

“

Starting as an apprentice, he honed his skills before launching his own business.

Access to capital proved instrumental, allowing him to increase profits and provide employment opportunities. Despite economic challenges, Victor remains optimistic, with plans to expand his shop and become a distributor.

He praises Infinity Microfinance Bank for their support but suggests improvements in loan application requirements.

Reflecting on his journey, he emphasized, "It's money! If you give me more money, I will expand my business, if you give me more money, I will be independent; I will be importing my goods." Victor's youthful and entrepreneurial spirit underscore his determination and vision for a brighter future.



5. Our Theory of Change

Despite being a major driver of Nigeria's economy, employing about 90% of the workforce and contributing over 45% to the GDP, there is a significant funding gap for MSMEs. DBN was established to address this through several strategies:

Providing wholesale funding to eligible financial intermediaries (PFIs), thereby enhancing their ability to offer more diverse loans to underserved MSMEs.

Offering partial credit guarantees to PFIs, increasing their willingness to lend to the high-risk MSME sector.

Delivering technical assistance to improve PFIs' understanding of the MSME sector, enabling them to offer more suitable products and services.

These actions are intended to improve MSMEs' access to finance, thereby supporting Nigeria's socio-economic development through job creation and business growth.

The theory of change relies on assumptions that PFIs will find MSME lending attractive, engagement with regulators will mitigate unfavorable policies, structured financial access will boost MSME growth, and that financing will lead to job creation and sector formalization.

Our approach and its impact are assessed through various learning questions, including the transformation of the lending environment, socio-economic growth for MSMEs, our operational sustainability, and the effectiveness of our influencing and capacity-building efforts.

Monitoring & Evaluation Cycle

The evaluation process for our activities operate at three levels: PFI, MSME, and Ecosystem. The process aims to assess whether the desired development outcomes are achieved using a robust Monitoring and Evaluation (M&E) framework that includes 29 indicators. This M&E process is conducted in two parts:

Quarterly Internal Reviews: We analyse data from PFIs every quarter to gain insights into lending patterns, including the sector, gender, age distribution of loans, as well as first-time access rates.

This analysis helps inform our product development by comparing the performance of our loan portfolio against established development targets.

Annual External Evaluations: An independent consulting firm annually evaluates our performance using all 29 indicators to ensure unbiased results.

The firm employs a mix of qualitative and quantitative research methods, beginning with a detailed review of internal reports and databases.

This is followed by randomized sampling and data collection, independent of DBN and PFIs, to maintain the integrity of the data.

The evaluation's findings, including any unintended consequences, are presented to the Board Committee and summarized in our Integrated Report for public viewing.

To read the full 2023 Integrated Report, please go to: bit.ly/DBNIR23



These evaluation processes help us align our operations with our core development impact objectives and refine our strategies and policies accordingly.

2023 Monitoring & Evaluation Exercise

The 2023 Monitoring & Evaluation (M&E) exercise highlighted the substantial impact of our strategic loans to the MSME sector. The evaluation showcased our efforts in driving growth, resilience, and sustainability across various sectors.

42.9% of MSMEs reported creating new jobs, resulting in an estimated **207,634** additional jobs, with the education sector leading in job creation.

The education sector generated an average of **30.5 new jobs** per MSME, showcasing our significant impact on employment.

Sectors such as arts, entertainment, human health, social work, and manufacturing also demonstrated notable job creation rates

57.6% of businesses reported increased revenue following funding from DBN, with sectors like education and healthcare showing tangible improvements in facilities and accessibility, reflecting our commitment to societal development and human capital enhancement in Nigeria.

6. Credit Guarantees

Impact Credit Guarantee Limited (ICGL) is a fully owned subsidiary of the Development Bank of Nigeria Plc, established in 2019 to fulfill one of our three mandates – the provision of partial credit guarantees to PFIs encouraging them to take the risk of lending to MSMEs.



To drive the company's mandate and actualise the mission of alleviating MSMEs financial constraints, ICGL currently offers two types of credit guarantee products to onboarded participating/partner financial institutions on loans granted to MSMEs.

The following are the product offerings:

Individual Guarantees
Guarantees are single loans made by a financial institution to a single borrower whose identity is known to the guarantor. The guarantee decision is at the discretion of ICGL after individual appraisal.

Blanket Guarantees
Guarantees are homogeneous loan products of financial institutions and the authority to decide on the guarantee is vested with the PFIs

Vision

To be a leading nationwide sustainable credit guarantee company, facilitating access to finance to MSMEs through eligible PFIs.

Mission

To improve access to finance for MSMEs in Nigeria through the provision of partial credit guarantees and providing technical assistance to PFIs.

Mandate

To facilitate access to finance among MSMEs through eligible PFIs in a sustainable and market-oriented way by providing credit guarantees and technical assistance to PFIs.

Core Values



Collaboration



Integrity



Diversity



Innovation



Sustainability

ICGL's product offerings have the following characteristics:

Guarantee coverage of
60%
of the loan amount

Maximum loan size of
N200m & N720m
for MSMEs and small corporates respectively

Maximum loan tenor of
05
years

Sector Agnostic



N876m
Total Claims Paid

16 Participating Financial Institutions Onboarded

ICGL faced a demanding business environment during the 2023 financial year, marked by persistent inflation, a depreciating Naira, sluggish GDP growth, and diminishing foreign currency reserves. These macroeconomic challenges exerted significant pressure on MSMEs, which are particularly susceptible to economic fluctuations.

Despite these headwinds, as at December 31, 2023, ICGL successfully guaranteed over N206 billion in loans, aiding more than 53,358 MSMEs and small corporations across Nigeria.



Impact Sheet

AS OF DECEMBER 2023

As of 31 December 2023, Impact Credit Guarantee Limited has **guaranteed over N206 billion loans** and **supported 53,358 over MSME's and small corporates** in Nigeria.

Total Loan Amount Guaranteed
N206 billion

No of MSME's & Small Corporates supported
53,358

Count of Guarantees Issued
76,269

20%
% of Loans Guaranteed to Women

19%
% of Loans Guaranteed to Youths

50%
% of Loans Guaranteed to first-time borrowers

Total Jobs Supported since Inception
141,800

Total Jobs created since Inception
5,653

in f Impact Credit Guarantee |   impactguarantee

 impactguaranteeeng.com

Glossary

AADFI	Association of African Development Finance Institutions
AFD	French Agency for Development
AfDB	African Development Bank
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
DBN	Development Bank of Nigeria
DFIs	Development Finance Institutions
EIB	European Investment Bank
FGN	Federal Government of Nigeria
FMOF	Federal Ministry of Finance
GAIN	Grand Africa Initiative
GDP	Gross Domestic Product
HDI	Human Development Index
IBRD	International Bank for Reconstruction and Development

ICGL	Impact Credit Guarantee Limited
ISO	International Organization for Standardization
IT	Information Technology
KfW	Kreditanstalt für Wiederaufbau (German State-owned Development Bank)
KPI	Key Performance Indicator
M&E	Monitoring & Evaluation
MSMEs	Micro, Small and Medium Enterprises
NASME	Nigerian Association of Small and Medium Enterprises
NBS	Nigerian Bureau of Statistics
PFI	Participating Financial Institution
PwC	PricewaterhouseCoopers
SDGS	Sustainable Development Goals
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria

