Uganda Development Bank Limited (UDB) is the country’s national Development Finance Institution (DFI) with a mandate to accelerate socio-economic development in Uganda through sustainable financial interventions. Consistent with this mandate, the Bank supports projects within the private sector that demonstrate potential to deliver high socio-economic value, in terms of job creation, improved production output, tax contribution and foreign exchange generation, among other outcomes. These projects fall within the key priority sectors of our economy, and in line with Uganda’s development priorities, the Bank’s financing interventions are mainly in Primary Agriculture, Agro-processing, Manufacturing and Infrastructure which account for about 80% of its investment portfolio.

The Bank however undertakes specific interventions in other sectors including Tourism, Human Capital Development and Education Services.

The year 2020 was unprecedented world over with the onset of the COVID-19 pandemic, bringing unprecedent shocks to demand and supply chains thus impacting economic activity and lives of Ugandans. In response, the Government of Uganda implemented a raft of measures, including a stimulus package to be used to support production, processing, and manufacturing of essential items for the country to be resilient amidst the supply chain disruptions, and to become self-sufficient, thus rely less on imports especially of essential items that can be locally produced.

In mid-August 2020, UDBL received UGX 455,180,000,000 as additional capital to support the above objective.

The Bank employed a series of measures to deploy this funding effectively and expeditiously including Nationwide publicity through targeted media interventions boosted by the issuance of public Calls for Applications.

(a) Approvals:
- The Bank approved credit amounting to UGX 4,444 Billion to various projects spread throughout the country.
- 87% of this funding will go towards supporting projects engaged in Primary Agriculture, Agro-processing, and Manufacturing.

(b) Disbursements:
- The bank disbursed UGX 2,442 Billion
- Of this amount, UGX 92 Billion (or 7% of disbursements) is to support the three key sectors indicated above: UGX 162 Billion was disbursed to projects outside the Kampala metropolitan region (i.e outside Kampala, Wakiso, Mukono and their immediate environs)
- UGX 3,28 Billion is reserved for projects in Eastern Uganda.

(c) Commitments:
- UGX 351 Billion is set aside to support projects outside the Kampala metropolitan region (i.e outside Kampala, Wakiso, Mukono and their immediate environs)
- Of this funding, 79% is committed to projects outside the Kampala metropolitan region (i.e outside Kampala, Wakiso, Mukono and their immediate environs)
- UGX 192 Billion (or 79% of disbursements) is committed to support the three key sectors indicated above.

The Bank approved credit amounting to UGX 4,444 Billion to various projects spread throughout the country.
- Of this funding, 79% of disbursements is committed to support the three key sectors indicated above.
- UGX 3,28 Billion is reserved for projects in Eastern Uganda.
- UGX 162 Billion was disbursed to projects outside the Kampala metropolitan region (i.e outside Kampala, Wakiso, Mukono and their immediate environs)
- UGX 92 Billion (or 7% of disbursements) is to support the three key sectors indicated above: UGX 162 Billion was disbursed to projects outside the Kampala metropolitan region (i.e outside Kampala, Wakiso, Mukono and their immediate environs)
- UGX 3,28 Billion is reserved for projects in Eastern Uganda.

UDB FACILITATES BUSINESS RESILIENCE AND RECOVERY POST COVID-19

Pipeline

Manufacturing: 32% 15% 5%
Primary Agriculture: 18% 6%
Tourism & Hospitality: 18% 6%
Agro-Industry: 17% 5%
Infrastructure: 17% 5%
Education Services: 17% 5%
Health Services: 17% 5%

Socio-Economic Impact

The projects the Bank has approved will generate significant socio-economic impact over the project-lives as projected below:

<table>
<thead>
<tr>
<th>Total</th>
<th>98,667</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs 98,667</td>
<td></td>
</tr>
<tr>
<td>Output value (UGX. Bn) 8,019</td>
<td></td>
</tr>
<tr>
<td>Tax (UGX. Bn) 619</td>
<td></td>
</tr>
<tr>
<td>Forex (UGX. Bn) 1,925</td>
<td></td>
</tr>
</tbody>
</table>
Support to the recovery of the Tourism Sector

Tourism has been the major sources of foreign exchange earnings for the country and has been greatly impacted by COVID-19. Uganda is projected to lose would-be earnings amounting to about USD 5 Billion over the next five years due to the of the pandemic, mainly on the back of reduced foreign visitor traffic.

In a move to save as well as revive the sector, UDB has partnered with the European Union (EU) to provide a blend of finance that incorporates affordable credit (from the bank) accompanied by an EU-funded grant; the facility is to help the businesses in the sector meet operating expenses with the view to assure business continuity and reduce possible job losses. Under this program, the EU has allocated a grant amounting to Euro 6 Million (about UGX 278bn) while UDB will provide soft loan facilities up to UGX 40 Billion.

UDB remains committed to achieving our purpose which is "To Improve the Quality of Life of Ugandans" through providing innovative financing to the key growth sectors of the economy.

Key:

| Approval | Where the bank has received an application, undertaken a full appraisal, and determined that the project is fit to receive funding from UDB |
| Disbursement | Where the bank, following full appraisal and approval, releases funds towards the approved project for implementation of the agreed loan purpose |
| Term sheet | A document with indicative terms issued to a prospective borrower; the same is issued following a preliminary appraisal on a credit application, pending completion of detailed appraisal and/or submission of complete documentation. |
| Pipeline | The pool of applications under preliminary review for possible financing by the Bank |

General lending terms

- Term loans up to a period of 15 years
- Up to three (3) years grace period
- Interest rate shall not exceed 12% for borrowing in Uganda shillings.

Application procedure

- The Application form can be accessed, completed, and submitted either online at www.udbl.co.ug or hard copies submitted at UDBL Head Office at Rwenzori Towers, or to Post Bank Branch nearest to you.
- Applications should be submitted together with all the required documents to support the evaluation process.
- Applicants may be requested to submit additional information during the appraisal phase. If information is not provided by the applicant within the agreed time, the application may be suspended.
- The evaluation process of an application can be delayed if additional documentation required is not provided in good time.
- The application will be assessed after which it will be submitted to the relevant management and board committees for a final decision.
- After assessment of the application, the applicant will be informed of one of the following outcomes:
  i. Application approved.
  ii. Application referred for further development in collaboration with the applicant
  iii. Application declined.
- Approval, decline, or referral is entirely at the discretion of UDBL.

For more information, please visit the Bank's website on www.udbl.co.ug or email clientrelations@udbl.co.ug or call 0414355509.