

Presentation of 2004/05 Results

Mandla Gantsho, CEO and MD:
Development Bank of Southern Africa

The slide features the DBSA logo in the top left, three small square images on the right side, and the title 'Presentation of 2004/05 Results' in the center. Below the title is the name of the CEO and MD.

- Outline**
- Introduction
 - **2004/05 in Review**
 - Development Outcomes
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 - **Making the Difference: Case Studies**
 - Franschhoek
 - Aquarius Platinum
 - ZESCO
 - Mier Municipality
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 - **The DBSA's Non-Lending Products**
 - **Conclusion**

2004/05 in Review

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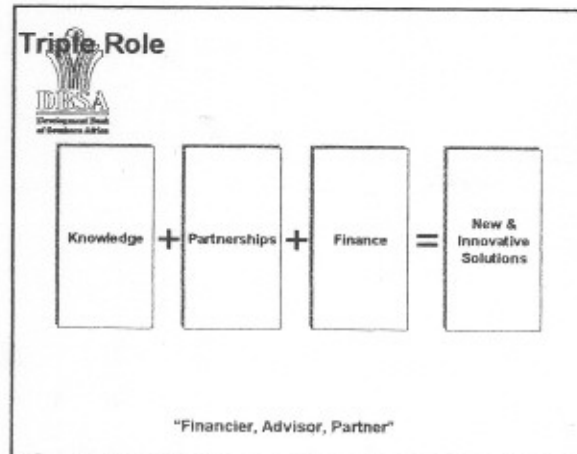
Vision 2014



DBSA
Development Bank of Southern Africa

- Strategic partner
- **Region**
 - Empowered and integrated
 - Free of poverty, inequity and dependency


"2004: The Year of New Beginnings"

The slide features the DBSA logo in the top left, a stylized graphic of a hand holding a torch on the right, and the title 'Vision 2014' at the top. Below the logo is the text 'DBSA Development Bank of Southern Africa'. The main content is a bulleted list. At the bottom, there is a quote.



Development Outcomes



Project Approvals


New Investment Project approvals of **R6.94 billion**

- Increase of 17% over 2003/04
- Increase of 8% over 5 year average for 2001 - 2005

GRO 8% average 2001 - 2005

17% over 2003/04

"Growth Across all-Key Fronts"



Disbursements

Disbursements on Investment Projects of **R3 billion**

- 7% increase over previous financial year
- Increase of 9.9% over 5 year average

DISBURS


7% over previous financial year

9.9% over 5 year average

"Growth Across all Key Fronts"

Development Outcomes

36 000 jobs created	R6.9 billion contribution to GDP	1.9 million households will benefit	Focus on provision of basic services
45% up on 2003/04	R2.6 billion up on 2003/04	>300% up on 2003/04	>60% of approved projects





Broadening Outreach

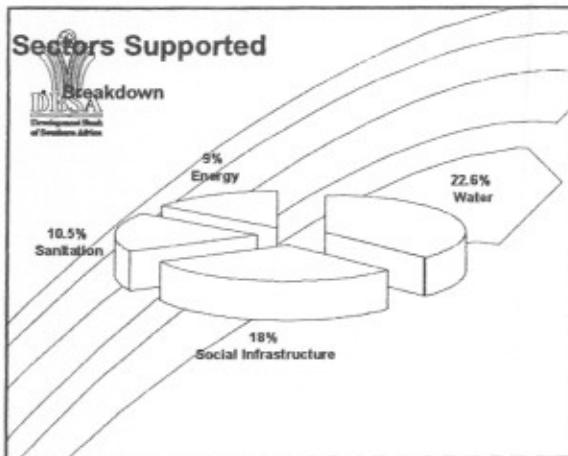
Investment project approvals increase from 58 on 2003/04 to 86 ending March 2005

- Average value of project approvals
 - Decrease from R57.7 million in 2003/04 to R45.9 million in 2004/05
 - Larger volume of smaller projects

"Broadening Development Outreach"

Sectors Supported



Private Sector and International Business

Private Sector and International Business

DESA Development Bank of Southern Africa

— New project approvals of R514 million

— Total of R8.8 billion in approvals outside SA

"An Empowered and Integrated Region"

Private Sector and International Business

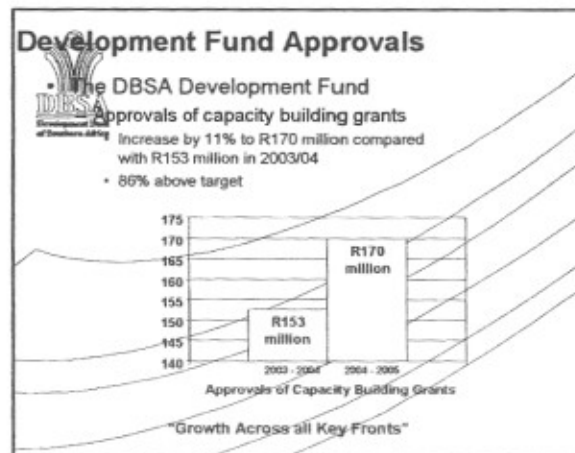
DESA Development Bank of Southern Africa

Total Project approvals of R1 billion


- Disbursements of R1.6 billion
 - 60% above target
 - 78% above R900 million achieved in 2003/04

"An Empowered and Integrated Region"

Business Results



Development Fund Disbursements




DBSA Development Fund

- Total grant disbursements
 - Reached R73.5 million
 - Improvement of 79% over 2003/04

TOTAL GRANT DISBURSEMENTS 79%
over
2003/04


"Growth Across all Key Fronts"

Financial KPIs




Financial Position

- Premier domestic ratings retained
- Investment grade international rating further upgraded to Baa1 by Moody's



"Financial Position Remains Robust"


Financial Results



Abridged Balance Sheet

	Change %	2005 (R'bn)	2004 (R'bn)
Capital & reserves		11 882	11 197
Liabilities		12 886	12 487
Total Assets	↑ 4,6%	24 768	23 684

Financial Results




Quality of Capital

• Debt/Equity Ratio	102,8%	105,9%
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Quality of Assets

• Total impairment as % of development loans	8,2%	6,6%
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Financial Results




Abridged Income Statement

	2005 (R'm)	2004 (R'm)
Operating income	1026	1446
Operating expenses	(422)	(382)
Operating surplus	604	1064

□ Decrease in surplus (R'm)	<u>460</u>
□ Increase in impairments (R'm)	<u>300</u>
□ Decrease in net interest income (R'm)	<u>174</u>

Doing Things Differently



Innovation and corporate entrepreneurship in action:

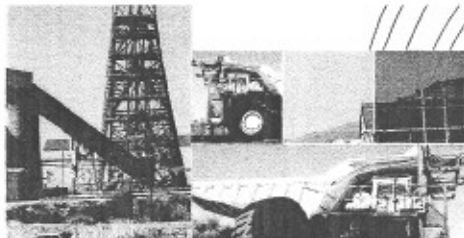
- Major review of DBSA pricing model
- Traditional financial risk – return relationship inverted
- High financial risk – high developmental return and sustainability



- In collaboration with PIC and IDC
- For the development of the Everest South mine



"Making a Difference"

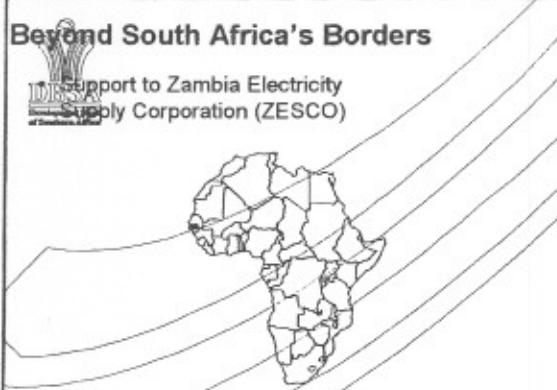


"Making a Difference"



Beyond South Africa's Borders

Support to Zambia Electricity Supply Corporation (ZESCO)



"Facilitating Regional Economic Integration and Growth"

ZESCO


DESA

Loans to the value of R625 million (Between 1998 and 2005)

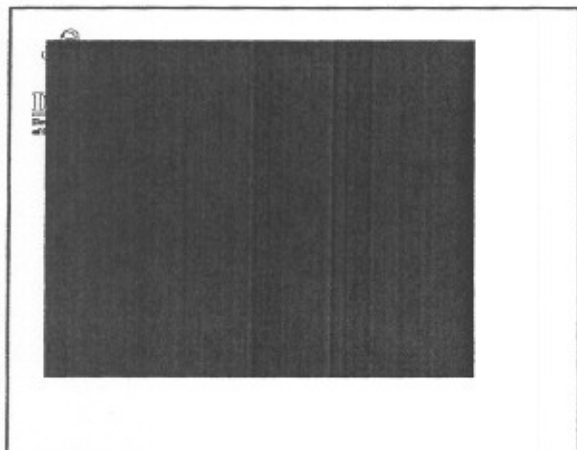
- Organisational transformation
- Rehabilitation of electricity generation, transmission and distribution network

• Loan of US\$21 million in 2004/05


- Hydro-electric generation at Kariba North



"Facilitating Regional Economic Integration and Growth"



Targeted Infrastructure Programme (TIP)



"Making a Difference to the Lives of Ordinary People"

Targeted Infrastructure Programme (TIP)

Addressing backlogs in service delivery

- R1 billion of concessionary funding over 3 years

Concessionary Funding	+	Technical Assistance	+	Knowledge Products & Capacity Building Support	=	Sustainable Development Solutions
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"Making a Difference to the Lives of Ordinary People"

Mier Municipality

R5 Million loan for electricity

Technical assistance

- Integrated development plan

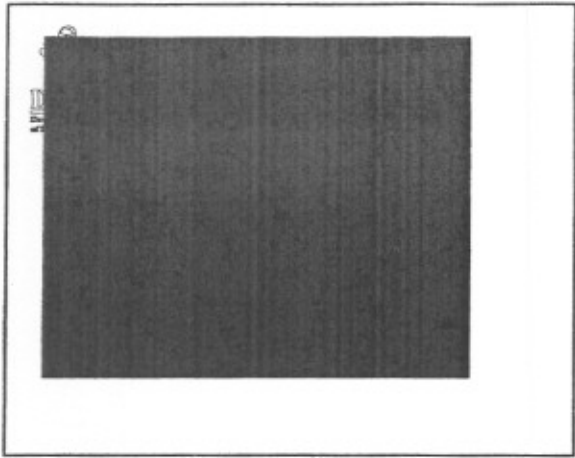
- Capacity building support

- Management information systems

- Grant funding of R2.6 million

- Community-based development projects

"Making a Difference"



KwaZulu-Natal Municipal Capacity Building Programme

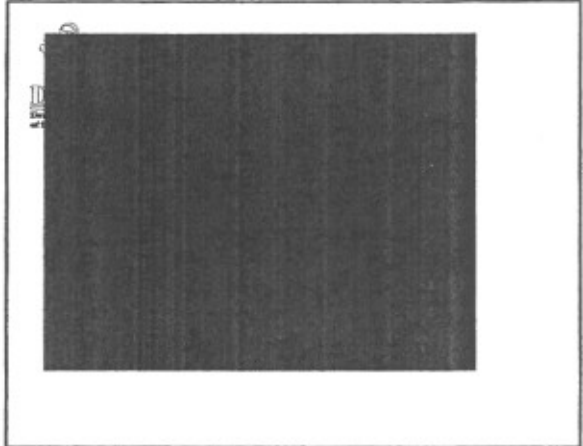
"Building Sustainable Capacity"

KwaZulu-Natal Municipal Capacity Building Programme

R20.9 million contribution

- Development fund in collaboration with KwaZulu-Natal Provincial Government
- Land use management systems in 9 municipalities
- Local government training programme
 - 29 modules developed
 - 14 000 councillors and officials trained

"Building Sustainable Capacity"

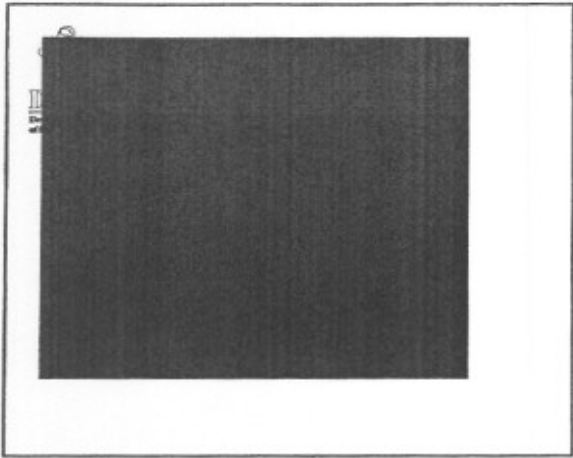


Knowledge Management

Knowledge Management Africa


Pan African Knowledge Management Conference

"Knowledge for Development"

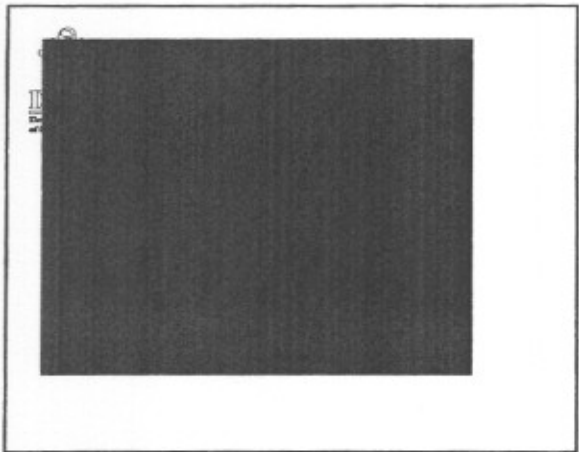


LGNet/Local Government Resource Centre

130 municipalities linked



"Knowledge for Development"



Smart Partnerships for Development



Smart Partnerships for Development

Smart Partnerships

Project Consolidate

National Advisory Working Group level

- Project Management Unit
- Other specific initiatives

• 2010 Soccer World Cup

• Agency Programme

- Support to 31 programmes including the NEPAD secretariat



"Smart Partnerships for Development"

Lasting Footprints

