



Annual operational plan 2025/26

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

Five-year phase strategic objectives

Core: Deliver debt and equity funding with a social impact	Emergent: Promote and advance a green future in Wales	Operational: Delivery excellence, customer-first, financial sustainability
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

Development Bank of Wales is an organisation for the whole of Wales, positioned to make funding accessible, to create impact, growth and opportunity. We work with thousands of driven and innovative Welsh businesses, from foundational economy micro businesses through to growing middle sized companies. Our team of motivated colleagues provide regional customer focused delivery with our outputs and impacts having continually advanced year on year since launch.

Looking back over 2024/25, some of our notable achievements can be summarised as:

- Delivery of £152m of investment supporting over 500 businesses and 6,185 jobs
- New funding secured for our micro finance and angel investment focused funds
- Publication of our Sustainability Strategy
- Being recognised as a Great Places to Work employer, ranking 27th among UK large employers
- Appointment of a new Chair of the Board, Hon. Group Captain Sally Bridgeland
- Approval for continued delivery of the Green Development Incentive, encouraging green methods of housing construction
- A further £30m invested through Help to Buy Wales supporting homeownership in Wales
- Launch of Green Homes Wales to support homeowners in Wales improve their energy efficiency, reduce their carbon emissions and save on energy bills
- Collaboration with Bankers for Net Zero and Icebreaker One to run the first live pilot for SMEs to share emissions data for better benchmarking, analysis and measurable impact
- Total impact through direct investment, co-investment and investment services since launch of Development Bank of Wales in 2017 of over £1.9bn

24/25 delivery outputs	
Direct investment	£152m
Co-investment (non-property)	1:0.94 (rolling since launch)
Businesses supported	502
Jobs created/safeguarded	6,185

2024/25 saw a high level of investment in October following the impacts of the Autumn budget. We expect to see the investment output therefore readjust in 2025/26 with a forecast of £136m for the combined delivery of Welsh Government funding and the British Business Bank Investment Fund for Wales. It is further forecast that this investment will support 477 businesses and over 4,300 jobs.

25/26 targets	
Direct investment	£136m
Co-investment (non-property)	£80m
Businesses supported	477
Jobs created/safeguarded	4,308

Business needs and economic development challenges

We will utilise our research arm Economic Intelligence Wales to deliver quarterly market updates as well as bespoke reports on key issues to help inform our understanding of the evolving economic development challenges and opportunities. In Q1 2025/26 we will be publishing two bespoke reports, one focused on productivity and the other on online banking, and a quarterly report which will briefly analyse potential impacts of changes in global trade on Wales.

Our market gap analysis will continue to identify economic needs in Wales, and we will work with our stakeholder to ensure existing funds continue to have capital availability to service ongoing business needs.

Prospects for small firms in Wales over 2025/26 will inevitably be shaped by a series of local, national and international factors. Improvements in productivity and providing opportunities for quality jobs remain two of the key economic challenges we face in Wales. Supporting businesses to innovate and grow are critical levers to address these areas, both through finance and support. We have a strong finance product mix that supports a range of sector and business type needs, from debt and equity to micro finance and patient capital. We will also work with Welsh Government to consider any enhancements that could be made to the current collaborative delivery approach between Business Wales (for business support) and the Development Bank of Wales (for business finance).

Net Zero action

As a key commitment in our Corporate Plan 2022-27, our focus on delivery of net zero impacts in Wales continues in 2025/26. We are pleased to have further progressed our direct support in 2024/25 by the launch of Green Homes Wales, supporting homeowners make energy efficiency improvements and decarbonise their homes. Following a successful pilot phase this Scheme is now recapitalised for further delivery over 2025/26.

We will also roll out a second phase of our Green Development Initiative, which encourages developers to use green methods of construction. During the first phase over £55m of lending was approved, which will deliver 221 homes - 91 achieving EPC A, 2 Passivhaus, 158 built with non-concrete structures and 144 using air source heat pumps. Furthermore, our Green Business Loan Scheme will be extended, providing businesses with advice and support as well as funding to undertake energy efficiency improvements, reducing their carbon emissions. Through the Scheme to date a forecast saving of over 28,800 tCo2e has been achieved.

Continuing to broaden our support in this area, we will focus in 2025/26 on the development of a scheme to support the agricultural sector, specifically with the transition to the Sustainable Farming Scheme. We will progress options to support green projects in the sector through an incentivised funding package using the levers available to us including patient capital and hybrid funding.

We will also continue to work with Trydan Gwrydd and Ynni Cymru to support in identifying finance delivery solutions through new and existing models, such as the Mutual Investment Model, for the benefit for public funding in Wales.

Policy delivery with a sustainability focus

As the key deliverer of financial instruments on behalf of Welsh Government, our impact goes wider than environmental policy. The cross-cutting nature of our delivery puts us in a unique position where we can support multiple policy areas from housing to tourism, to succession finance.

For housing, the newly merged Wales Residential Property Fund, consolidating our two previous property development funds, supports SME developers increase the number of homes in Wales, with a forecast impact of over 5,000 new homes. In addition, our dedicated property services team manage bespoke policy initiatives including Help to Buy Wales, Help to Stay, supporting homeowners effected by cost-of-living impacts and Leaseholder Support, for homeowners effected by fire safety failures.

Sustainability and impact are the core tenures of our investment approach. We invest for financial and non-financial benefit, with our regional presence being an invaluable tool in understanding how best to deliver policy aims.

Alongside our core targets for supporting jobs and investment, we will also work to enhance our approach to integrated impact reporting, ensuring the wider outcomes across our broad delivery are clearly reported.

Efficiencies and cost-effective delivery

Ongoing delivery efficiencies are embedded into the operational objectives of the organisation with each business area tasked with identifying areas of improvement, consolidation and change as the organisation grows. In 2025/26, our efficiency programme will centrally capture this Group-wide activity and will include projects such as review of AI tools for secure organisational roll out, customer journey process review and introduction of an online application portal.

Utilising our FCA authorised vehicle, FW Capital, we will explore opportunities for extending Group delivery to encompass more private sector funding, such as pension funds, helping to reduce the demands on scarce public funding. This will also include looking at co-investment equity delivery models.

Our systematic review of fund delivery and performance ensures value for money and that the focus of our investment strategy remains aligned to the moving market conditions. Under review in early 2025/26 will be our Commercial Property Fund where we will look to extend its delivery phase by capital efficient recycling of its original funding allocation.

We will also work with our stakeholder to ensure efficient arrangements are in place for delivering investment against budget management requirements utilising structures that maximise our ability to meet ongoing market demand.

5-year targets

We are now three years in to the current strategic period and are pleased to report that performance is tracking well against the core delivery headline targets. The number of businesses supported and amount invested remains ahead of target, as well as jobs supported which saw a particularly strong output in 2024/25 through our Rescue and Restructuring Fund offer. Co-investment continues to be a stretching target, particularly based on the current limited definition of eligible co-investment. In 2025/26 we will be working to update our co-investment capturing approach to align with other peer organisations, such as the British Business Bank, which will provide greater capacity to identify co-investment impact and private sector leverage through our investment activity.

5-year targets	Output	% of target to date
Direct investment	£394m	101%
Co-investment (non-property)	1:0.72	72%
Businesses supported	1,329	101%
Jobs created/safeguarded	14,894	124%



Operational



Headline business objectives 2025/26

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

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

- Deliver £135.6m of investment to Welsh businesses through over 520 investments
- Manage a programme of new fund development to include future commitments for micro and angel funding and green business lending, as well as ongoing analysis of emerging market gaps and guarantee support
- Continued implementation of a pan-Wales equity strategy including review of an equity co-investment model
- Leverage experience from the Development Bank of Wales Recovery Support Group to support businesses where direct financial support through non-financial means where appropriate
- Work with key stakeholders to consider any delivery gaps and potential opportunities to enhance the cohesive delivery of business finance and business support to Welsh businesses
- Work with third party funders to explore future opportunities to both crowd-in and support delivery of additional economic development funding across Wales- to include local impact real estate development and follow on funding for Management Succession
- Undertake a programme of events and engagement with key stakeholders to ensure access to funding though Development Bank of Wales is clear and accessible- to include dedicated sector campaigns, Senedd member engagement through EIW reports and transparent performance reporting



Headline business objectives 2025/26

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

- Launch phase two of the Green Development Incentive, encouraging Welsh developers to build with sustainable
- Launch the second phase pilot of the Green Homes Wales Scheme supporting Welsh homeowners to decarbonise their homes- £3m
- Develop a proposal for an agricultural loan scheme to support farmers in the transition to more regenerative agricultural practices in line with the roll out of the Sustainable Farming Scheme between 2026 and 2029 and beyond
- Ensure timely annual submission of 2024/25 data to the Partnership for Carbon Accounting Financials and Principles for Responsible Investment
- Continue to work with Bankers for Net Zero and Project Perseus, leading market trials of SME transition planning and automated smart carbon accounting in green lending due diligence. Work with selected portfolio customers to implement trials and produce press/case studies promoting our participation



Headline business objectives 2025/26

Operational: Delivery excellence, customer first, financial sustainability

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

- Maintain and continue to embed 'Great Places to Work' Survey, work with Welsh Government on the certification as a 'Living Wage' employer and continue to target an ENPS score of over 60
- Continue to commit to promoting inclusivity across all levels, ensuring fair recruitment and progression practices
- Launch the Customer Portal improving functionality by improving process efficiencies and streamlining the application process
- Ongoing delivery of a dedicated programme of efficiency projects across all areas of the business to demonstrate continued value for money through cost-effective service provision
- Build on our market gap analysis and insights through further research and engagement to support the economic development planning for Wales's next term of government and the alignment to it of Development Bank of Wales' next Corporate Plan period
- Work with Welsh Government policy teams on continued provision of expert investment services. Including the Help to Buy Wales scheme, essential homeowner support products, as well as management of 'large loan' portfolios



Sustainability

In 2024/25 we made significant progress in delivering our corporate sustainability strategy, supporting standards and innovation in sustainable finance that enable our customers to drive value creation through transitioning to sustainable practices.

In the coming year Development Bank of Wales will build on its capabilities as a responsible investor, providing patient capital to address long-term sustainability challenges in Wales and supporting wider innovation in sustainable finance.

Priorities for the coming year include:

1. Continue to work with Bankers 4 Net Zero and Project Perseus, leading market trials of SME transition planning and automated smart carbon accounting in green lending due diligence, driving down business burden and creating a basis for business investment planning.
2. Conduct a review of responsible investment controls across asset classes, ensuring compliance and identifying any recommendations to maintain best practice and identify innovations.
3. Review and provide recommendations for the design and delivery of an integrated impact data platform, outlining a basis for streamlined reporting and agile development of impact frameworks.
4. Engage with stakeholders in Welsh agriculture to understand the financing needs of farm businesses to transition to more regenerative agricultural practices, including engagement with nascent natural capital markets.



Property investment services

We continue to work with the Welsh Government Housing team to identify ongoing areas of support to policy that can benefit from the robust financial delivery structures, embedded governance, and expert team within the Development Bank. Our current investment services in this area are detailed further below.

Help To Buy - Wales



Over the life of the scheme, Help to Buy - Wales has now supported 16,555 applications, 14,792 completions and 7220 redemptions - culminating in £595m of overall investment.

The Scheme has been extended for a further 18 months, retaining the same criteria, including the £300k price cap. Following a successful data migration, the new loan administration system is now live. Further enhancements are also being explored that will complement the previously implemented telephony upgrade (e.g., card payments). These enhancements aim to improve the customer experience, maintain the Scheme's 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 and has since been extended to March 2026. Unlike other similar schemes, support extends to those Welsh Homeowners facing possession proceedings and/or financial hardship. 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. Going forward, the operational team will be looking to strengthen ties with wider debt advisory services and optimise marketing activity to ensure the Scheme is accessible as an early intervention to all eligible homeowners struggling financially.



Property investment services

Leaseholder Support Scheme

The Leaseholder Support Scheme closes for new applications on the 27th June 2025 following its launch in June 2022 as a support for Welsh leaseholders that are in financial hardship as a direct result of building fire safety related issues. 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. Following publication of new valuation guidance by the Royal Institution of Chartered Surveyors for properties in multi-storey, multi occupancy residential buildings, leaseholders are now more able to access appropriate mortgages and other financial products to support their individual needs. The team continue to support the existing portfolio of customers and Registered Social Landlords as required.

Self Build Wales



**Hunanadeiladu
Cymru
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. Through 2025/26 we will continue to promote the Scheme expansion to individuals who already own land or are able to find their own land, alongside local authority provided plots. Expressions of interest to the Scheme remain high and we hope to be able to unlock more plots over the course of the next year so more projects can get underway.

Green Homes Wales

**Cartrefi Gwyrdd Cymru
Green Homes Wales**



Launched in October 2024, the [Green Homes Wales](#) pilot

scheme offers homeowners in Wales a package of funding to support energy efficient improvements to their homes. Using a combination of interest free financing, grant and fully funded expert support the Scheme aims to help homeowners reduce their carbon emissions while also saving on their energy bills. Since launch there have been over 3,000 expressions of interest from which invitations to apply are being managed on a phased basis. Due to the success of the initial pilot, further funding has been allocated to continue delivery through 2025/26. Development Bank of Wales and Welsh Government will work together over this period to further review, shape and refine the Scheme with the aim to secure its ongoing delivery.



People

Following the introduction of the Great Places to Work survey in 2024, we are incredibly proud and delighted that our organisation is officially Great Place to Work certified. The award is based entirely on what colleagues said about their experience working at DBW. 88% of colleagues said it's a great place to work - 34 points higher than the average UK company. Being certified gives us vital insight into which programmes and policies our colleagues value, as well as areas where we can improve.

Whilst this is great news, we recognise that we need to continue to develop and support our colleagues. At the Development Bank of Wales, our people focus continues to combine 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. We're committed to ensuring a planned approach to provide a healthy, happy work environment to support our colleagues in maintaining and enhancing their personal health and well-being.

Learning and development underpin 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.

This year we will also be researching and implementing a new Learning Management System to provide training on compliance, onboarding and Health and Safety, ensuring all colleagues receive training on the new system. The People and Development team will also continue to drive efficiencies through digital transformation through continuing development of the Cascade, EmPerform and Networkxs platforms.



Bringing together economic and SME research, Economic Intelligence Wales is a unique research collaboration between 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 Wales within the broader Welsh economic context.

During 2025/26 Economic Intelligence Wales will deliver the following:

- An extension to the current collaboration agreement with the academic research partners to facilitate long-term planning for the next phase of reports.
- Bespoke reports from all three academic research partners on topics including online banking, relationship banking and lending to Welsh SMEs; productive investment in Wales and what shapes investment decisions; governance and financing of community-led ventures; and the role of 'productivity heroes' in the Welsh economy.

- Quarterly reports as well as an annual impact report which will include a deep dive into the Development Bank's investment activity data.
- A continuation of a series of joint events with the Federation of Small Businesses in Wales aimed at Senedd Members and senior external stakeholders.
- Collaborative publications with the British Business Bank on research, including the second joint report based on original research from a survey of Welsh SMEs, and explore potential collaboration with the Wales Productivity Forum.

Over the course of 2025/26 Economic Intelligence Wales will continue to seek stakeholder feedback on the research focus, delivery, reach and impact of Economic Intelligence Wales outputs to inform the next phase of the collaboration.

Highlight: Planned research project

Online banking, relationship banking and lending to Welsh SMEs

Provider

Cardiff Business School

Summary

Survey and econometric based research to explore the impact of financial technology on SME access to credit and its influence on the significance of relationship banking for Welsh SMEs. This will explore:

- How has Welsh SME relationship with banks changed?
- Has online banking and FinTech platforms impacted access to, and terms of, finance?
- How far is FinTech a viable substitute for relationship banking?

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 2025/26 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.

£20m

Wales Tech Seed Fund

Equity funding for technology start-ups

£595m

Help to Buy - Wales Scheme

Supporting home ownership across Wales

£50m

Wales Tourism Investment Fund

Funding for strategic tourism projects

£117m

Wales Residential Property

Fund Residential property development opportunities

£25m

Wales Management Succession Fund

Funding buy-out opportunities

£25m

Rescue and Restructuring Fund

Turnaround funding for SMEs

£11m

Wales Angel Co-investment Fund

Co-investment with angel syndicates

£12.5m

Local Energy Fund

Supporting local renewable energy projects

£32m

Wales Micro Loan Fund

Supporting sub £50k investment needs

£40m

Self Build Fund

Supporting individuals to custom build their own homes

£500m

Wales Flexible Investment Fund

Generalist equity and debt fund including delivery of the **Green Business Loan Scheme**

£55m

Commercial Property Fund

Funding development of commercial space

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.

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.

Operational

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

The Procurement Act 2023 – 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.

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

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.

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)



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 test run data 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, the Development Bank of Wales 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.



PRI Principles for Responsible Investment

investment, PRI encourages investors to use responsible investment

Investing in Women Code



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 NetZero

Bankers for Net Zero has the aim of galvanising credible,

demonstrable leadership from the UK banking sector on climate change. Development Bank of Wales 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 32 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 2025/26 are:

Wales impact growth – Over 2025/26 there will be focus on a number of funding opportunities in Wales. 1) FWC will be working with Welsh Government and Clwyd Pension Fund to develop a match funded follow on to the current Wales Management Succession Fund, as that fund reaches the end of its investment period; 2) working with the Wales Pension Partnership and its allocated partners, 3) continued working with the British Business Bank to maximise investment opportunity in Wales.

Pension Fund engagement – Over the last 24mths FWC has been successful in the award of 6 new funding contracts across the north and south west of England and Wales, commencing and retaining a strong presence in these areas. Alongside the fund development focus in Wales during 2025/26 the FWC team will also progress pension fund engagement with the strategic aim of developing cross-border funding vehicles, working to increase the flow of new private funding into Wales. Key areas of product focus will remain on Property, Management Succession and Debt.

2025/26 key performance indicators

FW Capital investment targets	25/26 (£m)
NE Property Fund	£10m
NE Commercial Property Investment Fund	£10m
NPIF II	£15.5m
South West Investment Fund	£4.75m
Teesside Flexible Fund	£5.5m
South Yorkshire Fund	£2m
Investment Fund for Wales	£6.5m
North East Fund	£4m
Total	£58.25m

Angels Invest Wales

The Angels Invest Wales programme will seek to consolidate in its position as the leading angel network in Wales during 2025/26 and further embed the trend towards 'syndicate' investing. This will specifically include a plan to support the growth of fixed angel syndicates in Wales through the deployment of the evolved Angel Co-investment Fund.

Angels Invest Wales will look to build on the forward momentum of the previous year in retaining and growing its number of active investors while expanding co-investment links with other angel groups and early-stage investors.

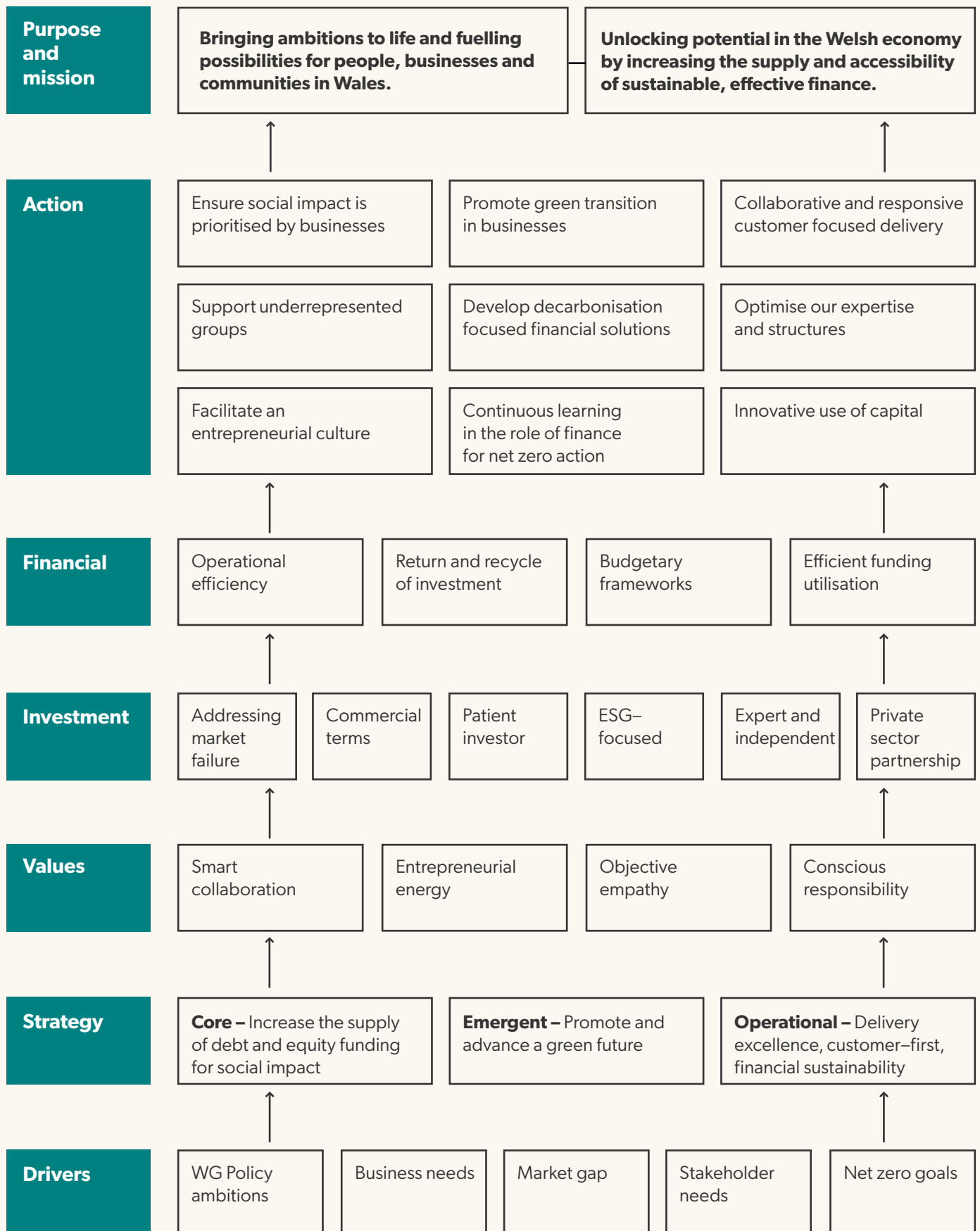
Specific operational priorities and strategic plans for Angels Invest Wales in 2025/26 are:

- Deployment of the evolved Angel Co-investment Fund which has 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.
- An investor engagement strategy to retain the engagement and advocacy of the existing investor base, alongside a drive to grow investor numbers and syndicate operating regionally.
- Continued outreach and engagement with businesses (and associated support organisations) seeking angel investment in Wales to marry the supply and demand side growth of angel investment activity in Wales.

- An agenda to further develop relationships with existing and new potential co-investors in angel investment rounds.

Angels Invest Wales will continue to deliver its programme of events providing early-stage businesses in person engagement with angel investors in tandem with focused investor events to engender syndicate formation and more generally development of angel investment best practice and awareness of industry developments.

Strategy outline



bancdatblygu.cymru
developmentbank.wales



Mewn Partneriaeth â
Llywodraeth Cymru
In Partnership with
Welsh Government

Development Bank of Wales Plc (Banc Datblygu Cymru ccc) is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at developmentbank.wales.