DBN
Development Bank of Nigeria
RC 1215724

2021

IMPACT REPORT

@DevBankNG

contents

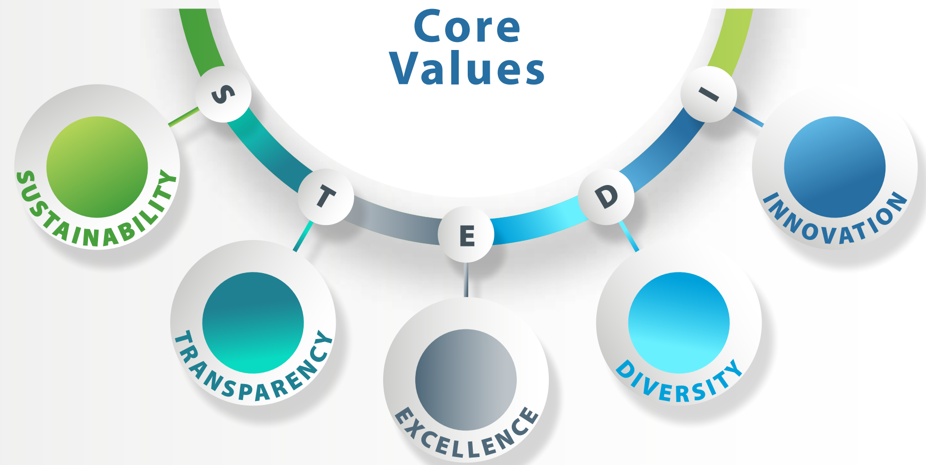
Our Corporate Philosophy

History of the Development Bank of Nigeria

The Development Bank of Nigeria (DBN) was conceived by the Federal Government of Nigeria (FGN) in collaboration with global development partners to address the major financing challenges facing Micro, Small and Medium Scale Enterprises (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 incentivising 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.



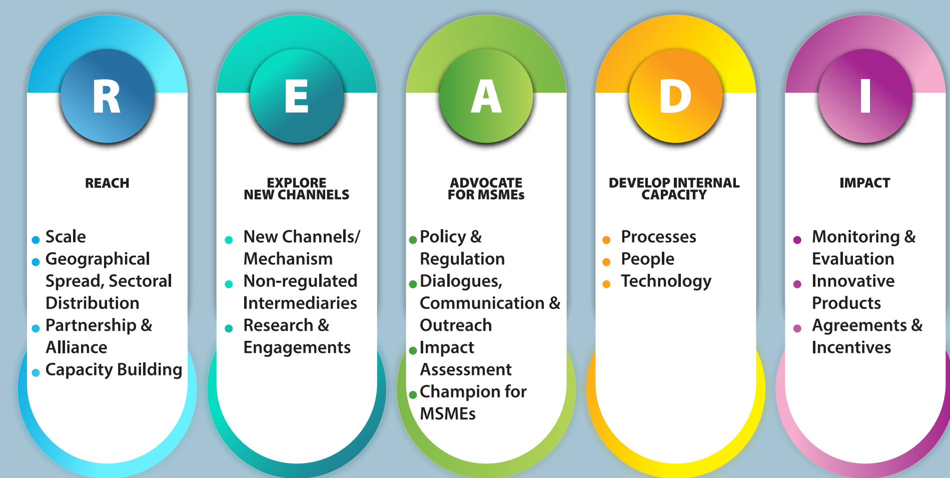
Our Vision

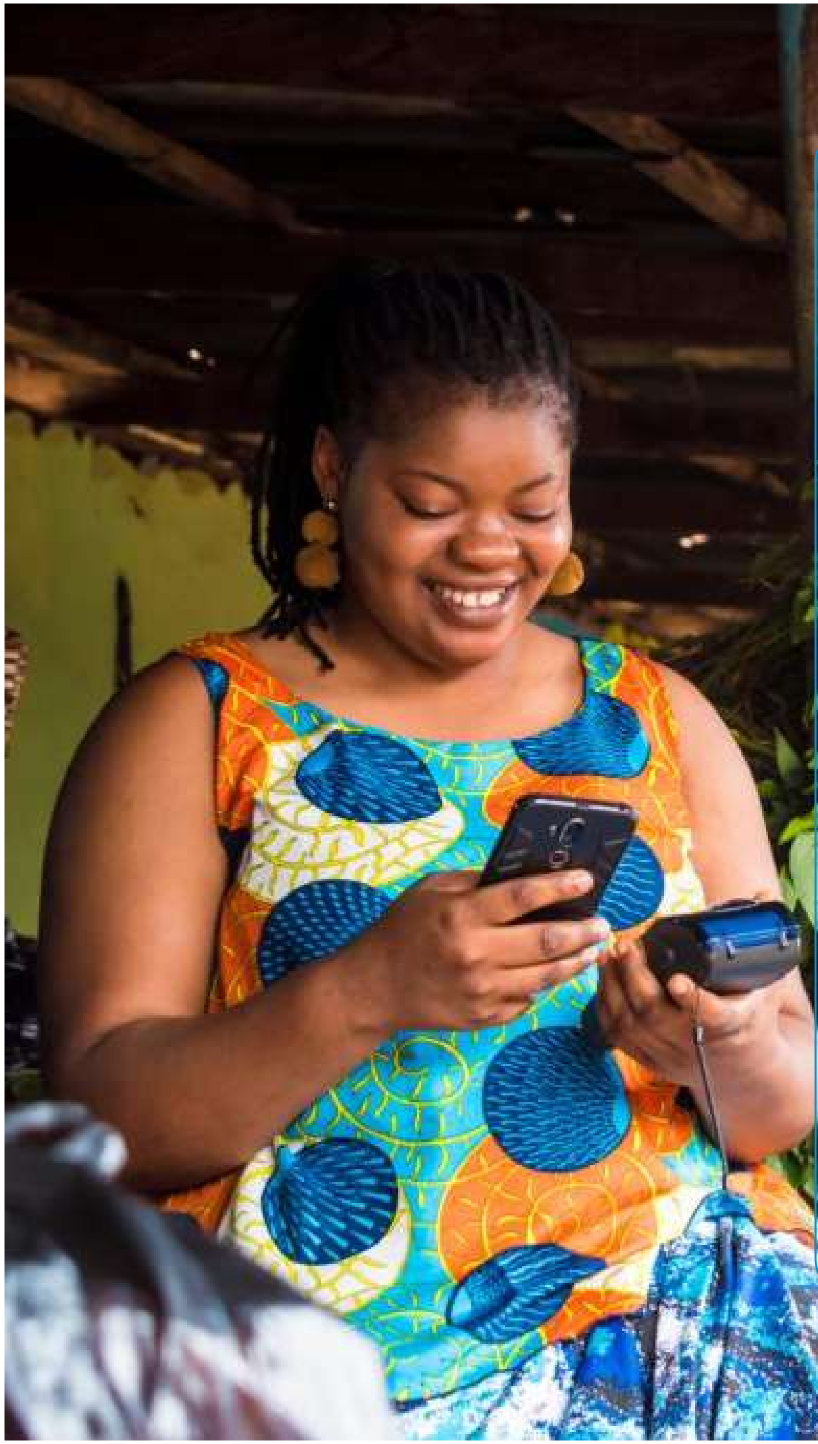
To be Nigeria's primary development finance institution; promoting growth and sustainability.

Our Mission

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

Our Five-Year Strategic Plan





Our Mandate

The MSME sector plays a vital role with about 40 million of them operating in all sectors of the Nigerian economy, employing over 60% of the country's workforce and providing a livelihood for most homes.

Despite their importance, MSMEs face financing constraints which limit their ability to grow. These financing constraints include lack of sufficient, long term funding, lack of capacity to access funds and inability of lenders to adequately assess the creditworthiness of MSMEs.

DBN works to alleviate these financing constraints through eligible financial intermediaries on a market-conforming and fully financially sustainable basis.

The Bank also provides capacity building and technical assistance to MSMEs and Participating Financial Institutions (PFIs)to upscale the capacity of the PFIs to lend to MSMEs and build the capacity of MSMEs to access and use debt.

Our Value Proposition

Structure

We are a Wholesale Development Financial Institution. We provide loans to PFIs (Commercial banks, other DFIs, Microfinance banks) who then lend directly to MSMEs.

Lending

We provide longer tenor loans to support the development of MSMEs. Our pricing is risk based, which is dependent on the risk of the obligor.

Value Addition

We help PFIs and MSMEs build capacity. We also influence the lending behaviour of PFIs to ensure that MSMEs get the best value.

Performance

We operate a sustainable model with no reliance on government grants and funds. Our impact is measured by our market share.

Corporate Governance

Our corporate governance policies are ethical, comply with international best practice, and are monitored by our development partners.

Major Highlights

(as at December 31st 2021)

Over **208,000 MSMEs**

27% Youth-owned MSMEs

Loans Disbursed **N482bn**

66% Women-owned MSMEs

Head Office (Abuja);

Liaison Office (Lagos)

51 PFIs On-boarded

Subsidiary **ICGL**

IMPACT CREDIT GUARANTEE LIMITED

A Subsidiary of Development Bank of Nigeria Plc

A credit guarantee company

Our Partners include:

FEDERAL GOVERNMENT OF NIGERIA

WORLD BANK GROUP

European Investment Bank

AFD

KFW

48 Employees

DBN Ratings

Agusto&Co. Research, Credit Ratings, Credit Risk Management

GCR RATINGS

AIAFD AADFI

ISO 27001 Information Security Management Certified

The triple ISO certification

DBN was awarded the globally recognized ISO 27001:2013, 22301:2019 and 20000 certification. This provides assurance of the Bank's Information Security Management System (ISMS), Business Continuity processes and Service Management System.

ISO International Organization for Standardization

NITDA National Data Protection Regulation (NDPR) Certification

The Bank underwent the NDPR Privacy audit and achieved the regulator's assurance of effective data protection controls and privacy practices.

DBN Customer Satisfaction Feedback

100% of our Participating Financial Institutions promoting access to finance for MSMEs **were satisfied with DBN and its services in 2021,** growing from 96% in 2020.

As against a global average of 30% Net Promoter Score in B2B markets, **the Development Bank of Nigeria in 2021 recorded a world class average Net Promoter Score of 96%** which implies that virtually all of DBN's PFIs would be happy to promote DBN and its message within their network.

96% of our PFIs also alluded to DBN's timeliness and responsiveness, ranking DBN very high in their experience with the Bank.

In the same vein, **most of our PFIs believe DBN goes over and beyond in resolving their issues and complaints.**

All our PFIs believe that DBN is a customer-focused Bank with **95% of them agreeing that the DBN team provides them great customer service.**

91% of our PFIs also believe DBN has simplified transaction processes which makes it easy for them to transact with the Bank

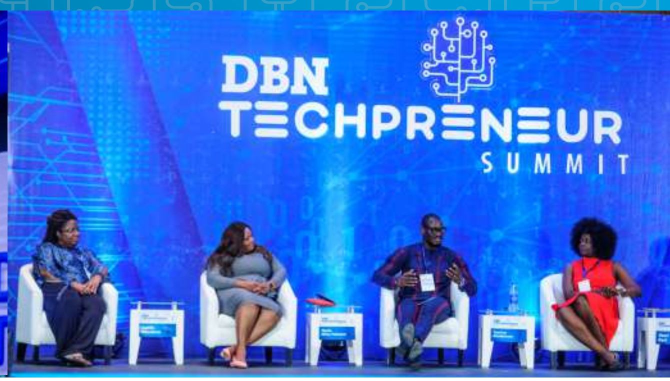
DBN TECHPRENEUR SUMMIT

In 2021, DBN held its inaugural Tech-preneur Summit in October. The central objective was to broaden the understanding of technopreneurs concerning available debt funding and mentorship opportunities for MSMEs within the sector and discuss practical steps to resolving some of the obstacles that inhibit the growth of those businesses.

The event also aimed to upskill tech businesses with knowledge on how to access reliable credit, efficiently utilize funds, and improve their business structure to ensure attractiveness to the market.

For other stakeholders in the SME segment, it also aimed to provide a better understanding of the problems faced by tech businesses and enable engagement with members of this segment to effectively provide solutions to those problems.

Most importantly, the Bank intends to use this initiative to isolate MSMEs into relevant sector-based clusters whose needs would be addressed by means of capacity building or CSR in the long term



Annual Lecture Series

As part of the Development Bank of Nigeria's advocacy drive for MSMEs, The Bank launched the DBN Annual Lecture Series in July 2019, a thought leadership initiative which provides a platform for a robust exchange of ideas to meet the challenges and opportunities that exist in the MSME segment of the economy.

The lecture aims to understand the challenges being faced by MSMEs in accessing funding for their businesses. The ultimate objective being to proffer practical solutions to the issues as a way of promoting sustainable growth.

The 2021 edition held on August 31st with the theme ***"Resilient Innovation: MSMEs' Adaptability in Uncertain Times".***

DBN Service Ambassadors Awards

In commemoration of the 2021 Customers Service Week, Development Bank of Nigeria celebrated its Participating Financial Institutions (PFIs), with a Service Ambassadors Awards ceremony, in recognition of their contribution to the growth of Micro, Small and Medium Scale Enterprises in Nigeria.

At the event, Access Bank, LAPO Microfinance Bank, Fidelity Bank and First City Monument Bank(FCMB), received recognition awards from DBN as most active PFIs in loan disbursement to MSMEs in Nigeria for the year 2020.

Access Bank and First City Monument Bank were both bestowed with a Platinum Service Ambassador award for showing support and providing innovative solutions for SMEs affected by The Covid-19 pandemic. In addition, FCMB also got a recognition award for recording the most impact in terms of total end-borrowers financed.

LAPO Microfinance Bank, was awarded as the Bank with Highest Loan Disbursement to Youth and Women Owned SMEs. Fidelity Bank bagged the award of having Highest Loan Disbursement to DBN Focused Locations. Wema Bank Plc. received a Special Recognition Award as the first commercial Bank to draw from the DBN financing scheme and for being committed to driving growth in the MSME ecosystem


DBN
Development Bank of Nigeria
AWARDS
FINANCING

Entrepreneurship World Cup

- A Life-changing Experience

The Entrepreneurship World Cup entrepreneurshipworldcup.com (EWC) *is a global program organized by the Misk Foundation and the Global Entrepreneurship Network (GEN) across more than 100 countries. To date, more than 60 countries are now part of EWC and approximately 100,000 entrepreneurs from around the globe have registered to take part in the competition. It combines a broad-reaching pitch competition, aimed at ventures ranging from idea stage to growth stage, with a virtual accelerator program to help all participants launch, strengthen and scale their enterprises.*

SUSTAINABILITY @ DBN

DBN's sustainability strategy integrates local and international regulation while staying true to our corporate strategy

DBN recognizes that good business and success is strongly linked to sustainable practices. DBN's journey to becoming a more sustainable bank gained momentum with the establishment of a cross-functional sustainability working team and articulation of high-level plans.

DBN's strategic focus targets objectives outlined under the Nigerian Sustainable Banking Principles (NSBPs), the United Nations Sustainable Development Goals (SDGs), and the Sustainability Standards Certification Initiative (SSCI). Alignment of DBN's operations, processes and activities will ensure synergy between DBN's strategy and local and international sustainable principles.

Specifically, we made progress in the following Sustainable Development Goal Areas:

SDG Area	Description	2021 Activities
1 NO POVERTY	No Poverty	• N159bn loans disbursed in 2021 • Increased staff strength and average staff salary by MSMEs following loan collection (see the section on M&E exercise)
5 GENDER EQUALITY	Gender Equality	• The International Women's Day (IWD) celebration held on March 8th • 38,942 jobs created by women owned end-borrowers in 2020 • % of female staff - 40%
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work & Economic Growth	• An estimate of 119,498 jobs created by loan beneficiaries as captured in the 2021 M&E Report
10 REDUCED INEQUALITIES	Reduced Inequalities	• No gender pay gap • Equal learning opportunities for all • Inclusive workplace culture • Anti-discrimination/harassment policies
13 CLIMATE ACTION	Climate Action	• A total of 1,032.6kg recycled based on recycling activities out of Lagos and Abuja offices • 3.56 MT of CO_2 Emission saved • Equivalent of 9 cars taken off the streets • 3 children sponsored through DBN recycled waste program
17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals	• Continuation of Sustainability Community of Practice for Micro-finance Banks • Attendance of COP26 conference in Glasgow, Scotland • Joined the board of the Montreal Group Sustainability and Strategy Sub-Committees

We have also achieved good mileage across the Nigerian Sustainable Banking Principles:

#	NSBP Area	Achievements in 2021
1	Business Activities	100% loans screened for E&S Robust E&S processes Comprehensive risk management processes and oversight
2	Business Operations	Continuous progress on recycling Initiatives in Lagos and Abuja Implementation of Procurement Sustainability policies Developed enterprise-wide Digital Strategy
3	Human Rights	Adherence to local and international human rights regulation and internal business practices
4	Women's Economic Empowerment	IWD 2021 celebration Development of a women's product
5	Financial Inclusion	Membership of industry committees focused on Financial Inclusion: Technical Committee on Financial Inclusion
6	Environmental and Social Governance	Board level oversight of sustainability initiatives through Board Ethics Committee Creation of internal sustainability working committee
7	Capacity Building	In 2021 we held the following trainings: PFI training- Virtual capacity building for 75 participants spread across DBN, ICGL and 4 PFIs Held annual DBN Entrepreneurship program Delivered a total of 5,440 employee learning hours across various focus areas Training held for Sustainability Community of Practice forum for MFBs
8	Collaborative Partnerships	We continue to partner with the following industry stakeholders: • Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) • SME Finance Forum • Nigerian Association of Small and Medium Enterprises (NASME) • Nile University
9	Reporting	2021 Integrated Report Quarterly report sent to DBN Development Partners Publication of Quarterly working paper series Quarterly publications in Journal of Economics & Sustainable Growth Publication of internal newsletter- MSME Catalyst

Key Sustainability Projects 2021

International Women's Day Celebration 2021 (IWD)

As a measure to curtail the spread of COVID-19, the bank scaled down its usual in-person IWD celebrations to a virtual-only event. However, the quality and value often derived from such a flagship event was not eroded due to the quality of discussions held on the day in addition to high attendance levels that ranged from local to international allowing for numerous participants who otherwise might not have been able to attend a physical to be present and to participate in the discussions.

Discussions on the day which centred around the global theme: #ChoosetoChallenge, served as a reminder to continuously question existing status quos, explore new opportunities, reach new heights and reveal our innate potential as women (and men) to make the world a better place.

The panel discussion titled, "The Cost of Exclusion, Challenging Gender Stereotypes and Promoting Inclusive Growth," featured both female and male industry experts who weighed in on the cost of exclusion and based on their experience, proffered practical solutions on how to bridge the existing gender gaps and push for increased parity. The panelist can be seen below:

DBN's Community of Practice for Micro-Finance Banks (MFBs)

In 2020, we kick-started the Community of Practice for MFBS by hosting an initial webinar to which DBN- affiliated DFIs, the Central Bank of Nigeria, and a sustainability-focused Deposit Money Banks were invited to share experiences concerning their various journeys with sustainability.

In 2021, we deepened our impact in developing the sustainability awareness for MFBs and expanded learning using virtual training modules as a level for capacity building and knowledge management.

In terms of furthering the edicts of SDG 17, we also used our unique positioning to encourage other local and international partners to become capacity enablers and join us in shaping the narrative on sustainability in Nigeria

Course Content:

- *What is Sustainability?*
    - *Outline various international standards- NSBPs/SDGs/GRI/Equator Principles/UNEP-FI Principles etc.*
- *Overview of relationship between Sustainable Development and Finance*
- *Implication of Sustainable Development for Micro-finance Banks?*
    - *Creating a financially sustainable organisation*
    - *Expanding customer base using inclusion & diversification metrics*
    - *Monitoring impact*
    - *Reporting impact of lending decisions on local communities/business segments*
- *Creating sustainability enabled products*
- *Introduction to Sustainability reporting*

"DBN, in its interest to promote Renewable Energy Finance, offers incentives to Participating Financial Institutions (PFIs) to increase lending to RE/EE as well as specialised green products/offerings for green finance to MSMEs and Scs.

DBN Strategic Alliances

Memorandum of Understanding (MoU) with the Rural Electrification Agency (REA)

An MoU was officially signed on the 19th of August 2021 at the Rural Electrification Agency (REA), Abuja.

The partnership between Rural Electrification Agency of Nigeria (REA) and Development Bank of Nigeria (DBN) is aimed at providing affordable debt financing for REA projects, including the REF Call 2 projects, through selected commercial banks.

Generally, this is geared towards creating an avenue for mini-grid developers from the recently finalised REF Call 2, while engaging with financiers, development finance institutions as well as digital financial institutions within the solar space in Nigeria for the purpose of accessing debt financing.

This will be done through strategic partnerships with other DFIs, Institutional lenders, State Governments and Government Agencies. To this effect, DBN identified REA for strategic partnership on which an MOU was successfully signed by both institutions.

(Participants during the DBN Sustainability Community of Practice Training)

Sustainability at DBN

In celebration of world environment day, DBN held an event themed "Ecosystem Restoration". The bank partnered with an external vendor Chanja Datti Ltd (current DBN recycling partner), and activities included: planting trees and flowers and recycling tires as vases.

Post event, two Green clubs were established at Government Junior Secondary School Durumi I (FCT) and Badore Community School (Lagos) to enable long-term commitment by the schools and students.

Since the establishment of the green clubs, over 70 students have been directly impacted by the club through lessons and hands-on sessions on the environment and environment-related issues.

Waste Management in DBN

Pushing towards a Net Zero future, DBN has embraced recycling as a core tenet to how we manage waste. Partnering with a local waste management firm, Chanja Datti out of our Lagos and Abuja locations, we currently recycle our waste and carry out a continuous process of awareness raising for employees. Paper, PET, Cartons.

In addition to our internal recycling activities, we are also able to influence our immediate communities by using some of the recycling waste generated as part of an existing Bottles for Scholars initiative. The project aims to promote a zero-waste economy by using waste as a currency to finance the education of underprivileged children. DBN currently sponsors 3 children due to this initiative. Our aim is to continue to contribute to a positive Green economy and society through such initiatives.

Waste bins at the DBN Abuja office

TOTAL Fy21

1,032KG

PAPER **332KG**

PET **406.9KG**

CARTON **252KG**

OTHERS **41.7KG**

OF CHILDREN SPONSORED IN SCHOOL **3**

DBN engagement at COP26

The United Nations Climate Change Conference (COP26) which held in November 2021 at Glasgow, UK, was an event for participating countries to review their progress and renew their commitments to keeping average global temperature rise well below 2 degrees Celsius by 2030. It was also a moment for countries to bring forward national plans setting out how much they would reduce their emissions - known as Nationally Determined Contributions, or 'NDCs! Overall, it was agreed that countries would come back every five years with anThe following were DBN's areas of engagement at the COP26:updated plan that would reflect their highest possible ambition at that time.DBN participated in this global event as a delegate under the auspices of the Federal Ministry of Environment. The Bank had dealings and negotiations with other parties (countries, multilaterals etc.) to obtain necessary commitments for funding, capacity building etc. based on updated NDCs.

The following were DBN's areas of engagement at the COP26:

Highlights of DBN Engagement

We have categorized the engagements held at COP26 into 5 categories

capacity Building	Pipelines	Funding	carbon Credit /exchange	Our Strategic Engagements
Partnerships cover **delivery of capacity building to DBN** across key interest areas i.e. **gender, green finance, adaption & mitigation projects** etc.	Focus is on **cultivating pipelines** of viable adaption and mitigation projects to **funding by DBN**	Partnerships covers access to **green finance, grants, syndicated funding** for green projects	Engagement covers potential strategic partners to support the **set-up and administration of the proposed carbon exchange** in Nigeria	Partnerships in this category covers key areas such as **events, experience sharing enabling our strategic initiatives** etc.

For the first time, DBN was represented at the COP26 conference in Glasgow.

SSCI Certification

Board → MANCO → Project Office → Respective Departments → *Results*

In 2020, DBN commenced the journey to becoming a Sustainability Standards & Certification Initiative (SSCI) certified institution. SSCI delivers a holistic, robust, evolving, and locally sensitive set of standards to make value-driven financial institutions more resilient and profitable. It enables institutions to create new income streams and thrive for the long term and provides new opportunities for mobilizing funds to finance businesses and projects creating high social and environmental impact. The certification also provides an all-encompassing framework for the holistic integration of sustainability to drive innovation within our organizational culture.

Key Areas where processes were aligned to international sustainability standards included:

- *Governance*
- *Human Capital*
- *Stakeholder Relations*
- *Management*
- *Technology*
- *Business Models*
- *Products*
- *Operations*

Post-certification, DBN has benefitted from the creation of business models based on stakeholder value and alignment with the work and strategies of certified institutions that are congruent with the global Sustainable Development Goals (SDGs) and national development agendas.

In 2021, the Bank was awarded Level 5 certification status indicating that it had completed the requirements to the highest quality and was first amongst its peers both in Nigeria and across the African continent in terms of the complete execution of the standards and its required processes.

ISO Recertification Exercise:

International Standard Organizations certification are subject to an annual surveillance audit and a recertification exercise every 3 years. DBN conducted a recertification exercise in 2022 where our processes and procedures were rigorously audited to ensure compliance with ISO 27001, 20000 and 22301. We successfully passed the surveillance audit checks and confirmed that our operations are still in line with the requirements of these standards.

Also, we completed the certification of our wholly owned subsidiary, Impact Credit Guarantee Limited on these same set of standards in 2022 thereby ensuring that the Shared Services provided to the subsidiary also aligns with the requirements of these global standards.

Transparency & Integrity Index Rating

Development Bank of Nigeria ranked 1st on the prestigious 2022 Transparency and Integrity Index Rating, aimed at promoting transparency, monitoring public sector expenditure and strengthening the integrity mechanisms of public institutions.

The Index is a scientific research that assesses MDAs' compliance with relevant laws and international conventions/treaties on open governance and transparency of government business.

The Transparency and Integrity Index Rating is organised by the Center for Fiscal Transparency and Integrity Watch (CeFTIW) and supported by MC Arthur Foundation and United Nations Office on Drugs and Crime (UNODC).

PROJECT IMPLEMENTATION UNIT FACILITATED STUDY TOURS & TRAINING

PFI Study tour to Frankfurt School of Finance & Management, Germany organized for Staff of Five Participating Financial Institutions (PFIs) (June 2022)

As part of the Technical Assistance to DMBs' program, a study tour to the Frankfurt School of Finance and Management, Germany, was organized to deepen the PFI's international exposure to development finance topics.

Participants included 13 staff of Participating Financial Institutions including Wema Bank, Union Bank, Ecobank, Guaranty Trust Bank, Access Bank.

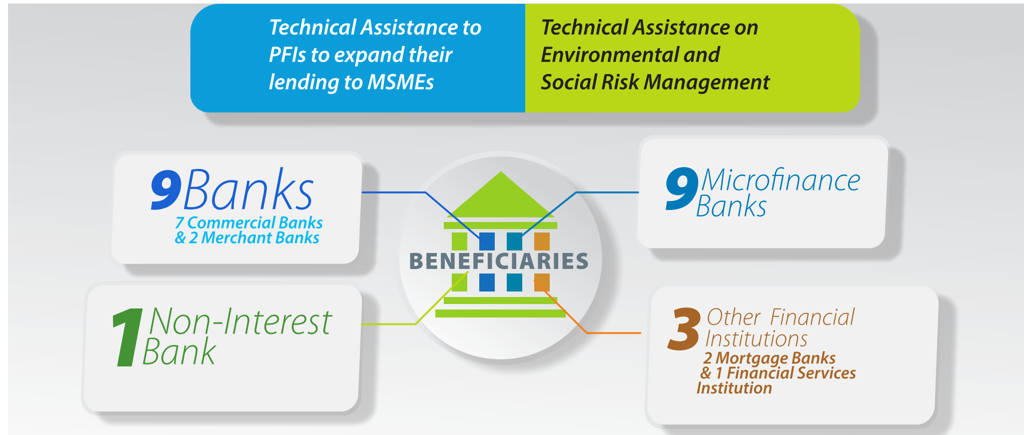





Technical Assistance/ Capacity Building to Banks

The Technical Assistance and Capacity Building component of the Development Finance project is managed by the Project Implementation Unit (PIU) in the Development Bank of Nigeria (DBN), which provides broad-based project management support, critical to achieving the objectives of the bank

Technical Assistance/ Capacity Building to Banks



Title:	Technical Assistance to PFIs to expand their lending to MSMEs
Background/Objective:	The programme focuses on providing support to PFIs in downscaling their operations, expanding their lending and increasing outreach to MSMEs on a sustainable and commercially viable basis.
Implementation Overview	A. Tailored Training: provision of trainings aimed at closing gaps identified during the institutional assessment phase. B. Certified e-Campus Courses: provision of certified e-courses to all PFIs for programme relevant topics. C. Conceptual Support: Developing MSME strategies and best-practice MSME lending documents and tools. D. Implementation & Pilots: Guiding the PFIs in implementing recommendations from gap assessments and in execution of pilots.
Participating Banks	Guaranty Trust Bank, Ecobank, Access Bank, Union Bank and Wema Bank.
Term	24 months
Achievements	A. Staff of Ecobank; GT Bank, Access Bank, Union Bank and Wema Bank trained in courses such as MSME Portfolio Risk Management, Credit Scoring Modelling, Treasury Management, E&S Risk Management, Gender Financing, Agri Lending, and SME Financing. B. Customers of Union Bank (SMEs), trained on Negotiation Skills and Creditworthiness. C. 95% satisfaction index in survey deployed to PFIs.

Feedback from participating banks

Ecobank	Union Bank	GTBank	Wema Bank
"There has been an improved willingness to lend to MSMEs as a result of the programme".	"The programme has helped with developing new approaches, framework and processes within the Bank".	"Instructors are knowledgeable in their respective subject areas and the training adequately helps to identify change, and augment the bank's delivery of products, services and engagement with MSMEs".	"Knowledge gained has helped to enhance staffs' personal skill; to encourage healthy competition; and to develop frameworks and processes within the Bank".

Title:	Technical Assistance on Environmental and Social Risk Management
Background/Objective:	The programme focuses on providing support to PFIs implementation and compliance with DBN's E&S risk management policies and procedures. The service also involves a review of DBN's sustainable Banking policy to identify gaps and proffer recommendations.
Implementation Overview	A. Analyzed DBN's existing processes for managing E&S risks and compliance with the Nigerian Sustainable Banking Principles (NSBP). B. Reviewed PFI's E&S management systems and compliance with DBN's E&S policies, including screening of key risks and reporting practices. C. Developed efficient and user-friendly templates for the identification, measurement and reporting of E&S risks in transactions submitted by the PFIs, and trained staff of DBN and PFIs in the use of these tools. D. Reviewed PFI's E&S screening forms for sub loans and recommended corrective measures in non-complaint cases.
PFIs trained	Richway Microfinance Bank , First City Monument Bank Providus Bank, Jaiz Bank, Coronation Merchant Bank, FSDH Merchant Bank Living Trust Mortgage Bank , Jubilee Life Mortgage Bank Fund Quest Financial services Ltd , Astra Polaris Microfinance Bank Infinity Trust Microfinance Bank , Regent Microfinance Bank ABU Microfinance Bank , Microvis Microfinance Bank Stanford Microfinance Bank, Baobab Microfinance Bank Mainstreet Microfinance Bank
Term	19 months
Achievements	A. Creation of road maps to address gaps identified in the E&S management systems of each of the PFIs and provision of corresponding mitigation measures. B. Development and training in the use of user-friendly tools and templates to support DBN and the PFIs E&S Management procedures.

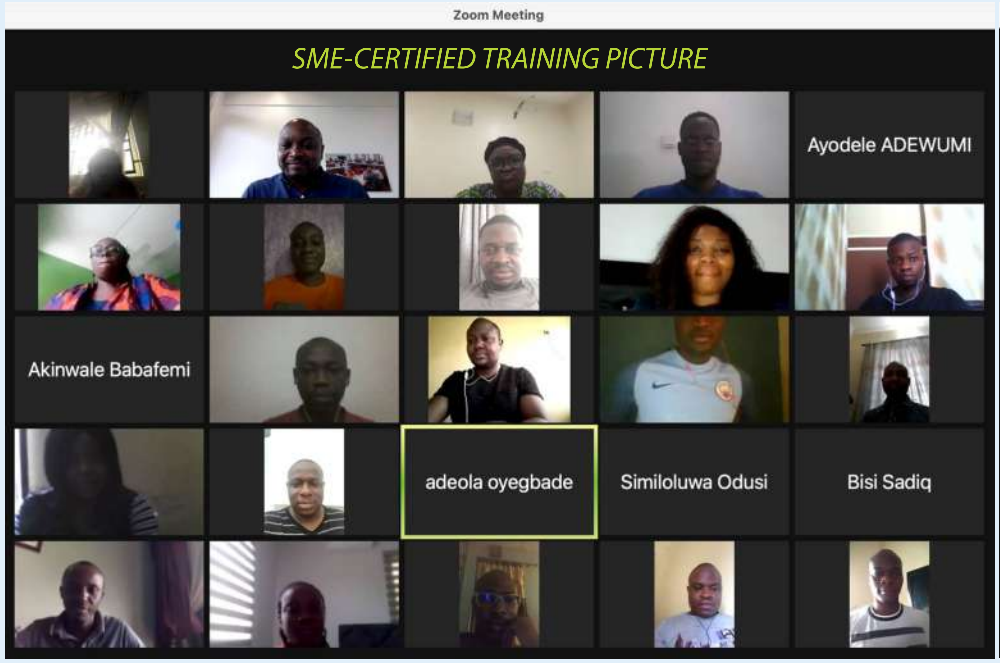
Technical Assistance Impact Analysis

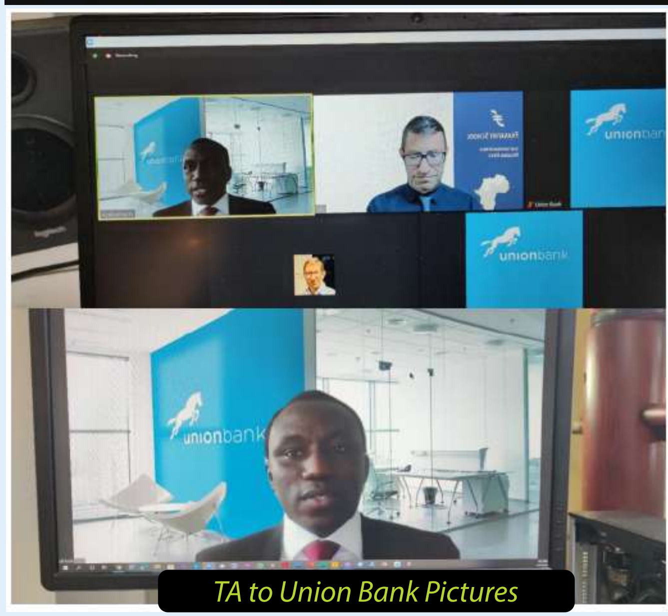
Component	Attribute TA Outputs and PFIs
SME Portfolio Reach and Volume: *The project registered an overall increase in MSME loans portfolio outstanding due in varying extents in each PFI to increase in rate (productivity) of loans granted, retention of good loan clients with higher value repeat loans, expansion of lending channels, and introduction or enhancement of product offerings.*	• *Refined SME Lending Strategy (new or refined digital MSME banking strategies, product profiles etc.* • *Improved MSME Lending Processes (tailored recommendations and templates/tools)* • *Incentive System for Customer Loyalty and Retention (introduction of better loan conditions, structures etc.)* • *Improved MSME Lending Processes (tailored recommendations and templates/ tools)* • *Enhancing MIS reporting on SME lending business.* • *Improved Technical Knowledge on SME Lending(increased frontline and support and technical capacity)* • *Specialist Frontline SME Branches/Unit in Pilot proposed.* • *Non-financial services knowledge transfer to internal trainers.*
***SME Portfolio Quality:** all PFIs have acquired credit scoring will lead to more effective assessment of creditworthiness and minimisation of risky loans being granted. In addition, a tailored tool for a behavioural SME Credit Rating was provided, ready for implementation or integration to the existing rating systems in 4 PFIs.* *All PFIs' credit portfolio risk management capabilities have been enhanced, based on analysing historical and projected trends of the key drivers of credit risk.*	• *Enhanced credit portfolio risk management Analysis and Reporting in place at each PFI.* • *Statistical Credit Scoring Knowhow and Tools/Templates-Access Bank, Union Bank and GT Bank have benefitted from technical and implementation knowledge transfer of statistical credit scoring* • *Tailored SME Credit Rating Tools to 4 PFIs (recent rating systems applied and its relevance).* • *Refinement/Reengineering of individual customer credit risk assessment methodology-Lending processes mapping by FS, process refinement or fundamental re-engineering recommendations etc.*
***Gender Finance:** Enhanced Gender Finance capacity. Improved skills to develop customer value proposition (CVP) and business case for women SME financial and non-financial products. Increased share of women owned/led borrowers in the outstanding MSME portfolio.*	• *Guides, tools ad templates were developed for business cases, proposals for product development for financing women MSMEs, NFS packages on WSMEs etc.* • *Awareness increased for 4 PFIs (Wema Bank, Union Bank, Ecobank and GT bank).* • *Introduction of "Women Ellevate Program" by Ecobank*

Technical Assistance Impact Analysis *cont.*

Component	*Attribute TA Outputs and PFIs*
Enhanced Agricultural Finance Capability: *As a result of relevant TA, agricultural finance teams in 3 PFIs were equipped with knowledge and capability on assessing and profiling agricultural value chains, developing demand-responsive loan products to meet smallholder farmers' financing needs, and agricultural loan cycle processes.*	● *Agricultural finance strategy development and refinement tools.* ● *Agricultural credit policies and procedures, tools, and templates.* ● *Agricultural finance e-learning material and platforms updated for PFIs'.*
Non-Financial Services Support for SMEs: *The project substantially enhanced the PFIs' ability and approach to delivering non-financial services (NFS) to their SME clients.* *The PFIs now recognize that provision of NFS either free of charge or at a substantially subsidized cost has several downstream benefits including* • *raising a PFI's institutional profile,* • *attracting new clients,* *iii) enhancing client ability to meet loan eligibility requirements and make quality applications for loan financing etc.*	● *Internal BDS Trainers for Frontline Staff selected by PFIs and capacitated through Training of Trainers (ToT) by Frankfurt School.* ● *Tailored Webinars for SMEs were developed and offered through PFI e-platforms.* ● *Launching of the 1st SME business school for Wema bank.*

Technical Assistance *in Pictures.*





TA to Union Bank Pictures

TA to Banks 2021 Picture

Pictures of Trainings at GT Bank

THE DBN 2021 Entrepreneurship Training Program

The DBN Entrepreneurship program is an initiative of the Development Bank of Nigeria (DBN) aimed at equipping micro, small and medium enterprises (MSMEs) with the skills and competencies to defend sound and viable business proposals, improve their capacity to access available credit and improve their capacity for efficient funds utilization, trade, investments, and access to markets.

This year, we partnered with Google Nigeria, the Enterprise Development Centre and Wider Perspective Limited to implement the training program. With over 9000 applications received, the best 1000 businesses were shortlisted to participate in the Google Digital training and upon completion, 200 businesses were selected to participate in the face-to-face training in Lagos and Abuja.

The program was implemented using a blended learning format (self-paced online sessions and in-class sessions). The in-class sessions were delivered using multiple learning methods such as presentations, case studies, group activities, etc. to ensure participants were fully engaged and all learning styles catered for.

Courses taught were needs based and captured below:

For Small-businesses:

- Marketing Management
- Negotiation
- Entrepreneurial Finance
- Investment Readiness
- Data Driven Sales Strategy
- Financial Management
- Operations Management
- Green Financing
- Business Planning

For Micro-Businesses:

- Achieving success in marketing
- Sustainability and Renewable Energy and Funding
- Improving Your Selling Skill
- Managing Your Finances/ Bookkeeping
- Digital Marketing
- Becoming a More Effective Owner Manager
- Presentation Skills/Business Pitching
- Financing for Growing Businesses
- Developing a Bankable Business Plan
- Financial Analyses

2021 PROGRAM PHOTOSPEAK

A post advisory and mentoring session commenced for all participants immediately after the training. For the small businesses, Business Experts were made available at a business clinic session to offer business advisory services based on areas of challenge identified by the businesses. The post training advisory for the micro-businesses involved business plan reviews, advising on credit facilities and general business counselling.

Impact of DBN Entrepreneurship Training Program

98%

of micro businesses assessed have now registered their business with the Corporate Affairs Commission.
(This constitutes a 7% increase from the baseline of 91%).

***Total turnover for the assessment period increased by* 27%**

from the baseline of ***N89,380,082***

6 months after the capacity building program we carried out an impact study on our beneficiaries

98%

of micro businesses assessed have developed and are implementing their business plan with support from the team
(This constitutes a 5% increase from the baseline of 93%).

89%

of Small & Medium businesses reported that they have increased their revenue significantly after participating in the training program

70%

of the Small & Medium businesses trained reported that they were able to employ more people due to business growth achieved as an outcome of the training.

About ***163 employments***

were generated by micro businesses after the entrepreneurship training programme.
(This is about 27% increase from the baseline).

Impact Of Our Entrepreneurship Training Program

Impact Story

Beneficiary:

Deborah Sadoluwa

Business

Sweet Bee'diction Brand

Service:
Cakes and Pastry Outfit,
also offering training and mentorship service for start-up bakers

Feedback:
I am grateful for the opportunity to share my story and the impact of the Entrepreneurship Training Programme organised by the Development Bank of Nigeria (DBN) on my Business. I was a beneficiary of the 2021 DBN Entrepreneurship Training Programme facilitated by Wider Perspectives Limited. Though I did not win the grant award for the business plan competition, but the training built my capacity and helped me refocus my mind on the need to start building the right structure for my business.

As a result of this, I was able to access grant, further training and funding opportunities including that of Flourish Africa after the training.

Also, I was shortlisted to exhibit my business brand at the 8th International Women's Day Programme organized by DBN. It was for this programme I realized I could package and brand my products in a unique way to attract customers and since then, I have been making great sales from my new packaging/branding.

The story behind making my dream for that exhibition come true is one of Faith and Resilience meeting opportunity. I am truly grateful to DBN the organisers of the Entrepreneurship Training Programme and Wider Perspectives Limited the facilitators, for making it easier for us MSMEs to grow and flourish.

2021 Monitoring & Evaluation Exercise

The 2021 M&E exercise was carried out in line with the Bank's result-based M&E framework and captured the findings of the impact evaluation done on the End-borrowers and Participating Financial Institutions (PFIs) who received DBN loans and support in 2020. In 2021, DBN's impact included innovation and increasing the attractiveness of MSME lending; contribution to gender and wider social impacts; as well as MSME and PFI activity.

Focus on PFIs:

All the Participating Financial Institutions (PFIs) ***reported an increased willingness to lend to MSMEs.*** *PFI respondents attributed their increased willingness or ability to lend to MSMEs, to the products, services, and training from DBN to some appreciable extent.*

81% *of PFI respondents* ***have made efforts to lower the cost of capital for MSMEs*** *In the past year. DBN loans constituted between* ***8% to 9%*** ***of majority of the PFIs MSME loan portfolio***

DBN funding constituted 100% of the MSME loan portfolio of 2 PFIs

Majority of ***PFIs have made efforts towards improving access to credit for MSMEs.*** *PFIs increased the single obligor limit per customer, employed the straight-line method for determining reducing balance interest, expanded the range of qualifications for credit, developed more specialised products for more sectors, and enhanced global positions for product papers.*

MSMEs and Socio-Economic Growth:

The Nigerian entrepreneurship ecosystem remains a vibrant one despite myriads of challenges confronting its growth and development.

Socio-economic growth for micro, small and medium enterprises for the purpose of this evaluation is measured in terms of the businesses experiencing significant changes in key business performance indicators

These include:

- Employment generation
- Upward increase in revenue/profits,
- Increased ability to manage business operations effectively.

119,498
Jobs Created by the end borrowers in 2020

38,942
by women owned end borrowers in 2020

48,877
Jobs Created by youth owned end borrowers in 2020

76%
reported growth in revenue

26%
reported growth in staff

From the surveyed MSMEs, 76.3% of the respondents reported growth in revenue while about 26% reported growth in staff. Women-owned businesses accounted for 33.3% growth in revenue and 11.9% growth in staff. 34.6% of youth-owned businesses reported growth in revenue and about 10.9% reported growth in staff. Businesses outside Lagos and FCT reported 45.3% growth in revenue and 13.2% growth in staff.

Sana Building System (SBS), which uses steel as the preferred building solution fits into the socio-economic growth story of MSMEs in Nigeria. This company created employment opportunities for about 108 people in 2020.

A and Shine International Limited

Figure 11: A & Shine Honey Production Lab

Background

Mrs. Bukola Ademola started A and Shine Intl Ltd, with her late husband. A & Shine International Ltd is a world-class, pioneer honey producer in Nigeria, offering top-notch honey to quality-conscious consumers across Nigeria and the rest of Africa. The firm started producing honey in the year 2002 and within a short period, it has established itself as a premier Honey producer in Nigeria, distributing to other African countries.

Journey So Far

A & Shine is dedicated to producing different varieties of honey and honey products to maintain its position as a true industry leader. Through years of research and innovation, the firm has been able to come up with garlic, ginger and moringa infused honey; these products have various culinary and health benefits. The group has also begun diversifying their product portfolio to include sesame seed and honey snacks, chin chin and peanuts.

The journey to establishing A & Shine started after a doctor's prescription shortly after Mrs. Bukola's medical surgery in 2000. After noticing the shortage in supply of natural honey, Mrs. Bukola decided to go into the honey business. Mrs. Bukola had attended an entrepreneurship program with the then newly launched Minna Technology Incubation Centre, Niger state where she won an entrepreneurship award.

A and Shine later moved to the Federal Capital Territory, Abuja and was a beneficiary of the USAID Empowerment Grant. The USAID empowerment program opened other expansion opportunities as A and Shine ventured into poly grains propolis wax, chin chin and peanuts.

The idea to apply for the DBN financing came at the peak of the COVID-19 crisis. A and Shine was badly hit.

"With the help of the DBN Loan, we felt we could stabilise our business across our products: honey, chin chin and Peanuts."

The DBN Loan also assisted A and Shine to improve the operations of the firm especially in product packaging. The firm also diversified into snacks and beverages. The firm has also witnessed an increase in revenue and has incorporated technology in its operations. A and Shine has been involved in community engagements, through training and facilitation of programs in collaboration with the Nigerian Export Promotion Council. The firm employed seven new persons.

Next Steps

A and Shine Ltd plans to expand the business operations. Although the firm's products, especially honey, is sold in major cities across Nigeria, there is the plan to have the products in more states of the federation. This means that the firm is working on expanding the production capacity by installing new machines and getting additional staff. There is also a plan to establish factories in different parts of the country.

The firm also plans to obtain NAFDAC certifications for its new products to satisfy regulatory requirements.

A & Shine International Ltd is a world-class, pioneer honey producer in Nigeria, offering top-notch honey to quality-conscious consumers across Nigeria and the rest of Africa.

2 Way Steel Works Co. Ltd

M&E Team and Staff of 2 Way Steel Works Co. at one of the workshops

Background

2 Way Steel Works Co. Ltd was founded in 2009 in Kaduna, Northwest Nigeria to provide quality services in the construction sector. The company was established to cater for the growing need of iron and steel both for production and consumption. The company specialises in the fabrication of iron and steel to suit different needs. Some of the products include Silo, Palletized, box, Container, Flat bird, Tankers and LPG Bodies.

The company specialises in the fabrication of iron and steel to suit different needs. Some of the products include Silo, Palletized, box, Container, Flat bird, Tankers and LPG Bodies.

Journey So Far

o2 Way Steel Works Co. Ltd has been making significant progress in the construction industry. The company over the years has become one of the preferred brands for both individual and industrial steel building solutions. From operating from a location that is less than 2 plots of land, the company has been able to expand to more than a hectare of land to accommodate both the construction workshop and warehouse.

2 Way Steel Works Co. Ltd through financing assistance from Development Bank of Nigeria has been able to facilitate this expansion and install some equipment including industrial cranes and higher capacity welding machines. The expansion of the company means that staff can now work from the warehouse and have the finished products packed at the warehouse. This has reduced the time and risks associated in storing finished products.

A major impact of the financing support is in process innovation as reflected in improvements in the processes of the firm. With the installation of welding machines, there is now an improved production cycle. The process of fabrication has been improved and production time fastened because, after marking and cutting of steel, there is no more arc welding as a rolling machine has been installed which also ensures plaster welding. This has significantly lessened the production time and ensured that more quality products are made.

2 Way Steel Works Co. Ltd has also been able to produce tanks in different shapes and sizes. Given the installed machines, tanks now have an aerodrome which allows for different shapes, and this compensates for depression.

Within one year, the company has been able to create employment for 50 persons. This is due to the growing job orders from clients across Nigeria. The expanded site has also been able to accommodate more people who work to meet customers' orders. 2 Way Steel Works Co. Ltd has also grown its revenue base as more orders are made.

Next Steps

2 Way Steel Works Co. Ltd plans to install more machines and equipment capable of delivering high-heat welding. The aim is to have welding that is better suited for thicker, and heavier metals. The firm wants to solve complicated welding requirements especially with the machines and expertise. The firm also intends to expand the customer base to include clients from more parts of the country.

Daystar Schools

Background

Dr. Amuche Okafor is a medic who is also passionate about the welfare of children. This led to the establishment of Daystar Schools Port Harcourt in 2020 to provide qualitative education to children. The idea behind Daystar Schools is to provide child-centred education aimed at involving the children in the activities and encouraging them to develop.

Journey So Far

Daystar Schools started with 7 pupils and 4 staff in 2020. The school has grown to accommodate 87 pupils and 14 staff as at the last quarter of 2021. Dr. Okafor utilised the DBN loan to develop the school site which now has classrooms, a standard playground, sick bay and security lounge.

The school within a short period of time, has attracted the attention of parents and guardians within Elelenwo and its environs, thereby attracting more pupils. Consequently, there is an increase in the revenue of the school.

Proprietor of the Daystar School in an Interview with the DBN M&E Team

Next Steps

With an increasing population of pupils, the school plans to build more classrooms and structures to make learning easier and conducive. Daystar Schools also plans to employ more staff to cater for the expansion drive.

The school also plans to have a secondary school section in the next five years. This would involve the acquisition of a permanent site that will accommodate the different arms of the school. Daystar Schools plans to be a reference point in qualitative education to children.

The idea behind Daystar Schools is to provide child-centred education aimed at involving the children in activities and encouraging them to develop.

Sana Building Systems (SBS)

Background

Sana Building Systems is a modern state-of-the-art steel fabrication factory in the Lagos Free Trade Zone. The factory which is on 19,600 sq m has crane yards of about 17,250 sq m and has the ambition to produce 50,000 tons of steel building components per year. Sana Building Systems offers Nigeria the advantages and quality of foreign sourced fabricated steel with the added advantage of local access, local fabrication, world-class design and fabrication, most competitive pricing, full design services, 3-day quotation/proposal cycle and timely delivery.

SBS Steel solutions is widely accepted to be the preferred approach to many building applications. Pre-Engineered Buildings (PEB) have proven to be the most economical solution for most building applications and is recognised in all construction markets across the world including Asia, Middle East, Europe, and North America.

The range of possible applications is virtually unlimited. From car parks to office buildings, storage buildings, factory buildings, complex industrial buildings, agricultural markets, agricultural packing buildings, wide span warehouse buildings, high-density warehouse buildings, upscale retail malls, basic supermarkets, hospital buildings, school dining areas, libraries, event halls, aircraft hangars, and sport stadiums - the range is endless.

Journey So Far

Using the DBN loan, SBS has invested in the acquisition of machines which has improved the operations significantly. The firm in the year under review also created employment opportunities for about 108 people.

SBS Steel Products I
n one of the Warehouses

Sana Building Systems offers Nigeria the advantages and quality of foreign sourced fabricated steel with the added advantage of local access, local fabrication, world-class design and fabrication, most competitive pricing, full design services, 3-day quotation/proposal cycle and fast, on time delivery.


SBS MD and members of the M&E Team

Using the latest technology, SBS designs and fabricates steel components to the highest international standards. These products include pre-engineered buildings with all cladding and accessories. The firm has also invested in open storage yards for raw materials and finished goods serviced by overhead crane systems. Over 17,000 sq m of crane serviced outside yards allows proper storage for easy retrieval. All materials are handled carefully to ensure they are not damaged. Structural components are designed using mill produced, and hot rolled. Sections are processed through high-speed CNC beam lines. These lines accept direct downloads from sophisticated engineering detailing programs to ensure absolute dimensional accuracy.

SBS offers modern fabrication techniques as PEB frames are produced on a multi-stage welding line. Using detailed shop drawings, skilled workmen, fit connection end plates, stiffeners, and other required sub-components to the frames, as all frames are thoroughly inspected by Quality Control for dimensional conformance and completeness before transfer to final welding. All production welders are certified to the skill and quality standards of the American Welding Society (AWS). Using the most modern MIG welding equipment, these skilled workmen finish welding the frames.

After non-destructive testing, the completed frames are transferred to the painting line. Frames are mounted onto a complex overhead conveyor system for seamless transfer through cleaning and coating. The fully cured frames are conveyed to a discharge station in the finished goods storage yard. Complete building supply is loaded out for shipment either by sea-freight containers or on flatbed trailers.

The complete range of components required for a building are manufactured by Sana Building Systems. These include roll formed Z purlins and cladding sheets. These are carefully bundled and packed. Main frame members are lifted and packed for safe and secure delivery to site.

Next Steps

SBS is working towards becoming the most modern PEB and hot rolled fabrication company in Africa.

All raw materials, engineering, and fabrication will be code compliant. A second line is planned which will produce conventional hot rolled structures. Area is reserved for a G+3 head office which will house Sales, Finance, Engineering, and all Operations support. In addition, a fully equipped Maintenance department will ensure all machinery remains in prime condition.

DBN offers longer tenure loans to its Participating Financial Institutions (PFIs) with longer repayments options for end beneficiaries, thereby encouraging funding for Nigeria's MSME segment.

We are Nigeria's primary development finance institution; promoting growth and sustainability.

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