



Annual operational plan  
2024/25

**Development Bank of Wales**

# Overview



# Our 5-year commitments

## Purpose

**Bringing ambitions to life and fuelling possibilities for people, businesses and communities in Wales.**

## Mission

Unlocking potential in the Welsh economy by increasing the supply and accessibility of sustainable, effective finance.

## Values

- Smart collaboration
- Entrepreneurial energy
- Objective empathy
- Conscious responsibility

## Baseline delivery targets 2022/27

Support over <b>2,200</b> businesses	Over <b>20,000</b> jobs supported	Directly invest over <b>£650m</b> into Welsh companies	Target co-investment on business funds of <b>1:1</b>
Deliver on our pledge to the Welsh Government All Wales Plan – <b>Working Together to Reach Net Zero</b>	Maintain a customer NPS® of <b>60</b>	Maintain an employee NPS® of <b>60</b>	Fund <b>1,900</b> new house builds

## Five-year phase strategic objectives

<b>Core: Deliver debt and equity funding with a social impact</b>	<b>Emergent: Promote and advance a green future in Wales</b>	<b>Operational: Delivery excellence, customer-first, financial sustainability</b>
1. Facilitate an entrepreneurial culture in Wales, from foundational through to high-growth businesses	1. Use our position and influence to promote a robust, proportionate transition to a green future across the business ecosystem in Wales	1. Ensure collaborative and responsive delivery that meets customers' evolving needs
2. Support financial inclusion for underrepresented groups and create positive impact in the Welsh economy	2. Develop innovative financial instruments to advance the ambitions for a green future in Wales	2. Embed financial sustainability into the long-term through innovative use of capital for ongoing market needs
3. Work with our new and existing customers to encourage them to identify and prioritise social impact opportunities as part of their business planning	3. Continually improve our knowledge, skills and understanding of climate change impacts and the role of finance in delivering solutions	3. Make optimal use of our ability to support the delivery of government policy through our structure and expertise

Please see our [corporate plan 2022/27](#) for further detail. Performance against our five-year targets can be found within our Annual Report and Accounts.

# Overview

2024/25 will be the eighth year of operation of the Development Bank and third in the current five-year strategic phase. Over that time we have made an economic impact of over £1.7bn through direct investment, co-investment and delivery of investment services such as the Help to Buy Wales scheme.

As the demands of the Welsh market continue to evolve and broaden so too does our role in facilitating access to finance. In 2023/24 this involved:

- Completion of the £216m European funded Wales Business Fund creating future legacy funding for Wales
- Establishment of the mortgage support Help to Stay scheme
- Delivery of an ongoing equity engagement strategy to support businesses in benefitting from high growth finance
- Continued activity through the Recovery Support Group for businesses in challenging circumstances
- Regular joint FSB and Economic Intelligence Wales Senedd events
- Successful first year of our Innovate UK Partnership role with £1.3m of grant accessed alongside our investment.
- Award of the British Business Bank £30m Investment Fund for Wales Debt Fund to our FCA authorised subsidiary FW Capital.
- Delivery of £125m of investment supporting 430 businesses and 4,406 jobs.

23/24 delivery outputs		
Direct investment	£125m	111%
Co-investment (non-property)	1:0.43	1:1
Businesses supported	430	102%
Jobs created/safeguarded	4,406	117%

Looking ahead, we are targeted to deliver over £130m of business and property investment in Wales in the next 12 months, which includes over £5m through the newly awarded Investment Fund for Wales on behalf of British Business Bank. Through Welsh Government funded investment we forecast to support 465 businesses and 4,177 jobs.

## Market needs and challenges ahead

We start this financial year welcoming a new first minister of Wales and new Cabinet Secretary for Economy, Energy and Welsh Language.

In our role as a Development Bank for the whole of Wales, we will continue to work closely with officials to bring forward innovative funding solutions with an entrepreneurial energy to meet the evolving needs of the Welsh economy and support Ministerial economic development ambitions.

Green investment will continue to be developed, focusing both on 'invest to save' opportunities as well as delivering against net zero goals. The Green Business Loan Scheme will be put forward for additional funding over a longer time frame, following early success of the pilot, and we will continue to work with the Housing team to unlock a solution for homeowners to retrofit their properties. We will also look at a Subsidy Control registration of the Local Energy Fund to support important policy delivery in the net zero space in a proportionate and additional way.

Our role will continue in developing the market for equity investment in Wales. Historically, investment in Wales has been dominated by demand for debt. Supporting businesses in understanding the potential high growth opportunities equity can bring, as well as streamlining and simplifying investment documentation, forms part of our wider equity promotion programme.

More widely we will continue to support our customers with an objective empathy in navigating the challenges presented through ongoing market uncertainty, providing direct relationship management that links our customers to the right support at the right time. This activity is further supported by our Recovery Support Group for businesses in more pressing difficulty.

## Customer focus

We work closely with businesses and stakeholders in Wales through smart collaborations to ensure our funding supports financial inclusion across sectors and demographics. In support of this we are enhancing our equality and diversity inclusion plan with a particular focus this year on ethnic minority communities - previous focus has included women entrepreneurs and young entrepreneurs.

We will continue to track customer sentiment through our Net Promoter Score (NPS) measure, which at 90 is currently in the 'Excellent' range. Our focus here reflects an organisational culture that treats customer satisfaction and reputation as of paramount importance.

In 2024/25 we will launch our customer portal to provide customers with increased functionality for online account management and improved processes for our colleagues. There will be a focus on creating efficiencies in the application assessment and due diligence processes to improve response times to our customers through exploring Open Banking and configuration of decision engine tools.

Our diverse customer base also extends to homeowners through multiple investment service schemes including the Self Build Wales Fund, Help to Buy Wales and Help to Stay mortgage support. With the latter particularly, our team offer expert and enhanced levels of vulnerable customer case management recognising the difficult customer circumstances.

24/25 targets	
Direct investment	£125m
Co-investment (non-property)	£76m
Businesses supported	465
Jobs created/safeguarded	4,177

## Sustainability and ESG focus

The Development Bank is an impact investor and consciously responsible lender and therefore sustainability and ESG is at the core of our delivery. Our sustainability strategy details our commitment to promote and enhance a sustainable future within our own operations, the businesses we work with and opportunities to impact wider Welsh policy. Further detail of key projects, including Carbon Budget 3 planning and FCA Sustainable Disclosure Requirements can be found on page 11.

In 2023/24 we undertook a comprehensive equality impact assessment and the recommendations of which will be rolled out in 2024/25. This will include enhancement of equality, diversity and inclusion information on our website and review of the accessibility of our offices and creation of related information. In addition, our dedicated angel network, Angels Invest Wales, will develop equality and diversity strategies that broaden the appeal to, and therefore activity of, minority angel investment groups. Angels Invest Wales had great success in 2023/24 with the launch of the Women's Angel Wales network increasing the activity of female investors in Wales.

Furthermore, the expansion of our FCA authorised subsidiary FW Capital, with four new fund contracts awarded in 2023/24, will support ongoing best practice ESG delivery learnings across different stakeholder requirements.

From a governance perspective, we maintain a robust approach, overseen by our dedicated team of compliance and risk experts. This year those teams will look specifically at embedding the new Public Procurement Regulations (2024) as well as the Social Partnership and Public Procurement Act (Wales) 2023 which comes into force from May.



## Innovative funding and value for money

Central to all delivery ambitions is the acute need to ensure value for money in the management of public sector funding. At a time of severely reduced public sector budgets, innovative and repayable financial solutions play an even greater role. The capacity for the Development Bank to deliver hybrid funding solutions offers Welsh Government the opportunity for public sector funding to go further.

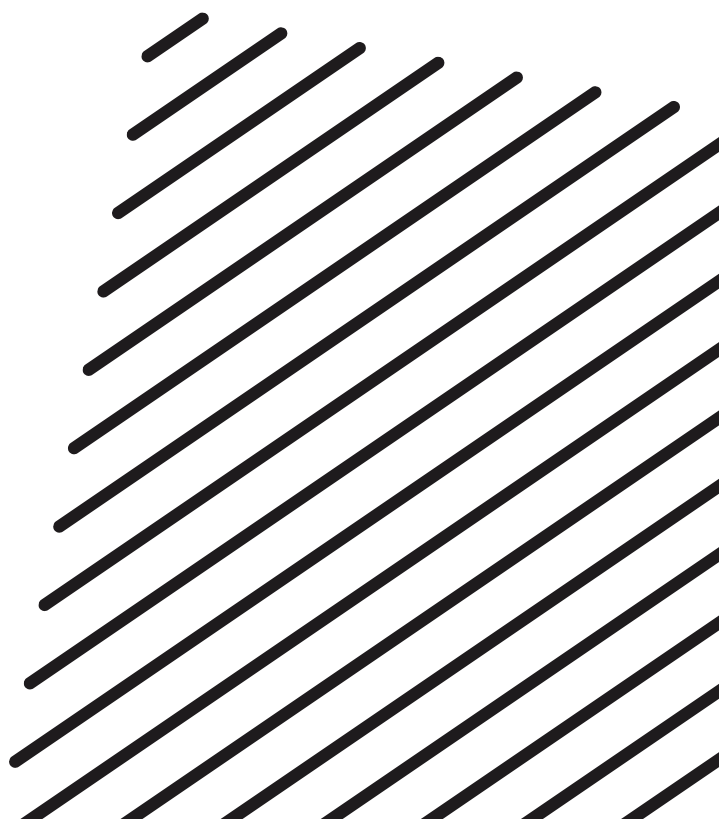
In addition, we continue to monitor our own cost effectiveness and in 2024/25 will undertake a fee benchmarking review as well as identify further cost savings from developments in technology and automation. This includes the final phase of the new loan administration system for enhanced financial management and reporting. As part of this wider work, working groups have also been established to explore the safe adoption of AI tools.

### 5-year targets

As we begin 2024/25, we do so on track to meet our ambitious 5-year targets. While areas of the business have seen a direct demand reduction as a result of cost-of-living impacts, notably in the property development sector due to construction costs, other areas have been successful in meeting the needs of the growing market gap as high street lenders retrench. The counter cyclical role of the Development Bank is vital for consistency and confidence in access to finance in Wales and we will continue to be there supporting businesses now and in the future.



5-year targets	% of target to date
Direct investment	103%
Co-investment (non-property)	1:0.93
Businesses supported	97%
Jobs created/ safeguarded	105%



# Operational



# Headline business objectives 2024/25

## **Core: Delivery of debt and equity funding with a social impact**

### **Facilitating an entrepreneurial culture, supporting financial inclusion and prioritising social impact**

- Deliver £125m of WG funding into the Welsh market across debt, equity and property funding
- Deliver a further £5.4m of debt funding on behalf of British Business Bank
- Seek to become a vanguard for FCA Sustainability Disclosure Requirements in the development approach for new schemes. Consider options for applying SDRs to existing schemes. Review and refresh impact metrics including GVA
- Manage a programme of new fund/scheme development including follow on funding for the near fully invested Wales Micro Loan Fund and Wales Angel Co-investment Fund
- Implement renewed stakeholder engagement strategy and undertake stakeholder perceptions research with key audiences
- Consolidate and enhance clear and accessible equality, diversity and inclusion information on our website
- Deliver pan-Wales equity strategy
- Develop and implement an EDI plan to reach diverse communities and under-represented groups with a particular focus on ethnic minority communities





# Headline business objectives 2024/25

## **Emergent: Promote and advance a green future in Wales**

### **Promote a robust and proportionate transition, develop innovative financial instruments and continual learning of climate change impacts**

- Implement the sustainability strategy and initiate priority year 1 work packages including delivering a pilot project on supporting a sample of Management Succession companies towards net zero transition
- Submit proposal to Welsh Government for Housing Retrofit Scheme
- Explore and progress a Subsidy Control registration for the Local Energy Fund to widen the support it is able to provide to community energy projects in Wales
- Secure medium-term structure for the Green Business Loan Scheme post pilot completion in 24/25 and agree way forward for continued delivery of the Green Homes Incentive
- Support Welsh Government departmental planning for Carbon Budget 3 through exploration of innovative funding solutions
- Review ESG assessments in investment decision making and make recommendations for additional support and training to build capacity and capability to consider risks and opportunities
- Support Welsh Government and North Star Transition on their activities including Wye-Usk Catchment and the Wales Net Zero 2035 Transition programmes



# Headline business objectives 2024/25

## **Operational: Delivery excellence, customer first, financial sustainability**

### **Collaborative and responsive delivery, innovative use of capital and support government policy through structure and expertise**

- Work with the new First Minister, Cabinet Secretary for Economy, Energy and Welsh Language, Cabinet Secretary for North Wales and Transport and other Cabinet Secretaries to directly support development and delivery of their economic development ambitions
- Delivery of three bespoke reports through Economic Intelligence Wales academic partners alongside a programme of periodic events for Senedd members
- Maintain and improve efficiency measures as part of a rolling value-for-money review capturing benefits from technology developments, fee benchmark and internal cost allocation in Development Bank of Wales charging structure
- Implementation of new Public Procurement Regulations and requirements of new Economic Crime & Corporate Transparency Act
- Launch customer portal functionality for customers to manage their account and communicate securely with us, with a streamlined application process and improved process efficiencies
- Complete implementation of the new loan administration system for Help to Buy Wales and final stages of Development Bank of Wales funds transition to new system providing enhanced financial management and reporting
- Work with finance colleagues in Welsh Government as they conclude negotiations with HM Treasury on Development Bank of Wales' reclassification budget reprofile and embed these new budgeting and reporting processes across the Development Bank of Wales





# Sustainability

With over 20-years' experience in impact investment the Development Bank will continue to take a leading role in identifying sustainability opportunities and addressing its challenges in Wales.

In 2023/24 we developed a corporate sustainability strategy (2024-27) which outlines priorities for the coming financial year ensuring that we continue to deliver new to market impact funds; support our customers to drive value creation through transitioning to sustainable practices; and that we meet the same standards that we ask of our customers- leading by example.

## Priorities for the coming year include:

1. Positioning DBW at the vanguard of UK impact investors – being among the first to adopt FCA Sustainability Disclosure Requirements, designed to tackle Greenwashing in the financial sector, ensuring that DBW impact funds and schemes meet these requirements.
2. Conducting a review of our ESG analysis and stewardship practices across our portfolio of investments, providing quality assurance and identifying business development opportunities to advance impact investment into Wales.
3. Supporting our customers ambition to drive sustainable value creation - identifying volunteer portfolio companies with which to pilot SME transition planning for Net Zero, applying the Transition Planning Taskforce framework.
4. Advancing our corporate sustainability reporting – providing Streamlined Energy and Carbon Reporting (SECR) statement and developing our methodologies for upcoming Principles for Responsible Investment and Partnership for Carbon Accounting Financials disclosures.



# Investment services

We continue to work with Welsh Government to identify ongoing areas of policy support that can benefit from the robust financial delivery structures, embedded governance, and expert team within the Development Bank. In 2024/25 we aim to finalise commitment to a housing retrofit scheme with the ambition to launch this in the Autumn.

## Help To Buy - Wales



Over the life of the scheme, Help to Buy - Wales has now supported 15,846 applications, 14,131 completions and 6265 redemptions - culminating in £565m of overall investment. The two-year extension of

Phase 3 of the scheme sees the price cap increase to £300k, with all homes purchased needing to reach a minimum of Energy Performance Certificate (EPC) B. This year, the team will continue to optimise service delivery with implementation of a new Loan Administration System, as well as leveraging a newly implemented cloud-based telephony system upgrade. These enhancements aim to improve the customer experience, meet the schemes regulatory obligations, and drive efficiencies, particularly in relation to FCA Consumer Duty requirements.

## Help To Stay

The Help to Stay - Wales scheme was launched by the Minister for Climate Change in November 2023 to support Welsh homeowners who are in, or facing, financial difficulty in paying their mortgage. With rising interest rates, energy costs and general cost of living expenses, increasing numbers of homeowners are facing the real prospect of not being able to meet their regular mortgage repayments. For eligible applicants, the scheme will offer a financial assessment by an Independent Mortgage Advisor to determine the most appropriate course of action. The scheme offers bespoke equity finance to reduce existing monthly mortgage payments to an affordable level and resolve underlying financial issues, which may reduce the risk of repossession and

homelessness in Wales. The operational team will be conducting external stakeholder sessions throughout 2024/25 to raise awareness, gather feedback and optimise scheme delivery.

## Leaseholder Support Scheme

The Leaseholder Support Scheme continues to help Welsh leaseholders that are in financial hardship as a direct result of building fire safety related issues, following its launch in June 2022.

All eligible applicants receive advice from an Independent Financial Advisor, followed by access to an appropriate financial package to support selling their property where that is deemed the most beneficial route. In 2023, the Royal Institution of Chartered Surveyors (RICS) announced the publication of new valuation guidance for properties in multi-storey, multi-occupancy residential buildings with cladding in Wales. This guidance aims to remove barriers and enable leaseholders to access appropriate mortgages and other financial products.

In March 2024, the Minister for Climate Change announced that the scheme will remain in place for a transition period until 2025, to ensure those leaseholders in significant financial hardship can continue to access support.

## Self Build Wales



Self-Build Wales aims to make self-build more accessible to prospective homeowners in Wales

through an innovative package of funding supporting both land and build costs. It recently extended its approach to include applications from individuals who either already own or have identified their own self build plots, building from the original Local Authority land model. Demand for this broader offering has been high and we expect to see increasing activity over 2024/25.



# People

At the Development Bank, our people focus combines attracting and retaining talent, valuing our people, building on our performance culture and maintaining excellence. We are a highly flexible employer that understands the importance of a healthy work-life balance.

Over the course of the next 12-months we will continue to enhance our employer offer, building on the positive culture of the Group, ensuring it remains a great place to work and develop a career whilst also supporting our colleague's welfare. As part of this, we undertake annual surveys to ensure we listen to and act on feedback from our colleagues. This year we will be introducing the Great Place to Work benchmarking survey. We also track our Employee Net Promoter Score, which at 64 currently remains in the 'Great' range.

Inclusivity is embedded in our approach and we are proud to maintain an environment where everyone can be themselves at work. For continued focus in this area, this year we will consolidate and enhance equality, diversity and inclusion information on our website, including our People Strategy.

Learning and development underpins the growth of the organisation and our tailored training will continue to be offered to all colleagues. This will cover group wide training for the business on areas such as FCA's Consumer Duty and ESG, as well as more detailed courses focused on individual career progression. We will also look to replace the now closed Financial Services Graduate Scheme to provide opportunities for future cohorts of young professionals in Wales. The Development Bank of Wales supported 30 individuals through this scheme across all areas of the business.

With over 280 colleagues across the Group our people and development team continues to optimise digitalisation of systems and process ensuring accessibility of information and efficiency, including equality and gender outcome data which is reported through our annual report and accounts.



Bringing together economic and SME research, Economic Intelligence Wales is a unique research collaboration between the Development Bank of Wales, Cardiff Business School, Bangor Business School, the Enterprise Research Centre, and the Office for National Statistics.

Economic Intelligence Wales collates and analyses data on the Welsh finance market, enriching understanding of the Welsh economy. Its research provides robust and reliable insight into the supply of, and demand for, finance in the Welsh market within the broader Welsh economic context.

During 2024/25 there will be an increase in Economic Intelligence Wales' activity including delivery of the following:

- Bespoke reports being produced by all three academic research partners to include productive investment in Wales, governance and financing of community-led ventures, and Wales' productivity heroes.

- Quarterly reports as well as an annual impact report.
- A continuation of a series of joint events with the Federation of Small Businesses in Wales aimed at Senedd Members.
- Publication of Economic Intelligence Wales' first joint research report with the British Business Bank based on original research from a survey of Welsh SMEs. The survey has been designed to enable sub-regional analysis of access to finance issues, as well as comparisons across the Devolved Nations. In addition to the report's publication, a research dissemination event will be jointly hosted with the British Business Bank.

Over the course of 2024/25 we will also be seeking stakeholder feedback on the structure, role, research focus, output quality, reach and impact of Economic Intelligence Wales, to inform the next phase of the collaboration from 2025.

## Planned research project

Wales' Productivity Heroes

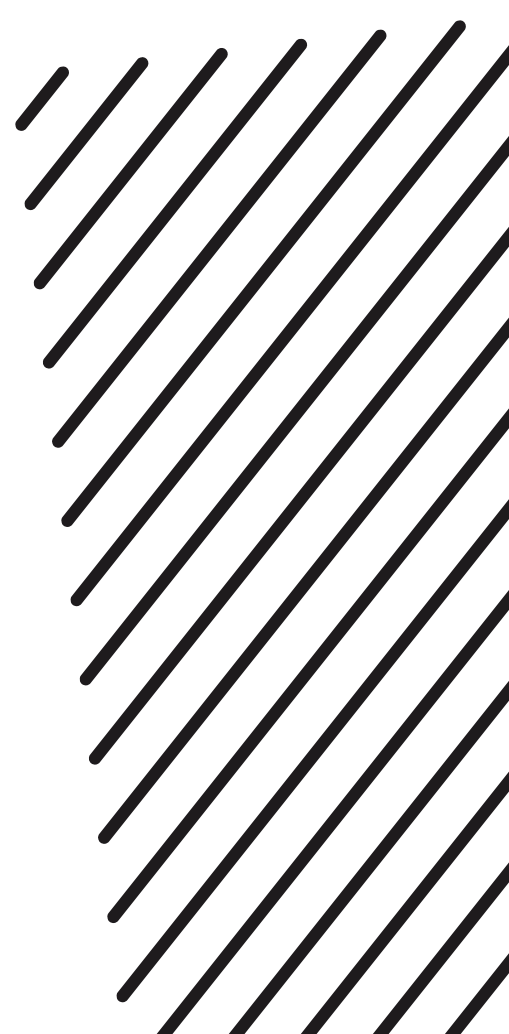
### Provider

The Enterprise Research Centre

### Summary

Productivity heroes are those firms which are increasing both jobs and productivity.

- Who are these companies in Wales?
- Where are they located and what sectors are they in?
- What are the learnings for future policy?



# Delivery



# Our funds

Our funding offer has been developed to include cornerstone generalist funding supported by specialist funds focused on specific market gaps. The suite of products allows us to offer and manage a range of risk profiles and additional support, including grant elements in some instances, to drive activity in key areas for economic growth and employment.

In line with the robust fund governance and oversight commitments, over the course of 2024/25 we will complete the annual schedule of fund reviews which work to ensure there is ongoing assessment of continued market need as well as identifying continuous delivery learnings.

<b>£20m</b> <b>Wales Tech Seed Fund</b> Equity funding for technology start-ups	<b>£721m</b> <b>Help to Buy - Wales Scheme</b> Supporting home ownership across Wales	<b>£50m</b> <b>Wales Tourism Investment Fund</b> Funding for strategic tourism projects
<b>£62.5m</b> <b>Wales Stalled Sites Fund</b> Unlocking property development opportunities	<b>£25m</b> <b>Wales Management Succession Fund</b> Funding buy-out opportunities	<b>£25m</b> <b>Rescue and Restructuring Fund</b> Turnaround funding for SMEs
<b>£8m</b> <b>Wales Angel Co-investment Fund</b> Co-investment with angel syndicates	<b>£12.5m</b> <b>Local Energy Fund</b> Supporting local renewable energy projects	<b>£30m</b> <b>Wales Micro Loan Fund</b> Supporting sub £50k investment needs
<b>£40m</b> <b>Self Build Fund</b> Supporting individuals to custom build their own homes	<b>£55m</b> <b>Wales Property Development Fund</b> Residential property funding	<b>£55m</b> <b>Commercial Property Fund</b> Funding development of commercial space
	<b>£500m</b> <b>Wales Flexible Investment Fund</b> Generalist equity and debt fund including delivery of the <b>Green Business Loan Scheme</b>	



# Investment principles

Our business lending activity is directed by six core investment principles. Our role centres on catalysing action in businesses and by co-investors to generate impact on economic development in Wales. Our activity must minimise private sector displacement and ensure an economic return - both socially and financially.

In the delivery of government policy, where emergent sectors of markets are identified as requiring incentivisation, exceptions may be made in order to structure the right financial package to stimulate

market activity- as our role as a Development Bank. This has been the case for net zero ambitions with green incentives utilised in certain circumstances.

The ability to do this is always fully aligned to the UK Subsidy Control Regime, either through Minimal Financial Assistance, Streamlined Subsidy channels or registration of a Scheme. In 2023/24 we completed the registration of the Rescue and Restructuring Scheme and in 2024/25 we will explore the benefits for registering the Local Energy Fund.

The **six core principles** of the Development Bank's approach to investment are:

- 1 We operate where there is **market failure**, supporting economic opportunity by making finance available to viable businesses and responding to evolving market and customer needs.
- 2 We invest on **commercial terms** pricing the investment fairly to reflect the risk. This ensures we are not displacing the private sector, and that we generate returns that can be recycled into new customers, creating a long-term, value for money asset for Wales.
- 3 We are a **patient investor** providing accessible funding to support the long-term sustainability of the businesses we support.
- 4 We work in close collaboration with the private and public sector and **crowd-in private sector co-investment** wherever possible to increase the flow of funds in Wales.
- 5 We invest for positive financial and non-financial impact in the regional communities we serve. **Environmental, social and governance** are considerations proportionately embedded in our investment decision-making.
- 6 We are a responsible investor, delivering **expert, independent investment management services**. Our experienced team adds value to the businesses we work with, for the life of the relationship.

# Policy

Our remit is focused on supporting multiple policy ambitions of the Welsh Government and its wider affiliated bodies. Our objectives continually align with the achievement of economic development impacts in Wales. The main policy alignment is shown below:

## Overarching

**Programme for Government** – The Development Bank to support increasing equity stakes and the provision of patient capital. Also supporting the values of community, equality and social justice.

**Working Together to Reach Net Zero: All Wales Plan** – All public sector organisations to be net zero by 2030. The Development Bank is committed to supporting this.

**Well-being of Future Generations** – Seven well-being goals and five ways of working.

### Wales Infrastructure Investment Strategy 2021

**Environment Act (Wales) 2016** – enabling Wales’s resources to be managed in a more proactive and sustainable way, establishing the legislative framework necessary to tackle climate change.

## Economy

**Economic mission** – Continue to support stronger regional economies, drive growth for better jobs in communities and promote a just transition.

**Economic Contract** – The Development Bank’s Economic contract and six delivery pledges.

**Regional economic frameworks** – Support to delivery programmes as identified.

**Manufacturing Action Plan** – helping to develop a resilient and high value manufacturing sector.

**Innovation Strategy for Wales** – adopting a more mission-based approach to innovation.

## Operational

**Welsh Language (Wales) Measure 2011** – Bilingual outputs and communications, supporting the ambition for a million Welsh speakers by 2050.

**Public Procurement Regulations 2015 (to transition to 2024)** – Managing the purchasing of goods and services by the Development Bank.

**Fair Work Wales** – Adherence to fair work practices.

**Remote working** – Flexible working to reduce our footprint, supporting Welsh Government aims for 30% of workers to work at or near their homes.

### Strategic Equality Plan 2024-2028 –

The Development Bank will continue to align its equality objectives and review the revised 2024-2028 Strategic Equality Plan when it launches later this year.

**Social Partnership and Public Procurement Act (Wales) 2023** – working together to improve public service delivery and well-being in Wales.

## Housing

**Programme for Government** – The Development Bank supports building an economy based on fair work, sustainability and the industries and services of the future. We unlock and develop modern commercial sites across Wales, which also makes our cities, towns and villages even better places in which to live and work.

**Welsh Development Quality Requirements 2021** – Funding developments to support the aim of creating beautiful homes and places, promoting Modern Methods of Construction where possible.

## Programme for government well-being objectives

- Build an economy based on the principles of fair work, sustainability and the industries and services of the future
- Build a stronger, greener economy as we make maximum progress towards decarbonisation
- Embed our response to climate and nature emergency in everything we do
- Celebrate diversity and move to eliminate inequality in all its forms
- Make our cities, towns and villages even better places in which to live and work
- Push towards a million Welsh speakers and enable our tourism, sports and arts industries to thrive

# Responsible business

We are committed and engage purposefully to ensure Environmental, Social and Governance compliance across all of our operations. We lead through the actions we take and are accountable for the decisions we make. We align our ESG compliance with the following external best practice.

## Partnership for Carbon Accounting Financials (PCAF)



An industry led partnership to facilitate transparency and accountability of the financial industry to the Paris Agreement. We have committed to disclose our financed emissions and are currently targeting to do this from the financial year 1 April 2024 onwards. Our intention is to disclose emissions for our entire portfolio, which includes FW Capital and we are currently working through the 31 March 2023 disclosure as a test run alongside our external auditors.

## Principles of Responsible Investing (PRI)



The world's leading proponent of responsible investment, PRI encourages investors to use responsible investment to enhance returns and better manage risks. As a UN PRI signatory, DBW Group acknowledges that we incorporate ESG considerations into our investment decisions, promote the importance of ESG to our investees and seek adequate disclosure of ESG issues by the entities in which we invest.

## Investing in Women Code



The Investing in Women Code is a commitment by financial services firms to improving access to tools, resources and finance for women entrepreneurs. We became signatories to the Code in summer 2021.

## Prompt Payment Code



The prompt payment code is a voluntary code of practice which sets standards for payment practices between organisations of any size and their suppliers. As a signatory to the Code, we've committed to paying suppliers on time, giving clear guidance to suppliers, as well as adopting and encouraging best practice.

## Great Places to Work



Great Place to Work® are the largest global employee survey provider. We work with them to survey our colleagues, benchmark the results and identify gaps to improve culture and engagement and also attract and retain talent.

## Bankers for Net Zero



Bankers for Net Zero has the aim of galvanising credible, demonstrable leadership from the UK banking sector on climate change. DBW became a member in 2024 and is working together with banks, businesses, policymakers and regulators to define and implement the interventions needed to accelerate the UK economy's transition to net zero.

# Subsidiaries





FW Capital is the Development Bank of Wales Group’s FCA registered fund management arm. It currently operates from 6 offices across the North of England and the South West and extends its operation into Wales as the delivery vehicle for the Wales Management Succession Fund and Investment Fund for Wales. FW Capital currently employs 33 investment colleagues and its operations are overseen by two dedicated fund directors.

Alongside providing the Groups regulated fund management delivery capacity for both Wales and wider regional activity, FW Capital forms a core part of the Group strategy creating direct benefit to Wales through:

**Expertise** - Widening the scope of the Group’s investment activity and therefore increasing the knowledge base and market intelligence across the organisation

**Third party relationships** - Successfully securing and delivering contracts on behalf of third parties, including the British Business Bank

**Financial** - Making a financial contribution to the Group operations, as well as job creation in Wales for back-office support

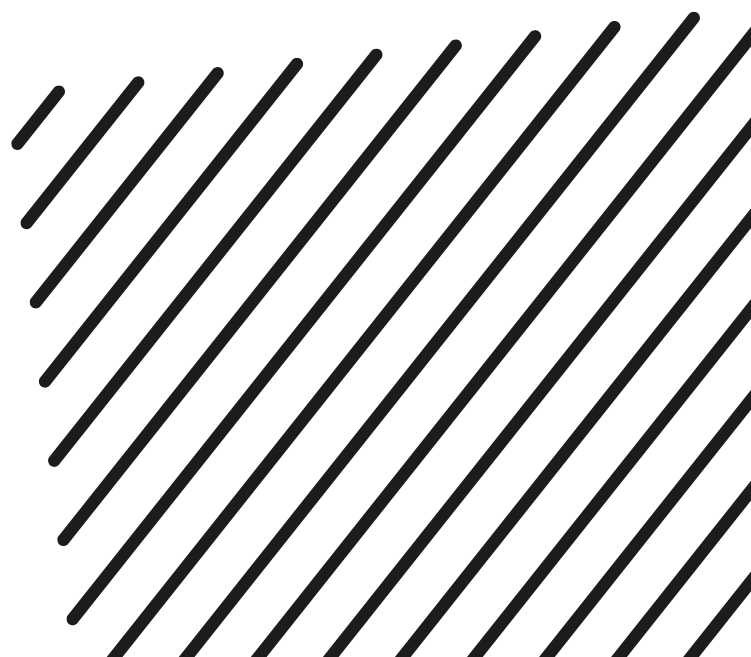
Key priorities for 2024/25 are:

**Delivery** – 2023/24 was a successful year for FW Capital in terms of fundraising. Contracts to manage four new fund contracts across 4 separate geographies were successfully bid for and work will now continue in embedding their delivery and ensuring comprehensive reporting structures are established with their stakeholders. This includes the launch of the £20m Teesside Flexible Investment Fund in May 2024.

**Fundraising** – In support of ongoing fundraising activity for FW Capital, 2024/25 will see the creation of a permanent fundraising team, working in collaboration with the wider strategic development of the Group. This resource will support analysis of Group fund activity and market engagement on Fund proposals for Property, Management Succession and Debt, as well as consideration of new fund bid opportunities. Within this, development of cross border funding vehicles is a priority objective, working to support the flow of new private funding into Wales.

## 2024/25 key performance indicators

FW Capital investment targets	24/25 (£m)
NE Property Fund	£10m
NE Commercial Property Investment Fund	£8m
NPIF II	£18m
South West Investment Fund	£4.25m
Teesside Flexible Fund	£3m
Investment Fund for Wales	£5.4m
Total	£48.65m



# Angels Invest Wales

The Angels Invest Wales programme will continue to expand and diversify in 2024/25 with a forward strategy aligned to embracing the industry trend towards angel 'syndicate' investing.

This will specifically include a plan to support the growth of fixed angel syndicates in Wales through a partnership approach that naturally builds on the success of the Angel Co Fund.

Angels Invest Wales will also continue to expand individual investment deal flow and diversify and consolidate its investor membership to build on the forward momentum of the last year.

Specific operational priorities and strategic plans for Angels Invest Wales in 2024/25 are:

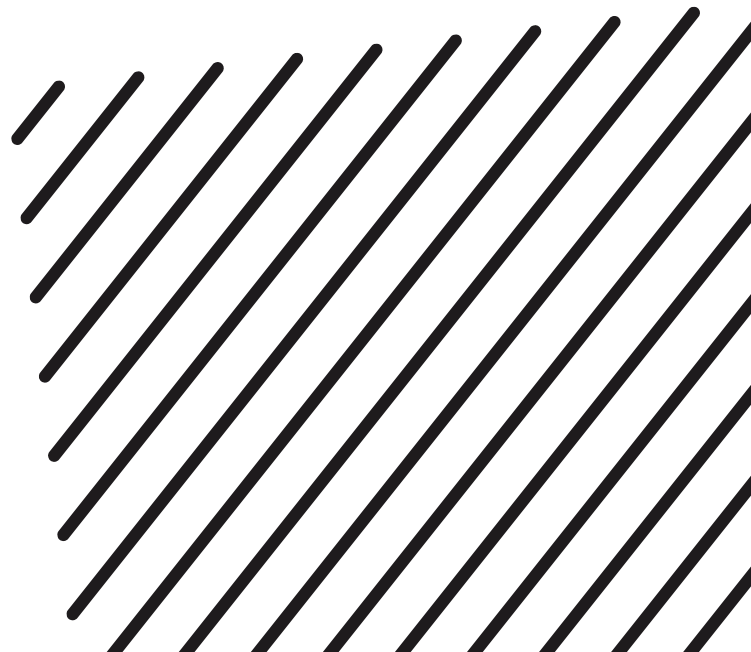
- Securing follow on funding for the Angel co-investment fund which is due to complete investment of the current funding allocation in this financial year. As part of this, propose an enhanced fund offering that incentivises the formation of fixed angel syndicates and broadens direct funding access for investment opportunities through the Angels Invest Wales platform.
- Review the Angels Invest Wales investor network in line with FCA legislation and guidance on 'sophisticated' investing and introduction of a revised membership agreement to encourage active angel investing in Wales.
- Continued development of investment strategies for key growth sectors in Wales including fintech, SaaS, renewable green industries and educational technology including AI and its associated sub sectors.

- A sharpened focus, support and alignment to equality and diversity strategies that broaden the appeal to minority angel investment groups with the ability to expand all future areas of early-stage investment in Wales.

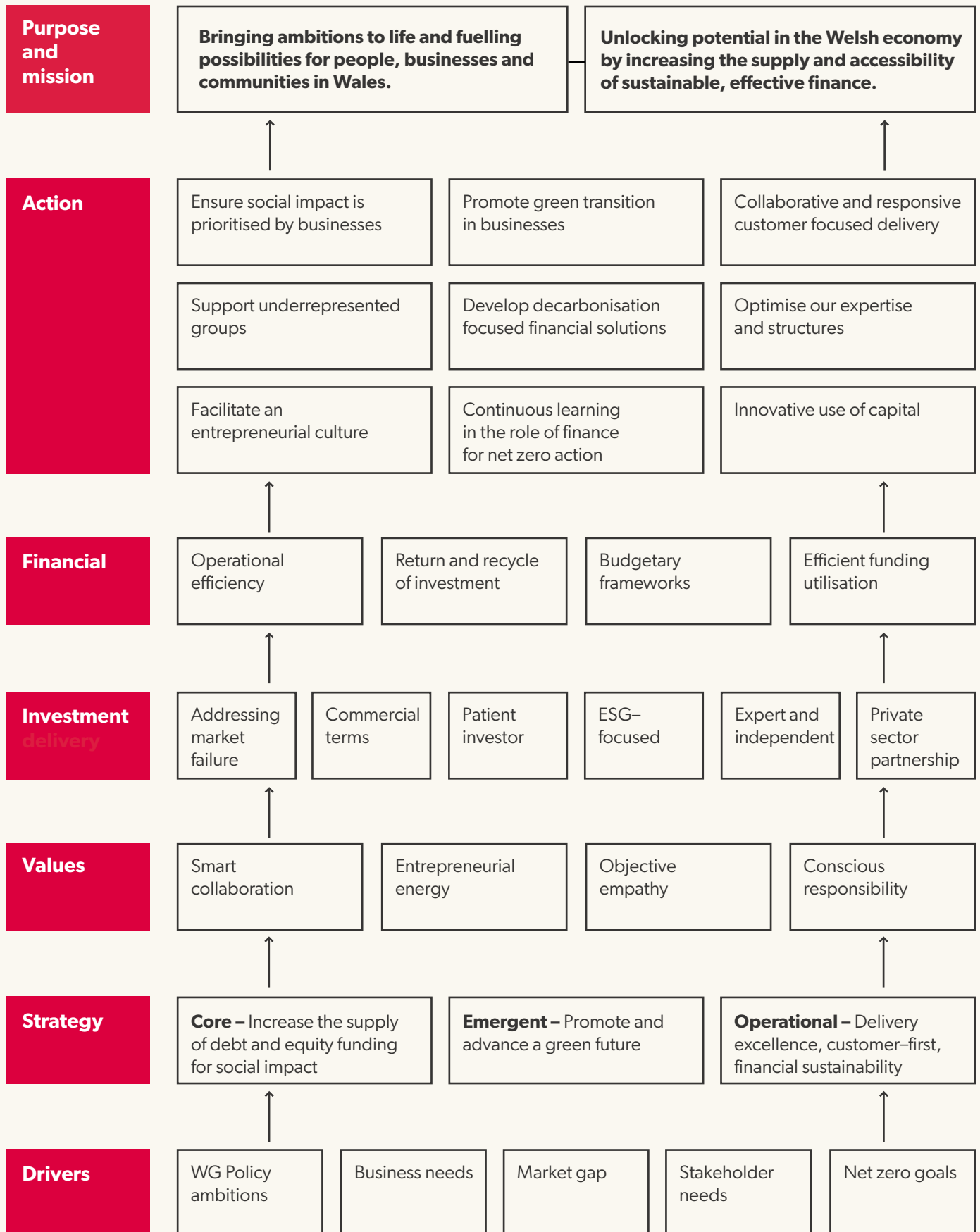
Angels Invest Wales will continue to deliver its programme of networking and investor development events that facilitate co-investment opportunities and further encourage development of angel investment best practice and awareness of legislative changes and trends impacting the industry.

## 2024/25 key performance indicators

Angels Invest Wales investment targets	24/25 (£m)
Investment facilitated	£3.8m (36 angel deals)
Development support to the formation of new fixed 'partner' angel syndicates in Wales.	5
Wales Angel Co-Investment Fund investment	£2.5m



# Strategy outline





[bancdatblygu.cymru](http://bancdatblygu.cymru)  
[developmentbank.wales](http://developmentbank.wales)



Mewn Partneriaeth â  
**Llywodraeth Cymru**  
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**Welsh Government**

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