



Product & Service Offering

Uganda Development Bank offers a wide range of financial and non-financial solutions aimed at supporting the Bank in improving the quality of life of Ugandans. These products are designed with unique features to meet the needs of small, medium, and large enterprises, infrastructure development, Public-Private Partnerships, and others.



Agriculture



Industry



Services



Infrastructure

Financial Services

ASSET FINANCE

Asset Finance is an alternative form of financing that enables businesses to acquire movable, semi-movable, or immovable assets. The asset constitutes the primary security for financing. This enables the business to acquire an asset at the current market price without committing its valuable working capital.

Product Purpose

Facilitating businesses to acquire productive assets such as factory plants and machinery, heavy-duty equipment, mechanical equipment, tools, and motor vehicles for business use. The product is most suited to businesses that lack collateral security in the form of land and property and would prefer to use the funded assets as the main security for the financing.

Fundable assets include plant and machinery, printing equipment, motor vehicles (for the company's use), solar equipment and accessories and other items classified as moveable/Semi-movable assets at the discretion of the Bank.

Key Product Features

The financed asset serves as primary security, in which case, the borrower contributes between 10-20% and the Bank can avail funding between 80% to 90% of the cost of the asset. Additional collateral may be required depending on the nature of the asset to be funded.

Tenure

Tenure ranges from 2 to a maximum of 8 years, inclusive of a grace period of up to 3 years. The tenure and grace period depend on the asset's useful life and the implementation timelines, respectively.

TERM LOANS

These are used primarily for business Capital Investments

Product Purpose

This loan is provided to meet the varied needs of the business including business expansion, business modernisation and technologization, asset acquisition, among others

Key Product Features

To finance the purchase of a business plant and equipment including business expansion, business automation and technologization.

Tenure

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

Financial Services

FARMER COOPERATIVE LOANS

This is targeted to small holder farmers organized as a group, association cooperative or VSLA and doing business together.

Product Purpose

The Bank finances smallholder farmers' groups composed of 10.-400 members who are involved in the production and marketing of various crops as part of a value chain. The farmer group's funds may be utilized for working capital such as inputs, storage, crop finance, or asset acquisition including farm machinery, processing equipment, and milk coolers, among others.

Assets financed include all kind of agricultural assets including agriculture machinery, agriculture equipment, improved breeds, etc.

Key Product Features

- Under this scheme, the Bank supports farmer groups that are organized and registered as either a cooperative society, association, or company limited by guarantee.
- Individual farmer loan requests are aggregated as one Farmer Group/Cooperative Loan.
- This product is offered with the highest levels of concessions including interest rates of 10% and concessions on collateral requirements.

Tenure

Tenure of up to 5 years with grace periods where applicable.

WORKING CAPITAL LOAN

Product Purpose

This product may be used to finance bulk purchases of produce during peak periods and other structured commodities. Trade finance products/collateral management solutions. It is also used to support manufacturers in acquiring critical materials available locally or may not be available in the country and support the importation of fast-moving items needed to facilitate local contracts.

Key Product Features

The product is tailored for existing and operational enterprises needing short-term finance to bridge an operational gap.

Tenure

Revolving tenures of up to 36 months.

Financial Services

Product Purpose

Used to finance the short-term needs of various businesses within the bank's priority sectors. Including raw materials.

Key Product Features

Paid on a monthly or quarterly basis. Secured by landed property, equipment, commodities, fixed deposits, first-class bonds, or demand guarantees.

Tenure

Maximum tenure of 36 months

EQUITY INVESTMENT

Under Equity Investment, the Bank primarily finances investments by taking up shareholding in them. UDB recovers its investment through dividends, revenue sharing, share value appreciation, and other means as prescribed in the investment agreements. The entities must meet the general eligibility criteria of the Bank, which can be accessed at www.udbl.co.ug

Product Purpose

This product is designed for innovative entities with high growth potential and the capacity to generate significant socio-economic impact, but which are constrained from accessing other forms of capital.

Eligible Entities

- Pre-revenue, early growth, and growth stage entities are in line with the Bank's sector priorities. Particular emphasis is put on entities that demonstrate innovation in their product/service or business model.

Key Product Features

- UDB employs a mix of straight equity and quasi-equity interventions, including but not limited to ordinary, shares, preference shares, convertible notes, mezzanine finance.
- UDB maintains a non-majority position in all investments
- The minimum investment is USD 100,000 or the UGX equivalent

Tenure

UDB seeks to exit investments in 10 years.

Equity financing application requirements

Business Information Requirements

- Expression of interest for UDB equity participation (on official company letterhead).
- Project Information Memorandum (PIM) – visit our website for the format.
- Financial model and valuation.
- A copy of each of the last 3 years audited / draft accounts (from an ICPAU/BOU listed audit firm) for an existing business.
- Cashflow projections and projected financial statements (Income Statement, Balance Sheet) for start-ups.

Legal Documents

- Memorandum and Articles of Association.
- Certificate of Incorporation.
- Annual returns for the last 3 years.
- Registered Board resolution to co-opt equity investor(s) and/or to borrow.
- Latest Returns of Directors and Shareholders.
- Form of allotment of shares.

Regulatory and Compliance Documents

- Copy of National Environment Management Authority Certificate (or application for certificate) and an Environmental Impact Assessment report (where applicable)
- Statutory licenses from relevant Ministry/GOU agency where applicable (schools, universities, mining, extraction, exporters, hospitals, power plants) or professional regulatory licenses applicable
- Proof of NSSF compliance for companies employing more than 15 people.
- Latest Income Tax Clearance certificate

Know Your Customer Documents

- Certified passport and/or ID copies of Shareholders & Directors of the company.
- Bank statement of the company for the last twelve months.
- List of all existing creditors, investors, and donors who have funded the business to date. Include any agreements therein.
- Credit Reference Bureau Report of the company and all its shareholders/directors.

Other Project-Based Requirements

- Certified Bills of Quantities (where applicable).
- Approved plans and project site layout (where applicable).
- Profile of Contractor for civil works (where applicable).
- Quotations for equipment/machinery to be financed and proposed suppliers (where applicable).

Financial Services

LETTERS OF CREDIT

Letters of Credit are used to safeguard risk of payment for goods & facilitate the importation or exportation of goods, equipment, and services. They are paid on maturity, secured by cash, landed property, equipment, commodities, fixed deposits, first-class bonds, or demand guarantees.

Product Purpose

These are used to facilitate the importation or exportation of goods, equipment, and services.

Key Product Features

Denominated in both local and foreign currency.

Tenure

12 months maximum

Structured Trade and Commodity Finance

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

NON-FINANCIAL INTERVENTIONS

The Bank provides advisory services to clients pertaining management based practices, good governance, record keeping, financial management e.t.c. Based on the Bank's wider knowledge of the business, operating environment, and experience gained from funding, implementing, and monitoring such projects.

Examples of non-financial interventions include educational programs, behavior change campaigns, and community outreach initiatives.

Business Accelerator for Success Entrepreneurship (BASE)

The Bank provides business advisory services aimed at supporting businesses with capacity building and technical support in areas such as; Management best practices, good governance, financial management (bookkeeping and record keeping), debt and risk management, business planning and strategic management, human resource management, and market planning, among others.

The ultimate goal is to help businesses operate professionally and adopt sustainable practices, thereby contributing to the country's development agenda and supporting the Bank's mandate.

Project Preparation

The Project Preparation Facility (PPF) enhances the quality and bankability of potential projects by providing expert support for feasibility and pre-feasibility studies. These services cover technical, financial, legal, and environmental assessments to ensure projects are viable, sustainable, and attractive to investors.

UDB helps the facility create a pipeline of fundable projects, making them ready for investment and execution in sectors like infrastructure, energy, real estate, and more. This proactive approach reduces uncertainty and accelerates project development for long-term success.

SPECIALISED INTERVENTIONS

Special Programs

Special Programs incorporate specialized financing propositions for Youths, Women, and SMEs. For an entity to qualify under the Bank's special program financing,

The interventions within the special programs include;

- **SME Kazi Loans** - The intervention enables access to affordable financing and business support to promote sustainable growth of SMEs and build their resilience against business shocks. The entity must be a Small or Medium Enterprise with an Annual Turnover of up to UGX 100 Million for small enterprises and medium enterprises up to UGX 360 Million.
- **SME Women Prosper Loans** - This Enterprise aims 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.
- **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 agenda of the country.

Agri-Connect – Digitizing Farmers to Promote Financial Inclusion

The Uganda Development Bank Agri-Connect initiative is an innovative digital lending solution aimed at easing access to finance by smallholder farmers. The innovation provides a platform for Village Saving and Loans Associations (VSLAs) to digitally access short-term seasonal loans and save products at affordable rates to grow their agri-businesses. The application, approval, and disbursement processes are done digitally with the funds credited directly to the farmer's e-mobile wallet. The project, which is currently being piloted in the Northern and West Nile regions of the country, will benefit over 1,000 households in the initial phase. The initiative is in partnership with Ensibuuko FinTech, the Food and Agriculture Program, the European Union, and the United Nations Capital Development Fund (UNCDF).

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 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



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**Terms and conditions apply*