

The Development Bank of Namibia

The Development Bank of Namibia (DBN), a 100% government-owned enterprise, is mandated to contribute to the development of Namibia and the socioeconomic well-being of its citizens. As a result, the Bank provides finance for viable enterprises and sustainable initiatives that contribute to the development of Namibia.

Strategy

The Bank's strategy ensures access to finance in all regions, in line with national development objectives. It aims to create a framework for infrastructural financing, land development and housing, and the transformation of the private sector. DBN promotes the provision of financing for areas with low economic activity and businesses owned by underrepresented groups, such as women and youth. It also provides finance for activities that are usually risky for commercial finance, but have high development impact. In this regard, DBN acts as the first mover and initial risk-taker, essentially piloting and testing new areas of finance, which will spur or provide evidence for other commercial finance.

Products and Services

The Development Bank of Namibia fosters, empowers, and finances bold new ventures through various means. This includes term loans, project finance, property finance, franchise finance, revolving credit facilities, instalment sales agreements, performance guarantees, letters of credit (in close collaboration with commercial banks), and financial guarantees. It provides the financial tools that allow businesses and ventures to grow and create new jobs.

Opportunities

There is an opportunity for continued development within Namibia, which could help DBN increase funding to entrepreneurs and even larger-scale projects, particularly as economic growth and sentiment improve. These opportunities include green industrialisation, infrastructure development, products that enhance Namibia's export competitiveness and finance for young entrepreneurs expected to drive economic activity in future generations. This is particularly important to support economic recovery efforts.

Challenges

The high-interest environment poses challenges to the Bank to extend funding to new clients and projects, as affordability remains a concern. The high-interest environment increases credit and default risk for existing clients, while several sectors of the economy are still facing some strain.

Financial Summary

Financial Data (NAD 'm)	Year End: March			
	FY '20	FY '21	FY '22	FY '23
DBN Key Metrics				
Net interest income	428.2	342.7	340.3	348.1
(Loss) / Profit for the year	229.1	116.5	-184.5	-269.8
Assets	9,535.4	9,466.5	8,574.7	7,788.2
Liabilities	6,208.3	6,039.2	5,338.5	4,804.0
Net cash from operating activities	255.6	546.8	782.6	295.9
Non-performing Ratio (%)	13.0	17.9	26.0	34.0
Impairment Ratio (%)	9.5	12.0	18.0	20.0
Cost-to-Income (%)	31.0	37.0	37.2	40.4
ROE (%)	6.8	3.0	-5.7	-8.7
ROA (%)	2.3	1.1	-2.1	-3.0

Source: Development Bank of Namibia



DBN Representatives



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