



Suriname National Development Bank Ltd.



Bank Activities & Guarantee Fund



Establishment & Goal



- Before 1963: “Overseas Investment Corporation from Den Hague; the Netherlands operated in Suriname.
- Government policy to create an own Development Bank.
- NOB state-owned bank established in 1963 specialized in development loans in order to develop national industries that contribute to the economic and social development of Suriname.
- NOB is a limited liability company.
- The majority of the shares (99.8%) are held by the Government of Suriname, while the other shareholders are a local commercial bank and a local insurance company.



Objective & Goal



- **Statutory objective:**
NOB aims to develop the national industry by offering financing (credits), guarantees, consultancy services, equity participation, trustee services and other banking services.
- **Goal:**
to develop the national industrial sector, more specifically to facilitate and support small and medium sized enterprises.



Experience



- Funding:
 - 1963 – 1975 → Government Budget (Suriname, Netherlands, EEG)
 - 1975 – 1980 → Dutch Aid to Suriname
 - 1980 – 1994 → Multilateral institutions:
 - World Bank,
 - IDB,
 - EU
 - EIB



Experience



- 1994 - 2005 fall back period, due to macro economic developments of Suriname. Huge decrease in shareholder's equity in 1995 due to exchange rate adjustment in 1994.
- NOB bare all exchange loses for the total credit portfolio.
- Because of high Foreign Debt and poor Foreign Currency availability → all existing programs with multilateral agencies were stopped.



Current Activities



- Own loan portfolio
- Manager:
 - Investment fund; by end October transferred to own portfolio.
 - Technical Assistance Private Sector Fund; by end October also transferred to own portfolio for “soft loans & TA”.
- Agriculture Credit Fund, special fund in cooperation Ministry of Agriculture by end October transferred to the NOB.
- Study loan Fund special fund in cooperation with Ministry of Education since 2009.
- Manager of Credit Guarantee Fund.



Credit Guarantee Fund



- Established in 1979.
- Fund amount 2.5 million Surinamese guilders at that time equal to same amount in Dutch guilders.
- By 1997 fund amount was doubled.
- Stopped because of the macro-economic developments.
- Re-starting actions started in 2007.
- Biggest challenge: Convincing government authorities.
- 2010 → Minister of Finance in close collaboration with the Vice-President worked on the new statutes of the CGFS.
- Still a long way to go; because financing was a problem.
- In 2014 the NOB decided to allocate funds out of its own equity and finally in September 2014 the new board was appointed.



WHY Re-starting



Analysis of the annual accounts:

- Active period 1982 -1997.
- Latest annual report 1997.
- Since then no activities.
- Totaal guaranteed loans 271, with a total value of about 30 million Surinamese guilders.
- Out of these 271 guarantees 2 defaults.
- **Succes of the system:** with a guarantee fund of 2.5 million, the local banks provided loans uptill 30 million.



WHY Re-starting



- In researching I went over the activities of REGAR and the IberoAmericano conferences and getting involved got me more succes stories.
- So when I undrstood that not the system but in re-starting funding was a problem, I suggested the re-activation to be financed by the NOB. Since the Minister of Finance is responsible for both the NOB and the CGFS, I had to deal with 1 person.
- Several sectors were served in the periode of 1979 – 1997: to name some: Agriculture, Industry, Forestry, Food, Furniture, Cosmetics, Mining, Tourism, Entertainment, Transport.



Next Steps



- Business as usual
- Close cooperation with the Micro Credit Fund:
 - 2nd tier financing;
 - max loan per project: SRD 10.000;
 - managed by another financial institution.
- Take over of the Agriculture Credit Fund:
 - 1st tier financing;
 - Only agri-business;
 - SRD 200.000 max loan per project.



Next Steps MSME's



- New initiatives
 - **Designate** a portion of NOB's funding for a special SME Investment program: 1st tier financing (excl. agri-buss)
 - **Special SME** program (SME Forum);
 - **Expansion** existing "Agriculture Credit Fund" with special focus on small "primary agriculture" enterprises and creation of a crop-insurance system;
 - **Financial inclusion** program with regard to SME financing; seeking support of the GPMI (Global Partnership for Financial Inclusion);
 - **SME Capacity building:**
 - Expansion of study loan scheme to gear education towards demand of the private sector with special focus on TVET
 - Enhancement / upgrading of technical skills of entrepreneurs and its staff
 - **Executing agency of the Credit Guarantee Fund**



Thank You

Any Questions



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