

**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	Asset types Financed	Key Product Features	Tenor
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. · Generators. · Motor Vehicles (for the company's use) · Marine Transport Vehicles · Earth Moving and Mining equipment. · Solar Equipment and accessories. · Other items classified as moveable/Semi-movable assets at the discretion of the Bank.	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 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 medium to long-term loans that are primarily used for business capital investments.

Product Purpose	Asset types Financed	Key Product Features	Tenor
To Finance the purchase of business plant and equipment including civil works for business construction.	· Agricultural mechanization · Irrigation Systems · Construction of warehouses · Business site construction · Purchase and installation of silos, machinery, processing equipment, among others.	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.

**FARMER GROUPS**

Product Purpose	Asset types Financed	Key Product Features	Tenor
The bank finances smallholder farmers' groups composed of 50-400 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.		· 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 concessional including interest rates of 10% and concessions on collateral requirements.	Tenor of up to 5 years

**TERM LOAN** 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	Asset types Financed	Key Product Features	Tenor
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.		The product is tailored for existing and operational enterprises needing short-term finance to bridge an operational gap.	Revolving in nature with repayment cycles up to 120 days.

**FINANCIAL SERVICES****WORKING CAPITAL LOANS**

Product Purpose	Asset types Financed	Key Product Features	Tenor
Used to finance the short-term needs of various businesses within the bank's priority sectors. Including raw materials.		Paid on a monthly or quarterly basis. Secured by landed property, equipment, commodities, fixed deposits, first-class bonds, or demand guarantees.	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](http://www.udbl.co.ug).

Product Purpose	Asset types Financed	Key Product Features	Tenor
This product is designed for innovative entities with high growth potential and the capacity to generate significant socio-economic impact but which are financially constrained with limited access to other sources of capital.	· UDB Takes not more than 25% of shareholding · UDB may employ other quasi-equity instruments as applicable. · The minimum investment is USD 100,000 or UGX equivalent.		UDB will be a shareholder for a maximum of 10 years. Terms and conditions of exit after this period will be spelled out in the investment agreements.

**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

**KYC (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).

**LETTERS OF CREDIT** Safeguard risk of payment for goods & facilitate the importation or exportation of goods, equipment, and services. Paid on maturity, secured by cash, landed property, equipment, commodities, fixed deposits, first-class bonds, or demand guarantees.

Product Purpose	Asset types Financed	Key Product Features	Tenor
These are used to facilitate the importation or exportation of goods, equipment, and services.		Denominated in both local and foreign currency.	12 months maximum

## Structured Trade and Commodity Finance of Credit

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" is the term used to describe actions or measures taken that do not involve the use of money or financial resources. These interventions may be aimed at improving social or psychological well-being, addressing health issues, or addressing environmental concerns, among others. 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 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 assets 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 include energy projects, transportation projects, ICT projects, oil and gas projects, and other infrastructure projects

## 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, it must meet the following eligibility criteria.

The programs within the special programs are below;

- **SME Kazi Loans** - This is an intervention to enable 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 2. Annual Turnover of up to UGX 100M for small enterprises and Medium up to UGX 360M.
- **SME 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.

**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.

**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 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](http://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)
- \* Applicants must meet the general eligibility criteria of the Bank.**  
Visit our website for more details: [www.udbl.co.ug](http://www.udbl.co.ug).



Plot 6 Nakasero Road Rwenzori Towers,  
Wing B, 1<sup>st</sup> Floor.  
P.O.BOX 7210, Kampala, Uganda  
Phone: +256 414 355 500  
Email: [info@udbl.co.ug](mailto:info@udbl.co.ug)  
Web: [www.udbl.co.ug](http://www.udbl.co.ug)



\*Terms and conditions apply



## 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 lives 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.



Primary Agriculture



Agro-Industrialization



Tourism



Infrastructure