

Impact metrics data disclosure

Core performance measures

The Development Bank of Wales invests for impact. We measure the core impact of our investments through volumes of direct investment, private sector leverage and job creation and safeguarding. The table below provides an explanation of the outline methodology used for these measures, alongside further disclosure for data provided within the Development Bank of Wales Corporate plan 2022/27.

Impact metric summary	Metric calculation
Direct investment	Total funding directly invested by the Development Bank from its business fund product range.
Private sector co- investment	The gross amount of investment and non-monetary contribution from the private sector, commercial, charitable and not-for profit organisations and private individuals.
Jobs supported	<p>Jobs supported is the combination of jobs safeguarded and jobs created in the businesses in which we invest.</p> <p>Jobs safeguarded- The number of permanent, paid, full-time equivalent jobs that the applicant considers to be at risk of loss within a period of one year if the applicant fails to obtain the requested investment.</p> <p>Jobs created- A new post which is expected to be created and exist for at least 12 months as a consequence of the investment.</p> <p>For ERDF funded investments, jobs created are reported at the anniversary of the investment and annually thereafter.</p> <p>For the Covid Wales Business Loan Fund all jobs safeguarded have been considered, irrespective of whether previously safeguarded from another DBW fund, due to the unique emergency nature of the funding.</p>
Businesses supported	A new business supported is recorded when a business receives its first investment from each individual Fund within the Development Bank product range.
Start up	Businesses with less than or equal to, two years of trading.
Micro finance	Lending of £50k and under.

Patient capital	Equity investment and lending with terms of over 5 years.
Property investment	Investment from Development Bank of Wales dedicated property funds- Wales Property Development Fund, Wales Stalled Sites Fund, Wales Commercial Property Fund.
Funds under management	Total of live investing funds and all funds currently under portfolio management.
Total impact	Includes direct investment, private sector co-investment and investment made through investment services, including Help to Buy Wales.

Wider impact data collection

In 2019 we developed and implemented a revised impact framework, broadening our mechanisms for evaluating and measuring impact, aligned to the UN Sustainable Development Goals, Well-being of Future Generations (Wales) Act 2015 and the Calls to Action in the Welsh Government’s Economic Action Plan.

Our first impact report was published within our Annual Report for the 2019/20 year but developing our model to measure and manage impact is a long-term project which we are committed to further develop and refine in future years. For transparency of our impact, the following publishes an overview of the sample used and methodology for collating and reporting each metric.

Wider impact data collation methodology

To report on the impact delivered by businesses receiving funding from the Development Bank of Wales, customers are asked to complete an impact questionnaire. Each Wales-based customer outside our property development portfolio receiving a new investment must complete this impact questionnaire. Impact questionnaires are then sent to customers every 12 to 24 months at the anniversary of their investment. Data presented is a sample view of the current year. It is not a longitudinal analysis and not directly comparable to previous years due to businesses included within the sample changing.

We rely on self-reporting for a number of measures, this means some of our datasets may be incomplete or have errors. Consequently, each year a sample is taken based on data quality. In the 2021/22 financial year, the sample is of 330 businesses.

Data for each metric is collated and stored against information on the investment. This allows us to analyse the data and each metric by date, location, sector, investment type and amount. Diversity and equality data, due to its nature, is collated and reported separately to ensure compliance with General Data Protection Regulation and following guidance from the Welsh European Funding Office. For more information about how Development Bank of Wales uses personal information please see our privacy notice or contact our Data Protection Officer at dpo@developmentbank.wales.

Prosperous future metric methodologies

Impact metric summary	Metric calculation
Business size increases	We track the of Full-Time Equivalent (FTEs) levels for businesses in the sample at each impact investment form return and categorised them by Micro (0-9 FTEs), Small (10-49 FTEs) and Medium (50-250 FTEs). A change in business size is where a businesses FTE levels move from one category to another.
Number of full time equivalent (FTE) employees in median to high pay brackets.	<p>FTEs are reported by customer in pay bands of below £14,999; £15,000-£19,999; £20,000-£24,999; £25,000-£34,999; £35,000+. These pay bands are determined as part of our reporting requirements to the Welsh European Funding Office in delivery of the Wales Business Fund.</p> <p>Low pay and Median to high pay is calculated by using ONS' NOMIS profile for Wales for the gross weekly pay of full time employees derived from ONS median weekly earnings data and ONS definition of Low Pay (two thirds median pay). Wales' median wage detailed by ONS is higher than the provisional figure included in StatsWales 2021 publication.</p> <p>For comparison with StatsWales statistics reports the number of FTEs earning more than two thirds the median wage, which we use as median to high pay brackets due to our FTE calculation.</p>
Productivity increase and average turnover per FTE	This is a very basic method of indicating productivity but one that can be done with minimal additional data requirements on

our customers. Our customers report the changes in total FTEs within their business and their latest audited turnover figure. Turnover is divided by the FTE position for each company to give a turnover per FTE number. These are then averaged to moderate outliers. This is done for each year of returns with FTE and turnover data.

To establish the productivity increase, we look at the year-on-year change between the average turnover per employee.

[ONS Business Population Estimates](#) are used for the comparator for SME employment and turnover per year despite estimates including an employee as 1 unit rather than using an FTE calculation.

Proportion of respondents that export and total value of exports.

Exporters are identified by the customer reporting the proportion of the turnover reported that is attributable to export sales.

Innovation and technology metric methodologies

Impact metric summary	Metric calculation
<p>Proportion of customer actively innovating in their business.</p>	<p>Customers report the number of innovation activities undertaken in the previous 12 months. Innovation activity is defined as Collaborative Research and Development projects; Patents registered; Number of products introduced that are new to the firm; Number of products introduced that are new to their market; and Significant improvements.</p> <p>These innovation activities are value added indicators defined by and reported to the Welsh European Funding Office in delivery of the Wales Business Fund.</p> <p>The proportion of activity is derived from the sum levels of activity undertaken.</p>
<p>Proportion of customer actively digitising their business.</p>	<p>Customers report if they have used the defined technologies to digitise their businesses in the previous 12 months. The technologies defined are taken from the State of Small Business Britain Report and include Smart Meter installed; CRM systems; E-commerce; Web-based accounting software; Computer aided</p>

design software; process automation; Cloud Computing; Machine learning; and Artificial intelligence.

The proportion of activity is derived from the sum levels of activity undertaken.

Communities, and place metric methodologies

At the point of initial investment, and only at point of investment, customers complete the Diversity and Equality section of the impact questionnaire. This section asks customers to report the number of owners/directors/shareholders that identify as certain demographics.

Impact reports in 2019/20 and 2020/21 have assumed that the total number of owners/ directors/ shareholders indicated by responses to the first part of the questionnaire were the actual total number of owners/ directors/ shareholders. Therefore, proportions of other owners/ directors/ shareholders demographics were based on the total indicated in that first section. This did not account for changes in completion rates for other parts of the questionnaire.

Our methodology has changed to report only on results within each part of the questionnaire. For example, the proportion of owners/ directors/ shareholders that are reported as Black, Asian or Minority Ethnicity is calculated by only the total number of owners/ directors/ shareholders for which we have ethnicity data.

Impact metric summary	Metric calculation
<p>Proportion of owners/ directors/ shareholders in the businesses we supported, which provided gender data, that identified as Female.</p>	<p>The options included in this section follow the guidelines given as part of reporting requirements on the Wales Business Fund.</p>
<p>Proportion of owners/ directors/ shareholders in the businesses we supported, which provided ethnicity data, that identified as Black, Asian or Minority Ethnicity.</p>	<p>Black, Asian and Minority Ethnic groups include people who may face barriers because of their ethnic origin, in accessing opportunities in Wales. Ethnic origin questions are not about nationality, place of birth or citizenship. They are about broad ethnic groups.</p>
<p>Proportion of owners/ directors/ shareholders in the businesses we supported, which provided disability data, that identified as having a long-term disability.</p>	<p>The Social Model of Disability recognises that disabled people are people with impairments who are disabled by barriers (attitudinal, environmental and organisational) which prevent them from participating fully in all areas of life. In simple terms, it is not the inability to walk that prevents a person entering a building unaided but the existence of stairs that are</p>

inaccessible to a wheelchair-user. In other words, 'disability' is social impairment. The Social Model of Disability requires society to remove the barriers in order that all people have equality. This Model is recognised by disabled people and was formally adopted by the Welsh Government in 2002. Further information can be found at www.disabilitywales.org

**Proportion of owners/
directors/ shareholders in the
businesses we supported,
which provided age data,
under the age of 25.**

This section asks customers to report the number of owners/directors/shareholders within set age brackets.

Set age brackets are Age 0-24, Age 25-44, Age 45-64, Age 65-74 and Age 75+

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