

FARMER GROUPS

SOLUTION	PURPOSE	KEY FEATURE	DURATION
Farmer Groups	The Bank finances small holder farmer groups composed of 50-400 members along the agriculture value chain. The Funds may be utilized for inputs, storage, machinery or crop finance among other needs. Beneficiaries shall be small holder farmers involved in crop or livestock farming.	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 product is offered as a short-medium term facility. Tenure ranges from 1-8 years depending on the project and investment.

SME FINANCING

SOLUTION	PURPOSE	KEY FEATURE	DURATION
SME Financing	The Bank's SME programme aims to provide initiatives to fill the SME long-term financing gap. Through this program, the Bank seeks to address the various challenges that SME's face in accessing capital, including but not limited to collateral challenges, lack of financial records, management capabilities among others.	Short – medium term, these are done in groups or association.	Revolving in nature with payment terms of 1-5 years.

BUSINESS ADVISORY SERVICES

The Bank provides advisory 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

This product is to fill the gap of inadequate stock of bankable projects that are required to propel development, including public projects. The Bank supports in moving identified projects from concept design, pre-feasibility studies, feasibility studies, financial structuring and to commercial operations.

The Bank undertakes planning and preparatory activities for project development for projects within sector plans and the NDP, in addition to private sector projects. The Bank may invest in the projects or invite other funders to co-finance the projects when ready.



Product & Service Offering

Uganda Development Bank has a range of finance products that can be used alone or in combination with other finance products. These products are designed with unique features to meet the needs of SMEs, larger enterprises, infrastructure development, PPPs and others.



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Agriculture



Industry



Human Capital Development



Infrastructure



Tourism

TERM LOANS			
SOLUTION	PURPOSE	KEY FEATURE	DURATION
Term loans	These are medium to long term loans used to finance the 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.	Loans for capital investments, with primary recourse made to the cash flows of the project.	Tenure from 4 to 15 years inclusive of 3 years of grace period.
EQUITY INVESTMENT			
SOLUTION	PURPOSE	KEY FEATURE	DURATION
Equity Investment	This product is specifically designed for SMEs or other entities including startups constrained from accessing debt finance and in need of patient capital. The Bank invests by taking up shareholding in qualifying entities and divesting after a given time. UDB’s equity allows investees to crowd in other private capital if so required.	These may be start-ups or large-scale projects with high growth potential and/or socio-economic impact but deemed too risky by traditional financiers.	UDB will be a shareholder for a maximum of 10 years.
ASSET FINANCE			
SOLUTION	PURPOSE	KEY FEATURE	DURATION
Asset Finance	This product finances the acquisition of equipment & machinery e.g. industrial equipment, agricultural assets, specialized medical equipment or process machinery.	The product is more suited for enterprises with collateral challenges, where the Bank uses the asset financed to enhance the collateral value.	Tenure from 4 to 8 years inclusive of 3 years of grace period depending on the usable life.
TRADE FINANCE			
SOLUTION	PURPOSE	KEY FEATURE	DURATION
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.	The product is tailored for existing and operational enterprises in need of short-term finance to bridge an operational gap.	Revolving in nature with repayment cycles up to 120 days.
TRADE FINANCE SERVICES			
SOLUTION	PURPOSE	KEY FEATURE	DURATION
Letters of credit /Bill of collection	Facilitate the importation or exportation of goods, equipment and services.	Secured by cash, landed property, commodities, fixed deposits, first class Bank guarantees, GOU bonds or corporate guarantees.	12 months maximum
Structured Trade & Commodity Finance	Align repayments to meet the requirements of the business. Varies by transaction imported or exported. It can be used to secure transactions with inadequate collateral.	Designed to meet the client’s specific business needs for pre and post shipment financing as well as local purchase of bulk goods.	12 months maximum

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)