



FINANCIAL SERVICES

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TERM LOANS

These are medium to long term facilities used to finance the construction (civil works) and the purchase and installation of plant and machinery. Examples include purchase of plant and equipment for processing, agricultural mechanization, irrigation systems, construction of warehouses and purchase of trucks, among other purposes of a long-term nature.

KEY FEATURE

Loans for capital investments, with primary recourse made to the cash flows of the project.

DURATION

Tenure from 4 to 15 years inclusive of 3 years of grace period.



EQUITY INVESTMENT

This product is specifically designed for promising and innovative entities that require patient capital to scale up, and for which debt finance is either unattainable or not suitable. The Bank invests by taking up shareholding in qualifying entities and divesting after a given time. The entity is allowed to involve other private capital providers where feasible.

KEY FEATURE

The product targets entities with high growth potential and/or socio-economic impact at pre-revenue, early growth, or growth stage, but deemed unsuitable for conventional debt finance.

DURATION

UDB will be a shareholder for a maximum of 10 years.



ASSET FINANCE

This product finances the acquisition of assets such as equipment & machinery for production e.g., industrial equipment, agricultural assets, specialized medical equipment, or process plant & machinery.

KEY FEATURE

The product is more suited for enterprises with collateral challenges. In general, the Bank uses the asset financed as the main security to enhance other existing collaterals (if any) to boost the available security value.

DURATION

Tenure ranges from 4 to 10 years, inclusive of grace period that ranges from 3 months to 3 years.

The tenure and grace periods depend on the asset's usable life and the implementation schedule respectively.



FARMER GROUPS, COOPERATIVE AND ASSOCIATIONS

The Bank finances small holder farmers organised in groups, cooperatives and associations and usually comprised of more than 20 members involved in production and or agricultural processing. The funds availed may be utilized for all production and agro-processing activities including, purchase of inputs, purchase of improved breeds, purchase of tractors and other machinery, among others.

KEY FEATURE

Under this scheme, the Bank supports farmer groups that are organized and registered as either a cooperative society, association or company limited by guarantee. The Bank also offers non-financial services to the farmer groups including business advisory and development services that includes, trainings in governance, financial management, record-keeping,

DURATION

This product is offered with various concessions including interest rates of 10% and concessions on collateral and other requirements.



TOURISM

The Bank is focused on financing Ugandan entities that provide accommodation (hotels, lodges) in tourism areas/sites, development of hotel management/hospitality training institutions, support purchase of specialized tourist transport facilities for example tour vehicles and marine boats, provision of specialized equipment and fittings which includes kitchenware, laundry, furniture, development and preservation of unique cultural/heritage sites, plus development of tourist stopover facilities which all harness Tourism potential in the country.

Other forms of tourist equipment

KEY FEATURE

The projects financed are geared towards supporting development of tourism infrastructure and services with specific emphasis on the tourism belt.

Funding focuses on the following;

- Development of accommodation facilities in Game Parks and other tourist destinations
- Development of ecological sites
- Development of heritage sites/ cultural centers
- Development of tourist stop overs
- Purchase of specialized tourist transport facilities.



SME KAZI LOANS

This is an intervention to enable access to affordable financing and Business support with the aim of promoting sustainable growth of SMEs and build their resilience against business shocks.

KEY FEATURE

**SME BUSINESS
ACCELERATION FACILITY
SME ASSET FINANCING FACILITY
SME BUSINESS
EXPANSION FACILITY**

DURATION

1. Entity must be a Small or Medium Enterprise.
2. Annual Turnover of up to UGX 100M for small enterprises and Medium up to UGX 360M.



WOMEN PROSPER LOANS

The aim is to increase access to affordable and appropriate financial services for women-owned and women-led businesses as an enabler to increased participation of women in the development agenda of Uganda.

KEY FEATURE

PRODUCT FEATURES

WOMEN ACCELERATION FACILITY

WOMEN ASSET ACQUISITION FACILITY

DURATION

1. By Ownership/Share-holding
2. By Leadership/Management
3. By Product
4. By Employment



YOUTH STEP-UP LOANS

The Bank provides appropriate financing options and business development services as an enabler for the youth to develop social, economic and entrepreneurial skills to enhance their participation in the overall development process for an improved quality of life.

KEY FEATURE

YOUTH QUICK FACILITY

YOUTH AGRO FACILITY

YOUTH ACCELERATION FACILITY

YOUTH KICKSTART FACILITY

DURATION

1. By Shareholding/Ownership
2. By Product
3. By Employment



TRADE FINANCE

This product may be used to finance bulk purchase of produce during peak periods as well as other structured commodity trade finance products/collateral management solutions. It is also used to support manufacturers to acquire critical raw materials that are available locally or may not be available in the country and support the importation of fast-moving items needed to facilitate local contracts.

KEY FEATURE

The product is tailored for existing and operational enterprises in need of short-term finance to bridge an operational gap. This can work alongside trade instruments, including Letters of Credit, collections and guarantees.

DURATION

Revolving in nature with repayment cycles of up to 180 days. This can be a one off if it is financing a specific contract.



TRADE FINANCE SERVICES

Letters of credit / Bill of collection

Safeguard risk of payment for goods. Facilitate the importation or exportation of goods, equipment, and services.

KEY FEATURE

Paid on maturity, secured by cash, landed property, commodities, fixed deposits, first class bank guarantees, GOU bonds or corporate guarantees.

DURATION

12 months maximum

Structured Trade & Commodity Finance

Align repayments to meet the requirements of the business. Varies by transaction imported or exported.

KEY FEATURE

Designed to meet the client's specific business needs for pre and post shipment financing as well a local purchase of bulk goods.

DURATION

12 months maximum

NON-FINANCIAL SERVICES

Business Accelerator for Successful Entrepreneurship

The Bank provides advisory services to clients pertaining to management best practices, good governance, record keeping, financial management etc. based on the Bank's wider knowledge of the business, operating environment, and experience gained from funding, implementing, and monitoring such projects. This is done by way of training and technical support to develop and implement the required processes in the businesses. The objective is to have professionally run businesses and enterprises which in result reduces the risk of default of financed projects.

Project Finance

The Bank finances infrastructure projects by structuring the financing against the security of the cash flow arising from the creation of the project's assets, plus the realizable value of the asset themselves.

This presupposes that the assets being financed are ring-fenced by the creation of an SPV so that the cash flow from the project is available for debt service. Projects where this kind of financing can be applied includes energy projects, transportation projects, ICT projects, oil and gas projects and other infrastructure projects.

Project Preparation

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Local Contractors Programme

Infrastructure plays an indispensable role as a contributor to the growth of the Ugandan economy. The infrastructure sector is a significant employer and creates numerous economic opportunities for small and medium enterprises. Further, through the life span of infrastructure projects, abundant economic opportunities are unleashed for their users, thus directly contributing to improving the quality of life of Ugandans. The Uganda Development Bank Limited has identified the need for financial support to emerging and existing contractors that enable the development of infrastructure projects. The Bank, through the Local Contractors' programme aims at providing low interest and longer-term working capital so as to aid efficient contract performance as well as asset financing which shall enable contractor growth.



Water for Production Programme

The UDBL Water for Production Programme aims at increasing sustainable agricultural production so as to improve the quality of lives of Ugandans and enable the growth and development of a vibrant agro-industrialization sector in Uganda. Under the Programme, the Bank finances private sector players and communities to develop small, medium and largescale irrigation facilities. Private and communal livestock watering points can also be developed under the Programme. To ensure technical and financial sustainability of the implemented projects; UDBL through pre-qualified credible consultants supports the technical design of the projects. In addition, through pre-qualified credible equipment suppliers and contractors, the Bank ensures that quality works are delivered for the implemented projects.

Oil Seeds' Programme

Oil seeds present enormous socio-economic potential given their ability to satisfy the country's edible oil needs as well as provision of employment and improvement of household income. Given these key benefits, the Eastern and Northern parts of Uganda have emerged as major oil seeds' production areas, with the area under production estimated at 275,000 hectares as of 2020.

To enhance the production, the Bank under the oil seeds' programme aims at alleviating the challenges faced in the oil seeds' value chain through: supporting efforts aimed at local production of improved oil seeds' varieties, supporting acquisition of modern production tools and irrigation equipment , improving access to credit, supporting acquisition of agro-processing equipment as well post-harvest handling implements.



MINIMUM UDB REQUIREMENTS FOR LOAN FINANCING

Credit Checklist

- Facility Application Letter (on official company letterhead) and Board resolution to borrow.
- A copy of the detailed Business Plan and or feasibility study with Cash flow projections and projected financial statements.
- A copy of each of the last 3 years audited/draft accounts (from an ICPAU/ BOU listed audit firm) for existing business.
- Full Details of security proposed for the facility sought (where applicable).
- Bank and Loan statement for the last twelve months (Facility agreements for any existing facilities, with status).
- Copy of National Environment Management Authority Certificate of Application and an Environmental Impact Assessment report) (where applicable).
- Credit Reference Bureau Report of the company & all its shareholders/ directors (where applicable) and/or CRB numbers.
- Proof of NSSF compliance for companies employing more than 15 people.
- Copy of Investment License (where applicable).
- Latest Returns of Directors and Shareholders.
- Statutory licenses from relevant Ministry/GOU agency where applicable (schools, universities, mining, extraction, exporters, hospitals, power plants).

For more details, visit www.udbl.co.ug

KYC Checklist

Shareholders/Directors

- Name in full (Provide full name of all shareholders and directors as per identification documents)
- Nationality
- Date of Birth
- Postal & Physical Addresses
- Telephone (landline) & Mobile Numbers
- Certified identification documents (valid passport and/or National ID) and passport photos of all shareholders and directors)
- Business Entity
- Business Legal Name
- Nature of business
- Postal & Physical address, website
- Telephone (landline) & Mobile Numbers, Fax, Email
- Corporate & Individual Shareholders are taken care of, ultimate beneficial owners, controllers Directors and Management Team (names & nationalities)
- Memorandum & Articles of Association and Certificate of Incorporation of company & its corporate shareholders (where applicable)
- Latest Income Tax Clearance certificate
- Current operating License(s) where applicable
- Certified passport and/or ID copies of Shareholders & Directors of the company
- Legitimate transaction signatories (Specimen signatures)

