



Ein cyf/Our ref: MA AP 1960 26

The Hon. Group Captain Sally Bridgeland FIA
Chair
Development Bank of Wales plc
Unit J, Yale Business Village
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30th September 2026

Remit Letter 2026-2030

Dear Sally,

The Development Bank of Wales is the Welsh Government's principal public development finance institution. Its core purpose is to make finance available to businesses so they can start, strengthen, grow and scale. The Bank also manages funds and delivers services which support wider Welsh Government priorities in relation to commercial property, housing, decarbonisation, energy, agriculture and infrastructure.

The Development Bank has become a trusted and respected player within Wales's business finance ecosystem. Its relationship with Welsh businesses, its investor networks, its commercial judgement and its experience in managing public funds are significant assets. There is an opportunity to make use of those strengths, both through the Bank's own direct activity and through its contribution to the wider economic development system. The Welsh Government's central economic mission is to halve the productivity gap between Wales and the UK over the next decade by improving productivity and strengthening the long-term productive capacity of the Welsh economy. Delivering on this mission will require a joined-up and disciplined approach to economic development. It will require public bodies, agencies and delivery partners to work together more effectively, with clear roles and a shared focus on practical results. In the context of this over-arching priority, this letter sets out the Welsh Government policy objectives which should inform future fund/service areas during this term of Government.

The forthcoming national development agency will be a key part of this Government's refreshed approach to economic development. I would like the Development Bank to work closely and constructively with the agency, building a relationship that is practical, purposeful and founded on clear and complementary roles. The Development Bank's strengths in finance, investment, fund management and investor engagement could sit alongside the agency's wider role in economic development, business growth, innovation, investment readiness and system coordination. Working together, both organisations could deliver a coherent client journey and maximise economic impact.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn yr iaith honno ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I would like the Development Bank to use its market insight, commercial expertise and investor relationships to support the development of investment-ready pipelines and help viable businesses and projects access the finance needed to grow.

Wales needs more businesses with the scale, resilience and ambition to invest, export and innovate while remaining headquartered in the country. I look forward to seeing the Development Bank use its expertise, capital and embedded system relationships to help these businesses start, survive, grow, scale and retain ownership, control and economic value in Wales. I believe this is essential to ensure more of the benefits generated by economic growth remain within Welsh communities.

The Welsh Government understands and acknowledges the distinction between DBW and its subsidiaries, and it is appreciated that some of those subsidiaries operate with full autonomy of investment decision making as separate entities from DBW. This remit letter has been prepared with this frame of reference and should be read and construed in that context and that of the existing contractual agreements between the Welsh Government and DBW.

When the Development Bank's Corporate Strategy and annual Operational Plans are being prepared, it is my expectation that it will show clearly how it will deliver against the priorities in this letter, setting out the outcomes the Development Bank expects to achieve, a proportionate performance framework for those outcomes, how performance and impact will be monitored, and how the Development Bank will work with the Welsh Government, the new agency and other partners to respond to changing economic conditions.

The priorities and actions described within this letter are intended to provide strategic direction and policy clarity to the Development Bank. They are not intended to prescribe individual operational, commercial, investment or regulatory decisions. Delivery arrangements should be determined by the Development Bank in accordance with its governance framework, delegated authorities, funding agreements and applicable legal and regulatory obligations.

Priority Outcomes

The outcomes below summarise, for the purpose of the Bank, the objectives of the Welsh Government.

1. Improve access to finance by maintaining a broad and responsive portfolio of debt, equity, patient capital, project finance and other financial products where there is evidence of market need from businesses at different stages of development.
2. Drive productivity growth across Wales by supporting businesses to invest in technology, innovation, skills, modern equipment, better management capability and more efficient business models.
3. Support Welsh-rooted businesses to start, strengthen, grow and scale, retaining more ownership, control and economic value in Wales.
4. Work as an active system player within the Welsh economic development landscape, including close working with the forthcoming economic development agency, Welsh Government, regional partners and other delivery bodies, each operating from their respective remits.
5. Play a full role in building a visible pipeline of strategic propositions suitable for institutional investment, particularly in energy, infrastructure, housing and productive business investment.
6. Crowd in private and institutional investment, using Welsh public finance carefully to de-risk, catalyse and unlock additional capital where this delivers clear benefit for Wales,

7. Support housing delivery and home ownership objectives, including finance for SME housebuilders, wider housing programmes, retrofit, decarbonisation and the development of investable housing opportunities.
8. Enable investment in energy, decarbonisation and infrastructure, using the Bank's commercial expertise, finance-structuring capability and relationships with other funders to help move viable projects towards delivery, convene investors.
9. Provide public funding in an effective and transparent way, focusing performance reporting on the results achieved.
10. Function as an exemplary public body, demonstrating strong governance, stewardship, customer service, Welsh language commitments, sustainability, diversity and inclusion, and alignment with the wider values and statutory duties of Welsh public life.

Remit 2026 – 2030

Productivity, scale-up and Welsh-rooted businesses

The Welsh Government would expect the Development Bank to support businesses to invest in activities that raise output, strengthen competitiveness and create long-term value. This includes new equipment, digital tools, technology adoption, innovation, better management practices, export readiness, stronger governance and skills linked to business growth. Through these scale-up investments, the Development Bank can support businesses in contributing to the Government's productivity mission, including the aim of narrowing the gap in GVA per hour worked.

Wales needs more businesses with the ability and confidence to grow. The Welsh business base contains many micro and small firms, but too few medium-sized firms rooted in Wales. This matters because firms that grow sustainably can strengthen supply chains, support better jobs, improve productivity and retain more economic value within Wales.

Through these scale-up investments, the Development Bank can support businesses to contribute to the Government's productivity mission, including the ambition to halve Wales' productivity gap with the UK over the next decade.

The Welsh Government expects the Development Bank to place a strong emphasis on supporting Welsh-rooted firms with the potential to grow, scale and invest, including firms with substantial operations, employment, decision-making, intellectual property or supply-chain value in Wales that have the potential to improve productivity, through innovation commercialisation, the development and scaling of university spin-outs, technology adoption, stronger management capability, exporting, entering new markets and deepening supply chain participation.

Remit objectives:

- Work with the national development agency to co-ordinate support for high-growth firms, increase the number and scale of such firms in Wales, and agree clear, non-duplicative working arrangements covering lead responsibilities, referral routes, investment-readiness support, client consent and data sharing where appropriate.
- Leverage the breadth and scale of the Development Bank's expertise and capacity towards anchoring more Welsh-rooted firms in Wales and support these firms through growth, scale up and management succession journeys.
- Further develop access to growth, venture and follow-on funding for high-growth and medium-sized businesses where there is evidence of market need, working with the private sector to crowd in investment
- Work with partners to support clusters of firms and supply chains, increasing the depth and resilience of Welsh economic activity and retaining more value within Wales.

- Address barriers to growth by prioritising proposals which include the development of investment ready business premises for medium sized companies under the Wales Commercial Property Fund.
- Develop a strategic approach to co-investment and syndication relationships with private market venture and growth-capital investors, to support Welsh companies in accessing later-stage funding and subsequent investment rounds.

Active Portfolio Delivery

The Welsh Government would expect the Development Bank to continue to manage a broad portfolio of funds and services to support businesses at different stages of their journey, from start-up and early-stage investment through to growth, succession, property development, decarbonisation and other specialist needs. In doing so the Development Bank can contribute to improving the availability and design of finance, including debt, equity and hybrid solutions, project finance and structured investment, and support for emerging industries and markets.

There is also an expectation that the Development Bank's activity shall be delivered on a pan-Wales basis, having regard to regional need and opportunity and working with regional partners where this can improve the quality of investment propositions or help align finance with local economic priorities.

The Development Bank portfolio should be kept under active review to show where funds meet a clear need, where market gaps remain, and where changes may be required, adapting products, simplifying access where possible, and stopping or redesigning activity where evidence shows it is not delivering sufficient impact.

Remit objectives:

- Proactively monitor the market, identifying gaps in debt, equity, project finance and patient capital, and deliver Welsh public finance in alignment with the Government's productivity mission and the need to demonstrate additionality, value for money and sustainable portfolio performance.
- Deliver against existing fund commitments and maximise their impact on the business ecosystem in Wales.
- Play an active role in shaping the market for viable business succession and ownership retention in Wales, including access to finance for employee-owned businesses, social businesses and management buy-outs where these can retain headquarters, control or economic value in Wales.
- Continue to strengthen the Development Bank's brand and reputation, actively listening to customers and stakeholders, responding to that feedback, and taking steps as necessary to ensure evolving delivery models and associated customer journeys, continue to meet demand and demonstrate positive customer experiences.
- Develop reporting to capture insight on how the bank's actions support follow-on capital raised by portfolio companies, progression to later funding rounds, external capital attracted into Wales and movement of firms towards sustained medium-sized scale.

Investment Readiness, Partnerships and System Delivery

A stronger Welsh economy requires a visible and sustainable pipeline of businesses, projects and opportunities capable of attracting investment. Developing that pipeline is a shared responsibility across the economic development system and will depend on effective coordination between the Development Bank, the national development agency, Welsh Government and other partners.

The Development Bank has an important contribution to make through its relationships with businesses, investors and project sponsors, and through its expertise in finance, investment

readiness, commercial structuring and fund management. As part of a wider system approach, the Development Bank could help identify opportunities with growth and investment potential, provide insight into the barriers that prevent otherwise viable propositions from becoming investable, and work with partners to address those barriers through the most appropriate interventions. In so doing the Development Bank will be supporting this Government's ambition for Wales to be one of the easiest places in the UK to start, grow, scale and invest in a business.

Remit objectives

- Work with the National Development Agency, Welsh Government, Corporate Joint Committees, City and Growth Deals and regional economic partnerships to co-develop investible projects, strengthen regional investment pipelines and align public finance with regional economic development strategies.
- Work proactively with UK and Welsh public finance institutions to develop partnership and co-investment arrangements, maximise external capital leveraged into Wales and support a coherent public finance offer aligned with Welsh Government economic priorities.
- Use the Bank's market knowledge, Economic Intelligence Wales research capability and commercial expertise to identify emerging opportunities and barriers to investment readiness, providing timely intelligence to Welsh Government, the Agency and delivery partners to inform policy development, product design and delivery decisions across the Welsh economic development system.
- Support businesses and projects to address financial and commercial issues within the Bank's remit, including finance readiness, capital structuring and investor engagement. Work with partners to ensure that wider barriers, including management capability, innovation support, planning, site preparation, infrastructure or skills constraints, are identified and addressed by the organisation best placed to intervene.
- Provide accessible finance for innovation through its product range, supporting the translation of innovation activity and technology adoption into business investment which contributes to productivity growth.
- Demonstrate value for money and additionality by focusing on outcomes achieved, including business growth and scaling, productivity improvements, job quality, Welsh ownership and regional economic impact. Pro-actively seek opportunities where Welsh public finance can de-risk or catalyse external investment, including by helping to shape credible propositions and co-investment structures suitable for private, institutional and long-term investors.

Housing and homeowners

The Development Bank has an important role across the housing lifecycle, from site enabling and development finance through to home ownership, retrofit and energy efficiency, continuing to support the Welsh Government's ambition to increase the supply of high-quality homes across Wales and to support the transition to low carbon housing.

As the largest provider of development finance to SME housebuilders in Wales, the Development Bank can support the Welsh Government to unlock and maintain all tenure housing delivery at pace and scale by addressing key constraints including the availability of investable opportunities and providing support to businesses.

It is the Welsh Government's ambition that the Development Bank's end-to-end operational capability for national programmes will be extended over the period to drive policy led housing and homeowner impacts as well as efficiency in public sector delivery.

Remit objectives:

- Provide debt and equity funding to unlock residential development to support SME businesses to build more homes; including de-risking schemes and playing a deal making role.
- Explore capacity to crowd-in private and institutional investment through structured funding models to increase housebuilding in Wales through larger scale investment.
- Support the development of Unnos by providing investment expertise and network relationships to develop innovative funding solutions to support the delivery of residential development opportunities. The Welsh Government would expect the Development Bank to be a key partner to Unnos's enabling access to development finance alongside site acquisition, land assembly and infrastructure funding.
- Support scale retrofit, decarbonisation programmes and businesses that embed energy efficiency and low carbon heating into housing (see also Energy and Infrastructure below).

Energy and Infrastructure

Wales has significant opportunities in energy generation, decarbonisation and infrastructure. However, many potential projects need further development before they can attract investment. Barriers can include site readiness, fragmented ownership, unclear project economics, planning, grid capacity, delivery complexity and the need to bring different funders together. The Development Bank can help address the financial and commercial aspects of these barriers where they fall within its remit, and work with or refer to other bodies where wider project-development responsibilities arise, such as planning matters, grid connections or wider project-development issues.

The Development Bank has an important role to play as an enabler and convenor in this space. Drawing on its commercial skills, finance-structuring capability, investor relationships and links with other public finance institutions it can help move strong ideas into investable propositions. Working alongside the Welsh Government, the Welsh Public Energy Company and partners, it can also help prepare propositions where public finance can catalyse action or unlock private and institutional capital.

Remit objectives

- Partner with other funders, including the National Wealth Fund, British Business Bank and, where appropriate, the Wales Pension Partnership, to support the leverage of institutional capital into strategic infrastructure projects.
- Work with Welsh Government, the new National Development Agency and the Welsh Public Energy Company to support investable opportunities that expand energy capacity in Wales, including supporting the design or delivery of funds where this is specifically commissioned, funded and within the Bank's remit.
- Examine innovative options for net zero action.
- Develop options for supporting community ownership and community benefit in large energy developments, ensuring long-term Welsh benefit is achieved, and, subject to budget, business case and Ministerial agreement, bring forward pilot proposals where viable.
- Support the structuring and delivery of the Mutual Investment Model for new opportunities.
- Report annually on partnership activity, co-investment outcomes and external capital leveraged into Wales.

Effective delivery of public funding

The Development Bank manages significant public resources. Those resources must be used carefully, efficiently and in line with Welsh Government objectives. The Bank is

expected to demonstrate that Welsh public finance is being used to address market need, support economic opportunity, avoid unnecessary displacement of private finance, and generate returns which can be recycled where appropriate. The Development Bank will be best placed to explain what difference public finance has made, why intervention was needed, and what economic value has been created for Wales. In doing so, activities and targets can be considered alongside additionality, displacement, portfolio concentration, expected losses, impairments, subsidy control requirements, affordability, contingent liabilities and value for money.

Budget and accounting frameworks will continue to require close working between the Development Bank, the Welsh Government and Welsh Treasury. The Development Bank should continue to work openly and constructively with officials to manage Financial Transactions Capital, capital recycling, mitigate financial risk, and promote long-term affordability. The Welsh Government acknowledges that individual funds are managed within a view of the overall portfolio, recognising that sustainable portfolio performance is central to long-term impact.

The Welsh Government would expect the Development Bank to bring forward proposals where changes to funding structures could improve flexibility, value for money or long-term impact. This may include options to maximise recycling, crowd in external capital and make the best use of public funding over time. The scope, timetable and evidence requirements for these proposals should be agreed with the Welsh Government and Welsh Treasury through the annual planning and budget process.

Remit objectives:

- Work with Welsh Government to maximise impact and efficiency of public finance across the Financial Transactions Capital portfolio, working with Welsh Treasury to manage risks, accounting requirements, affordability and contingent liabilities.
- Bring forward, to an agreed timetable with Welsh Government, proposals for funding delivery structures which offer flexibility and maximise efficiency, amplifying long-term impact through capital recycling.
- Review the cornerstone delivery through the Wales Flexible Investment Fund in year 4 to support ongoing evidence of market impact, including agreed evidence requirements on additionality, displacement, value for money and portfolio performance, and to inform any evolution of the fund model.
- Bring forward proposals for utilising public sector funding effectively to crowd in private and institutional investment

Exemplar public body

As the Welsh Government's entrusted investment entity, the Development Bank has a responsibility to promote high standards of public finance and risk management and uphold the principles of regularity, propriety, feasibility and value for money as well as to demonstrate high standards of corporate governance at all times

Remit objectives:

- Maximise opportunities to promote the use of the Welsh language both internally and in working with the business community in Wales.
- Proactively support diversity and tackle barriers to inclusion.
- Agree and follow statutory wellbeing objectives including demonstrating delivery against these in line with the Well-being of Future Generations (Wales) Act 2015.
- Maintain a published sustainability strategy which ensures net zero action is embedded as appropriate across all activity.

- Use innovation, data and digital tools to improve efficiency and impact. Any use of new technology should be responsible, proportionate, secure and aligned with public sector expectations.
- Provide active support for the Welsh Government's strategic agenda and relevant policies, plans and statutory schemes on equality, social justice and the Welsh language. These include, but are not limited to, Cymraeg 2050, the Anti-racist Wales Action Plan, and the National Strategy on Violence Against Women, Domestic Abuse and Sexual Violence.
- As a Welsh public finance institution, support the Government's wider fair work objectives through a clear and proportionate promotion of fair work and the Real Living Wage through portfolio activity and customer relationships.

Delivering the Remit

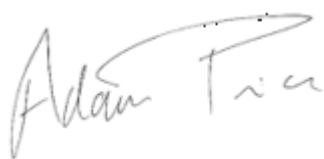
It is my understanding and expectation that your forthcoming Corporate Strategy and Operational Plans will set out how the Development Bank will deliver the priorities and ambitions set out in this remit letter. The plans should aim to be practical, evidence-based and focused on delivery, with clear outcomes and a robust framework for assessing impact, additionality and value for money.

Over this Senedd term, there is an opportunity to strengthen the Development Bank's role as a trusted public finance institution, a practical partner to business, and a catalyst for investment and economic development across Wales. Ultimately, success will be measured not by the volume of finance deployed, but by the difference it makes to the Welsh economy: stronger businesses, higher productivity, more Welsh ownership, and greater prosperity across Wales.

The Welsh Government recognises that the recommendations of the independent Expert Panel established to advise on the scope, functions and remit of the new National Development Agency may have implications for the wider economic development landscape. Should the Government conclude that those recommendations require changes to this remit letter during the term, I will write to you setting out any updates or amendments as appropriate.

The relationship between the Development Bank and the Welsh Government has been central to the organisation's growth and development. I would like to thank you, the Board, the executive team and staff for your continued commitment to that partnership. The opportunity ahead is significant. I look forward to working with you to deliver these ambitions and to demonstrate, through clear and measurable outcomes, the difference the Development Bank can make to the Welsh economy over this Senedd term.

Yours sincerely,



Adam Price AS/MS

Gweinidog Cabinet dros Fenter, Cysylltedd ac Ynni
Cabinet Minister for Enterprise, Connectivity and Energy