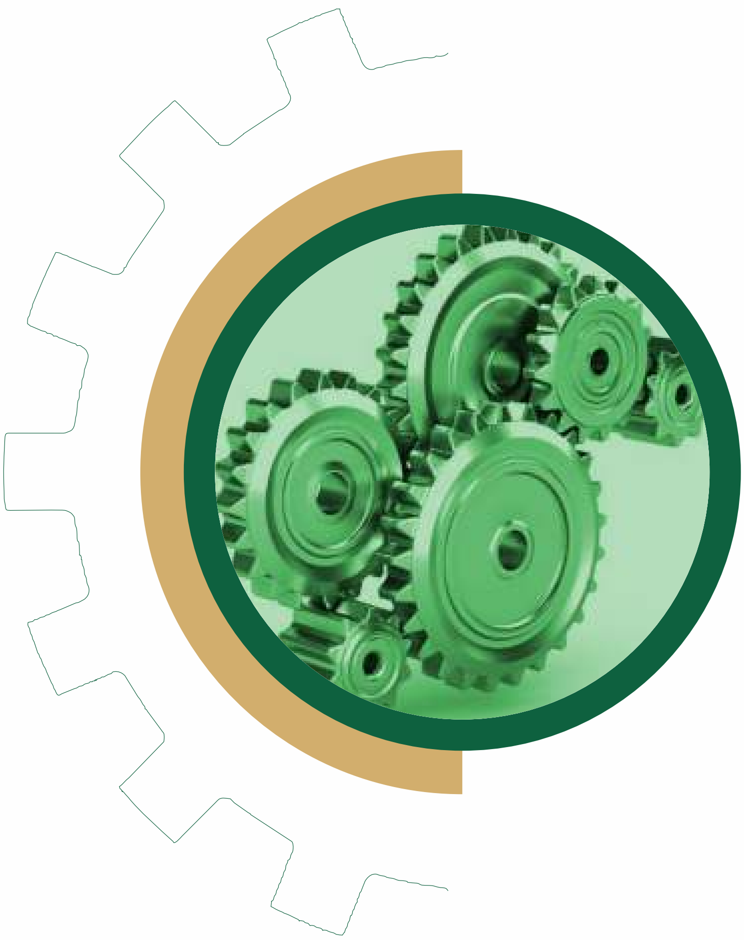
Harnessing Partnerships, **Promoting Development**

2020 Annual Report & Accounts

BANK OF INDUSTRY

...transforming Nigeria's industrial sector



Harnessing Partnerships, Promoting Development

At the Bank of Industry, we are committed in our relentless pursuit to deliver sustainable growth to the businesses that form Nigeria's industrial sector.

We continue to provide critical interventions across all geo-political zones of the country, ensuring that financial and business support services are provided to enterprises regardless of size or scale. These efforts have catalyzed the establishment of new enterprises, supported the development of existing ones and most importantly, revived ailing ones.

Our ambitious pace is driving our momentum as we strive to meet the evolving and unique demands of our customers and stakeholders through strategic alliances that increase our lending capacity and broaden the range of our offerings, thereby promoting economic resilience.

Contents

Corporate Information

DIRECTORS:

Mallam Aliyu AbdulRahman Dikko	-	Chairman, Board of Directors
Mr. Olukayode A. Pitan	-	Managing Director/Chief Executive Officer
Mrs. Toyin Adeniji	-	Executive Director, Micro-Enterprises
Mr. Jonathan Tobin	-	Executive Director, Corporate Services and Commercial
Mr. Simon Aranonu	-	Executive Director, Large Enterprises
Mr. Shekarau D. Omar	-	Executive Director, Small and Medium Enterprises
Dr. Mudashiru Olaitan	-	Non-Executive Director (retired wef January 26, 2020)
Engr. Chukwuemeka Nzewi	-	Non-Executive Director
Mallam Mohammed Mustapha Bintube	-	Non-Executive Director
Mr. Alexander Adeyemi	-	Non-Executive Director
Mr. Salisu Bala Kura	-	Non-Executive Director (retired wef July 22, 2020)
Mr. Philip Yila Yusuf	-	Non-Executive Director (appointed wef February 12, 2020)
Mr. Tijjani Inuwa Babura	-	Non-Executive Director (appointed wef July 23, 2020) (retired wef October 15, 2020)
Mr. Adewale Bakare	-	Non-Executive Director (appointed wef October 15, 2020)

KEY MANAGEMENT PERSONNEL

Mr. Olukayode A. Pitan	-	Managing Director/Chief Executive Officer
Mrs. Toyin Adeniji	-	Executive Director, Micro-Enterprises
Mr. Jonathan Tobin	-	Executive Director, Corporate Services and Commercial
Mr. Simon Aranonu	-	Executive Director, Large Enterprises
Mr. Shekarau D. Omar	-	Executive Director, Small and Medium Enterprises
Mr. Akeem Adesina	-	General Manager/Chief Financial Officer
Dr. Ezekiel J. Oseni	-	General Manager/Chief Risk Officer
Mr. Leonard Maxwell Kange	-	General Manager (Large Enterprises - I)
Dr. Muhammad Rislanudeen	-	General Manager (SME - North)
Mr. Ayo Bajomo	-	Deputy General Manager/Group Head (Treasury/Financial Institutions)
Mrs. Yemi Ogunfeyimi	-	Deputy General Manager/Chief Audit Executive
Mr. Taiwo Kolawole	-	Deputy General Manager/Chief Compliance Officer
Mrs. Ebehiriere Ehi-Omoike	-	Deputy General Manager (LE-II)(wef from October 5, 2020)
Mr. Mohammed H. Osuwa	-	Assistant General Manager/Legal Adviser
Mrs. Olufunlola O. Salami	-	Assistant General Manager/Company Secretary
Mr. Gbolahan Olutomiwa	-	Assistant General Manager (Operations & Technology)

COMPANY SECRETARY:	Mrs. Olufunlola O. Salami
REGISTERED OFFICE:	BOI House 23, Marina Lagos
BUSINESS OFFICE:	BOI House 23, Marina Lagos
AUDITORS:	KPMG Professional Services (Chartered Accountants) KPMG Towers Bishop Aboyade Cole Street, Victoria Island, Lagos, Nigeria
SOLICITORS:	Chris Ogunbanjo & Co. 3, Hospital Road, P.O. Box 1785, Lagos
BANKERS:	Central Bank of Nigeria Ecobank Nigeria Limited Access Bank Plc Providus Bank Zenith International Bank Plc Stanbic IBTC Bank Plc First City Monument Bank Plc First Bank of Nigeria Limited Guaranty Trust Bank Plc United Bank for Africa Plc
CORRESPONDENT BANK:	Citibank, New York

About **BOI**

To be Africa's leading Development Finance Institution operating under global best practices.

Our Vision

To transform Nigeria’s industrial sector by providing financial and business support services to enterprises.

Our Mission

Providing financial assistance for the establishment of large, medium and small enterprises; as well as expansion, diversification and modernisation of existing enterprises; and rehabilitation of ailing ones.

Our Mandate

Service
Professionalism
Passion
Integrity
Resourcefulness
Innovation
Team Spirit

Our Core Values

Otunba Richard Adeniyi Adebayo, CON

Honourable Minister, Federal Ministry of Industry, Trade & Investment

Ambassador Mariam Katagum

Honourable Minister of State, Federal Ministry of Industry, Trade & Investment

Dr. Nasir Sani-Gwarzo

Permanent Secretary, Federal Ministry of Industry, Trade & Investment

Foreword by The Honourable Minister of Industry Trade and Investment

I am delighted to be part of yet another successful year for the Bank of Industry (BOI) as the Minister of Industry, Trade and Investment. In spite of the obvious challenges in the wake of the COVID-19 pandemic and dwindling oil prices, I am impressed by the developmental impact that the Bank was able to achieve in the year 2020.

The Bank's annual report showcases in detail, the innumerable ways in which BOI supported industrialisation and entrepreneurship in Nigeria in the year under review.

The global pandemic which began at the tail end of 2019 not only created a health crisis, but also created restrictions in movements to curb the spread of the virus. These effectively shut down economic activities, albeit temporarily, at a global level. The Bank thereafter activated its Business Continuity Plan and Work-From-Home Business model, ensuring that customer service was not interrupted.

In 2020, BOI successfully concluded two landmark syndicated loan deals from the international financial market towards bridging the reported ₦700 billion annual financing gap in Nigeria's real sector. The amounts of €1 billion and $1 billion were successfully raised by the Bank in the year. The €1 billion loan syndication also earned the Bank the prestigious African Development Bank's (AfDB) African Bankers Awards – '2020 Deal of the Year-Debt'. BOI also won the AfDB's 'African SME Bank of the Year 2020' award for its support to Nigerian SMEs.

The year 2020 saw BOI consolidate efforts towards implementing the Federal Government's Social Investment Programme - Government Enterprise and Empowerment Programme (GEEP). ₦1.2 billion was disbursed to 109,039 beneficiaries in 2020. As a result, the total disbursement since inception of the programme in 2016 stands at ₦38.1 billion, with over 2.4 million citizens having benefited from the programme nationwide. The Bank also worked with the Federal Government (FG) in the disbursement of ₦2.5 billion to 300,011 beneficiaries under the N-Power programme in 2020. Thereby bringing the total disbursement under the programme to ₦29.9 billion with 500,000 beneficiaries.

The World Bank and State Governments also entered into a strategic partnership with BOI towards leveraging the Bank's micro-credit infrastructure to deploy the World Bank's $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (NCARES) Programme. Twenty-six states of the Nigerian Federation subscribed to leveraging the Bank's infrastructure for the execution of NCARES, where BOI's role would be to help states set up sustainable structures for the execution of the program. BOI was also nominated into the Federal Preparatory and Technical Committee for NCARES to provide technical support at the Federal Level, programme oversight, coordination and strategic direction for the successful implementation of NCARES in Nigeria. The Bank will work with various ministries including Finance, Budget and National Planning, Agriculture and Rural Development, as well as Industry, Trade and Investment; together with the Nigeria Governor's Forum to implement the programme.

I also sincerely appreciate the Bank for implementing interest rate reduction for 12 months across board on both its self-funded projects as well as intervention funds (working with partners) to bring economic relief to its customers during the economic crisis. In addition, the Bank also contributed financially under the Private Sector Coalition Against COVID-19 (CACOVID) initiative to support palliatives for both businesses and households. I am also aware of other ongoing discussions with various states and organisations on donations to enable them combat the spread of the virus and related economic challenges. These efforts will ultimately ease the burden currently being experienced nationwide on account of the pandemic.

Due to the successes achieved by the FG in partnering with BOI on various laudable initiatives, the Bank was appointed as the fund management partner for the FG's MSME Survival Fund) that was set up to provide conditional grant to support vulnerable businesses on account of COVID-19; as part of the Nigerian Economic Sustainability Plan (NESP). The Fund is targeted at mitigating the challenges faced by MSMEs given the current operating environment; providing them with the resources needed to maintain their payroll and thereby safeguard jobs in the sector.

BOI was also appointed as the implementing agency of the FG's National LPG Expansion programme, a programme created by the Central Bank of Nigeria (CBN) in collaboration with the Federal Ministry of Petroleum Resources to stimulate investment in the gas value chain of the country. It is aimed at considerably improving the adoption and use of Liquefied Petroleum Gas (LPG) among the populace, through sensitisation, infrastructure delivery and funding.

These are just a few of the initiatives in which the Bank is involved towards reflation of the economy working with key strategic partners. I am confident that the Bank of Industry shall continue to implement and co-ordinate projects for the growth and development of Nigeria's real sector. I want to strongly emphasise that the Federal Ministry of Industry, Trade and Investment is firmly committed to supporting the Bank through this journey.

In closing, I would like to seize this opportunity to appreciate the Board, management and staff of the Bank for their hard work and tenacity in spite of the tough operating terrain that 2020 presented. I also thank all other stakeholders of the Bank, both private and public sector institutions for their various contributions and support towards this success.

Thank you.

Otunba Niyi Adebayo
Honourable Minister
Federal Ministry of Industry, Trade & Investment

BOARD OF DIRECTORS

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors

Mr. Olukayode A. Pitan
Managing Director / Chief Executive Officer

Mrs. Toyin Adeniji
Executive Director,
Micro-Enterprises

Mr. Jonathan Tobin
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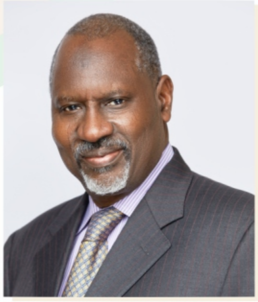
Corporate Services and Commercial

Mr. Simon Aranonu
Executive Director,
Large Enterprises

Mr. Shekarau Omar
Executive Director, SME

Engr. Chukwuemeka Nzewi
Non Executive Director



Mallam Mohammed Mustapha Bintube
Non Executive Director

Mr. Alexander Adeyemi
Non Executive Director

Mr. Philip Yila Yusuf
Non Executive Director

Mr. Adewale Bakare
Non Executive Director

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting of Bank of Industry Limited will be held at the Transcorp Hilton Hotel, Abuja on Thursday, May 20, 2021 at 11 a.m. precisely to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Accounts for the financial year ended 31 December, 2020 together with the Reports of the Directors, Auditors and Board Appraisers thereon.

2. To declare a Dividend.

3. To appoint/re-appoint Directors.

4. To re-appoint Auditors of the Company until the conclusion of the next General Meeting, at which the Accounts are laid before the members.

5. To authorize the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

6. To fix the remuneration of the Non-Executive Directors.

Dated this 14th day of April, 2021

BY ORDER OF THE BOARD

OLUFUNLOLA O. SALAMI (MRS.)
Company Secretary
FRC/2018/ICSAN/00000018804

Registered Office
BOI House
23, Marina
Lagos

NOTES:

1. *Attendance and participation by all members and/or their proxies and invited stakeholders at the Annual General Meeting shall be in line with Guidelines issued by the Nigeria Centre for Disease Control (NCDC) and restrictions on public gatherings imposed by the Federal Government of Nigeria.*

2. *A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her/its behalf. Such proxy need not be a member of the Company.*

3. *The appointment of a Proxy will not prevent a member from subsequently attending and voting at the meeting. Where a member decides to attend the meeting, the proxy appointment shall be deemed to be revoked.*

4. *The Proxy Form should be filled and sent via email to osalami@boi.ng or deposited at the registered office of the Company, Bank of Industry Limited, 23 Marina, Lagos – ATTENTION: THE COMPANY SECRETARY. This should be received not later than 10.00 a.m. on Tuesday, May 18, 2021.*

This publication is for information purposes only

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

€1,000,000,000 SYNDICATED GUARANTEED SENIOR LOAN FACILITY

AFREXIMBANK

CREDIT SUISSE

INITIAL MANDATED LEAD ARRANGERS & CO-ORDINATORS

FACILITY AGENT & SECURITY TRUSTEE

AFREXIMBANK

MANDATED LEAD ARRANGERS, BOOKRUNNERS & JOINT UNDERWRITERS

African Export Import Bank	Credit Suisse AG	Rand Merchant Bank	Sumitomo Mitsui Banking Corporation

THE LENDERS

1) African Export Import Bank
2) Credit Suisse AG, London Branch
3) FirstRand Bank Limited (London Branch), acting through its Rand Merchant Bank division
4) RMB International (Mauritius) Ltd
5) Sumitomo Mitsui Banking Corporation, London Branch
6) Credit Suisse International
7) Africa Finance Corporation
8) Stanbic IBTC Bank Plc
9) Credit Europe Bank N.V.
10) Standard Chartered Bank
11) Commerzbank Aktiengesellschaft, Filiale Luxemburg
12) KfW IPEX-Bank GmbH
13) Zenith Bank (UK) Limited
14) ICBC Standard Bank Plc
15) Investec Asset Management Proprietary Limited acting as agent and portfolio manager of Investec Africa Credit Opportunities PCC Limited, relating to its Cell Investec Africa Credit Opportunities Fund 1A
16) Investec Asset Management Proprietary Limited acting as portfolio manager of Investec Africa Credit Opportunities Fund 2
17) Investec Asset Management Proprietary Limited acting as agent and portfolio manager of Investec Assurance Limited
18) Federated Project and Trade Finance Core Fund
19) Federated Project and Trade Finance Tender Fund
20) Sanlam Life Insurance Limited (acting through its Sanlam Capital Markets division)
21) Finantia UK Ltd
22) Atlantic Forfaitierungs AG
23) SBM Bank (Mauritius) Ltd
24) Tunis International Bank

Solicitors to the Borrower

OLANIWUN AJAYI

Solicitors to the Lenders

G ELIAS WHITE & CASE

MARCH 2020

CHAIRMAN'S STATEMENT

Distinguished Ladies and Gentlemen,

I am pleased to welcome you all to the 61st Annual General Meeting of the Bank of Industry.

It is with great pleasure that I present the Annual Report for the financial year ended December 31, 2020.

Global Economy Overview

The year 2020 will go down in history as a year to remember. Following the initial discovery of the coronavirus in Wuhan, China in December 2019, the virus rapidly spread to almost every country across the globe, leaving in its wake an unprecedented health and economic crises. By December 31, 2020, a total of 84 million cases of COVID-19 and over 1.8 million deaths had been recorded across 219 countries and territories. Most economies experienced recessionary pressures in the year. Accompanying this, were reductions in the value of global merchandise. According to the United Nations Conference on Trade and Development, global trade fell by 5.6%. In the same vein, World Data Lab reported a global consumer spending decline of $3.3 trillion, instead of the earlier projected growth of $2 trillion, leading to increased poverty, as almost 200 million people were added to the population of the poor and vulnerable.

At the onset of the pandemic, several countries took actions in response to the virus. Containment strategies ranged from implementing social distancing and lockdowns to encouraging infected citizens to stay-at-home and self-quarantine. All of these had significant economic impact, threatening both the macro and socio-economic stability of various countries. Governments in response, introduced over $15 trillion worth of stimulus packages to absorb the shock from the pandemic, reduced interest rates and permitted the restructuring of loans for enterprises operating in hard hit sectors.

However, the pandemic triggered a global recession that saw more nations fall into economic downturn than at any time since 1870. Data released by the International Labour Organization shows that the pandemic wiped out the equivalent of 255 million jobs in 2020 – at least 4 times greater than the 2009 financial crisis. A report `recently released by the Congressional Research Service of the United States estimates that the COVID-19 pandemic reduced global economic growth to an annualized rate of -4.5% to -6.0% in 2020, with a partial recovery of 2.5% to 5.2% projected for the year 2021.

The United States (US) GDP for 2020 is estimated to have contracted by -3.5%, signalling the country's worst performance since 1946. The US is the hardest hit, recording more than 20.5 million COVID-19 cases and over 355,000 deaths at the end of the year. The pandemic, coupled with shutdown in manufacturing activity in China at the beginning of the year and the Russia-Saudi Arabia oil price war had drastic effects on the American economy. The US also experienced unprecedented unemployment levels, recording as high as 22 million job losses in a single month. The country ended the year with a heavily contested Presidential election which President Donald Trump-the incumbent- lost, as former Vice President Joe Biden was elected President.

China's economy contracted by -6.8% in Q1-2020, being the epicentre of the pandemic, forcing a shut down in all industrial and manufacturing activities. Being able to quickly contain the virus, China's manufacturing activity recovered to a 9-year high and exports soared. According to the country's National Bureau of Statistics, China's economy grew by 2.3% in 2020.

The Euro zone experienced a roller coaster economic cycle in 2020, recording contractions in the first 2 quarters of 2020 before recording a sharp rebound in the 3rd quarter and then a contraction in the 4th quarter. Spain, Italy and Germany were the most affected economies in the region with projected full year GDP growth rates of -11.1%, -9.2% and -9.0% respectively. These results are hinged upon the fact that longer and stricter lockdowns were introduced during the first wave in these countries as well as their reliance on the tourism sector.

Sub-Saharan Africa witnessed deep economic contractions, particularly the commodity-dependent nations and tourism-dependent regions as activity collapsed for most of the year. Despite recording about 3.5% of global COVID-19 cases, the World Bank reported that the region's economy may have fallen by 3.3%, resulting in its first recession in 25 years. However, some major agriculture-commodity exporters such as Benin, Côte d'Ivoire, Malawi and Uganda escaped recession in the region as economic contractions were less steep due to the reduced exposure of the agriculture sector to the pandemic.

Nigeria's Macroeconomic Review

Similar to the global economy, the COVID-19 pandemic exerted a heavy toll on the Nigerian economy, which began the year from a position of strength. Following a GDP growth rate of 2.2% in 2019, the International Monetary Fund initially projected a growth rate of at least 2.5% for the Nigerian economy in 2020. Bonny Light also soared to a 2020 high of $69.98/ barrel in January 2020 while inflation was recorded at about 12.13%. However, shortly after the index COVID-19

CHAIRMAN'S STATEMENT

case in Nigeria on the February 27, 2020, macroeconomic indicators took a different path. Crude oil price slumped to a record low of $12/barrel in April 2020. Inflation rate also soared to 15.75% by the year end - the highest rate recorded since November 2017.

The Nigerian Government instituted lockdown measures across major parts of the country in order to curb the spread. This move significantly affected manufacturing, hospitality, aviation sectors and more. As a result, the economy witnessed two consecutive quarters of negative growth; -6.10% and -3.62% in the second and third quarters respectively, officially placing the country in recession, and ending the 3-year positive real growth rate trend. Thankfully, the recession was short lived as Nigeria recorded positive growth of 0.11% in the fourth quarter. Thus, ending the year with a -1.92% contraction for the full year.

As at 31st December, 2020, Nigeria had recorded a total of 87,510 confirmed COVID-19 cases with 1,289 deaths.

Nigerian Banking Industry

In spite of a challenging year, the banking industry witnessed positive growth. Total credit increased by ₦2.9 trillion (16.6%) between January and December 2020 as the industry provided the much-needed succour to support Nigerian enterprises. Additionally, lending rates fell significantly, as an estimated 62% of the ₦8.4 trillion loans that were granted in 2020 were booked at less than 10% rate of interest per annum. This was facilitated by several directives and initiatives by the Central Bank of Nigeria (CBN), for Commercial Banks and Development Finance Institutions to keep the business sector active through affordable lending.

Nigerian Manufacturing Industry

For most parts of 2020, manufacturing activities remained low due primarily to the lockdown orders across the country and disruptions to supply chains, locally and globally. This led to a contraction of -2.75% in 2020 in the industry, compared to positive growths recorded in both 2018 and 2019.

Nigerian Government's Measures to Curb the COVID-19 Pandemic

In response to the COVID-19 pandemic, the Federal Government released several stimulus measures to curb the impact of the virus on the economy. A key one was the launch of the Nigerian Economic Sustainability Plan (NESP), a one-year economic recovery plan with a ₦2.3 trillion stimulus package. The NESP aims to prevent business collapse and ensure liquidity in the economy by promoting labour intensive initiatives to create and retain jobs, enhance infrastructural investments, stimulate local manufacturing and production to ease pressure on the Naira; and protect the very poor and most vulnerable through pro-poor spending. All of these goals were to be accomplished by instituting real sector measures, fiscal and monetary measures, and effective implementation.

From a monetary policy standpoint, the CBN reduced interest rates on its existing intervention loans from 9% to 5% per annum for one year. This palliative was further extended until February 28, 2022. Moratorium extension of 3 months was also granted on principal repayment with the potential opportunity of extension to a year. Additionally, the apex Bank granted regulatory forbearance to Banks to encourage the restructuring of facilities in affected sectors.

The CBN also announced the creation of the following funds: ₦1 trillion fund to boost local manufacturing and production across critical sectors to drive import substitution; ₦100 billion intervention fund specifically for healthcare and pharmaceutical manufacturing companies as well as healthcare practitioners intending to expand or build more capacity; and ₦50 billion fund targeted at affected households and SMEs was also initiated by the CBN.

2020 Financial Results for the Group

Despite the challenging year, I am pleased to announce that the Group's financial statements remain strong and resilient. Group Total Assets grew from ₦1.04 trillion to ₦1.86 trillion between 2019 and 2020. The 79.1% increase was driven to a large extent by the successful debt syndications of €1 billion and $1 billion that were concluded in March and December 2020 respectively.

The Group's Total Equity increased by 15.3% from ₦293.08 in the previous year to ₦336.48 billion in 2020. Loans and Advances grew marginally in 2020 by 1.3% to ₦749.84 billion from the 2019 position, a reflection of the adverse impact of the challenging operating environment on growth of new loans.

Profit Before Tax fell by 9.6% from ₦39.34 billion in 2019 to ₦35.54 billion. The economic slowdown in the year as well as the various interventions and support initiated by the Bank for its customers were responsible for this impact.

As part of the Bank's partnership with the Federal Government with respect to the National Social Intervention Programme, the Bank facilitated the disbursement ₦2.5 billion and ₦1.2 billion under the N-Power and Government Enterprise & Empowerment Programmes to 300,011 and 109,039 beneficiaries respectively.

As part of its strong disposition as a socially responsible

CHAIRMAN'S STATEMENT cont'd

organisation, the Bank donated the sum of ₦962 million towards the Coalition Against COVID-19 (CACOVID) and other initiatives at the Federal and State levels to address the negative impact of the pandemic. We also reduced interest rates on all BOI-funded projects by 2% p.a. - from 10% to 8% - for a 1-year period, and granted additional moratorium of 3 months on principal repayment granted to all beneficiaries. Furthermore, the Bank carried out the directive of the CBN, by reviewing and restructuring all projects managed under the CBN Intervention programme with moratorium extension of 3 months (with a possible extension to 12 months) and interest rate reduction to 5% per annum. In the same vein, the Bank worked with the Nigerian Content Development Management Board (NCDMB) to implement the reduction of interest rate on all credit facilities under the Nigerian Content Intervention (NCI) Fund from 8% pa to 6% pa, including extension of moratorium period.

Outlook for 2021

A theme that we expect to pervade the global economic landscape in 2021 is economic recovery. With a forecasted global growth of 5.5% in 2021 by the IMF, the keys to recovery will be vaccine deployments, improved investments and business-friendly government policies. In the short to medium term, recovery in the global economy will be highly dependent on how well the pandemic is managed, especially with respect to effective production, distribution and administration of the vaccines.

Long term recovery and stability will be tied to the release and implementation of pro-growth policies, targeted sectoral interventions, and other re-investment strategies by most economies as the future unfolds.

In Africa, the AfCFTA which commenced on the 1st of January, 2021, is expected to contribute to the 3.2% IMF projected GDP growth for Sub Saharan Africa in 2021. While the pandemic disrupted regional value chains and directly impacted economic integration and intra Africa trade, it has created key opportunities for growth in the region particularly in food, pharmaceuticals, logistics and the digital economy.

The COVID-19 pandemic has forced the world to transform much faster than expected from the way we work to how we communicate; from the way we learn, to how we travel. We have witnessed improved opportunities in key sectors and industries, notably Healthcare and Information and Communication Technology. The IMF projects a growth of 1.5% for Nigeria on the back of recovery in oil economy as well as implementation of key initiatives aimed at spurring economic growth.

Our broad strategy in the coming year shall mirror that of the Federal Government, in terms of focussing on business recovery, whilst keeping an eye on growth and new business opportunities.

Before I conclude, let me express my appreciation to my colleagues on the Board, the management and staff of the Bank, including all our stakeholders – the CBN, customers, government agencies and other strategic partners for ensuring the continued growth and success of the Bank.

Finally, I would like to also commend the Presidential task Force on COVID-19, members of the Coalition Against COVID-19, other private and public sector agencies for their immense efforts towards managing and reducing the impact of the pandemic. Our thoughts and prayers also go to the frontline health workers and emergency response officials who risk their lives daily to ensure the safety of others. They are by far the true heroes of 2020!

Thank you all for your kind attention.

Aliyu Abdulrahman Dikko
Chairman, Board of Directors

Mr. Olukayode A. Pitan
Managing Director / Chief Executive Officer

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

Distinguished Ladies and Gentlemen,

I am delighted to welcome you all to the 61st Annual General Meeting of the Bank of Industry (BOI) Limited. We are indeed fortunate to be present here today as the events of the past year led to the loss of lives of family members, friends, colleagues and fellow countrymen. I thank Almighty God for keeping us alive and pray for the souls of the departed.

Like every organisation across the globe, the COVID-19 pandemic had a significant impact on our operations and performance in 2020. Notwithstanding, we continue to be relentless in our mission to support enterprises across the country. Now more than ever, we have to stay firm in our course to make Nigerian enterprises more competitive and promote industrialisation in the country.

Our commitment to building a customer-focused organisation is unwavering, and we believe that our activities in the year are proof of such commitment.

Response to the COVID-19 Pandemic

On February 27, 2020, the Federal Ministry of Health confirmed the first case of the coronavirus (COVID-19) in Lagos State. In response to that, the Bank's management implemented the following initiatives:

Business Continuity Plan: A committee was set up to define the modalities for the effective running of the Bank's operations during the period of the COVID-19 pandemic. As a result, the Bank activated its Business Continuity Plan on March 24, 2020. The measures implemented ensured that non-essential functions could work remotely, while essential staff could work from the office as necessary, so as to curb the spread of the virus within the Bank and the country at large.

Support for Customers: Following the directive of the Central Bank of Nigeria (CBN), the Bank reviewed and restructured all projects under the CBN Intervention programme with moratorium extension of 3 months (with a possible extension to 12 months) and interest rate reduction to 5% per annum.

In addition, we implemented the following palliatives for its customers.

- Reduced interest rates on all BOI-funded projects by 2% pa from 10% to 8%, with effect from April 1, 2020.
- Extended additional moratorium of 3 months on principal repayment granted to all beneficiaries of BOI fund from April 1 – June 31, 2020.
- Reduced interest rates on some of the funds managed. In particular, the Bank worked with the Nigerian Content Development Management Board (NCDMB) to reduce the interest rates on credit facilities approved under its managed fund from 8% pa to 6% pa, including extension of moratorium period.
- BOI also wrote to all the Managing Directors and Chief Risk Officers of its partnering Deposit Money Banks, officially notifying them of its position on these initiatives.
- The Bank also carried out a review of all on-going projects to ascertain the risk exposure of each project and to support customers operating in sectors most affected by the pandemic through loan restructuring.

Towards supporting the fight against the COVID-19 pandemic in Nigeria, BOI made donations from the ₦1 billion approved by the Board of Directors towards COVID-19 relief. The donations are broken down as follows:

- ₦500 million to the private sector coalition against COVID-19 (CACOVID) fund targeted at providing more testing, isolation, and treatment centres across Nigeria.
- ₦100 million to the FCT ministerial committee on COVID-19.
- ₦362 million to State Governments to advance regional efforts to combat the spread of the pandemic

The Bank was also appointed as the managing institution for the Federal Government's MSME Survival Fund. The MSME Survival Fund is part of the Nigerian Economic Sustainability Plan (NESP) and was set up as a conditional grant to support vulnerable MSMEs in meeting their payroll obligations and safeguard jobs in the MSME sector. The Bank has so far, disbursed ₦3.4 billion via the Artisan Support Scheme to 112,241 beneficiaries and ₦27.5 billion via the Payroll Scheme to 296,232 beneficiaries.

Developmental Impact Assessment

In 2020, BOI disbursed ₦145.08 billion directly and via on-lenders to 311,911 beneficiaries. This figure is a 38% reduction from 2019, when the Bank disbursed ₦234.5 billion. The reduction in disbursement was due to the impact of the twin shocks, comprising the COVID-19 pandemic and the dwindling oil prices in the year, both of which adversely impacted the business environment. This was exacerbated by the complete lockdown from April to May 2020, which resulted in reduction of new loan requests, as the focus for most businesses shifted from expansion to survival.

Through the Smallholders Finance Product – which leverages experienced aggregators to provide both financial support and market access to smallholder farmers, the Bank disbursed the sum of ₦3.0 billion to 10,450 smallholder farmers in the year, which brought the total support of the Smallholders Finance Product from inception to ₦5.5 billion with a reach of 28,700 rice and maize farmers. To build on the success of this product and in keeping with our commitment to accelerate local content creation, the Bank is looking to include dairy farmers in this initiative.

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

Overall, via both direct and on-lending lending, we were able to support the creation of an estimated 924,890 direct and indirect jobs.

Furthermore, through the Government Enterprise and Empowerment Programme (GEEP), the flagship programme under the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development, the Bank has facilitated the disbursement of ₦38.1 billion to 2.4 million beneficiaries nationwide since inception, leveraging its key products - TraderMoni, MarketMoni, and FarmerMoni. The programme was structured to provide soft loans at 0% interest rate to micro-entrepreneurs (e.g. market women, food vendors, petty traders, artisans, youth, farmers, etc.).

Financial Assessment

The Bank's Total Assets grew from ₦1.04 trillion to ₦1.86 trillion between 2019 and 2020. The 79.1% increase was driven to a large extent by the successful debt syndication of €1 billion and $1 billion that were concluded in March and December 2020 respectively.

The Bank's Equity increased by 14.6% from ₦292.38 billion in the previous year to ₦334.95 billion in 2020. Loans and Advances grew marginally in 2020 by 1.3% to ₦748.96 billion from the 2019 position, a reflection of the adverse impact of the challenging operating environment on growth of new loans.

Profit Before Tax fell by 8.2% to ₦34.35 billion in 2020 from ₦37.40 billion in 2019. The economic slowdown in the year as well as the various interventions and support initiated by the Bank for its customers were responsible for this result.

Enablers of Strategy (Strategic Alliances Pandemics and Funding)

Despite challenges faced with COVID-19, the Bank made inroads with respect to fundraising activities and strategic alliances.
The following are some highlights for the year:

- The Bank concluded a syndicated debt raising deal of €1 billion in the year from international lenders. The transaction had Credit Suisse A.G., Africa Export Import (AFREXIM) Bank, Rand Merchant Bank and Sumitomo Mitsui Banking Corporation act as co-Lead Arrangers, Bookrunners and Underwriters. This loan was launched at €750 million, but was over-subscribed and thereafter up-sized to €1 billion.
- The Bank successfully re-financed its US$750 million AFREXIM loan that was initially raised in 2018. The deal, which also had Credit Suisse A.G. and AFREXIM Bank act as co-ordinating mandated Arrangers, Underwriters and Bookrunners, was also over-subscribed and upsized to US$1 billion marking the Bank's third major international debt raising activity within the last 3 years.
- The Governing Council of the Nigerian Content Development and Monitoring Board (NCDMB) approved the expansion of the Nigerian Content Intervention (NCI) Fund from $200 million to $350 million. The additional $150 million raised will be deployed as follows:
    - o $100 million to boost the 5 existing loan products under the NCI Fund
    - o $30 million to be deployed towards working capital and capacity building loans for organisation such as Petroleum Technology Association of Nigeria (PETAN)
    - o $20 million will be used as an Intervention Fund for women in the Oil and Gas sector.
- BOI was selected as the implementing agency of the FG's National LPG expansion programme aimed at considerably improving the adoption and use of Liquefied Petroleum Gas (LPG) among the populace through the combination of awareness/sensitisation, infrastructure delivery and funding. If executed, the Bank will be the managing institution of the ₦500 billion self-sustaining LPG Energy Fund.
- BOI was engaged by the World Bank to use its microcredit infrastructure to deploy the World Bank's $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (NCARES) program. Following ongoing and extensive discussions between both institutions regarding the use of the BOI microcredit infrastructure to deploy its NCARES program, a total of 26 states of the Federation have now subscribed to using the Bank's infrastructure for the execution of CARES in their states.

  The Bank is currently in advanced stages of finalising partnership terms with these states for the delivery of CARES, while helping them set up sustainable structures for the execution of the program.
- The Bank is working in collaboration with AFREXIM Bank in the establishment of Special Economic Zones (SEZs)/Industrial Parks (IPs) in Nigeria by leveraging the private sector concessioning model.

  In addition to this, the Bank is also a strategic partner and impact investor on the AFREXIM Medical Centre of Excellence project which, when completed, would enable the provision of medical services in line with global best practices.
- Following our appointment as the local execution agency for the Business Resilience Assistance for Value-Adding Services for women (BRAVE) program in Nigeria, the Bank signed a Technical Assistance Guarantee Agreement with the Islamic Development Bank Group (IsDBG). The establishment of a Project Management Unit (PMU) that will execute the program is nearing completion.

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT cont'd

Credit Ratings

During the year, Fitch ratings revised the Bank's outlook to stable from negative, while affirming BOI's long-term and short-term Issuer Default Rating (IDR) at 'B'.

Moody's re-affirmed the Bank's issuer ratings at 'B2' and maintained its negative outlook. The Bank's B2 corporate family rating (CFR) is effectively constrained at the level of Nigeria's sovereign rating, primarily because of the high interlink between its credit profile and that of the government.

Agusto & Co maintained its rating of 'Aa' to the Bank citing its strategic importance as the largest DFI in the country with an asset base of over ₦1 trillion and strong support of significant shareholders.

ISO Certifications

BOI successfully conducted its 2nd ISO 27001 Information Security Management System (ISMS) surveillance audit during the year. This certification has put the Bank in a better position towards minimizing cyber risks and ensuring business continuity by pro-actively limiting the impact of a security breach.

The Bank obtained its ISO 9001-2015 Quality Management System re-certification in the year. This certification was first obtained by the Bank in 2015 and has since maintained very high standards and continuous improvements with respect to its business processes and operations.

The Bank has also commenced the process of obtaining the ISO 22301 Business Continuity Management Systems certification. This is an international best practice framework which helps to identify and assess the impact of potential business threats towards developing measures to effectively manage them.

Awards

The Bank received several awards including the following :

- The 'African SME Bank of the Year' and 'African Deal of the Year - Debt' at the 2020 Edition of the African Banker awards that was organised by the African Development Bank.

- The 'Best Bank in support of Manufacturing 2020' by the Guardian Newspaper Nigeria at the second edition of the Manufacturing Excellence Awards.

Moving Forward

Looking into 2021, our main priorities shall be to work with existing customers to ensure their full recovery post-COVID-19. We shall also seek new prospects in need of finance to either set up or scale up their business operations. To facilitate this, we intend to take a multi-pronged approach that will see us improving the quality of service offerings and identifying new business sectors and opportunities towards expanding our target market.

As a socially responsible organisation, we appreciate the importance of the United Nation's Sustainable Development Goals (SDGs), hence we shall further enhance the Environmental, Social and Governance framework in our loan processes towards ensuring that our activities promote equality and do not negatively impact the environment. We shall also continue to align our operations and activities in line with global best practices towards building long-term sustainability.

I would like to express my deepest appreciation to President Muhammadu Buhari, GCFR; The Vice President, Professor Yemi Osinbajo SAN, GCON; The Honourable Minister of Finance, Budget and National Planning; The Honourable Minister of Industry, Trade and Investment; The Honourable Minister of State for Industry Trade and Investment; and The Governor of the Central Bank of Nigeria and his Committee of Governors who all contributed immensely to the Bank's performance in 2020.

I also extend my heart-felt gratitude to our indefatigable Board of Directors and our exceptional strategic partners for their unwavering support through the course of the year.

We acknowledge that we could not have achieved any of these targets without recognising and motivating the people who are the heart of what we do – our staff. In 2021, we shall be more intentional in our efforts to retain and motivate top talent amongst our workforce towards achieving and sustaining high-level performance by implementing world-class talent management framework. We immensely value the contribution and commitment efforts of every single member of staff. Without you, there would be no Bank of Industry!

Thank you all and may God bless you.

Olukayode Pitan
Managing Director/Chief Executive Officer

This publication is for information purposes only

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

US $1,000,000,000 SYNDICATED GUARANTEED LOAN FACILITY

COORDINATING MANDATED LEAD ARRANGERS, UNDERWRITERS & BOOKRUNNERS

FACILITY AGENT & SECURITY TRUSTEE

MANDATED LEAD ARRANGERS & BOOKRUNNERS

African Export Import Bank

Credit Suisse AG

African Finance Corporation

Rand Merchant Bank

Sumitomo Mitsui Banking Corporation

MANDATED LEAD ARRANGER

The Export-Import Bank of China

THE LENDERS

1. African Export Import Bank
2. Credit Suisse AG, London Branch
3. African Finance Corporation
4. FirstRand BankLimited (London Branch) acting through its Rand Merchant Bankdivision
5. Sumitomo Mitsui Banking Corporation
6. The Export-Import Bank of China
7. Commerzbank Aktiengesellschaft, Filiale Luxemburg
8. Eaton Vance Emerging Markets Debt Opportunities Master Fund, Ltd.
9. Eaton Vance Emerging Markets Debt Fund
10. KfW Ipex-Bank GmbH
11. Mauritius Commercial Bank
12. United Bank for Africa, America
13. Access Bank, UK
14. Atlantic Forfaitierungs AG
15. Arab Bank for Economic Development in Africa
16. Credit Europe Bank N.V.
17. ECOWAS Bank for Investment & Development
18. FCMB, UK
19. Tunis International Bank
20. Union Bank UK
21. Institutional Emerging Markets Local Income Portfolio
22. Global Macro Portfolio
23. Limited Duration Income Emerging Market Debt Pocket
24. Global Opportunities Portfolio -Emerging Markets Corporate Debt Sleeve
25. Short Duration Diversified Income Global Pocket
26. MAC CIT II –GI
27. EVI (Ireland) Emerging Markets Debt Opportunities Fund
28. RMB International (Mauritius)Ltd

Solicitors to the Borrower

OLANIWUN AJAYI

Solicitors to the Lenders

G ELIAS WHITE & CASE

DECEMBER 2020

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting to members, their report and the audited financial statements for the year ended 31 December 2020.

1. **Legal Form**
The Bank of Industry Limited was reconstructed in 2001 out of the Nigerian Industrial Development Bank (NIDB) Limited, which was incorporated in 1964. The Bank's authorized share capital was initially set at ₦50 billion and in the wake of NIDB's reconstruction into BOI in 2001, it was increased to ₦250 billion in order to put the Bank in a better position to be in tune with the Nation's rising economic profile and in line with its mandate.

2. **State of Affairs/Subsequent Events**
In the opinion of the Directors, the state of the Bank's affairs was satisfactory and no event has occurred since the reporting date which would affect the Consolidated and Separate Financial Statements as presented.

3. **Result for the Year**

	Group		Bank	
	31 Dec. 2020 ₦'000	31 Dec. 2019 ₦'000	31 Dec. 2020 ₦'000	31 Dec. 2019 ₦'000
Gross earnings	131,843,084	98,401,623	130,681,251	96,519,541
Profit before tax	35,542,017	39,335,172	34,348,601	37,403,089
Income tax	(3,944,159)	(3,834)	(3,545,031)	93,006
Profit for the year	31,597,858	39,331,338	30,803,570	37,496,095
Other comprehensive income	(602,291)	(2,483,275)	(637,849)	(2,430,058)
Total comprehensive income for the year	30,995,567	36,848,062	30,165,721	35,066,037

4. **Principal Activities**
The Bank's mandate includes the provision of financial assistance for the establishment of large, medium and small projects as well as expansion, diversification and modernization of existing enterprises; and rehabilitation of ailing ones. The Bank also manages dedicated funds and through its subsidiaries, provides business advisory services, trusteeship, leasing, insurance brokerage, etc. There was no change in the activities of the Group and Bank during the year.

5. **Business Review**
Bank of Industry Limited carries out its activities in accordance with its Memorandum and Articles of Association and Companies and Allied Matters Act, 2020.

6. **Directors**
The names of Directors who held office during the year are as follows:

Mallam Aliyu AbdulRahman Dikko	-	Chairman, Board of Directors
Mr. Olukayode A. Pitan	-	Managing Director/Chief Executive Officer
Mrs. Toyin Adeniji	-	Executive Director, Micro-Enterprises
Mr. Jonathan Tobin	-	Executive Director, Corporate Services and Commercial
Mr. Simon Aranonu	-	Executive Director, Large Enterprises
Mr. Shekarau D. Omar	-	Executive Director, Small and Medium Enterprises
Dr. Mudashiru Olaitan	-	Non-Executive Director (retired wef January 26, 2020)
Engr. Chukwuemeka Nzewi	-	Non-Executive Director
Mallam Mohammed Mustapha Bintube	-	Non-Executive Director
Mr. Alexander Adeyemi	-	Non-Executive Director
Mr. Salisu Bala Kura	-	Non-Executive Director (retired wef July 22, 2020)
Mr. Philip Yila Yusuf	-	Non-Executive Director (appointed wef February 12, 2020)
Mr. Tijjani Inuwa Babura	-	Non-Executive Director (appointed wef July 23, 2020) (retired wef October 15, 2020)
Mr. Adewale Bakare	-	Non-Executive Director (appointed wef October 15, 2020

REPORT OF THE DIRECTORS (cont'd)

7. **Record of Attendance of Directors**
Pursuant to and in accordance with the provisions of the Companies and Allied Matters Act, 2020, the record of Directors' Attendance at Board and Board Committee Meetings held during the period under review is set out in Item 14 (4) of this Report and shall be made available for inspection at the Annual General Meeting.

8 **Interest of Directors**
No Director has direct or indirect interest in the share capital of the Company (31st December, 2020: Nil)

9. **Analysis of Shareholding**
As at the end of 2020, BOI's shares were held by 44 shareholders as analysed in the table below:

		No of Shares Held	% of Total Shareholding
i)	Ministry of Finance Incorporated	69,857,608,889	94.8
ii)	Central Bank of Nigeria	3,827,446,730	5.2
iii)	42 Other Nigerians	605,000	negligible

10. **Substantial Interest in Shares (10% and above)**
The above analysis shows that one shareholder (Ministry of Finance Incorporated) has 94.8% holding.

11. **Interest of Directors in Contracts**
None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Company was involved as at 31 December, 2020.

12. **Property and equipment**
Movements in property and equipment during the year are shown in note 25. In the opinion of the Directors, the market value of the Group's properties is not less than the value shown in the financial statements.

13. **Employment and Employees**

13.1 **Employment of Physically Challenged Persons**
The Group and the Bank operate a non-discriminatory policy in the consideration of applications for employment including those received from physically challenged persons. The Group and the Bank's policy is that the most qualified persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

13.2 **Health, Safety at Work and Welfare of Employees**
The Group and the Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Group and the Bank provide medical facilities to its employees and their immediate families at its expense.

13.3 **Employee Involvement and Training**
The Group and the Bank encourage participation of its employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Group and the Bank provide opportunities where employees

REPORT OF THE DIRECTORS (cont'd)

deliberate on issues affecting the Group and employees interest, with a view to making inputs to decisions thereon. The Group and the Bank place a high premium on the development of its manpower.

13.4 Research and Development

The Group and the Bank also on a continuous basis carry out research into new banking products and services.

14. Donations and charitable gifts

The Bank made contributions to charitable and non-political organisations of ₦11.29million (December 2019: ₦9.7million) during the period.

15 Auditors

KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated its willingness to continue in office as Auditors to the Bank. In accordance with the Companies and Allied Matters Act, 2020 therefore, the Auditors will be re-appointed at the next Annual General Meeting of the Bank without any resolution being passed.

BY ORDER OF THE BOARD

OLUFUNLOLA O. SALAMI (MRS.)
Company Secretary
FRC/2018/ICSAN/00000018804

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENT

The Directors accept responsibility for the preparation of the Annual Consolidated and Separate Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2011, the Central Bank of Nigeria (CBN)'s Regulatory and Supervisory Guidelines for Development Finance institutions in Nigeria, 2015 and other relevant Guidelines and Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal control measures as the Directors deem necessary to enable the preparation of the Consolidated and Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

Going Concern.
The Directors have made an assessment of the ability of the Bank and the Group to continue as a going concern and have no reason to believe that the Bank and the Group will not remain a going concern in the year ahead.

Olukayode Pitan
Managing Director/CEO
FRC/2018/IODN/00000017947

Aliyu AbdulRahman Dikko
Chairman Board of Directors
FRC/2013/IODN/000000002375

REPORT OF THE AUDIT COMMITTEE

TO THE MEMBERS OF BANK OF INDUSTRY LIMITED

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020 ["CAMA"] and the Central Bank of Nigeria (CBN)'s Regulatory and Supervisory Guidelines for Development Finance Institutions in Nigeria, we have reviewed the Consolidated and Separate Financial Statements of the Bank of Industry Limited and its subsidiaries for the year ended 31 December 2020 and the reports thereon and confirm as follows:

1. In our opinion, the scope and planning of the audit requirement were adequate.

2. That the accounting and reporting policies of the Bank and the Group are in accordance with legal requirements and agreed ethical practices.

3. We have reviewed the findings on the Management Letters in conjunction with the External Auditors and are satisfied with the response of the Management thereon. The External Auditor's findings, as stated in the Management Letter, are being dealt with satisfactorily by the Management.

4. That the Bank's system of accounting and internal controls are adequate.

5. Related party transactions and balances have been disclosed in note 38 to the Consolidated and Separate Financial Statements.

Mr. Alexander M. Adeyemi
Chairman
FRC/2021/003/00000022813

Members of the Audit Committee
Mr. Alexander M. Adeyemi - Chairman (wef July 23, 2020)
Mr. Philip Yila Yusuf (wef February 12, 2020)
Mr. Adewale Bakare (wef October 15, 2020)

Mr. Salisu Bala Kura – Chairman (until July 22, 2020)
Mr. Tijjani Inuwa Babura (retired October 15, 2020)

DCSL Corporate Services Limited

235 Ikorodu Road
Ilupeju
P. O. Box 965, Marina
Lagos, Nigeria

Abuja Office:
Suite A05, The Statement Hotel
Plot 1002, 1st Avenue
Off Shehu Shagari Way
Central Business District Abuja, Nigeria

Tel: +234 8090381864
info@ dcsl.com.ng
www.dcsl.com.ng

Tel: +234 8090381862

RC NO. 352393

March 2020

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF BANK OF INDUSTRY LIMITED ("BOI") FOR THE YEAR-ENDED DECEMBER 31, 2020.

DCSL Corporate Services Limited (DCSL) was engaged by Bank of Industry Limited ("BOI") to carry out an evaluation of the performance of the Board of Directors for the year-ended December 31, 2020 in line with the provisions of Section 2.9 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Development Finance Institutions in Nigeria ('CBN Code") and Principle 14.1 of the Nigerian Code of Corporate Governance ("NCCG"). The appraisal entailed a review of the Bank's corporate and statutory documents, the Minutes of its Board and Committee meetings, policies and other ancillary documents made available to us. We also administered electronic surveys and conducted interviews with the Directors to ascertain the level of the Board's compliance with the provisions of the CBN and Nigerian Codes of Corporate Governance, relevant legislation as well as global Best Practice. Our appraisal covered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our review of the corporate governance standards and processes affirm that the Board has complied with the provisions of the CBN, the Nigerian Codes of Corporate Governance and other relevant corporate governance best practices. The appraisal indicates that individual Directors remain committed to enhancing the Bank's growth.

Our key findings and other recommendations are contained in our detailed Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: • Abel Ajayi (Chairman) • Obi Ogbechi • Adeniyi Obe • Adebisi Adeyemi (Managing Director)

Executive Management

Among them, BOI's Executive Management team members have several decades of working experience in the Nigerian banking sector; each of their profiles is provided below.

Mr. Olukayode A. Pitan
Managing Director/Chief Executive Officer

Mr. Pitan is the Managing Director and Chief Executive Officer of Bank of Industry Ltd, a position he has held since May 2017. Mr. Pitan draws on significant work experience gained in both the corporate and banking sectors during the course of his over 30-year career.

He began his career with Citibank Nigeria in 1986. Prior to joining BOI Ltd, Mr. Pitan was the MD/CEO of Caroline Properties Ltd and Director of Excel E&P Ltd.

Previously, Mr. Pitan held the position of Executive Director of Unity Bank Plc in charge of Corporate Banking and Treasury Management after having served as the MD/CEO at First Interstate Bank Plc in August 2004, where he successfully led the Bank through a merger with eight other lending institutions to form Unity Bank Plc.

He graduated with a B.Sc. (Hons) Degree in Economics as a UAC scholar from the University of Ibadan in 1982 and obtained a Master's Degree in International Management as a Rotary International Scholar from the American Graduate School of International Management, Thunderbird Campus at Glendale, Arizona.

Mr. Pitan is a Fellow of the Chartered Institute of Bankers of Nigeria (FCIB), a Fellow of the Institute of Credit Administration of Nigeria (FICA) and a member of the Institute of Directors of Nigeria. He is an alumnus of the Lagos Business School and the London Business School. He is also an alumnus of the Haggai Institute, Singapore and the Galilee International Management Institute, Israel. He is an ordained Senior Pastor of the Redeemed Christian Church of God.

Mr. Pitan has participated in many innovative transactions in the Nigerian Capital Market and he has held several Board and other senior positions, some of which are:

- Chairman of the Technical Committee that led to the merger of Centerpoint Securities Ltd and FIIST Ventures Ltd to form Unity Registrars Ltd and served as Chairman of the Unity Registrars Ltd.
- Chairman of the Technical Committee that merged Kapital Insurance Plc, Intercontinental Assurance Company Ltd and Global Commerce and General Assurance Co Ltd into UnityKapital Insurance Co Plc and also served as Director of the new entity.
- Chairman of the Technical Committee of the landmark transaction where nine Banks were merged to form Unity Bank Plc and the listing of the Bank on the Nigerian Stock Exchange.
- Technical Chairman brokering the formation of FUG Pensions Ltd, pooling together the interests of Futureview Financial Services Ltd, Unity Bank Plc and Glanvill Enthoven & Co Ltd to form a viable and significant player in the Pensions management industry, subsequently holding the position of Chairman of FUG Pensions Ltd.
- Alternate Director of Kakawa Discount House Ltd,
- Director of Newdevco Investments & Securities co. Ltd and Director of Banque International Du Benin.
- Chairman of BOI-ITC Ltd and LECON Financial Services Ltd, which are subsidiaries of BOI Ltd.
- Chairman of Habitation of Hope, an NGO set up by Pastor (Mrs) Folu Adeboye to salvage, transform and empower the abandoned, hopeless and homeless street boys and girls living in Nigeria.

Mrs. Toyin Adeniji
Executive Director, Micro-Enterprises

Mrs. Adeniji was appointed as an Executive Director of the Bank in 2016 and she currently oversees the Micro-Enterprises Directorate where she is responsible for the Bank's strategy and operations for the sector.

Mrs. Adeniji is a financial services professional with a career spanning over 33 years of work experience in international development, financial inclusion, microfinance, gender finance and SME development as well as in strategy and business development.

Prior to joining BOI, Mrs Adeniji worked at the International Finance Corporation (IFC)/World Bank Group for a career spanning 23years. At IFC, she worked as Investment Officer in the Africa Enterprise Fund, Syndications & International Securities and Global Mining Departments. She later rose to senior management roles where she headed IFC's Women in Business program (WIN) and she led the program to mainstream gender across IFC's investment & advisory portfolio. She also worked as an SME Development Expert at IFC to develop Access to Finance and capacity development programs for MSMEs across several global regions.

At the Bank of Industry, Mrs. Adeniji is leading the successful implementation of the Government Enterprise and Empowerment Programme (GEEP) – a microcredit scheme under the National Social Intervention Program of the Federal Government of Nigeria. Her role also ensures that the Directorate develops and executes tailored lending solutions to micro enterprises and small business in Nigeria's economy. To date, the Directorate has implemented various products along sector value chains, economic clusters as well as women-led initiatives. She spearheaded BOI's investment in the Alethia IDF fund; a gender focused Private Equity Fund investing in SMEs.

Mrs. Adeniji is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). She holds a Bachelor of Science (B. Sc.) Degree in Civil Engineering from the University of Lagos, and a Master of Business Administration (MBA) Degree from the Harvard Graduate School of Business. She is a member of the Nigerian Society of Engineers (NSE) and an Honorary Senior Member of Chartered Institute of Bankers (CIBN).

Mr. Jonathan Tobin
Executive Director, Corporate Services and Commercial

Mr. Tobin was appointed as an Executive Director of the Bank in 2016. He currently oversees the Corporate Services and Commercial Directorate where his responsibilities include overseeing the operations of the Management Services Division, Human Resources, Security and Administration Departments and the Bank's subsidiaries.

Mr. Tobin has over 30 years of working experience in the fields of agriculture value chain and MSME financing, including having served as an Officer of the Central Bank of Nigeria ("CBN").

Prior to joining the Bank, Mr. Tobin worked for the CBN, where he reached the position of Deputy Director. He was responsible for managing the CBN's N220 billion MSME Fund in the Development Finance Department which focuses on unlocking access to finance by MSMEs in the country. The Fund was established in recognition of the significant contributions of the MSME sub-sector to the economy and the existing huge financing gap. Under Mr. Tobin's watch, 60 percent of the Fund was devoted to women entrepreneurs at very low interest rates. State Governments, Deposit Money Banks and Micro finance Banks accessed the fund for the purpose of on-lending to MSMEs. Eligible activities financed by the Fund included agricultural value chain, services, cottage industries, artisans, trade and commerce and other lawful income generating business.

Mr. Tobin also held the position of pioneer Project Manager of the novel CBN's Multibillion Naira Anchor Borrowers' Programme (ABP) Rice project in Kebbi State, which involved extending financing solutions to 78,000 smallholder farmers, who were granted loans and other inputs such as fertiliser, pesticides, seeds and water pumps for irrigation.

Mr. Tobin holds a Bachelor of Science Degree in Agricultural Economics and Extension from the University of Science and Technology, Rivers State, Nigeria. He has also trained in the Project Management fast track course at Boston University, Massachusetts, Columbia Business School, New York and the Galilee International Management Institute, Israel.

He is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria and a member of the Institute of Directors of Nigeria.

Mr. Simon Aranonu

Executive Director, Large Enterprises

Mr. Simon Aranonu has held the position of Executive Director of the Bank's Large Enterprises Directorate since August 2016. His responsibilities include developing the Bank's strategy for Nigeria's larger corporates as well as managing BOI's team in charge of the Large Enterprise loan portfolio.

Mr. Aranonu boasts of more than 30 years banking and financial consulting experience, including several senior positions in some of Nigeria's better-known financial institutions. His significant expertise lies particularly with credit and corporate governance.

In 2008, Mr. Aranonu was appointed Executive Director at Intercontinental Bank Plc (now Access Bank Plc) and had served as Executive Director in Global Bank Plc. He has worked at various times for Liberty Merchant Bank as Assistant General Manager and also at Manufacturers Merchant Bank as Assistant Manager.

Mr. Aranonu's banking career began in 1987 when he joined Chase Merchant Bank, later becoming Continental Merchant Bank, where he spent three years in various middle management positions.

Mr. Aranonu holds a Bachelor of Science Degree from the University of Nigeria, where in 1984, he also won the University Foundation prize as the Best Graduating Student in Finance. He is also a graduate of the Advance Management programme of Stanford University California, United States. Mr. Aranonu is a Fellow of the Institute of Chartered Accountants of Nigeria and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

An avid scholar, Mr. Aranonu has attended various business leadership programmes throughout his career, including courses at Harvard Business School, Chicago Business School and Cranfield University, Milton Keynes, England. Other training programmes that he has attended included courses at Citibank School of Banking, New York, Chase Manhattan Bank, New York, at Mellon Bank, Philadelphia. Mr. Aranonu has also been trained in Kellogg School of Management, Illinois and Wharton Business School, Pennsylvania both in the United States. In the spring of 2000, Mr. Aranonu became a beneficiary of the USAID-sponsored Best and Brightest African Bankers training programme in the USA.

Mr. Aranonu is licensed by the IFC to train Company Directors on Corporate Governance.

Mr. Shekarau D. Omar

Executive Director (Small and Medium Enterprises)
(Sadaukin Katagum)

Mr. Shekarau D. Omar obtained a 2nd Class Upper Division (B.Ed.) Honors Degree (1985) from the Ahmadu Bello University, Zaria. He also obtained two Masters' Degrees in Educational Administration (M.Ed., 1991) and International Law and Diplomacy (MILD, 1992) from the University of Lagos.

He is a consummate professional with over 30 years' experience, having previously served in the Military, University, Banking and Telecommunications Sectors before joining BOI Ltd in 2005 as a Senior Manager/Head of Human Resources. He rose through the ranks to become a General Manager in 2014. He was the General Manager (Management Services) and later General Manager (SME-North) between 2014 and 2018. He was subsequently appointed as the General Manager (Large Enterprises) in December 2018 and was elevated as the Executive Director, Small and Medium Enterprises in March, 2019.

He is a Licensed Human Resource Professional, a member of the Society for Human Resources Management (SHRM), a member of the Chartered Institute of Personnel Management (CIPM), a member of the Chartered Institute of Administration of Nigeria and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN).

Mr. Omar has attended several human resources and personnel management, telecommunications, banking and leadership training programmes throughout his career, both locally and abroad, including courses at the Galilee Institute of Management, Israel, the Institute of International Finance, United Kingdom and the Financial Institutions Training Centre (FITC), Nigeria.

Dr. Ezekiel Oseni
(General Manager/Chief Risk Officer)

Dr. Ezekiel Oseni holds B.Sc (1990) and M.Sc (1996) Degrees in Accounting from the University of Ilorin and a Ph.D. from the Olabisi Onabanjo University which he received in 2012. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Certified Information Systems Auditor (CISA).

He joined BOI in 2005 as a Senior Manager and Head of the Internal Control and Audit Division.

He became a General Manager in 2014 and is currently the Chief Risk Officer (CRO) of the Bank.

Mr. Akeem Adesina
Chief Financial Officer

Mr. Akeem Adesina holds a B.Sc (1995) Degree in Accounting and MBA (2004) from University of Lagos and Obafemi Awolowo University respectively. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation.

He was the pioneer Head of Finance and Chief Financial Officer of the Bank from 2001 when the Bank was reconstructed to BOI, a position he held till 2013.

He became a General Manager in 2014 and was in charge of the Operations and Technology Division of the Bank up till October 1, 2019. He is currently the Chief Financial Officer of the Bank.

Mr. Leonard Kange
(General Manager (Large Enterprises – I)

Mr. Leonard Kange obtained a B.Sc Degree in Sociology (1986) from the Ahmadu Bello University, Zaria He also earned the Project Management Professional (PMP) designation in 2008. Leonard has over 28 years' experience in the financial services sector locally with FSB International Bank Plc (now merged with Fidelity Bank Plc) and internationally with Royal Bank of Canada.

His areas of expertise include Mergers and Acquisitions, Project Finance, Risk Management, Strategy, Corporate Banking, IT and more.

He joined BOI in 2017 as the General Manager (Large Enterprises).

Dr. Rislanudeen Muhammad
(General Manager, Small and Medium Enterprises North)

Dr. Rislanudeen Muhammad holds a B.Sc Degree (1985) in Economics from the Bayero University, Kano. He holds an M.Sc Degree in Economics from the Ahmadu Bello University, Zaria. He also holds a Ph.D (2019) in Economics from Bayero University, Kano. He is a Fellow of the Institute of Corporate Administration, Fellow of the Association of Enterprise Risk Management Professionals, Fellow of the Nigerian Institute of Fiscal Studies, Associate of the Nigerian Institute of Management Consultants and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

He has over 33 years' experience in Budget and Economic Planning, Corporate Banking, Credit and Operations, Retail and Commercial Banking, Risk Management, Investment Advisory Services, Real Estate Management, Staff recruitment, Training and Placement. He joined BOI in 2018 as the General Manager (SME-North).

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

We Touch Businesses That Touch Lives

At Bank of Industry, we offer unequaled financial solutions with ease to large, medium and small enterprises.

We also support projects with potential developmental impact that create jobs and alleviate poverty, thereby touching lives positively.

Fitch	Moody's	Agusto & Co
Long Term Issuer Default Rating B (Stable Outlook)	Long Term Issuer Default Rating B2	Credit Rating Aa

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switchboard: **(+234)-1-2715070-71**

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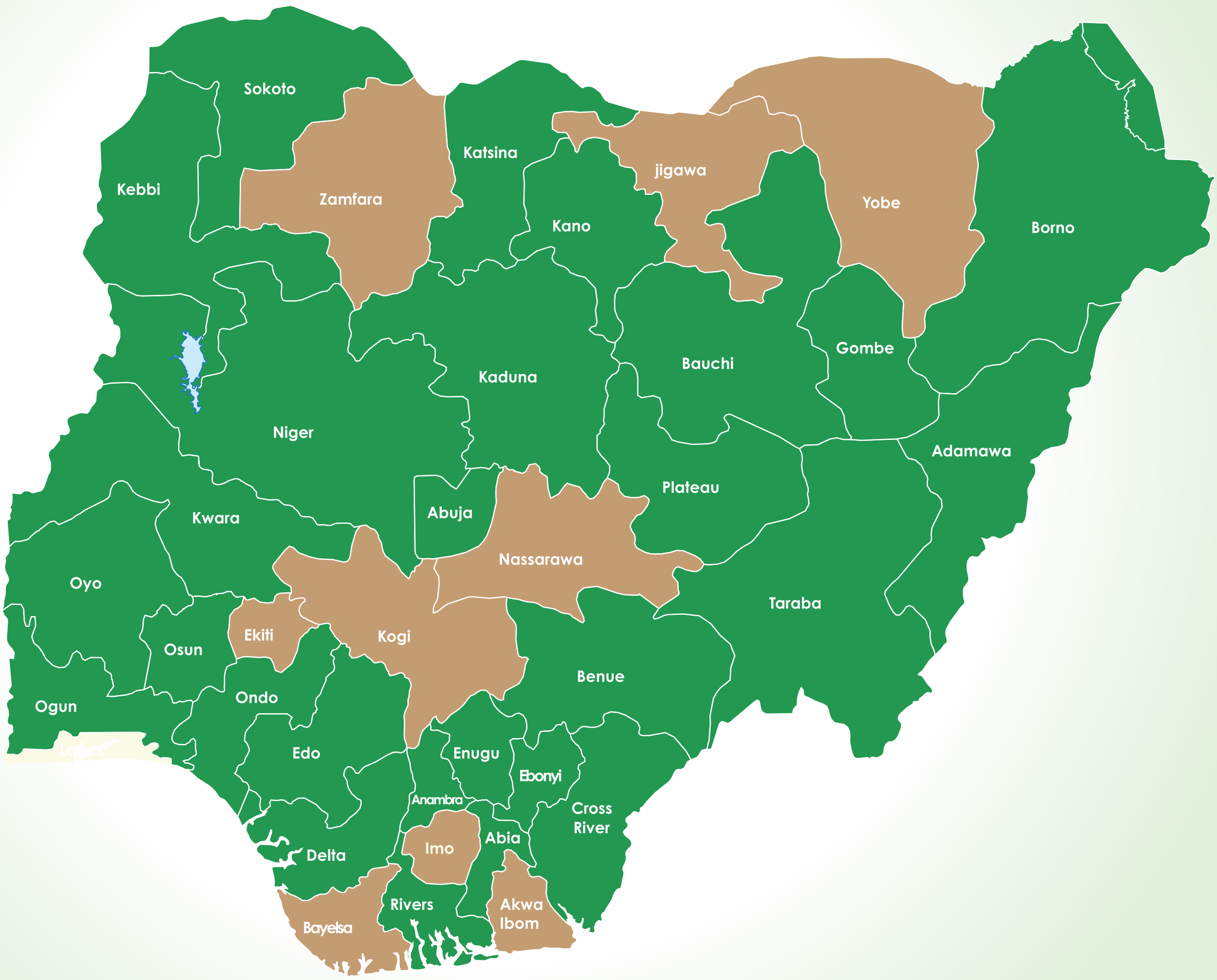
BOI is Present in 28 States Across Nigeria



States Bank of Industry is present in.

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Head Office
BOI Buidling,
23 Marina Road,
Lagos State.

Corporate Office
Plot 256, Zone A O,
off Herbert Macaulay way,
Behind Unity Bank,
Central Business District,
Abuja.

Abia
25B Adelabu Housing Estate,
off Azikwe Road,
Umahia,
Abia State.

Adamawa
Aminu Galadima Way,
Opposite Lamido Cinema,
Jimeta,
Adamawa State.

Anambra
No 39, Ziks Avenue,
(former CBN building)
Akwa,
Anambra State.

Bauchi
BOI House,
Maiduguri Road,
Bauchi,
PMB 245

Benue
Plot BNA 8837,
beside Fateh Filling Station,
Ankpa Road,
Benue State.

Borno
5 Sir Kashim Ibrahim Way,
Opposite GT Bank,
Maiduguri,
Borno.

Cross River
115 Mariam Road,
Calabar,
Cross River State.

Delta
Plot 25, Block 111
Phase IV Okpanam Road
Asaba,
Delta State.

Ebonyi
No. 25, Ezza Road,
(Adjacent Fed. Mortgage
Bank Building),
Abakaliki,
Ebonyi State.

Edo
Edo Production Centre,
Magistrate Court Premises,
Sapele Road, Benin City,
Edo State.

Enugu
47 Coal City Estate,
Behind CBN Building,
Enugu State.

Gombe
Shoga Estate,
near NNPC Depot,
Gombe State.

Kaduna
18 Muhammadu Buhari
way,
PMB 2141
Kaduna State.

Kano
Plot 7,
Guda Abdullahi Road,
City Center (Farm Center)
Tarauni, Kano.

Katsina
No10, WTC Road,
Opp CBN Office,
GRA, Katsina.

Kebbi
Plot A1,
Sultan Abubakar Rd,
GRA, Birnin Kebbi,
Kebbi.

Kwara
Adanma Bola Saad House,
by Mat-Rite Supermarket,
Ahmadu Bello Way,
GRA, Ilorin.

Lagos
No. 3 Ashabi Cole Street,
off Agidingbi Road,
Alausa, Ikeja,
Lagos.

Niger
DST Plaza,
Paiko Road,
by FRSC Office,
Tunga, Minna.

Ogun
Oluwatoyin House,
Lalubu Road,
Okelewo, Abeokuta,
Ogun State.

Ondo
Oba Adesida Road,
opp First Bank,
Alagbaka, Akure.

Osun
Treasury Plaza,
10 Obafemi Awolowo way,
Igbona, Osogbo.

Oyo
Green Plaza, NTC Leaf Rd,
Beside FIRS Office,
Iyaganku, GRA,
Ibadan, Oyo.

Plateau
15 Richard Road,
off Murtala Muhammed Way,
Jos, Plateau State.

Rivers
No. 105 Olu-Obasanjo Rd,
opp. Dominos Pizza,
Port-Harcourt.

Sokoto
No. 6 Ahmadu Bello way,
After Old Savannah Bank
Sokoto.

Taraba
No. 72 Ham Maruwa Way,
opposite GTBank,
Jalingo, Taraba.

...visit us and let's explore a partnership that works!

Corporate
Profile

CORPORATE PROFILE

About us

Bank of Industry Limited (the "Bank" or "BOI) is Nigeria's foremost Development Financial Institution (DFI). It was incorporated in 1959 as the Investment Company of Nigeria (ICON) Limited and reconstructed into the Nigerian Industrial Development Bank (NIDB) in 1964 under the guidance of the World Bank. The International Finance Corporation which produced BOI's pioneer Chief Executive held 75% equity along with a number of domestic and foreign private investors.

The Bank transformed into the Bank of Industry in 2001, following the merger of the mandates of NIDB, Nigerian Bank for Commerce and Industry (NBCI) and the National Economic Reconstruction Fund (NERFUND).

BOI has a mandate to transform Nigeria's industrial sector by providing financial assistance for the establishment of large, medium and small enterprises; as well as to drive expansion, diversification and modernisation of existing enterprises; and rehabilitation of ailing ones. This mandate is geared towards supporting projects with potential developmental impact, and the capability to generate considerable multiplier effects such as industrialisation, job creation, and poverty alleviation, which would have significant positive effects on the socio-economic condition of Nigerians.

The Bank continues to support growth across various sectors including Agro and Food Processing, Creative Industries, Engineering and Technology, Healthcare and Petrochemicals, Oil and Gas, Renewable Energy and Solid Minerals; leveraging our state offices nationwide.

Vision, Mission and Mandate

Vision: To be Africa's leading Development Finance Institution operating under global best practices.

Mission: To transform Nigeria's industrial sector by providing financial & business support services to enterprises.

Mandate: Providing financial assistance for the establishment of large, medium and small projects; as well as expansion, diversification and modernisation of existing enterprises; and rehabilitation of existing ones.

CORPORATE PROFILE

Brief History & Developmental Milestones

1959	• Incorporated as Investment Company of Nigeria
1964	• NIDB was established under the guidance of the World Bank with an authorised share capital of £2 million International Finance Corporation held 75% equity
1976	• Equity structure of NIDB was diluted with the Federal Government owning more shares as part of its indigenisation Decree
2001	• BOI emerged from the merger between NIDB and NBCI with an authorised share capital of ₦50 billion
2007	• Authorised share capital was increased to ₦250 billion, in order to put the bank in a position to better address its mandate
2014	• Secured credit rating of A- from Agusto & Co. • Launched the ₦5 billion Cottage Agro-processing Fund (CAPFund) • Signed ₦3.44 billion MOU with the Federal Ministry of Agriculture & Rural Development (FMARD) for on-lending to cassava bread producers • Signed a ₦13.6 billion MOU with FMARD for the establishment of ten integrated rice mills and six integrated cassava mills • Launched the BOI Hall of Fame • Engaged 122 SME Consultants to support SMEs • Entered a strategic alliance with 10 SME-friendly commercial banks
2015	• Obtained ISO 9001-2008 Quality Management Certification • Secured credit rating of AA+ from Fitch Rating • Expanded offices from 7 to 15 state offices • Increased number of SME Consultants from 122 to 200 • Launched the ₦2 billion Graduate Entrepreneurship Fund (GEF) • Rolled out 40 SME clusters across different sectors of the economy • Obtained $100 million line of credit from African Development Bank to fund export-based projects
2016	• Fitch re-affirmed AA+ National Credit rating • Moody's assigned Aa1.ng/NG-1 rating • Increased SME Consultants to 200 • Launched the ₦10 billion Youth Entrepreneurship Support (YES) programme • Signed a ₦1 billion MOU with Ecobank for on-lending to MSMEs • Signed a ₦1 billion Legacy Fund with the House of Oduduwa • Increased State Matching Fund partnership from 17 to 21
2017	• Obtained ISO 9001-2015 Quality Management Certification • Expanded from 20 to 24 state offices • Launched the $200 million local content fund in partnership with Nigerian Content Development & Monitoring Board (NCDMB) • Secured $750 million syndicated loan through partnership with AFREXIM • Launched the ₦2.5 billion Nigerian Artisanal and Small-Scale Miners (ASM) Finance Support Programme • Partnered with the Islamic Corporation for Development (ICD) on a $40 million line of credit to support SMEs
2018	• Fitch re-affirmed AA+ National Credit rating • Moody's assigned Aa3.ng/NG-1 rating • Agusto maintained Aa rating • Secured strategic partnership with InfraCredit by providing a ₦10 billion line of credit for issuing local currency guarantees for infrastructure projects • Signed an MOU with the Export-Import Bank of China on a $500 million line of credit for importation of equipment from China • Partnered with Brazilian Development Bank (BNDES) on a $20 million line of credit for importation of equipment from Brazil • Part-sponsored the inaugural Intra-Africa Trade Fair (IATF) in Cairo, Egypt and supported over 50 Nigerian SMEs participate in the fair • Maintained ISO 9001-2015 Quality Management Certification
2019	• Partnered with All-On Energy to set up a ₦1 billion fund to finance deployment of off-grid energy solutions in Niger-Delta region • Invested $10 million in Alitheia Fund to support women-led enterprises • Appointed executing agency for the Islamic Development Bank's Business Resilience Assistance for Value-adding Enterprise (BRAVE) for Women project • Created a ₦2.4 billion North East Rehabilitation Fund to support the rejuvenation of enterprises and business activities in the region • Signed MoU with AfDB to execute Affirmative Finance Action for Women in Africa (AFAWA) • Secured sovereign guarantee from the Federal Executive Council to access €750 million from the international debt market • Financed the set-up of 3 technology hubs in Lagos and Bayelsa States • Increased SME Consultants to 300 • Obtained the ISO 27001 Information Security Management System (ISMS) Certification

CORPORATE PROFILE

2020 - Key Achievements

Developmental Impact

- Disbursement of ₦145.1 billion in BOI loans to 311,911 beneficiaries. BOI leverages both direct and on-lending models to enable the Bank reach beneficiaries at various levels of the entrepreneurial value-chain.
  - o Bottom of the Pyramid (BOP) on-lending scheme leverages the services of Microfinance Banks (MFBs) as vehicles for credit delivery to the under-served and under-banked micro-entrepreneurs. The Bank currently partners with 27 MFBs which enabled the disbursement of ₦1.5 billion to beneficiaries nationwide in 2020.
  - o Smallholders Farmer Product (SHF) which leverages experienced aggregators to provide both financial support and a steady market to smallholder farmers. In 2020, ₦3.0 billion was been disbursed to 10,450 maize and rice smallholder farmers.
  - o The North East Rehabilitation Fund (NERF) which was introduced in 2019 to stimulate the regional economy through the provision of affordable credit facilities to new MSMEs in the North East region of Nigeria. In 2020, BOI disbursed ₦797.4 million to over 56,000 beneficiaries.
  - o N-Power which provides a platform where citizens between the ages of 18 and 35 can access skills acquisition and development. Under the N-Power scheme, over ₦2.5 billion was disbursed to 300,011 beneficiaries.
- Further support provided via continued management of the Government Enterprise and Empowerment Programme (GEEP) with almost 2.4 million beneficiaries supported since inception (in 2018) though ₦38.1 billion in disbursements.

Bank Financial Performance Summary

- Profit Before Tax of ₦34.4 billion in 2020, a decline of 8% from prior year's ₦37.4 billion
- Loans and Advances grew marginally from ₦739.4 billion in 2019 to ₦749.0 billion in 2020
- Interest income improved by 44% from ₦80.8 billion in 2019 to ₦116.7 billion in 2020
- Total Equity also improved by 15% from ₦292.4 billion to ₦336.3 billion between 2019 and 2020 respectively
- Total Assets grew over the 12-month period by 79% from ₦1.04 trillion to ₦1.86 trillion

Funding

- The Bank concluded a syndicated debt raising deal of €1 billion in the year from international lenders. The transaction had Credit Suisse A.G., Africa Export Import (AFREXIM) Bank, Rand Merchant Bank and Sumitomo Mitsui Banking Corporation act as co-lead arrangers, bookrunners and underwriters. This loan was launched at €750 million, but was over-subscribed and thereafter up-sized to €1 billion.
- The Bank successfully re-financed its US$750 million AFREXIM loan that was initially raised in 2018. The deal, which also had Credit Suisse A.G. and AFREXIM Bank act as co-ordinating mandated arrangers, underwriters and bookrunners, was also over-subscribed and upsized to US$1 billion marking the Bank's third major international debt raising activity within the last 3 years.
- BOI partnered with the World Bank and State Governments to utilise the Bank's microcredit infrastructure to deploy the World Bank's $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (NCARES) Programme
- The board of Nigerian Content Development & Monitoring Board (NCDMB) approved the expansion of the Nigeria Content Intervention (NCI) fund from $200 million to $350 million
- BOI was appointed by the Federal Government to manage the ₦75 billion MSME Survival Fund
- The Bank partnered with state governments to launch the State Enterprise and Empowerment Program (SEEP), a ₦2 billion Microcredit initiative which seeks to leverage existing BOI's microcredit infrastructure to deploy state loan programs to microbusinesses. BOI shall support with beneficiary validation, on-boarding, disbursement, credit monitoring and collections using technology.
- BOI was also appointed the implementation agency for the ₦500 billion National Liquefied Petroleum Gas (LPG) Energy Fund.
- Participated in the Private Sector Coalition Against Covid-19 (CACOVID) initiative with a contribution of ₦700 million.

Corporate Awards

- Two African Banker awards organised by the African Development Bank – "SME Bank of the Year" and "African Deal of the Year" for the €1 billion syndicated loan facility
- Best Bank in Support of Manufacturing Award at the second edition of the Manufacturing Excellence Award by The Guardian Newspaper Nigeria.
- Federal Ministry of Industry, Trade & Investment Extra Mile Award for Outstanding Performance During COVID-19 Pandemic
- National Information Technology Development Agency (NITDA) Award of the Best Localisation Compliant Institution
- Institute of Chartered Secretaries Award for Excellence Corporate Governance

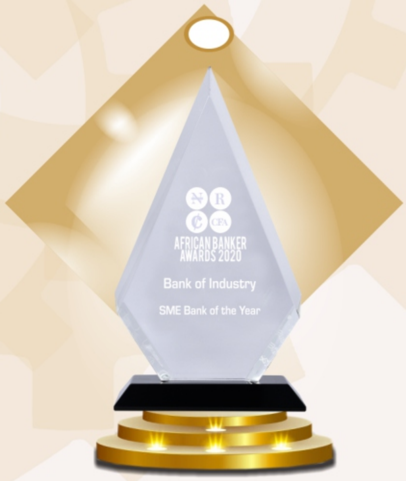
ISO QMS Re-Certification

· Obtained the ISO 9001:2015 Quality Management System (QMS) Re-certification

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

Excellence
has many
Rewards

Federal Ministry of Industry, Trade & Investment
EXTRA MILE AWARD
FOR OUTSTANDING PERFORMANCE DURING THE COVID - 19 PANDEMIC
July, 2020



African Banker Awards 2020
for SME BANK OF THE YEAR,
August, 2020

African Banker Awards 2020
for DEAL OF THE YEAR - DEBT,
August, 2020

National Information Technology Development Agency (NITDA)
AWARD OF THE BEST DATA LOCALISATION COMPLIANT INSTITUTION 2019
August, 2020

Institute of Chartered Secretaries of Nigeria (ICSAN)
AWARD FOR EXCELLENCE IN CORPORATE GOVERNANCE
November, 2020

The Guardian Newspapers Manufacturing Excellence Awards
BEST BANK IN SUPPORT OF MANUFACTURING SECTOR AWARD
November, 2020

Fitch	Moody's	Agusto & Co
Long Term Issuer Default Rating B (Stable Outlook)	Long Term Issuer Default Rating B2	Credit Rating Aa

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Developmental
and Social Impact

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

2020 IMPACT AT A GLANCE

₦145bn disbursed to micro, small, medium and large enterprises nationwide (excluding GEEP)

₦28.77bn to micro, small and medium enterprises nationwide

311,911 beneficiaries supported across various sectors of the economy

₦38.1bn disbursed to over 2.4m GEEP beneficiaries since inception

924,889 jobs created through our support for enterprises

2020 BOI SUPPORT FOR SUSTAINABLE AGRIBUSINESS

₦35.2bn in loan disbursement to support the Agribusinesses sector*

Additional ₦3bn disbursements to 10,450 smallholder farmers

About 882 Agro & Food processing enterprises supported*

Estimated 156,832 new jobs facilitated in the sector*

Excluding Smallholder Farmers

Agriculture is central to Nigeria's economy and it is one of the strategic sectors identified by the Federal Government for growth and national economic development. Prior.

According to the World Bank 77.7% of Nigeria's land is arable and capable of producing key (cash) crops, including beans, sesame, cashew nuts, cassava, cocoa beans, groundnuts, rice, m kernels, palm oil, rubber, etc. Nigeria also has quality manpower and growing youth population to complement the fertile land mass and drive the sector.

Despite the pandemic, the sector's contribution to GDP in FY 2020 remained high at 30.77% , affirming its position as a key sector in the Nigerian economy.

Given the projected growth in population (from ~200 million currently to 401 million by 2050), it is necessary to increase investment in agriculture to ensure food security.

By virtue of BOI's mandate to support industrialisation, enterprises in the agricultural value chain are given the necessary support that will enable them increase their output.

In 2020, the BOI disbursed ₦3 billion to 10,450 smallholder farmers to support the Agriculture Value-chain Financing programme. This initiative has improved the output of smallholder farmers thereby providing quality raw material inputs required by our customers.

In doing so, BOI helps create a sustainable and competitive sector that will be able to meet domestic demand and compete favourably on the international market.

In total, the bank funded 888 agro and food processing businesses with ₦38.2 billion in loans.

2020 BOI SUPPORT FOR THE SOLID MINERALS SECTOR

₦6.1bn in loan disbursement to support the Solid Minerals sector

Estimated 26,066 new jobs facilitated in the sector

28 enterprises within the sector supported in the year

The emerging Solid Mineral sector is a key growth sector of the Nigerian economy. It contributed 8.91% to GDP in the third quarter of 2020. This represents a decline compared to 9.90% recorded in the corresponding quarter of 2019 and 9.08% in the second quarter of 2020 respectively.

This decline can be attributed to the slowdown in economic activities currently been experienced in Nigeria and globally as a result of the COVID-19 pandemic.

However, the sector still offers proven potential for mining investors considering that the Nigerian government has made it a priority to encourage investors to venture into this sector. This has led to the streamline of procedures for granting licenses to investors (both local and foreign) and guaranteed access to mining sites with minimal encumbrances. The sector also enjoys pioneer status with attendant tax exemption to all operating companies.

To deepen investment in the sector, BOI continues to collaborate with the Federal Ministry of Mines and Steel

(FMM&S) and other relevant agencies to improve access to funding for entrepreneurs operating in the sector.

In 2020, the Bank was able to disburse ₦6.1 billion in loans to 28 enterprises engaged in the sector. The Bank also supports artisanal miners with funding and is actively involved in the developing the value-chain of the sector in collaboration with other key stakeholders.

In addition to the financial support given, the Bank is also a strong advocate for sector growth and is heavily involved in initiatives to establish necessary reforms and infrastructure to spur growth. The Bank also sponsors technical training and offers business advisory support to participants in the sector.

Solid Minerals Industry Customer Testimonial: Eminent Quarry Limited

Eminent Quarry Limited (formerly called Pariola Granite Industry Limited) was incorporated on December 6, 2012 to carry out the business of quarrying, mining, development and extraction of limestone, granite, marble and gravel. The company commenced the commercial production of granite aggregates in 2019.

The incorporation of the company was borne from the high demand for construction material occasioned by massive construction works going on in Lagos and environs. Rock deposits at the factory location is estimated at about 200 million tonnes.

The company currently has three loans with the bank which was disbursed towards the procurement of equipment /auxiliary items and working capital for the production of granite aggregates.

The company recently got approval for another loan to enable it acquire a crushing line, asphalt plant, paving stone plant, concrete mix plant and ancillary equipment for expansion and forward integration.

Through the loan, the company was able to employ 71 additional workers, increased production line from 1 to 2 and quadruple revenue. It also provides water to the host community and as part of the company's development policy, youths from the community account for 25% of the workforce.

The company also benefited from the interest rate reduction and moratorium extension given by the bank during the COVID-19 pandemic which eased the loan repayment burden of the company.

SUPPORTING THE CREATIVE INDUSTRY

₦8.6bn in loan disbursement to support the Creative Industry

141,420 new jobs facilitated in the sector

117 enterprises within the sector supported in the year

The creative industry is one of the fastest growing sectors in Nigeria. The sector grew by 1.61% in the third quarter of 2020 compared to -4.6% in the second quarter of the same period.

Nigeria's music industry is witnessing healthy growth as revenue from digital platforms continues to grow. Also, online content creators are booming with minimal investment on production and opportunity to generate revenue from online adverts. In addition, digital marketing platforms are creating innovative advertisement products.

As the creative industry continues to thrive, there is need to continually engage players in the industry to ensure that necessary resources are made available.

Over the years, the BOI has acted as a lifeline for the creative industry by making sure that funds are provided and that they are easily accessible, especially as it concerns the peculiarities of the sector.

BOI's support cuts across different sub-sectors in the industry including cinemas, movies, production equipment, music, outdoor advertisement, hotels, theme parks, etc.

Despite the successes recorded, structure remains a challenge as some of the activities in the sector lacks traceability – inaccurate declaration of proceeds, inadequate information on contribution of different sub-sectors, etc.

Achieving this will ensure that they have easier access to more funds, generate higher income, secure better partnerships and tax incentives, etc. and are able to create more impact and reach a larger audience.

In 2020, BOI provided ₦8.6 billion in loans to 117 enterprises in the sector, which enabled the creation of over 38,111 jobs directly and indirectly.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Creative Industry Customer Testimonials: Alpha & Jam Limited

Alpha & Jam Limited (Alpha & Jam) was incorporated in 2013 and provides digital marketing products and services to corporate and government institutions. It commenced operations in January, 2014.

In 2016, Alpha & Jam invested in the Digital Out of Home (DOOH) LED boards and by December 2018, the company had done over ₦1.6 billion in billings / transactions.

In 2017/18, the company developed an innovative programmatic DOOH platform called CANDLE which allows users access digital advertising screens on the go.

In 2020, BOI gave the company a loan of ₦1.6 billion for the expansion of the LED services across Nigeria. The loan has enabled it to increase number of workers from 24 to 62 and improve revenue from ₦820 million to ₦1.1 billion.

It has also expanded its reach across Nigeria from 2 to 10 states while number of billboards has increased from 7 to 55.

FACILITATING RENEWABLE ENERGY SOLUTIONS DEVELOPMENT AND DEPLOYMENT

₦2.6bn worth of financial support provided to renewable energy enterprises

7 Renewable Energy businesses were supported in 2020

Estimated 11,528 jobs facilitated in the Renewable Energy space

Power generation has been an ongoing project in Nigeria. However, there is still not enough to supply the whole country. As a result, alternative power solutions such as renewable energy projects continue to fill the vacuum.

The demand for renewable energy in Nigeria has grown over the years and become accepted across the country – areas with no access to the power grid or under-served communities now have access to electricity.

In Nigeria and across the globe, access to power is synonymous with economic growth. Thus, the need to continually support the sector is key to Nigeria's development aspirations – availability of accessible and affordable energy.

In addition, countries around the world are increasingly adopting environmentally friendly energy sources given the sector massive potential to thrive.

Nigeria has multiple renewable energy sources including solar energy, wind energy, hydropower and biomass, among others. Taking advantage of these renewable sources requires concerted efforts to support effective development and deployment for both domestic and commercial use.

In 2020, BOI provided ₦2.6 billion in loans to support 7 emerging renewable energy players in Nigeria and which has enabled the creation of over 11,528 jobs directly and indirectly.

This initiative will ensure that renewable energy solutions reach both rural and urban areas.

Renewable Energy Customer Testimonials: Starsight Power Utility Limited


Starsight Power Utility Limited is an independent energy efficiency company delivering sustainable solar power and cooling services. It is backed by Helios Investment Partners and African Infrastructure Investment Managers.

Starsight provides household, commercial and industrial solar power-based solution (5kW – 20MW) which are currently widely deployed across Nigeria and Ghana.

The company is committed to expanding their footprint across West Africa and the continent. Its mission is to achieve significant and measurable cost savings for clients whilst being the catalyst to deliver a substantial reduction in carbon emissions.

BOI provided a loan to the company to enable it provide power and cooling systems solutions to one of its major clients through a unique Solar/Diesel-Gen hybrid solution.

The BOI intervention played a key role in funding the company's growth as it has increased its installed capacity from 28 MW to 36 MW while its reach across Nigeria has also increased from 25 to 35 states. The company work force was also increased significantly as a result of the additional capacity.

The company has improved efficiency in carbon emissions and has currently saved 17.4 million kg over 12 month since the loan was procured.

PROMOTING GENDER PARTICIPATION TOWARDS ENSURING ECONOMIC DEVELOPMENT

₦1bn worth of loans to help support women-owned businesses in 2020

10 women-owned enterprises supported in 2020

Over 3,589 jobs facilitated through support for women in 2020

According to an International Monetary Fund (IMF) report, promoting gender equality can be an economic game changer. IMF also reports that if gender parity were improved in Nigeria, the economy could grow on average by as much as 1.25 percentage points. This is a significant growth considering that women constitute about half of the entire population.

Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes. For instance, it is estimated that if women's unpaid care work were assigned a monetary value, it would constitute between 10% and 39% of GDP.

PWC also reports that Nigerian women account for 41% ownership of micro-businesses in Nigeria, equivalent to 23 million female entrepreneurs. Enabling growth in these businesses would certainly add to the National GDP.

Thus, promoting women participation in business as shown to be beneficial for the economy and the society at large. For instance, capacity building for women in the form of entrepreneurial training and the provision of micro credit facilities have empowered them to contribute to economic development. However, more advocacy is required for women participation in career development, gender equality, poverty alleviation and empowerment. With these considerations, women participation in economic development will gradually increase.

In 2020, BOI disbursed ~₦1 billion to 10 female-led businesses with the potential to generate 3,500 direct and indirect jobs. BOI continues to support women entrepreneurs through loans and partnerships such as:

- AfDB partnership for $300 million in Affirmative Finance Action for Women in Africa (AFAWA) Fund.
- IsDB partnership for the Business Resilience Assistance for Value-adding Enterprises (BRAVE) Women Project.

AllOn | BANK OF INDUSTRY ...transforming Nigeria's industrial sector

₦1 Billion

Niger Delta Off-grid Energy Fund

A fund aimed at providing local currency debt financing to support the deployment of energy solutions by access-to-energy companies in the Niger Delta. The fund was created to stimulate the growth and geographic spread of off-grid energy businesses in the Niger Delta to enable households, SMEs and communities have access to clean, affordable and reliable power solutions.

Features

- Interest rate: 10% p.a
- Tenor: up to 7 years
- Moratorium: 1 year

To apply, kindly contact the Renewable Energy Group at Bank of Industry: **SolarEnergyProgramme@boi.ng**

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

SUPPORT FOR ENGINEERING & TECHNOLOGY SECTOR

About a ₦22.3bn worth of loans to help support technology businesses in 2020

172 engineering & technology projects supported

Over 99,235 jobs facilitated in the sector

The technology industry in Nigeria is booming and has contributed immensely towards growth and development. The sector contributed 15 percent to GDP in FY2020 and is fast becoming a huge employer of labour especially for the young population.

Nigerians have leveraged the industry to create e-commerce products, interactive forums, etc. It has also attracted venture capitalist from across the globe who invest in various technology products in Nigeria.

In the technology space, there are currently a number of start-ups operating in different sectors of the economy such as fintech, tourism, renewable energy, mobility, logistics, education, healthcare, creative, security, etc. All these start-ups have been enabled by technology and the rate at which they have grown is exponential compared to the traditional businesses that are yet to fully leverage technology.

According to a PwC report, internet advertising now generates more revenue than TV advertising globally. In Nigeria, investment by telecommunications companies have improved real time access to internet while opening up opportunities for online businesses.

The sector has in so many ways impacted the lives of Nigerians by significantly improving productivity, increasing income and opening up economic opportunities especially for the teeming youths in addition to other positive development outcomes on the society.

In 2020, BOI disbursed ₦22.3 billion to 172 businesses in the engineering and technology sector with the potential to generate 99,235 direct and indirect jobs. Sectoral disbursement also covers engineering businesses such as automotive, cabling, printing, metal construction, aluminium works, etc.

Technology support Testimonial: MainOne Cable Company Nigeria Limited

MainOne Cable Company Nigeria Limited is a telecommunications and data centre services provider. It provides services through the sale of bandwidth from its parent company's submarine cable that runs from Portugal to Lagos, Nigeria with a branch in Ghana.

It started operations in Nigeria in July 2010 with the deployment of its submarine cable system in Lagos. Its Internet operations enables connection with other networks globally through London, Paris and Amsterdam.

The submarine cable was the first privately owned company in West Africa spanning 7000KM with a capacity of 4.96 TetraBytes per Second (TBPS) to connect West Africa to Europe. It provides service in ten (10) countries including Nigeria, Ghana, Cote D'ivoire, Burkina Faso, Togo, Cameroun, Benin, Niger, Senegal and Chad.

The company received a loan to deploy underground submarine cable for the expansion of its infrastructure.

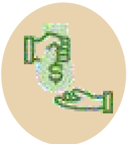
The loan has enabled the company increase the number of products from 10 to 13 while direct and indirect employees increased from 433 to 482.

In addition, capacity utilization improved from 714STM to 1066STM while turnover has increased to ₦12.3 billion from ₦9.9 billion.

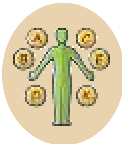
The company's entry into the Nigerian market catalysed the growth of Internet access from 7% in 2010 to 30% today.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

SUPPORT FOR HEALTHCARE & PETROCHEMICAL SECTOR



About a ₦16.9bn worth of loans to help support healthcare sector in 2020



142 healthcare sector projects supported

Over 75,205 jobs facilitated in the sector

The healthcare and petrochemical industry plays a prominent role in the general wellbeing of citizens residing in the country. According to a McKinsey report, Nigerian pharmaceutical market could rise to reach $3.6 billion by 2026. Over the same period, Nigeria could contribute between $1.9 billion and $2.2 billion to pharmaceutical sales growth, 55 percent of it from prescription drugs.

However, companies seeking to capture opportunities in Nigeria will need to develop local solutions to market access by supporting the development of healthcare infrastructure, increased financing for technological advancement and backing the regulatory agencies to work against counterfeiting.

Considering that Nigeria offers exciting growth opportunities for the healthcare and petrochemical industry, companies that understand local dynamics and devise bespoke solutions will be best placed to capture the market. Gaining market share requires a clear grasp of city potential, government context, distributor landscape, and healthcare providers.

Drawing from the above, significant support is required from government and regulatory agencies for the industry to thrive and compete favourably in the international market. This support includes infrastructural development, stable policies, security, enabling environment and access to medium and long-term funds.

In 2020, BOI disbursed ₦16.9 billion to 142 businesses in the sector with the potential to generate 75,205 direct and indirect jobs. Disbursement to the sector also covers industries that manufacture plastics and plastic products, foam products, polyethylene, soap, paints, sacks, etc.

Healthcare & Petrochemical support Testimonial: Royal Foam Product Nigeria Limited

Royal Foam Product Nigeria Limited previously called (Nigeria Iron and wood Limited) was incorporated in August 1964 as a Private Limited Liability Company.

Royal Foam produces mattress, pillows, underlay, sheet blocks etc. It has marketing and distribution across Nigeria, Lebanon and Cotonou.

The company has an ultra-modern continuous flow production system with the latest foam technology. It has one of the best development and quality control laboratories in the foam industry and their products have continuously won the NIS awards having satisfied the requirement of the Standard Organization of Nigeria.

Between 2017 and 2020, the Bank supported the company with both term loan and working capital facilities towards expanding their production facility. The project expansion has increased the number of direct and indirect employees from 180 to 1,000 while capacity utilization has improved from 40% to 53%.

In addition, the loan has enabled the company increase production lines from 3 to 5 while turnover has increased to ₦8.6 billion from ₦3.6 billion.

The Covid-19 palliative by the Bank has impacted positively on the company's operation as the interest rate reduction allowed for liquidity in the business that helped it stockpile raw materials.

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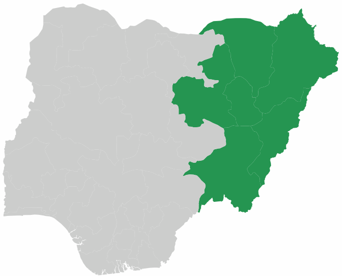
NORTH EAST REHABILITATION FUND



Empowering the North East

Beneficiaries
- IDPs and Host Communities
- MSMEs across the North East

Features
- No Collateral
- Loan amount: ₦10,000 per borrower

visit: www.boi.ng

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**
call: **0700-CALL-BOI | 0700 225 5264**
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DEVELOPMENTAL AND SOCIAL IMPACT REPORT

SUPPORT FOR OIL & GAS SECTOR

₦29bn worth of loans to help support oil and gas businesses in 2020

31 oil and gas projects supported in 2020

Over 129,050 jobs facilitated in the sector

The oil and gas sector is one of the most important sectors in the country's economy, accounting for more than 90% of the country's exports and 80% of the Federal Government's revenue as of 2019.

As of 2019, Nigeria has the largest oil and gas reserves in the African region, with around 37 billion barrels of oil and 5.4 trillion cubic meters of gas. With a production of 2.11 million barrels per day in 2019, which is approximately 25% of the total production in Africa, Nigeria continues to dominate African oil production.

The Nigeria oil and gas market is expected to grow at less than 5% during the forecast period of 2020 – 2025. Major factors driving the market are the increasing investments in the upstream and downstream sectors of the oil & gas industry.

In 2020, the global oil and gas industry was hit by the COVID-19 pandemic with crude oil demand and prices taking a nosedive. Nigeria being an oil-dependent economy experienced the effect of the pandemic as decline in revenue impacted foreign exchange inflows, fiscal deficit funding and capital flows required to sustain the country's economic activities.

However, Nigeria's oil and gas industry continues to expand opening more market opportunities in offshore exploration and production activities which has been mainly driven by the efforts of governments in encouraging local production. Currently, modular refineries are being set up to refine petroleum products locally while the upcoming Dangote Refinery is expected to open up opportunities in the sector. This will position Nigeria to become the regional refining hub in the coming years.

In 2020, BOI disbursed ₦29 billion to 31 oil & gas projects with the potential to generate 129,050 direct and indirect jobs. In addition, the board of Nigerian Content Development & Monitoring Board (NCDMB) approved the expansion of the Nigerian Content Intervention Fund (NCIF) from $200 million to $350 million following the effective management of the fund by the Bank.

Aliko Dangote Foundation

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

The Dangote Foundation / BOI Fund

The Dangote Foundation/BOI Fund is a ₦5 Billion matching fund, available for Enterprises and Limited Liability Companies engaged in the Manufacturing, Agro-Processing and Merchandising sectors for Made-in-Nigeria goods.

Features

- Single obligor limit of ₦50 Million
- Interest rate: 5% p.a
- Tenor: 3-5 years
- Moratorium: up to 1 year

visit: **www.boi.ng**

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**

call: **0700-CALL-BOI | 0700 225 5264**
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Corporate
Governance

CORPORATE GOVERNANCE

The Board of Directors of Bank of Industry Limited ("the Board") ensures that a framework of rules and policies are in place to guarantee accountability, impartiality and openness in its interaction with all its stakeholders (Government, financiers, customers, Management, employees and the general public etc).

GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The Board is responsible for the provision of overall guidance to Management regarding the Bank's operations and the stewardship of its assets and its roles include:

1. Provision of Strategic Direction.
2. Policy Formulation.
3. Decision Making.
4. Oversight.

The Board delegates some of its specific powers and authority to four (4) Board Committees, namely:

1. Board Credit, Investment and Governance (BCIG) Committee.
2. Board Audit and Risk Committee (BARC).
3. Board Strategy and Compliance Committee
4. Board Adhoc Committee on BOI and Group Properties.

The Board consists of persons of diverse disciplines and skills, chosen on the basis of professional background and expertise, business experience and integrity as well as knowledge of the Bank's business.

The Bank's Directors are fully abreast of their responsibilities and knowledgeable in the business and are therefore able to exercise sound judgment on issues relating to the Bank's operations.

Responsibilities of the Board

1. The Board is collectively responsible for the long term success of the Bank. It achieves this by setting out strategies and monitoring its implementation.
2. The Board is responsible for overseeing the management of the business and affairs of the Bank and other oversight functions, as may be determined by it from time to time.
3. The Board has also delegated to Management, the power to take decisions as may be necessary to transact the day-to-day business of the Bank efficiently.
4. The roles of Chairman of the Board and Managing Director/Chief Executive Officer (MD/CEO) of the Bank are separated and do not reside with one (1) single individual.
5. The Board makes available to its new members of the Board, a suitable induction process, and ongoing training for existing members of the Board.

CORPORATE GOVERNANCE

ATTENDANCE AT BOARD MEETINGS

The Board of Directors of the Bank of Industry Limited held meetings twenty (20) times in 2020 (physical, virtual and via circularization). The record of attendance is provided in Tables I & II hereunder:

TABLE I (JANUARY – JUNE, 2020)

Name	Position	Feb. 20	Feb. 27	Mar. 9	Apr. 6	Apr. 22	May 8	May 15	May 25	June 5	June 18
Mallam Aliyu Abdulrahman Dikko	Chairman (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	Managing Director/ Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	Executive Director (Micro-Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jonathan Tobin	Executive Director (Corporate Services & Commercial)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Simon Aranonu	Executive Director (Large Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shekarau D. Omar	Executive Director (Small and Medium Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Chukwuemeka Nzewi	Non-Executive Director (Representing Manufacturers Association of Nigeria (MAN)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed Mustapha Bintube	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander Adeyemi	Non-Executive Director (Representing Federal Ministry of Finance Incorporated (MOFI)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Salisu Bala Kura	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Philip Yila Yusuf	Non-Executive Director (representing Central Bank of Nigeria)	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tijjani Inuwa Babura	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Adewale Bakare	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N.B.
- Mr. Philip Yila Yusuf joined the Board of Directors of the Bank on February 12, 2020.
- Mr. Tijjani Inuwa Babura joined the Board of Directors of the Bank on July 23, 2020.
- Mr. Adewale Bakare joined the Board of Directors of the Bank on October 15, 2020.

N/A – The relevant Director had not joined the Board of Directors at the time of the meeting.

CORPORATE GOVERNANCE

TABLE II (JULY – DECEMBER 2020)

Name	Position	July 23	Aug. 17	Aug. 21	Sept. 7	Sept. 9	Sept. 15	Oct. 10	Dec. 18	Dec. 27	Dec. 29
Mallam Aliyu Abdulrahman Dikko	Chairman (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	Managing Director/ Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	Executive Director (Micro-Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jonathan Tobin	Executive Director (Corporate Services & Commercial)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Simon Aranonu	Executive Director (Large Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shekarau D. Omar	Executive Director (Small and Medium Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Chukwuemeka Nzewi	Non-Executive Director (Representing Manufacturers Association of Nigeria (MAN)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed Mustapha Bintube	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander Adeyemi	Non-Executive Director (Representing Federal Ministry of Finance Incorporated (MOFI)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Salisu Bala Kura	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Philip Yila Yusuf	Non-Executive Director (representing Central Bank of Nigeria)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tijjani Inuwa Babura	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
Mr. Adewale Bakare	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓

N.B.
- Mr. Salisu Bala Kura retired from the Board of Directors of the Bank on July 22, 2020.
- Mr. Tijjani Inuwa Babura joined the Board of Directors of the Bank on July 23, 2020.
- Mr. Tijjani Inuwa Babura retired from the Board of Directors of the Bank on October 15, 2020.
- Mr. Adewale Bakare joined the Board of Directors of the Bank on October 15, 2020.

N/A – The relevant Director had retired from or had not joined the Board of Directors at the time of the meeting.

CORPORATE GOVERNANCE

BOARD COMMITTEES:
Board and Committee Governance Structure

Board Credit, Investment and Governance (BCIG) Committee

Mallam Mohammed M. Bintube
Chairman

Membership

1. Mallam Mohammed M. Bintube - Chairman
2. Engr. Chukwuemeka Nzewi - Member
3. Mr. Alexander M. Adeyemi - Member
4. Mr. Philip Yila Yusuf - Member (wef February 12, 2020)
5. Mr. Adewale Bakare - Member (wef October 15, 2020)
6. Mr. Salisu Bala Kura - Former Member (up till July 22, 2020)
7. Mr. Tijjani Inuwa Babura - Former Member (up till Oct. 15, 2020)

The Board Credit, Investment and Governance Committee meets at least once every quarter. However, additional meetings can be convened as may be necessary.

The Board Credit Investment and Governance Committee held fourteen (14) meetings (physical, virtual and via circularization) during the financial year ended December 31, 2020.

Name	Jan. 5	Feb. 18	April 27	May 7	May 15	May 21	June 4	June 10	Aug. 13	Aug. 20	Sep. 29	Nov. 26	Nov. 30	Dec. 8	Dec. 24	Dec. 29
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed Mustapha Bintube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander Adeyemi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Salisu Bala Kura	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Philip Yila Yusuf	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tijjani Inuwa Babura	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	N/A	N/A	N/A	N/A	N/A
Mr. Adewale Bakare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓

N.B.
- Mr. Philip Yila Yusuf became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on February 12 2020.
- Mr. Salisu Bala Kura ceased to be a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on July 22, 2020.
- Mr. Tijjani Inuwa Babura became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on July 23, 2020.
- Mr. Tijjani Inuwa Babura ceased to be a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on October 15, 2020.
- Mr. Adewale Bakare became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on October 15, 2020.

N/A – The relevant Director had retired from or had not joined the Board at the time of the meeting.

Key Responsibilities

The key responsibilities of the BCIG Committee include:

1. Considering and approving specific loans above the Executive Management Committee (EMC) approval limit, as may be determined by the Board from time to time.
2. Recommending for Board approval, specific loans above the BCIG Committee approval limit, as may be determined by the Board from time to time.
3. Reviewing, approving and/or recommending for Board approval, all investment issues involving the Bank.
4. Recommending to the Board for approval, the Board Governance and Board Committee frameworks/mechanisms and conducting its periodic review as it deems appropriate.
5. Ensuring that the Bank complies with rules and procedures regarding the governance of its operations.

CORPORATE GOVERNANCE

6. Evaluating the overall system of Corporate Governance for the Bank and proposing any changes to the Board for approval.
7. Proffering advice to the Board on corporate governance standards and policies.
8. Reviewing and recommending for Board approval, all the policies of the Bank.
9. Handling any other issues as may be referred to it by the Board.

Mr. Alexander M. Adeyemi
Chairman (wef February 20, 2020)

Board Audit and Risk Committee

1. Mr. Alexander M. Adeyemi - Chairman (wef July 23, 2020)
2. Mr. Philip Yila Yusuf - Member (wef February 20, 2020)
3. Mr. Adewale Bakare - Member (wef October 15, 2020)
4. Mr. Salisu Bala Kura - Former Chairman (up till July 22, 2020)
5. Mr. Tijjani Inuwa Babura - Former Member (up till October 15, 2020)

The Board Audit & Risk Committee assists the Board in fulfilling its oversight functions regarding the Bank's system of Internal Audit and Control as well as ensuring compliance with the Bank's Enterprise-wide Risk Management Policies.

The Board Audit and Risk Committee meets at least once a quarter or as often may be required.

The Committee met seven (7) times (physically, virtually and via circularization) during the year ended December 31, 2020.

Attendance At The Board Audit and Risk Committee (BARC) Meetings in 2020

Name	March 9	May 15	May 21	June 4	Aug. 27	Oct.8	Nov.30
Mr. Salisu Bala Kura	✓	✓	✓	✓	N/A	N/A	N/A
Mr. Alexander M. Adeyemi	✓	✓	✓	✓	✓	✓	✓
Mr. Phillip Yila Yusuf	✓	✓	✓	✓	✓	✓	✓
Mr. Tijjani Inuwa Babura	N/A	N/A	N/A	N/A	*	✓	N/A
Mr. Adewale Bakare	N/A	N/A	N/A	N/A	N/A	N/A	✓

N.B.
- Mr. Salisu Bala ceased to be a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on July 22, 2020.
- Mr. Tijjani Inuwa Babura became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on July 23, 2020.
- Mr. Tijjani Inuwa Babura ceased to be a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on October 15, 2020.
- Mr. Adewale Bakare became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on October 15, 2020.

N/A – The relevant Director had retired from or had not joined the Board at the time of the meeting.
* - Absent (on official assignment).

Key Responsibilities

The key responsibilities of the Board Audit and Risk Committee include, inter alia, the following:
1. Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of the Bank's operations.
2. Assisting the Board of Directors in fulfilling its oversight responsibilities with regard to the Bank's Risk Management, Internal Audit and Internal Control Framework.
3. Discharging the Board's Risk management responsibilities as defined in the Bank's risk policies and in compliance with regulations, laws and statutes applicable to Development Finance Institutions (DFIs).
4. Monitoring Management's responsibilities to ensure that an effective system of financial and internal controls are in place.
5. Reviewing and assessing the integrity and adequacy of the overall Risk Management Function of the Bank.
6. Monitoring and evaluating on a regular basis the qualifications, independence and performance of the Internal Audit & Investigation and Internal Control and Compliance Divisions as well as the Bank's External Auditors.

CORPORATE GOVERNANCE

7. Setting Credit Approval Limits for the EMC, BARC and the Board and recommending same for Board approval.
8. Assisting the Board in discharging its responsibilities on Information Technology (IT) as it relates to financial reporting and the status of the Bank as a going concern.
9. Handling any other issues as may be referred to it by the Board.

The Chief Risk Officer (CRO) and the Chief Audit Executive present regular reports to the Committee at its meetings. These reports are recommended to the Board for approval and/or information purposes.

BOARD STRATEGY AND COMPLIANCE COMMITTEE

Membership

1. Engr. Chukwuemeka Nzewi - Chairman
2. Mallam Mohammed M. Bintube - Member
3. Mr. Olukayode Pitan - Member
4. Mrs. Toyin Adeniji - Member
5. Mr. Simon Aranonu - Member

Engr. Chukwuemeka Nzewi
Chairman

The Board Strategy and Compliance Committee (formerly Board Finance and General Purpose Committee) discharges the Board's responsibilities with regard to strategic direction and compliance with the laws and regulations, as may be passed by the relevant regulatory authorities.

The Committee meets quarterly and additional meetings may be convened as required.

The Committee held five (5) meetings during the year ended December 31, 2020.

Attendance At The Board Strategy and Compliance Committee Meetings in 2020

Name	Feb. 4	May 26	Sept. 9	Dec. 1	Dec. 17
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓
Mallam Mohammed M. Bintube	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	✓	✓	✓	✓	✓
Mr. Simon Aranonu	✓	✓	✓	✓	✓

Responsibilities

The key responsibilities of the Board Strategy and Compliance Committee include, inter alia:

1. Reviewing the overall strategic and financial plans of the Bank, including capital expenditure plans.
2. Monitoring the Bank's strategic direction and business development activities.
3. Formulating and shaping the strategy of the Bank and making recommendations to the Board accordingly.
4. Monitoring the Bank's compliance with the laws and regulations as may be passed by the relevant regulatory authorities.
5. Reviewing and making recommendations to the Board of Directors with regard to the Bank's Annual Budget and policies relating to capital expenditure.

BOARD ADHOC COMMITTEE ON BOI AND GROUP PROPERTIES

Membership

- Engr. Chukwuemeka Nzewi – Chairman
- Mr. Olukayode Pitan – Member
- Mr. Jonathan Tobin – Member
- Mr. Shekarau Omar – Member

Engr. Chukwuemeka Nzewi
Chairman

CORPORATE GOVERNANCE

The Board Adhoc Committee on BOI and the Group Properties provide oversight in respect of all of the Bank's and the Group properties.

The Committee meets at least once a quarter or as often as may be required.

The Committee met six (6) times during the year ended December 31, 2020.

Attendance At The Board Adhoc Committee on BOI and the Group Properties Meetings in 2020

Name	Feb. 4	Feb. 19	May 26	Sept. 7	Sept. 29	Dec. 1
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	✓	✓	✓	✓	✓
Mr. Jonathan Tobin	*	✓	✓	✓	✓	✓
Mr. Shekarau Omar	✓	✓	✓	✓	✓	✓

* - Absent (on official assignment).

Key Responsibilities

The key responsibilities of the Committee, inter alia, include the following:

1. Overseeing the management of the Bank and the Group's properties.
2. Reviewing and making recommendations to the Board regarding the acquisition and/or disposal of the Bank and the Group's real properties.
3. Reviewing and recommending for Board approval, all issues regarding capital projects that the Bank has or intends to embark upon.
4. Handling any other issues as may be referred to it by the Board.

MANAGEMENT COMMITTEES

The Management Committees of the Bank comprise Senior Management Staff who are involved in taking decisions that facilitate the day-to-day operations of the Bank, in line with the authority delegated to it by the Board and the relevant laws and regulations applicable to it.

The Management Standing Committees meet as often as may be required in order to take decisions on issues referred to them.

They include the following:

1. Executive Management Committee (EMC).
2. Executive Management Risk Committee (EMRC).
3. Assets and Liabilities Committee (ALCO).
4. Micro-Credit Committee (MiCC).
5. Information Technology (IT) Steering Committee.
6. Management Contract Committee (MCC).

THE COMPANY SECRETARY

The key responsibilities of the Company Secretary include the following:

1. Maintenance of the Company's statutory books.
2. Facilitating all Board meetings, Board Committee Meetings, Management Committee Meetings, Annual General Meetings etc.
3. Ensuring that the Minutes Books for the Board, Board Committee(s) and Management Meetings accurately capture the discussions and decisions at such meetings.
4. Facilitating compliance with the Bank's Memorandum and Articles of Association, the Codes of Corporate Governance as well as other laws and regulations.
5. Filing of Statutory Returns at the Corporate Affairs Commission.
6. Facilitating the induction of newly appointed Directors to the Bank's Board and ongoing training for the existing members of the Board of Directors.
7. Providing effective and efficient support to all Directors.
8. Effectively liaising with the Bank's shareholders and relevant stakeholders.

Internal Control
and Risk Management System

BOI'S RISK MANAGEMENT FRAMEWORK

BOI addresses Risk Management with the multi-dimensional approach of Enterprise-wide Risk Management (ERM) where the interaction of risks are assessed for their cumulative effects on an organization's objective. The Bank recognizes that risks should not be treated in silos but collectively in order to achieve its mandate of providing financial assistance for the establishment of large, medium and small companies as well as expansion, diversification, modernization of existing enterprises and rehabilitation of ailing ones.

In line with best practice, BOI will continue to institutionalize a sound and robust Enterprise-wide Risk Management framework with focus on minimizing risks while seizing opportunities in the achievement of our Mission. This risk methodology of the Bank is in line with the five broad components of the COSO 2017 ERM Framework guidelines namely : Governance and Culture; Strategy and Objective-Setting; Performance; Review and Revision; and Information, Communication and Reporting.

The Board of Directors of BOI set the risk strategies and policies of the Bank and also ensures that the policies and mechanisms are enough to identify and control risk effectively. These policies define acceptable levels of risk for the Bank as well as the criteria for risk assessment.

There are three Board committees within BOI (Board Audit and Risk Committee; Board Credit, Investment and Governance Committee and Board Strategy and Compliance Committee) with oversight functions on the Bank's Risk Management Processes. These committees are responsible for setting risk management policies that ensure material risk inherent in the Bank's business are identified and mitigated or controlled. The oversight functions of the committees include among others; ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect frauds and material errors in financial reporting.

The Bank also has an Executive Management Committee (EMC), responsible for implementing risk management policies set out by the Board. It is responsible for setting internal control policies and monitoring the effectiveness of control systems. The committee has the responsibility to ensure proper accounting records are kept and accounting policies are in conformity with International Reporting Standards; Prudential Guidelines and Circulars issued by the Central Bank of Nigeria; The requirements of the Banks and Other Financial Institutions Act; and the Companies and Allied Matters Act.

The role of the Chief Risk Officer (CRO) in BOI remains fundamental as he has the primary responsibility for ensuring the effective implementation of the ERM Framework of the Bank.

The Risk Management Division is responsible for the enforcement of the Bank's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

The CRO provides a quarterly report to the Board, eliciting the existing and potential risks facing the Bank and the risk treatment deployed.

The Bank's Management understands the need for a timely, accurate and reliable information flow within the Bank, for effective decision making and enhanced financial reporting. Every activity of the Bank is codified in the Bank's Standard Operating Procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity.

BOI RISK APPETITE

The Bank has a Moderate Risk appetite in view of its vision to become the leading Development Finance Institution in Africa.

The Bank desires to maintain a trade-off between its developmental goals of wealth and job creation largely through the Small and Medium Scale Enterprises, by providing low cost funds and capacity building while ensuring returns for its shareholders.

The Bank's appetite for high-quality risk assets is measured by the following ratios:

i. Ratio of non-performing loans to total loans.
ii. Ratio of loan loss expenses to interest revenue.
iii. Ratio of loan loss provision to gross non-performing loans.

The Bank has continued to strive to maintain ratios that ensure that there are adequate provisions for all non-performing assets based on their levels of classification.

As part of ERM framework, the Bank will not compromise its reputation through unethical, illegal and unprofessional conduct notwithstanding the associated risks and returns.

BOI RISK CULTURE

The Bank has continually promoted a value-centric culture and responsible approach to risk, to ensure that the long-term survival and reputation of the Bank is not jeopardized, while also making widespread developmental impact in the Nigerian economy. BOI pays attention to both quantifiable and unquantifiable risks, as well as other pervasive risks as may be posed by the events in the industry at any point in time.

In order to ensure that the desired risk culture is embedded in the organization, BOI has continued to promote appropriate and continuous risk training for relevant personnel, as well as promote risk awareness across all the stakeholders in the Bank.

BOI'S RISK MANAGEMENT FRAMEWORK

BOI ERM RISK SCOPE:

The Bank has identified the following broad risk types within its organisation; and has provided details of these risks including the risk treatment in its enterprise-wide risk management framework document.

- Strategic Risk
- Operational Risk
- Credit Risk
- Reputational risk
- Compliance Risk
- Legal Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- IT/Cyber Risk
- Environmental, Social and Governance (ESG) Risk

RESPONSIBILITIES AND FUNCTIONS OF RISK MANAGEMENT DIVISION

- Implement and maintain a sustainable and robust ERM process
- Inculcate a culture of risk awareness throughout the organization
- Assist with developing and reviewing the Bank's risk appetite and aligning it with its mandate.
- Provide independent analysis of investment and credit proposals
- Develop and update risk rating and pricing methodologies
- Design portfolio strategy and recommend various portfolio limits for Board Approval (concentration, portfolio rating, exposure limits)
- Ensure effective and efficient loan processing, documentation, monitoring and reporting
- Establish underlying criteria for creating strategic partnerships to provide business support and design business support programs based on identified needs
- Establish selection criteria for external service provides (Estate Valuers, Recovery agents, Insurance companies, Business support and Business Turnaround experts)
- Ensure the formulation and periodic upgrades of appropriate risk policies and procedures that meet best practices and align with regulatory requirements.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM)

BOI understands that the survival of our society is threatened from uncontrolled human activities and so, recognizes it must consistently minimize its direct and indirect negative impact on the environment. In order to achieve its developmental goal, the Bank knows that sustainability considerations must be incorporated into its business activities (lending, investing and related activities) and operations (own Environmental and Sustainability (E&S) footprints such as energy use, labour and working conditions, etc.). To achieve this, the Bank has commenced the process of Integrating ESG risk management into its end-to-end credit and investment appraisal and monitoring process.

The Bank has developed a robust Environmental and Social Risk Management process, to assess its operations and financial activity for environmental, social and (where applicable) governance risks, using standards and guidelines designed in line with appropriate national and international standards of ESG performance.

The overall objective of BOI's E&S risk management is to identify and mitigate avoidable impacts (e.g. regulatory, reputational, liability and legal issues, credit risk and low return on investment, as well as financial losses) arising from E&S risks facing the Bank and also optimize E&S opportunities.

The objectives of the ESG policy are to:

i. Integrate E&S risk management into its end-to end credit and investment appraisal and monitoring process.
ii. Ensure compliance with leading international standards while taking cognizance of specific local requirements on E&S risk management in all sectors in which its resources are to be committed.
iii. Ensure that its partners (in co-financed deals) share a common commitment to managing E&S risks.
iv. Ensure the effective management of E&S risks in the Bank's portfolio by appropriately categorizing transactions based on their potential E&S impacts.
v. Ensure that there is appropriate internal capacity to handle E&S issues, which will be supplemented by external expertise, as the need arises.
vi. Provide annual training on E&S risk management to management and staff of the Bank.

BOI's ENVIRONMENTAL AND SOCIAL RISK STRATEGY

The Bank shall maximize its capacity to contribute to sustainable development while improving on its earnings and creating value for its shareholders. This shall be achieved by the creation of an E&S risk-aware business environment where everyone is aware of and actively manages the E&S risks within their sphere of control. BOI as an organization will not involve itself in funding activities that would lead to E&S risks and could result in negative impact on the Bank's reputation, significant financial loss, physical or economic displacement or exploitation of communities, or environmental damage to the ecosystem.

The strategy is to ensure through its E&S appraisal and supervision process that the industrial projects it finances are environmentally and socially sustainable. In cases where the business activity to be financed is likely to generate potential significant adverse impact,

BOI'S RISK MANAGEMENT FRAMEWORK

BOI and the customer or relevant stakeholder(s) shall engage in a process of informed consultation. The aim is to identify relevant mitigations to be included as loan covenants which will form part of the action plan to be monitored periodically. Where appropriate mitigations for identified risk are not available, the Bank may refrain from financing a proposed transaction.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM) PROCESS

The E&S risk management process provides guidance on managing E&S risks relating to the Bank's lending and investing activities. The objectives of the E&S risk management procedure are to establish a standard for identifying, assessing, mitigating and reporting E&S risks relating to the Bank's lending and investing activities.

The process for effective management of E&S risk in the Bank is broken into six stages as shown below:

i. Transaction Screening
BOI's exclusion list sets out the types of business activities that the Bank does not support. All investments and projects proposed for financing by the Bank must be screened against this list. This stage would also include identification of potential E&S risks which require further due diligence, risk management or identification of activities the Bank will not finance.

ii. E & S Categorization of Transactions
After transactions are examined against the Bank's exclusion list, they are categorized based on their potential E&S risks and impacts. The purpose of this categorization is to determine the nature and depth of E&S due diligence that will be required, as well as the stakeholder engagement, loan covenant documentation and E&S monitoring requirements.

iii. E & S Due Diligence
BOI shall conduct E&S due diligence on transactions based on the outcome of the categorization. This is a critical stage of the E&S risk management process to identify any potential E&S risks associated with the business activities of a customer/investee and ensure that transactions do not carry E&S risks that will adversely impact the Bank, other stakeholders or the environment.

iv. Credit Approval and Disbursement
Depending on the outcome of the transaction screening and due diligence, the bank will decide whether or not to proceed with the transaction. If the loan is approved, identified mitigations and action plans are included in loan covenants, where necessary, for execution by the client.

v. E & S Risk Monitoring
Individual E&S risks identified during the due diligence process for a client are monitored to review implementation of corrective action and mitigation plan.

vi. E & S Reporting and Disclosures
A periodic report on the E&S risk management process of the Bank will be prepared by the Bank showing clients' and investees' compliance with E&S agreements included in offer letters.

ICAAP AND STRESS TESTING - AN INTEGRAL PART OF RISK MANAGEMENT FRAMEWORK

The ICAAP document is prepared based on the CBN requirements to identify the risks inherent in the Bank's business and sets out the Bank's philosophy, processes, and techniques for managing risks. Furthermore, it describes the controls Management has implemented to reduce the likelihood of the risks occurring, and the management actions to minimise the impact of risk events on the business. The following activities are usually performed in executing the ICAAP:

- Consider the existing financial, risk and business positions;
- Update the risk appetite, business plan and strategy;
- Identify and quantify the risks associated with the business plans
- Estimate additional capital required;
- Perform stress tests that considered the effect of these risks on the business plan;
- Review the results of the stress tests and identify whether additional capital is required in respect of each risk or whether different mitigation is more appropriate.

Stress testing is fundamental in assessing appropriate levels of capital to ensure the Bank can absorb drastic financial/economic events to protect its investors and other stakeholders in line with Board-approved risk appetite.

BOI aims to run a stress testing programme on a regular basis and as the nature and scale of its business develops. The impact of COVID-19 was assessed during the 2020 financial year and the outcome showed that the Bank had sufficient capital to absorb disruption in its operations. The CRO is responsible for stress testing in the Bank and reports the outcome of the stress test to the Management and Board Risk Committees periodically.

The Bank's stress testing framework covers different types of tests, including:

- Sensitivity analysis demonstrating the impact of risks on BOI's earnings over a period;
- Sensitivity analysis that considers the impact of risks on the Bank's capital; and

BOI'S RISK MANAGEMENT FRAMEWORK

- Scenarios of significant macro-economic or operational events that may affect earnings, capital and liquidity.

These tests will include a variety of techniques, for example, stress testing key drivers to illustrate the effects on earnings or capital, or consideration of scenarios and macro-economic events that may affect the liquidity of the Bank. The severity of the stress tests will vary according to their purpose but will have the overall impact of demonstrating the possible impact of risks taken by the business for Senior Management and the Board to be able to reconsider them in the light of the Bank's risk appetite.

RISK INTELLIGENCE AND REPORTING

Due to changing scope of risks faced by the Bank in its operations, it is therefore, through information gathering, analysis and regular reviews that proactive and predictive measures can be taken to stem systemic risks affecting national and global business environments. It is keeping with this that Risk Intelligence and Reporting Desk was established with the following mandates;

- Review, analyze and communicate relevant statistical and non-statistical information for internal and external uses.
- To create risk reports that provide clear view of risk exposures and stir strategic discussions, so as to assist recipients take informed risk decisions
- To aggregate risk performance measurement and reporting, including managing the risk quantification, aggregation and disaggregation model, and all related activities and processes.
- Market Intelligence gathering through overt and covert engagement with regulatory authorities, utilization of periodicals from reputable economic, business and financial analysts
- Regular reporting of industry information that may be useful to Management in decision making

Information & Cyber
Security Report

INFORMATION & CYBER SECURITY REPORT

The Bank of Industry's cybersecurity program commenced in 2019 in response to the Central Bank of Nigeria's Risk-Based Cybersecurity Framework and Guidelines for Deposit Money Banks and Payment Services Providers.

Some of the key initiatives and milestones achieved in 2020 are:

- The 3-Year Cybersecurity Strategy was approved by the Board and is currently being implemented.
- An Incidence Response Plan was developed and approved by the Board. The Plan articulate a formal, focused, and coordinated approach to efficiently handle cyber security incident whenever such occurs.
- The Bank successfully underwent the Surveillance Audit in ISO/IEC 27001 Information Security Management System certification program.
- The Bank is in compliance with applicable data protection and privacy regulations and guidelines
- The Bank participate in industry alliances aimed at strengthening cyber defence capabilities in the Nigerian financial services industry and local markets. One of such group is the Committee of CISOs of Nigeria Financial Institutions (CCISONFI) for banks and payment service providers, which the Bank is a member.

BOI SUPPORT FOR TECH HUB FACILITIES

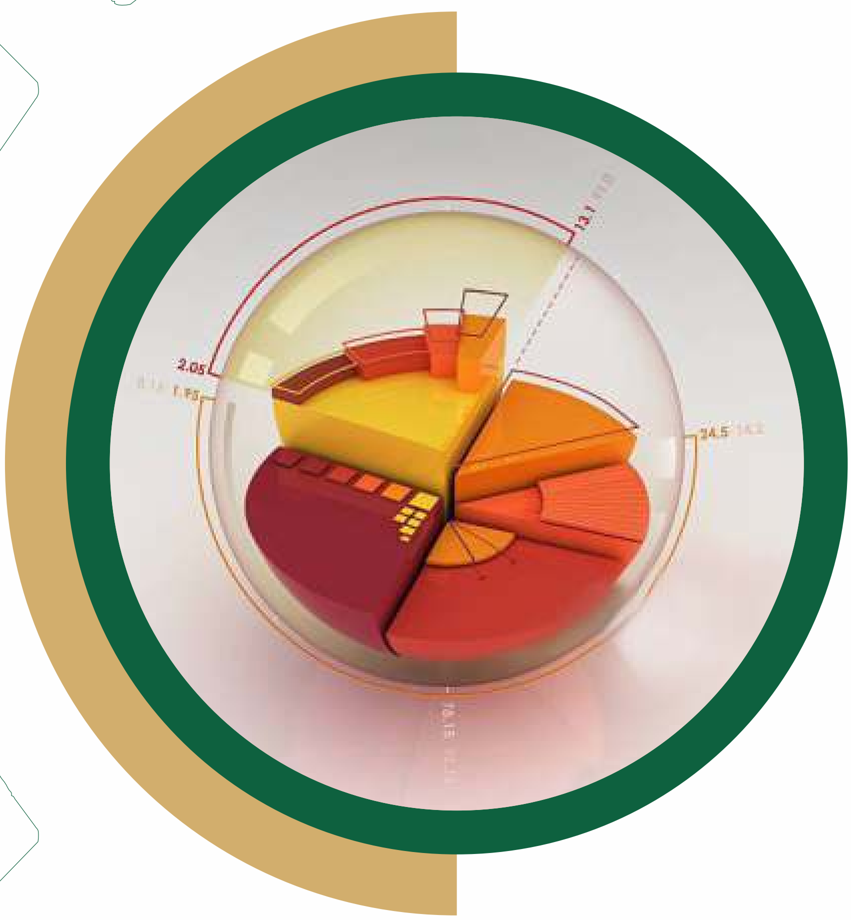
In 2020, the Bank expanded its support for tech entrepreneurship and digital skills capacity building into the North-West Region with the setup of two (2) tech hubs in Kebbi and Kaduna states. These initiatives were carried out under the Bank's Corporate Social Responsibilities (CSR) program.

1. **Kebbi Innovation & Tech Hub** – was setup in Q4 2020 in partnership with the Kebbi State Government and commenced operations in February 2021. The facility with a combined 80-90 desk spaces will help kick-start a digital tech ecosystem in Kebbi State.
2. **Kaduna Innovation & Tech Hub** – will be ready for business operation in Q1 2021. The facility with a total of 125 desk spaces is being developed in partnership with the Kaduna State Government.

The Bank is providing additional support to the existing hubs in form of funding to cover operational expenses that will enable them to attain sustainable operations within 2-3 years of operational launch.

BOI Tech Hubs

Financial
Highlights



FINANCIAL HIGHLIGHTS

NAIRA (NGN)	The Group		The Bank	
	2020	**2019**	**2020**	**2019**
MAJOR PROFIT OR LOSS ACCOUNT ITEMS	**₦'000**	₦'000	**₦'000**	₦'000
Interest income	**116,906,211**	81,229,450	**116,671,135**	80,810,850
Other operating (loss)/income	**(8,645,759)**	7,251,725	**(9,202,562)**	6,047,160
Interest expense	**(34,117,130)**	(25,384,814)	**(34,975,683)**	(25,822,536)
Net fees and commission income	**2,060,504**	3,728,724	**1,690,733**	3,450,283
Impairment (charges)/write back	**(12,847,174)**	3,984,407	**(12,805,416)**	4,003,964
Operating expenses	**(27,814,635)**	(31,474,320)	**(27,029,606)**	(31,086,633)
Profit before tax	**35,542,017**	39,335,172	**34,348,601**	37,403,089
Taxation	**(3,944,159)**	(3,834)	**(3,545,031)**	93,006
Profit after tax	**31,597,858**	39,331,338	**30,803,570**	37,496,095
MAJOR BALANCE SHEET ITEMS				
Loans and advances	**749,838,732**	740,032,638	**748,957,244**	739,420,096
Borrowings	**1,302,479,259**	598,199,128	**1,300,972,636**	596,363,052
Share capital	**147,371,321**	147,371,321	**147,371,321**	147,371,321
Total Equity	**336,483,093**	293,087,526	**334,964,547**	292,398,826
Total assets	**1,863,752,628**	1,040,185,024	**1,861,994,022**	1,038,112,156
Earnings per share (in kobo)	**43**	53	**42**	51
Earning per share - Diluted (kobo)	**39**	48	**38**	46
Net assets (in kobo)	**457**	398	**455**	397
Number of employees	**505**	516	**445**	451
Total ordinary shares	**73,685,660,000**	73,685,660,619	**73,685,660,000**	73,685,660,619

BOI IN ACTION

BoI's Courtesy Visit to Kebbi State Governor

R-L: Haj. Aisha Usman, Perm. Sec Ministry of Budget and Planning, Hon. Rakiya Ayuba, Hon. Commissioner ministry of Commerce and Industries, Hon. Abba U Kalgo, Hon. Commissioner for Budget and Planning, H.E. Sen. Atiku Bagudu, Executive Governor Of Kebbi State. Mr Olukayode Pitan, MD/CEO Bank of Industry, Mr Shekarau Omar, ED-SME, Bank of Industry in February, 2020.

Meeting with the Secretary General of the Africa Continental Free Trade Area

L-R: MD/CEO, Bank of Industry, Mr. Olukayode Pitan; Sec. Gen. AfCFTA, H. E. Wamkele Mene; and Director-General Nigeria Office of Trade Negotiation, Victor Liman after a courtesy meeting with the management of the Bank in November, 2020.

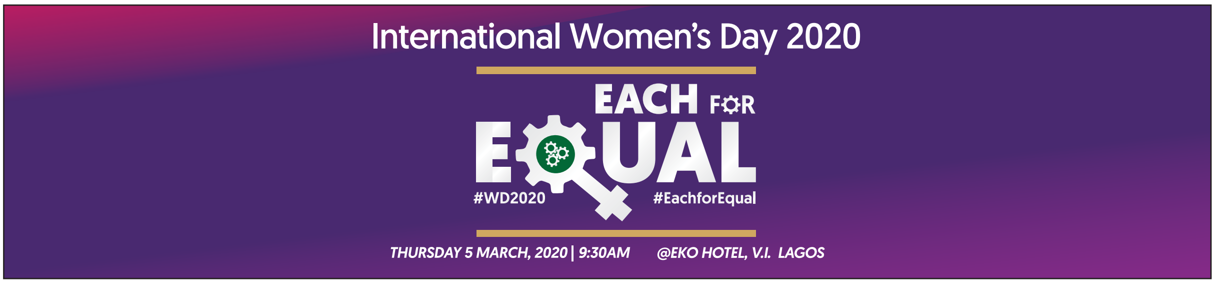
Lagos Regional Customer Forum

L-R: Chief Executive Officer, Prinsult Global Consulting Ltd.,Mrs Raliat Oyetunde; President/CEO, Rofenik Associates and Investment Ltd., Mr. Femi Ogunje; former Regional Head, Lagos, Bank of Industry, Mr. Adetokunbo Akinsola; Founder/ CEO, W-Holistic Business Solutions, Mrs Olanrewaju Oniyitan, and Director of Industrial Promotion, Ministry of Commerce and Industry, Ogun State, Olaoluwa Olufemi J., during the Bank of Industry Lagos regional Customers' Forum held in Lagos, in February, 2020.

BoI/IFC Capacity Building, Problem Loan Management Workshop for Nigerian Banks held in Lagos

L-R: Senior Investment Officer, International Finance Cooperation (IFC), Mr Ayo Fashina; Regional Head, South West, Bank of Industry (BoI), Mr Kagara Ahmed; IFC Senior Operations Officer, Patricia Mwangi; Facilitator, GBRW Consultant, Nate Dickerson, and Group Head, Loan Recovery, BoI, Mr Monday Ejigbo, during the BOI/IFC Capacity Building, Problem Loan Management Workshop for Nigerian Banks held in Lagos in February, 2020.

BOI IN ACTION



The Bank of Industry (BOI) joined the rest of the world to commemorate International Women's Day (IWD) with a day of interactive panel discussions featuring prominent women leaders across varied industries who shared their personal experiences navigating the business world.

Special Assistant (Technical) to the Minister of Women Affairs and Social Development, Princess Jummai Idonije; Vice Chairman, Channels Media Group, Mrs. Olusola Momoh; Senior Special Adviser to the President on Women Affairs and Administration, Dr. Hajo Sani; MD/CEO, Bank of Industry, Mr. Olukayode Pitan; Founder/CEO, Bolmus Group International, Hajia Bola Shagaya; and Special Assistant to the President on African First Ladies Peace Mission (AFLPM), Dr. (Mrs.) Mairo Al-Makura.

Representative of the Minister for State Industry, Trade and Investment, Amb. Maryam Katagum, Mrs. Zaheera Baba-Ari, MD, Nigeria Commodities Exchange, giving the Hon. Minister's remarks

Executive Director/CEO Nigeria Export Promoters Council Mr. Olusegun Awolowo

L-R: Founder and Chairperson WISCAR and Managing Consultant AKMS Consulting, Mrs. Amina Oyagbola ; Chief Promoter, Mayden Bank, Mrs. Foluke Aboderin Alakija; Founder / CEO Nara Foundation, Hajiya Aisha Waziri Umar; Vice Chairman, Channels Media Group, Mrs. Olusola Momoh; Founder / CRO RuffNTumble / Gatimo Apparel, Mrs. Adenike Ogunlesi; CEO, Paelon Memorial Clinic, Dr. Ngozi Onyia - Group Managing Director, A&A Global Leasing Services Limited

L-R Founder City of Knowledge Academy, Mrs. Mosun Bola-Olusoga; CEO Executive Vice-Chairman, ENL Consortium Ltd, Princess (Dr.) Vicky Haastrup; CEO MainOne, Mrs. Funke Opeke; Dr. Founder/Chair African Women on Board Dr. Nkiru Balonwu; MD/CEO Bank of Industry, Mr. Olukayode Pitan; Founder & CEO GAIA Women Club, Mrs. Olatowun Candide-Johnson; Group CEO Asset management Group Limited, Mrs. Aisha Muhammed-Oyebode; and Group Chief Executive, Seal Group, Tonya Lawani

Executive Director Large Enterprises, Mr. Simon Aranonu

General Manager, Large Enterprises Mr. Leonard Kange

BOI's Gender Business Group L-R:Project Officer Amdala Oloriegbe; Group Head Gender Business Group Mrs. Adebisi Ajayi; Project Officer, Kafeel Shittu; and Project Officer, Bolaji Oluwasola

FEDERAL MINISTRY OF
WOMEN AFFAIRS AND SOCIAL DEVELOPMENT

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

Business Development Fund for Women (BUDFOW)

A business development fund meant specifically for the female entrepreneur who wants to start a business or expand her current business.

Key Highlights

- Interest rate: 5% p.a
- Loan tenor: up to 4years

visit: **www.boi.ng**

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**
call: **0700-CALL-BOI | 0700 225 5264**
switchboard: **(+234)-1-2715070-71**

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Business
Focus

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

Micro Enterprises
DIRECTORATE

We leverage technology, strategic partnerships and intermediary channels to deliver tailored low-interest loan products of up to ₦10 million, and other non-financial services to Nigeria's micro enterprises in the informal, semi-formal and formal sectors.

visit: **www.boi.ng**

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**

call: **0700-CALL-BOI | 0700 225 5264**
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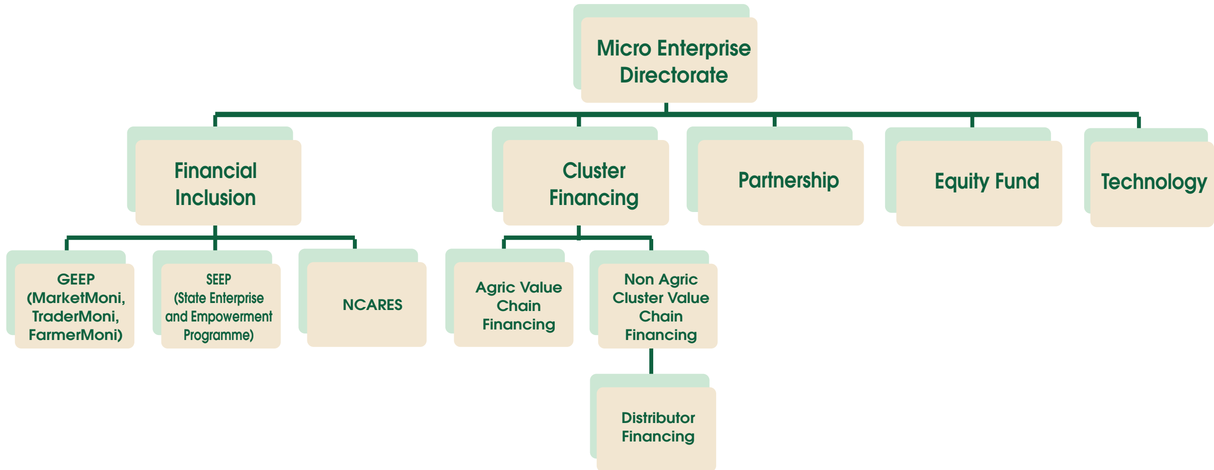
MICRO ENTERPRISES DIRECTORATE

The Micro Enterprises Directorate has a mandate to support the Bank of Industry's objectives aimed at deepening financial inclusion for micro enterprises. This mandate is executed through the development and execution of innovative financial and non-financial products. In particular, the Directorate promotes the use of technology & intermediaries to provide low-interest financing solutions to micro enterprises in the informal, semi-formal and formal sectors. The Directorate aims to ensure last-mile delivery, reach, and sustainability of the Bank's development financing options to Nigerian micro enterprises.

The Directorate's activities are executed along five strategic groups:



FINANCIAL INCLUSION

FINANCIAL INCLUSION

The Financial Inclusion Group focuses on providing short term micro credit to the economically active poor entrepreneurs in Nigeria. The Group significantly leverages on tight networks of intermediary channels connected through technology to implement these programmes. The target customers are typically in the informal sector with the majority of them excluded from financial services. Financial Inclusion

A. Government Enterprise and Empowerment Programme (GEEP)

The Directorate's flagship financial inclusion product is the Government Enterprise and Empowerment Programme (GEEP). GEEP is a Microcredit Intervention initiative of the Federal Government of Nigeria (FGN), executed by the Bank of Industry. Through GEEP, the FGN is providing interest-free and collateral-free loans which are easily accessible through its three products – MarketMoni, FarmerMoni and TraderMoni – each structured to meet the peculiar needs the programme's target segment – market traders, artisans, enterprising youth and agro allied workers.

MARKET MONI

Short-term micro loans of between ₦50,000 and ₦100,000 for traders and artisans who belong to certified market associations or cooperatives. Applicants must be recommended by their group leaders and must possess valid Bank Verification Numbers (BVNs).

TRADER MONI

Ultra-micro loans for petty traders who are typically unbanked. Loans of up to ₦15,000 are disbursed to mobile wallets of qualified applicants for the purpose of growing their petty trades.

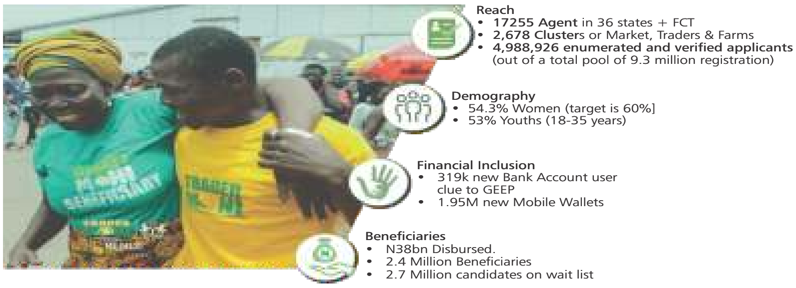
MICRO ENTERPRISES DIRECTORATE

Input financing loan of up to ₦300,000 for smallholder farmers whose harvest volumes have guaranteed offtake markets. These loans afford the farmers access to quality farm inputs and guaranteed markets in clusters to help improve their production capacity and profitability.

FARMER MONI

GEEP Highlights from the Year 2020

The programme has continued to consolidate on its operational activities since its first disbursement in December 2017.



Total number of beneficiaries

- TraderMoni - 2,080,355
- MarketMoni - 332,776
- FarmerMoni - 3,175

COVID-19 Relief

With COVID-19 slowing down the country's economy, GEEP's infrastructure was deployed to provide immediate relief to traders and artisans across the country. The following is a breakdown of the interventions rolled out:

- 87,614 new microloans disbursed to petty traders and artisans in 20 states.
- 3 months moratorium on all existing and new loans, as directed by President Muhammadu Buhari.
- Further support by the Bank of Industry on sectors with direct linkage to poor and vulnerable groups.

COVID-19 RESPONSE

FOCUS	GEEP ACTIVITIES	STATUS
Moratorium	1. Immediate suspension of loan repayment protocols per the 3 -months extended Moratorium directive issued by the President. 2. SMS notification of the extended moratorium to ALL beneficiaries with active loans .	Extended Moratoriums Implemented and communicated to 1.8m beneficiaries with active loans
Sensitization	1. Immediate direct communication via SMS, robo calls and jingles in local language to candidates in the GEEP database on the best practice for hygiene , social distancing and immediate reporting of symptoms. 2. Direct phone call, via GEEP call centre to market /cooperative leaders to reinforce this message from the Federal Government. 3. Continuous local sensation by the GEEP agent network embedded In local communities.	All 2,678 beneficiary clusters reached with sensitization messaging
Disbursement	1. Disbursement of loan funds to vulnerable GEEP candidates whose livelihood is dependent on earning a daily income. Beneficiary targeting was restricted to verified but undisbursed candidate in the most vulnerable locations.	99% Disbursement Target reached.

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GEEP

GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME

The Government Enterprise Empowerment Programme (GEEP) was launched in 2016 with the aim to offer interest and collateral free credit to the millions of Micro SMEs (MSMEs) operating at the bottom of the Nigerian economic pyramid.

The programme's current loan products are:

TRADER MONI
GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME

Loans start at
₦10,000

TraderMoni is a loan programme of the Federal Government, created specifically for petty traders and artisans across Nigeria.

Beneficiaries:
- Petty Traders and Artisans

MARKET MONI
GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME

Loans start at
₦50,000

MarketMoni was created to provide financial aid for the under-banked and unbanked.

Beneficiaries:
- Artisans
- Enterprising Youths
- Market Associations and Cooperatives
- Market Women Traders

FARMER MONI
GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME

Loans start at
₦300,000

FarmerMoni is designed to help farmers expand their trade through the provision of collateral free loans.

Beneficiaries:
- Small Holder Farmers operating in clusters

Apply at:
www.geep.ng

MICRO ENTERPRISES DIRECTORATE

GEEP 2020 ACTIVITIES IN PICTURES

B. **MSME Survival Fund**

The MSME (Micro Small and Medium Enterprise) Survival Fund is a 75 Billion Naira Fund, launched in September 2020. This Fund is part of the ₦2.3 Trillion stimulus package (also known as the Nigerian Economic Sustainability Plan, NESP). The MSME Survival Fund is aimed at supporting businesses and preserving livelihoods, following the economic impact of the COVID-19 pandemic. The Fund is a program of the Federal Ministry of Industry, Trade and Investment (FMITI) and is executed by the Bank of Industry (BOI).

The MSME Survival Fund has five (5) components:

1. Payroll Support: Support 500,000 vulnerable MSMEs in meeting payroll obligations of between ₦30,000 - ₦50,000 per employee over 3 months.
2. Artisans/Transport Workers Support: Provide 330,000 artisans and transport business operators with a ₦30,000 operations grant to reduce the effects of income loss.
3. Guaranteed Offtake Scheme: Bulk purchase of products from MSMEs to protect jobs and livelihood.


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Smallholder Farmer Cluster
FINANCING PROGRAMME

The Smallholder Farmer Cluster Financing Programme provides working capital specifically for the procurement of farm inputs for farmers to fulfill offtake contracts/demand for raw material by processors.

The programme involves ring-fencing agricultural yield as raw materials for processors/manufacturers to carry on their production activities.

Beneficiaries

- **Farm Aggregators**
- **Processors**
- **Manufacturers**

*All of the above must have a direct or indirect relationship with farmers.

Features

Tenor: Maximum of 24 months

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Short cycle crops including:


Maize


Sorghum


Soya Beans


Rice Paddy


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4. General Grant: Support the survival of 100,000 MSME businesses most affected by the COVID-19 pandemic.
5. Formalization Support: Provide free CAC Business Name registration for 250,000 new businesses.

The MSME Survival Fund Payroll Support has delivered payroll support of between ₦30,000 - ₦50,000 to 332,205 employees from 51,435 businesses across several industries (manufacturing, e-commerce, agriculture, retail etc). The Artisans/Transport Workers Support provides a one-time ₦30,000 grant for tailors, barbers, hairdressers, vulcanizers, electricians and other types of artisans. It also includes transport workers. 96,157 Artisans/Transport Workers across 36 states and Federal Capital Territory in Nigeria have benefited, so far. The program actively promotes gender inclusion - with a beneficiary base that is composed of 45% women.

Survival Fund

C. **Nigeria COVID-19 Action Recovery and Economic Stimulus (N-CARES)**
The Nigeria COVID-19 Action Recovery and Economic Stimulus (CARES) program is $750 million state-driven initiative backed by the World Bank, specifically for the elevation of businesses affected by COVID-19. Through the NCARES program, the World Bank in collaboration with the Nigerian Government aims to deliver targeted relief, restore livelihoods and stimulate the economic recovery of vulnerable households and MSMEs in Nigeria.

The N-CARES program is supporting Nigerians through the following initiatives:

- Result Area 1: Increase Social transfers, basic services, and livelihood support to poor and vulnerable households.
- Result Area 2: Increase food security and safe functioning of food supply chains for poor households.
- Result Area 3: Facilitate the recovery and enhance capabilities of MSMEs.

The Bank of Industry through the Micro Enterprise Directorate is responsible for supporting the states with the execution of the MSME component, Result Area 3.

States across the country have taken a proactive step in leveraging BOI's support to build local capacity by training agents who will be responsible for capturing and enumerating beneficiary MSMEs. The training has equipped over 2,500 active men and women across 10 states, so far. This is beneficial to the state, creating potential employment and income for youths in these states. While the trainings are on-going, states are continuing to ramp up key activities and milestones in preparation for the full roll-out of the program.

D. **North East Rehabilitation Fund**
In order to revive the economy in the North East region, the Board of Directors of the Bank approved the disbursement of ₦2.4 billion to North Eastern enterprises through the North East Rehabilitation Fund. Of the committed amount, the Board further approved that the sum of ₦1 billion be disbursed to at least 80,000 micro enterprises across the six (6) states in the region leveraging on technology. The objective of the fund is to revitalise the economy and improve the qualities of lives of the beneficiaries and their families.

CLUSTER FINANCING

Cluster Financing identifies and evaluates value chains strategic to the growth of the Nigerian economy. This group finances business along various value chains to guarantee seamless flow of activities across the various chains. Financing products take into consideration the roles of the various stakeholders with a view to de-bottlenecking the access to finance challenges experienced along the value chains. The lending solutions are designed to reach the ultimate beneficiaries either through intermediaries or to ensure that there is an anchor market to guarantee product offtake.

a. **Agricultural Value Chain Financing (AVCF)**
In line with the Bank's mandate to promote industrialization, the Agric. Value Chain product aims to ring-fence raw materials for manufacturers to carry on their production activities. The AVC programme promotes the availability of high quality agricultural produce in sufficient quantities to guarantee constant production activities for Nigerian manufacturers. The financing product has encouraged efficient collaboration between key stakeholders in the agricultural value chain including manufacturers, market aggregators and farmers.

The benefit of this product further extends beyond the manufacturers as farmers are now able to enjoy increased

MICRO ENTERPRISES DIRECTORATE

income due as a result of higher produce yields, access to mechanization and better farm education services. In addition, market aggregators are able to expand their network of farmers while leveraging on technology to improve their field monitoring activities.

In 2020, the Bank deepened its support activities in the Agricultural sector by extending its financing solutions to the rice value chain. This was in line with the Federal Government's mandate to promote local rice production by supporting rice millers.

Highlights of Agricultural Value Chain Financing:

Despite the Coronavirus pandemic (COVID-19), the Micro Enterprise Directorate, under the AVCF, was able to finance the growth of Nigerian grown rice production, through its engagements with Olam Nigeria Limited.

Olam Nigeria PLC:

Olam Nigeria Plc commenced operations in 1989 with an initial focus on the procurement of primary commodities like cashews, cocoa, and shea nut. The company gradually grew its operations and expanded into three major business streams, exports, imports, and branded packaged food products across the rice, fertilizer, Palm Oil, Sorghum, and cocoa produce range.

In a bid to ring-fence its raw material sourcing, Olam invested in a 10,000 hectare farm and an integrated mill that directly employs 950 people from the surrounding communities. This investment currently produces rice for the Nigerian markets under the Mama's Pride and Mama's Choice brand names. The farm also executes an 'outgrower programme' whereby surrounding rice-growing communities are supported by Olam with farm education, pre-planting finance, fertilizer, seeds, and other inputs to improve their paddy yields.

Through BOI, the company was able to procure inputs for over 10,000 smallholder farmers responsible for planting and harvesting over 50,000 MT of rice paddy to meet its paddy demand for its rice mill operations.

b. Non-Agric. Cluster Value Chain Financing - Distributor Financing

The Distributor Financing Product aims to provide the much-needed working capital financing to micro-businesses for the purchase and supply of Made-in-Nigeria products and services through intermediary companies along the product value chain. BOI intervenes by bridging the funding gap through working capital loans to eligible intermediary companies whom distribute locally produced goods and services to micro-entrepreneurs. Through this product, BOI promotes the growth of local product manufacturers as well as micro enterprise distributors.

PARTNERSHIPS

Through this product, the Bank leverages intermediary partnerships to provide indirect lending within the shortest time to Nigerian micro and very small businesses. This product aims to further encourage the Bank's mandate to promote industrialization in Nigeria by providing quick and seamless financing to MSME's who are said to account for 59% of Nigeria's GDP and are the major drivers of job creation in the country.

2020 Highlights of Partnerships:

In the first half of 2020, the Directorate successfully held two stakeholder sessions targeted at key stakeholders in the Nigerian digital technology sector.

BOI Tech Engage Leaders Series 1: Interactive session with Tech Fund Market Players

The first session was held in February 2020 to discuss on emerging trends in the Nigerian tech equity sector and identify various initiatives that BOI can implement to promote growth for Nigerian MSMEs in the digital technology sector. The session was an interactive session where the Managing Director and the Executive Director, Micro Enterprise engaged major stakeholders including Venture Capitalists, Digitech companies who had successfully raised equity as well as those seeking to raise capital to grow their businesses. A cross section of the attendees at the event include LoftyInc Partners Ltd, Garden Social Ventures and Riby

BOI Tech Engage Leaders Series 2: Venture Debt Financing

The second series was held in April 2020 as an e-session amongst

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start-up tech and tech enabled companies. The session's objectives included:

- Review of recent trends in debt financing for MSMEs in the digital technology sector
- Explore the adoption of venture debt financing
- Review potential financing scenarios that BOI can explore

Key participants at the session include representatives of Kudi, TradeBuza, Softcom and Qucoon.

EQUITY FUNDS

The objective of the Bank in partaking in equity investments is to promote economic development in the country particularly in the private sector. This could be direct or indirect investments in Nigerian MSMEs at early to growth stages of their businesses. One of such products is BOI's investment in the Alitheia Identity Fund (AIF). AIF is an equity investment fund model created for the purpose of making equity investments in small and medium sized enterprises (with emphasis on women-owned businesses) seeking growth capital and expansion into new products and markets. The first close of this fund was achieved in November 2019.

Highlights of Equity Financing

AIF Investment – SKLD Integrated Services Ltd

During the year under review, the Bank made its first co-investment under the AIF to SKLD Integrated Services Ltd (formerly School Kits). SKLD is a women-led consumer goods company that manufactures and distributes educational supplies and humanitarian relief materials. The Company's clients are schools, aid organizations, and retail customers. The Company's clients are schools, aid organizations, and retail customers. The company has its headquarters in Lagos, Nigeria.

SKLD represents an opportunity to increase the capacity for local industry and manufacturing, particularly in the garment production segment which is on the recent incline in activity. The expanded production capacity and increased inventory afforded by AIF's investment enables import substitution for SKLD and other apparel providers; reduces exposure to foreign exchange risks; and boosts the output of the sector. The local manufacturing capacity provided by the Company's garment factory in Nigeria enables SKLD to better compete both in quality and price, producing uniforms and other children's attire both for high end private schools, as well as the mass market of low-fee paying schools. SKLD's activities in the Humanitarian Aid Supplies industry increases the efficiency and effectiveness of International Development Agencies' domestication of supply chains, and their reach in providing global support to communities in need.

SKLD's management team is led by Mrs. Temilola Adepetun, a female entrepreneur with over 15 years of experience in human resources, insurance and treasury and an additional 20 years of experience as an entrepreneur and the founder of SKLD. The team includes 5 other members that have an average experience of 10 years across business consulting, procurement, marketing and sales. The management team's track record includes expanding the business streams to include distribution and humanitarian aid supply and achieving over ₦1billion in annual revenue since 2018.

Women are an integral part of SKLD's organization. Aside from being woman-owned, the company has healthy gender diversity at governance, management, and even value chain levels. About 70% of the company's 136 direct employees are women, and women are the majority of their corporate and individual clients. Beyond just counting women, the business also highlights the significance of the role women play as illustrated by the retail segment where up to 90% of the managerial staff and shop floor attendants are women who find it easier to relate to the customers, 70% of which are also women.

AIF completed the first tranche of N788million (USD2million) investment in Q4 2020. The investment is expected to lead to a 34% growth in revenue, compounded annually, over the next five years from N1.2billion in FY2019 to N5.9billion in FY2025. This increase will be driven by the expansion of the retail outlets from 4 to 8, improved working capital funding to fulfill product orders and increased signup of new customers across the company's business divisions. Over the course of the investment, SKLD is expected to create over 1,000 jobs, 65% of which will be for women.

NTEC Fund

In February 2020, the BOI Board of Directors approved establishment of the NTEC Fund. The Fund is a $75m equity fund that will invest in in Venture Capital and Private Equity Funds that support Tech/ Tech enabled as well as innovative businesses in the early to growth stages across the six geo-political zones. The fund shall allow BOI, as a Limited Partner, and other limited partners participate in the growing Nigeria technology-enabled space.

One-Day Interactive Session on Equity Funds by Africa Development Bank (AFDB)

On the 19th of February 2020, the Bank hosted an 8-man senior delegation from the Private Equity Department of the AFDB. The Micro Enterprise Directorate worked closely with the delegation to develop and facilitate a deep-dive session with the Board of Directors and Executive Management of BOI.

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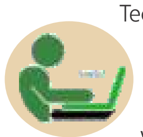
The objective of the session was to specifically guide BOI's proposed investment in the NTEC Fund. Key highlights of the well-attended session included:

i. PE investment framework for Development Finance Institutions (DFIs)
ii. Experiences of AFDB in equity investment operations
iii. Risk frameworks from a DFI perspective
iv. Deep dive into the Nigerian Technology Sector

TECHNOLOGY



Technology activities focus on promoting the growth small businesses who utilize technology platforms to run their operational activities including financial technology companies and enterprises with digital solutions. In addition, the Directorate focuses on lending through digital platforms to its target markets.

MSME DISTRIBUTOR FINANCE PRODUCT

The **MSME Distributor Finance Product** provides working capital financing to distribution companies that are tech-enabled for the provision of locally produced stock-supplies and other services to the qualifying micro businesses on their platforms.

The product supports manufacturers in the distribution activities while empowering micro enterprises, who serve as wholesalers/retailers, with constant supply of products inventory.

Beneficiaries

- **Distribution Companies**
  Distribution companies with a large network of micro-enterprises/micro retailers whose inventories are managed via a dedicated technology platform.

Features

Tenor: maximum of 24 months

Focus Sectors

Distribution Companies in these sectors:
- Fast Movining Consumer Goods (FMCG)
- Pharmaceuticals
- Power/Oil and Gas

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

The Small and Medium Enterprises (SME) Directorate was strategically setup as a focus-response to actualize the Bank's mandate of countrywide economic development and employment creation through financial and business advisory services.

Its clarion call is to improve the Bank's footprint in the SME space by providing easy access to growth enhancing finance and business development services that will enable small and medium size enterprises express the inherent latent capacities in their businesses and contribute meaningfully to poverty reduction and economy growth.

Our Business

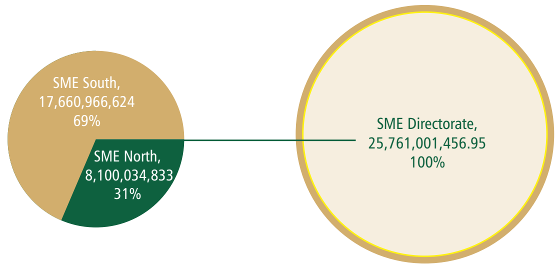
The Financial Year started on a positive note for the Directorate with the unprecedented growth experienced in the previous year. However, by the end of the first business quarter, the Directorate's operations turned defensive in quick response to the ravaging COVID-19 pandemic and the disruptions to supply chains across the country due to the worldwide economic lockdowns.

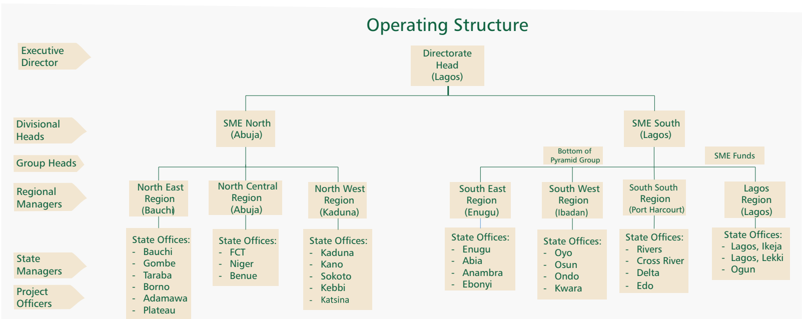
Our Performance

The Directorate operates a Matrix Business Structure in order to maximize identified comparative advantages that exist in different parts of the country. In quick-business reparation, the Directorate deployed its business offices, which are strategically located in the six geopolitical zones and uniquely aligned to regional offices, to amplify the Bank's presence and bring its services closer to the SME community in the States it operates.

This strategy paid off. The Directorate was able to minimize its loan losses, grow its business and sustain its operations.

Total Disbursement - SME





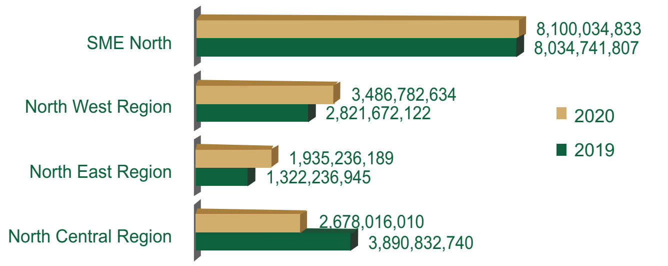
The SME Community was the worst hit due to its unsophisticated business model and financial strength. Nonetheless, it was a mixed blessing – the drastic turn of events gave some SMEs in healthcare, food and beverages, courier and logistics services, the opportunity to expand in response to growing demand. Also, the dynamism and the "Ease of Entry and Exist" nature of the SME Community availed some small businesses, in the negatively impacted sectors of the economy, to quickly diversify and take advantage of emerging growth opportunities.

This double-edged challenge, gave the Directorate the privilege to serve the SME community in ways that are peculiar to each business. We took advantage of our visible footprint and partnerships in the Community to quickly deliver working capital loans, restructure existing facilities to enable businesses respond adequately, provided supplemental loans for business diversification and leveraged experiences for business advocacy and advisory to ameliorate the economic impacts on SMEs.

SME North

Our business in the Northern Division was supported by three regional offices and fourteen state offices. In the face of the daunting economic challenges, the Division disbursed over ₦8.1 billion to SMEs in the North and grew its loan portfolio YoY by 13%, from ₦19.3 billion in 2019 to ₦22.1 billion in 2020. We were able to collect ₦3.5 billion of our loan stock and reduced our Nonperforming Loans to 13% in 2020 from 35% in 2019. We sustained the operations of two thousand Small and Medium Enterprises and created additional one million, eight hundred and twenty thousand new jobs in the three regions of the north.

Disbursement - North



SME South

The Directorate's operations in the Southern Division is skewed to reflect the dynamic business opportunities and concentration of

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

SMEs. our fifteen state offices are overseen by four regional offices – Lagos and Ogun State are grouped as a Region because of the SME-density. The Division also provides leadership to two of the Directorate's Strategic Groups – the Bottom of Pyramid (BoP) and SME Funds (SF). The BoP Group serves Small Businesses in collaboration with other Financial Institutions through on-lending facilities; while the SF Group is a Special Purpose Vehicle that partner with State Governments, Institutions and High-Net-Worth Individuals for a Matching or Managed Fund arrangement with the Bank.

Disbursement - South

	East Region	South Region	South West Region	Lagos Region	Bottom of Pyramid	SME Funds	SME South
2019	2,950,629	954,745,5	4,335,431	10,537,77	9,286,997	1,191,745	29,257,31
2020	1,972,207	1,559,047	3,158,542	6,592,095	4,016,254	362,820,0	17,660,96

For the period under review, the Directorate's business, in South Division, recorded slight drags mainly due to the pandemic and prolonged security challenge resulting from the End SAR Protest in Lagos.

Aggregate disbursement to SMEs dipped by 66% from ₦29.3 billion in 2019 to ₦17.7 billion in 2020, depressing total Risk Assets by 15% to ₦49.1 billion from ₦56.5 billion in 2019. Though Collections from loans was ₦2.7 billion shy of 2019 figure of ₦21.6 billion, its tenacity paid off – it significantly reduced Nonperforming Loan ratio to 6% from previous year's 16%. Currently, the Division is supporting over two thousand, four hundred SMEs and created additional three million nine hundred and seventy thousand new Jobs in 2020.

Our Future

2020 is not like any other year. Our world witnessed a phenomenon that has never been experienced by mankind. The COVID-19 exposure threw countries into untold turmoil that resonated worldwide panic; and our communities are still navigating through its economic, business, commercial and immeasurable human impacts. We have a bright side to this disruption - it has revealed the innate human potential for good, innovation, resilience, collaboration and survival. This is what makes the SME Directorate hopeful – we are hopeful because we are walking the paths with the SME communities across the country as they innovate and rejig their business models to take advantage of emerging opportunities and realign their operations to remain competitive and survival.

With this HOPE we look forward to more fulfilling and impactful 2021.

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BANRUT ROLLS NIGERIA LIMITED (FCT)

Banrut Rolls Nigeria Limited was commissioned in June, 2008 to manufacture various kinds of tissue paper products for the Nigerian Market and its neighbouring countries. The company started with the production of two (2) product lines (Toilet tissue and serviette) and twenty seven (27) workers which has now expanded into six (6) product lines. This include: Facial Tissue (box), Facial tissue (packet), and Multipurpose cloth, with current employment figure of 257 workers. The Factory site is located at Abuja. They produce under the highest hygiene and safety standards in compliance to both local and international regulation. Their products are of high quality and are certified by the Standards Organisation of Nigeria.

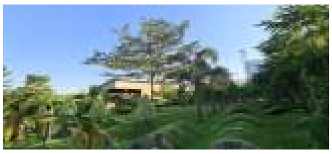
The Company was granted facility for the procurement of their Raw Materials (Jombo Tissue Raw Material) for the production of Tissues paper.




B.M.O REAL ESTATE AND CONSTRUCTION LIMITED (FCT)

B.M.O Real Estate And Construction Limited popularly known as Central Park Abuja is your ultimate one-stop recreational park located in the heart of Abuja. The Company has the following theme park services; Paint Ball Game , Go-Kart Race,. Garden Restaurant , Water Park Pool; features water play areas, such as swimming pools, water slides, splash pads, spraygrounds, swimming, and barefooting environments-Proposed, Outdoor Kiddies Playground and Open Cinema. From the 500m Go-Kart race track to the playground, there's an activity for everyone!

The Bank disbursed a loan for the procurement of items of equipment for Water Slide and Garden Restaurant.



INTER ASA LIMITED (FCT)

Inter Asa limited was incorporated on 9th November 1999 and has been in the business of rice farming / Processing and Poultry in Abuja and Benue State.

The Company has constructed a unique type of Pen House, where the base is elevated, with a lower level for collecting the bird droppings. This system ensures there's no waste in the farm, as the bird droppings are sold and also used as fertilizer for other farming activities on the farm.

The Company accessed a loan to purchase the following;

- Battery Cages
- Automatic Egg Collector System
- Automatic Feeding System
- Silos for Feed Storage
- Solar Power System

Before accessing the loan the farm had 2 Pen Houses with the capacity of holding 10,000 birds each in Battery Cages. To increase their production capacity, the Chief Promoter constructed 2 new Pen Houses where the items financed were installed. This system fully automates the feeding of the birds and the collection of the eggs laid. The Solar Power system powers the whole farm including the 4 pen houses, the farm office and the staff quarters.



TRT ARREDO LIMITED (FCT)

TRT Arredo Limited (RC No 1024181) was incorporated on 5th April, 2012 to carry on the business of providing contemporary modern furniture sets for Kitchens, Living Rooms, Bedrooms, Offices, Wardrobes etc. The Company was availed loan from the Bank for the acquisition of equipment's for procurement of raw materials to drive their stock turnover and continue to keep up with demand to aid production and increase their capacity.

The total annual production capacity is 630 units per month, making a total of 7,560 units per annum.

The loan has also had an impact on employment generation by hiring 40 new staff.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

YAKUBU SHOPPING PLAZA LTD (Adamawa State)

Yakubu Shopping Plaza Ltd is a wholly owned Nigerian Company Incorporated on December 19, 2012. The company is into the purchase and distribution of goods. Over the years, the company has been into both retail and wholesale trading of household groceries and other consumables.

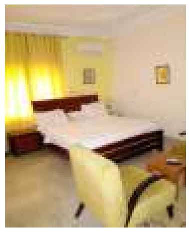
Before BOI's intervention, the company had only 1 warehouse and 2 departmental stores. After BOI's debt financing, the company now has more than 5 stores and is now the sole distributor of Nestle products in Adamawa State.

The expansion of the project provided additional 30 jobs (10 direct and 20 indirect staff). Although the project is still under implementation, it is expected to significantly reduce cost and boost the company's profitability upon completion.

BAGARI SUITES LIMITED (Bauchi State)

Bagari Suites Limited is an existing BOI Customer (performing) owning a modern Hotel located in Bauchi known for its sophisticated furnishing and services. Owing to its size (19 Rooms and Suites), Bagari was able to attract huge customer base to carter for services like; accommodation, conference / training facilities, restaurant and laundry services. The Hotel achieves at least 90% occupancy rate weekly occupied mostly by NGOs and other organizations. In its 6 years of operations, Bagari Suites is listed among the best Hotels in the State in terms of services and operations with the help of BOI. Bagari Suites paid up the initial loan within 5 years tenor.

In 2020, BOI supported the company further expanded its business operation by financing additional items of equipment in turn upgraded the standard of the hotel.



KAINUWA RICE MILLS LIMITED (Bauchi State)

Kainuwa Rice Mills Limited approached BOI for assistance to purchase additional equipment and working capital to complete its production line and kick start its rice milling business in Azare, Bauchi State. The Company has a production capacity of 15MT/day and stands to be one of the best Rice Milling Companies in Bauchi State.

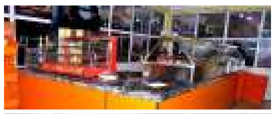
The Company is currently upgrading its operation and had already acquired more machines to increase its daily capacity to 30MT/day in order to meet the ever rising demand of its products within and outside the state. The business has employed 25-direct and 30-indirect staff. The product is NAFDAC Certified.

LM BAKERY & RESTAURANT LTD (Borno State)

LM Bakery is a world class Bakery business that is fully registered with the corporate affairs commission with the objective of carrying out the business of bread production and rendering of catering services among others. The Company is into bread production as well as catering services of various African and English dishes in Maiduguri town and environs. The company also offers event management & planning services, covering the activities of either conferences, workshops, seminars, weddings or other public gatherings.

Prior to BOI's intervention, the company was in a poor state as its operation was highly incapacitated and frustrated by inadequate capital. With the loan granted to the company, it has been able to keep pace with the modern bakery business. Also, the financial support from the bank has helped the company to expand its outfit by acquiring modern bakery equipment. Its revenue/profit base has doubled up as a result of increased sales/turnover.

In terms of employment generation, the company now has about 53 staff in its payroll as against the initial 3 staff.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

MAIKARFI METAL CONSTRUCTION LTD (Borno State)

Maikarfi Metal Construction Limited was established on July 7, 2015 with the corporate affair commission. The company is into metal fabrication, construction and general supply and maintenance.

The company commenced the business of metal fabrication and construction in early 2015 and was highly patronized by its teeming customers but Its operation was most carried out manually thereby limiting its capacity, output level, quality, affordability and durability of its products.

In its bid to keep pace with modern fabrication business as well as timely execution of contracts and jobs obtained, the Company applied for a credit facility in BOI which was subsequently approved and disbursed. The Intervention by BOI, assisted the customer to expand its outfit with the financed modern metal fabrication machines which enabled timely and quality service delivery.



Y'LEE INVESTMENT LTD (Borno State)

Y'lee Investment Limited is dully registered with the corporate Affairs commission on September 29, 2011. The company was registered with the product line under the Brand Name – Bahnoor water which is a fast-consumed sachet & bottled water within Maiduguri and Jere with a broad customer base that comprises individuals, retail businesses, NGOs and other companies within the State.

Prior to BOI's intervention, the company was only into the production of sachet water and its existing capacity was very low. However, with the financial support from the bank, the company was able to expand its existing capacity from 4,000 to 8,000 bags of sachet water and 10,000 packs of bottle water per day.

The introduction of the new line of product (bottle water & printing of polythene) through the acquisition of modern plant and machinery financed by the bank, has tremendously helped the customer to double its sale/turnover.

In this same vein, the company has increased its workforce from 12 staff to 126 staff.



ALI JIJJI & SONS NIG LIMITED (Gombe State)

Ali Jijji & Sons Nig Ltd was incorporated as a Limited Liability Company on October 20, 2011 with a Share Capital of 1,000,000 in Gombe with Registration Number RC 988321. The company is among the indigenous businesses that are into Rice Processing in Gombe State. The establishment of the company by the Chief Promoter was prompted by the need to boost Rice processing in the State with the aim of providing quality Rice to meet local demand and further penetrate the markets with controlled pricing and capturing larger market share.

The company accessed facility term loan and working capital in 2020 to establish its Rice Milling.

After the disbursement the company employed 25 staff.



TWO S & H INTEGRATED FARM LTD (Gombe State)

Two S & H Integrated farm Ltd. is a limited liability company with a RC: 1579502 and was incorporated in 2019 with the aim of carrying out business of poultry farming in its business location along kalshingi road Gombe, Gombe State. The company is one of the most preferred indigenous poultry farm in Gombe due to its products affordability and availability. In 2020 the company accessed facility term loan and working capital.

Prior to the disbursement of the facilities accessed by the company, it has 5 workers and after the disbursement their number increases to 10 workers.

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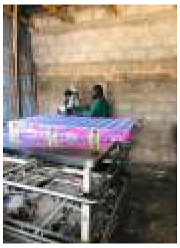
SMALL AND MEDIUM ENTERPRISES DIRECTORATE

UNIVERSAL FOAM & CHEMICAL INDUSTRIES LIMITED (Gombe State)

Universal Foam & Chemical Industries Ltd was incorporated as a Limited Liability Company on August 14, 2012 with Share Capital of 1,000,000 in Gombe with Registration Number RC 1058129. The company is among the indigenous businesses that produce foam in Gombe State. The establishment of the company by the Chief Promoter was prompted by the need to boost foam production in the State with the aim of providing quality foam and employment to meet local demand and further penetrate the markets with controlled pricing and capturing larger market share.

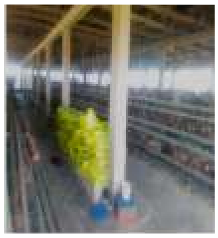
The company accessed facility working capital in 2020 to expand its foam production business due to the high demand for its products (universal foam).

Prior to the disbursement of the facility, the customer have 40 workers but after the disbursement it increased its staff to 50.



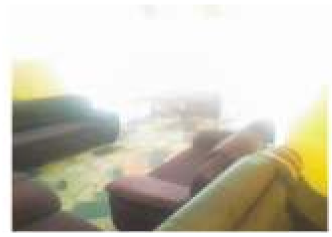
SIR TOS BENSON MEMORIAL FARMS LTD (Taraba State)

Sir Tos Benson Memorial Farms Limited was incorporated on April 14, 2018 with an initial share capital of N1, 000,000.00 which was later increased by N8, 000,000.00 in 2020. The company since inception has engaged in the production of quality eggs and dressed chicken.



ANDE TOTAL GLOBAL SERVICES (Taraba State)

Andetotal Global Services was incorporated on the 20th of February 2007. The company is into furniture and other wood work. The expansion as a result of the facility obtained from BOI has made the company one of the best furniture making company in Jalingo, Taraba state. The company has large share of the market in Taraba State. The customer was granted a facility under Youth Entrepreneurship programme and North East Rehabilitation Fund.



K.S GLOBAL (Kaduna State)

K.S. Global was registered on 11/02/2019 with the Corporate Affairs Commission to do the business of farming. The business was into buying and selling of fish, but with the intervention of BOI, the Chief Promoter, having the requisite experience now have the opportunity to expand into fish hatching and fish feed production.

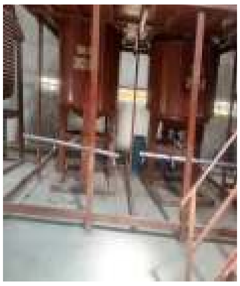
The feed are sold in 5kg, 10kg and 20kg bags, though customers can order for different sizes for extra cost. The fish are sold alive or cleaned depending on the customers taste.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

CHEMTEK PROJECTS INDUSTRIES LIMITED (Kaduna State)

Chemtek Projects Industries Ltd is a Nigerian manufacturing company incorporated on the 11th March 1997 with the aim of making automobile speciality Chemical products, household and industrial cleaning products among other ranges of products. The company sources part of its raw materials from RH Plastics, Kakuri, Kaduna and also partially manufactures its packaging materials with plans to commercialize its products ranges via contract manufacturing and marketing of its packaging products. The company currently works in partnership with Peugeot Automobile of Nigeria (PAN) in development of local content products on demand.





DANIQ PACK ENTERPRISES (Kaduna State)

Daniq Pack Enterprises was registered on June 18th, 2013 with Registration Number KD38215. The Enterprise has been in the manufacturing and printing of plastic products business prior to its registration but with the intervention of BOI the Chief Promoter now have the opportunity to expand its business by purchasing additional equipment (Graviour Printing Machine and Fleso Printing Machine). The company has an existing capacity of 10 direct and 15 indirect staff and it has been able to produce in high capacity due to its equipment with the intervention of BOI which has certainly help the customer grow.


DELITEFOODS & RESTAURANT (Kaduna State)

Delitefoods & Restaurant was incorporated on the 12th day of November, 2018 with the aim of carrying on business of restaurant and event management services, industrial and corporate catering operations, hotels and general catering services amongst others.

Owing to the services it provides, the company expanded its operations with the support of the Bank through a term loan facility. The Company's products are currently accepted in the market due to its strategic location and as one of the best owing to its standard and quality.




ZAREWA ALUMINIUM & PLASTICS LIMITED (Kaduna State)

Zarewa Aluminium & Plastics Ltd was incorporated on 26th February, 2007, with interest in manufacturing, agriculture and allied services. It is a fully indigenous company with its headquarters in Kaduna State and branches in Adamawa and Taraba States. Currently, Zarewa Aluminium & Plastic Ltd produces PVC ceiling panels and pipes with accessories, long span corrugated roofing sheets, metacoppo and step tiles with accessories. The company also produces concrete reefing tiles and aluminum roofing sheets.

The capacity utilization of the plant is 70% which translates to 1,237,500 sheets of corrugated aluminum per annum based on one (1) shift of 8 hours per day and 300 working days per annum.

The company has major presence in ten states of Northern Nigeria through its distribution outlets.


SMALL AND MEDIUM ENTERPRISES DIRECTORATE

ASM VEG OIL LIMITED (Kano State)

ASM Veg Oil Limited was incorporated on the 19th of September, 2016 with a share capital of N1,000,000.00. The company since inception has been engaged in the production of edible oil from Groundnuts, Sesame and Soya Beans for domestic consumption. The company's products are registered with National Agency for Food and Drug Administration and Control (NAFDAC) and Standard Organization of Nigeria (SON).

The factory has an onsite refinery for the purification of the expelled oil with a daily production capacity of 45 tons. The Bank resuscitated the operation of the company with structured working capital and an onsite packaging plant to enable the packaging of its refined edible oil in smaller packages of 75ml, 1lt, 3lts, 5lts and 25lts for direct sale to customers in retail shops. The workforce at the factory is currently about 50 persons with about 40% of the workforce being women.



BBY SUPER SACKS LIMITED (Kano State)

BBY Super Sacks Limited is a Company incorporated on February 2, 2011 with RC number 933669 as a Limited Liability Company. The company is into the business of producing Polypropylene (PP) woven sacks and Poly Twine. The Company's range of products has since gained market recognition throughout the North Western States of Kano, Kaduna, Katsina, Kebbi, Sokoto and Jigawa. The company has fully paid back the facility it enjoyed through the BOI/KNSG Matching Fund and currently enjoying a term loan under BOI Fund. The company has a staff strength of over 300 comprised of about 50% women. The company has a robust environmental impact strategy, which entails the recycling of all of its waste and proper disposal of wastewater.


DANTATA PLASTICS LIMITED (Kano State)

Dantata Plastic Limited is a private limited liability company based in Kano with a focused business interests covering manufacturing, distribution and marketing of plastic & allied products. The project is sited on an existing factory located along Independence Road at Dakata, Kano. The factory is designed to produce various plastic goods including mats, twine, Inner liner, injection, blow molding, and off cuts. Presently, the company can process up to 9,000 Kg per day, of various plastic products like Kettles, plates, cups, basins buckets, packers, gallons and jerry cans. The company has accessed a BOI term loan for the acquisition of plant and machineries as well as working capital to expand its production capacity. The expansion plan has brought additional production capacity of Plastic Products line (i.e. Injection and Blow molding) to the existing three lines of production. Currently, the company has commenced production of PVC pipes, plastic film for sacks and blow molding plastic products. The workforce at the factory stands at about 285 persons.


FURSA FOODS LIMITED (Kano State)

Fursa Foods Limited was incorporated on 11th June 2008 and is actively engaged in the business of rice milling at its factory located in Sharada, Kano. The company has an in house agro agricultural scheme that has over 300 out-grower farmers that guarantees the supply of its primary raw materials. The company produces quality rice i.e. Fursa Crown Rice and has made significant efforts in promoting it in the local and international markets. Bank of Industry supported the company with a term loan to acquire modern and state of the art rice milling equipment, which expanded its annual production capacity from 24,000 tons to 60,000 tons. The workforce at the factory is currently at about 190 persons.

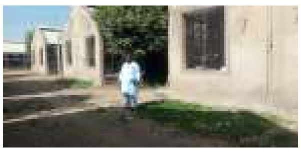



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

U U NAMIJI AGRIC PROJECTS LIMITED (Kano State)

UU Namiji Poultry Farm is a limited liability Company incorporated with Corporate Affairs Commission and involved in the production of quality and affordable eggs and other poultry products. Its initial major investment was placed in poultry in 2016 and as operation stabilized within 2-years with over 150,000 Birds. Thereafter, the farm accessed term loan and working capital facilities under BOI Fund, which increased its capacity and ability to timely meet customers' demands. The company operates its poultry Farm located in Kano from where it produces and sells its poultry products. Furthermore, it has gain a strong market presence by taking advantage of the vast market demand for poultry products due to strong population. It rarely express egg glut as there are regular off-takers from local demand. The company has an onsite feed mill where it formulates feed and same guarantees supply as well as quality. The workforce at the factory is currently about 95 persons.






UNITED MAXI GLOBAL RESOURCES LIMITED (Kano State)

United Maxi Global Resources Limited (UMGRL) was incorporated in 2012 to carry on the business of manufacturing. The Company started production of polythene products with the purchase of two (2) printing machines for the purpose of printing names/logo on extruded polythene for Sachet water Companies. Owing to increasing demand, it expanded its operations with the support of Bank of Industry through a term loan and working capital facilities. The Company's products are currently accepted as one of the best in the market and the company has created a niche market for its product owing to its standard and quality in the industry. The workforce at the factory is currently about 120 persons with about 40% of the workforce being women.




GREENTIDE AGRO SERVICES LIMITED (Katsina State)

Greentide Agro Services Ltd started production in 2020 with BOI's assistance. The bank's support was in terms of utility equipment (weigh bridge, forklift, pay loader, generator and transformer) as well as working capital. The company has a blending capacity of 90 mt/hr. So far, its products are competing with the likes of Golden fertilizer and other big players in the industry due to their quality and this has been one of its key selling points. Its process/products have been certified and registered with relevant agencies and regulators concerned i.e. FEPSAN and Standard Organisation of Nigeria (SONCAP).

The company currently employs over 100 staff with majority of them being from the host community.



AMARE TABLE WATER ENTERPRISE (Sokoto State)

Amare Table Water Enterprise was incorporated in 2017 to carry on the business of sachet water production. The Company started the sachet water production with the purchase of One (1) dingling machine. Owing to increasing demand, it expanded its operations with the support of the Bank through a term loan and working capital facility respectively. The Company's products are currently accepted as one of the best in the market and the company has created a niche market for its product owing to its standard and quality in the industry. The workforce at the factory is currently about 400 persons comprising of both male and female Staffs.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

GASKIYA ALHERI GAS LTD (Sokoto State)

Gaskiya Alheri Gas Ltd was registered with Corporate Affairs Commission as a limited liability with registration number (RC: 1527629) in the year 2018, but it has been in existence as business name since 2014. The Company is a privately owned business, that is specialized in selling of all kinds of gases and a dealer of industrial and domestic (LPG) Gas, (Oxygen, Acetylene, Nitrogen, Co2, Argon etc.) No Nitrous oxide Medical Oxygen SF6 LPG and Oxygen Gas Cylinders all sizes, and gas appliances and accessories (Gas Burners with Ovens Camp Burner etc.) it is to be one of the best gas plant outfit in sokoto state. The proposed expansion is timely.

The Company applied for a loan to purchase Mobile Gas tank (Bobtail) in order to meet the demand of its customers. The market survey indicates that such services are hard to find in Sokoto market and its environs. The services debut is capable of yielding enough revenue to pay off the loan from bank of industry. This business plan has been developed to facilitate the expansion plan, seek investment and assist the management team in running the project. BOI has played a big role in promoting GASKIYA ALHERI GAS LTD.

REACH POINT VENTURES (Cross River State)

Reach Point Ventures is an Enterprise located in Uyo, Akwa Ibom State. The company is a food processing company which involves manufacturing of bakery goods such as bread, cakes, snacks etc. One of its novel Product is the Omega Buttered Bread which was introduced in the market in January 2021 and has started gaining popularity due to the increase in demand.

Before BOI intervention the business was solely a start up with no equipment for production. The Banks intervention has impacted on the business by procuring the need bakery equipment which is aiding the production process. The company is in full production capacity, with very high demand of her products Omega buttered bread in Uyo and other cities in Akwa Ibom State.

JEMEK INTEGRATED GLOBAL (Cross River State)

Jemek Integrated Global is a Crude Palm Kernel Oil (CPKO) extraction and Palm Kernel Cake (PKC) production, located at Akwa Ibom State.

Before the intervention of BOI through MTNF-YEDP fund, the company was still making preparation on how to raise fund for working capital (WC) after they were able to secure the lease arrangement for the factory and machines which we are using to run operations now.

The fund from MTNF-YEDP through BOI really helped the company to commence operations in earnest as it was deployed to purchase raw material (palm kernel nut). The fund has helped the company and the team to keep the business going while building more confidence in their customers (vegetable oil refiners and soap producers) who buy the CPKO. Also, it has helped company to contribute immensely to the needs of the host community as all the poultry and piggery farmers buy palm kernel cake (PKC). Through this fund, the business operations also created jobs for some people from the host community. The impact has indeed been enormous.

EVAPRINT DIGITAL (Cross River State)

Evaprint Digital is into printing and publishing and is located in Cross River State.

The company is specialized in printing magazine, notebooks, textbooks, billboard, and other digital products. The company handles most of Calabar media activities, and they operate on best standards with the equipment procured by the Bank's.

The company has increased its market base, employed more staff and is contributing to the State economy as a result of the Banks intervention.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

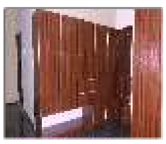
VISTATEC COLOURFUL HOUSEHOLD APPLIANCES (Delta State)

Vistatec Colourful Appliances is a privately owned company specialized in household furniture production. The company was registered in March 2011 and established to carry out the business of electrical/electronic sales, production and services; interior/exterior decorations; and general contracts.

The Bank of Industry granted the company a term loan facility for the procurement of equipment for the production of household furniture.

The company's workshop is designed to cater for household furniture such as kitchen cabinets, wardrobes, bookshelves and inner doors. Vistatec also supplied high-quality furniture to companies, home-owners, architects and real-estate developers.



ZICO PETROLEUM AND MARKETING COMPANY LIMITED (Edo State)

Zico Petroleum and Marketing Company Limited is a Private Limited Liability Company located at Benin City, Edo State. The company has been in the business of petroleum products haulage, sales and marketing since its incorporation in 1988 with the Chairman/CEO, Chief Isaac Ikekhuamen, an ardent entrepreneur and a philanthropist, as the Chief Promoter. The company operates several filling station outlets where it sells and markets petroleum products such as, Premium Motor Spirits (PMS), Automotive Gasoline Oil (AGO), Dual-Purpose Kerosene (DPK) and Liquefied Petroleum Gas (LPG).

The Company also operate fleets of petroleum product haulage and storage facilities as well as a state-of-the-act lubricant blending plant in Benin City with brand name "Zicoil" and with huge customer base within the South South, South East and South West regions.

In the first quarter of 2020, the company was granted a multiple loan facilities for the procurement of additional items of equipment and materials for the expansion and upgrading of lube blending plant.



AUTO MANAGERS LIMITED (Edo State)

Auto Managers Limited is a Private Limited Liability Company, which was registered on 31st December, 2013. The Company was established to carry on the business of maintenance and repairs of auto vehicles and manufacturing of motor vehicle components among others.

In the last quarter of 2019, the Bank of Industry granted the company multiple loan facilities for the procurement of items of equipment and raw materials for the establishment of a modern Automobile repair and maintenance workshop and a mechatronics training Centre for youths.

The workshop is designed to cater for all types of motor vehicle repairs and maintenance inclusive of engine and transmission units servicing, replacement of worn out or faulting components, automobile electrical works, tyre services, wheel balancing, panel beating, oven baked spray painting, as well as industrial training Centre for youths in Benin City and its environs. The brand new automobile workshop with computerized equipment was eventually opened for business in February, 2020.

HAPPINEX FOAM INDUSTRIES NIGERIA LIMITED (Edo State)

Happinex Foam Industries Nigeria Limited was established in 2002. The Company is into the manufacturing of Quality Mattresses and Pillows as well as furniture and automobile foams with its modern form manufacturing factory located at Benin City Edo State.

The Bank's relationship with the Company started in November, 2006 when it successfully obtained a term loan for the procurement of modern equipment for foam manufacturing. In view of its excellent performance, the company was subsequently granted additional two facilities while the first two facilities have been fully repaid, the third facility is expected to be fully liquidated in few months. The entrenched quality management system establishment by the Promoters has helped in growing the company to an amiable height within a very short period of time. Also, its unequal debt service records earned the company a pioneer status on the Bank's Hall of Fame induction in 2014.

Apart from the relentless support from the Bank, the success of the company could also be attributed to the Late Chief Promoter and his Spouse's unyielding commitment, unequal entrepreneurial skills and quality management style.



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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

COBEF INTERNATIONAL LIMITED (Rivers State)

Cobef International Limited, an off-shoot of C. Ohakwe Nigeria Limited, was incorporated on 9th of May 1997 RC.312,958, The company of PVC pipes and profiles and has since expanded its product lines to include plastic jerry cans, twine nylon ropes and water storage tanks.

The company currently executes piping projects for several public and private customers, which require the use of a large number of PVC pipes, storage tanks and HDPE cable insulators. Some of its major customers include, JDP Associates Ltd., Julius Berger Nig. Plc., GILMOR Nigeria Limited, Siemens Ltd and MTN, among others.

KALASE FARMS LIMITED. (Rivers State)

Kalase Farms Limited is a limited liability company incorporated in Nigeria on the 4th of May 201. It operates a fully integrated farm that comprises of huge fish farm section, a poultry section and other sections for crop production that include five acres of lettuce, yam and plantain plantation as well as a 2 Metric tons/hour animal feed mill.

The company since inception has established itself as a producer and supplier of processed fish/chicken and already enjoys patronage from customers that include but not limited to Claridon Hotels, Protea Hotels, Meridien Hotels and Mariott Hotels located in both Port Harcourt, Rivers State and Warri, Delta State.

The company has a sales arrangements with major retail outlets and malls such as Market Square, Spar, Everyday Supermarket and Kitchen World as its clients. The company currently enjoys a multiple loan facilities that enable the company acquire machinery and equipment as well as raw materials for poultry/fish processing and production of animal feeds.

C.C NNANEME GLOBAL LIMITED (Anambra State)

C.C. Nnaneme Global Limited is a private limited liability company located at, Onitsha, Anambra State. The company was incorporated in 2013. The company was set up for the production of PET Bottles. PET Bottles are used for the packaging of drugs, herbal drinks, bottle water and beverages.

A loan facility was granted to the company in 2020 to boost the business. Prior to the funding from BOI, the company was operating below capacity and the profitability and efficiency level of the business below average. With the funding from BOI, the company's operations have been optimized, as well as its profitability and efficiency, and employment have been generated for additional 20 people.

ZEC INDUSTRY COMPANY LIMITED (Anambra State)

Zec Industries Limited is a private limited liability company located at Onitsha, Anambra State. The company was incorporated in 2017. The company was set up to manufacture, distribute and sell acrylic yarn. Acrylic yarn is used for various end products such as blankets, scarves, sweaters, baby clothes, weaves etc. Due to the essentiality of the commodity, the demand is considerably high.

Prior to the funding from Bank of Industry, the company was unable to fully take advantage of this demand and operate optimally, but with the BOI loan facility granted to the company in 2020, the company has been able to boost its output, and its staff strength grew from 341 to over 700 (both direct and indirect).

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

JUHEL NIGERIA LTD (Enugu State)

Juhel Nigeria Limited is an Enugu-based company currently into pharmaceutical product, table water, beverages as well as the sales and distribution of petroleum product (PMS, Kerosene, Diesel and LP-Gas etc.). It was incorporated on the 10th of December, 1987. The company obtained a loan facility from the Bank in order to expand its LPG line of business through the purchase of more equipment and working capital.

Status before BOI's Intervention: Its installed capacity was 660 metric tons per annum with a staff strength of 3,500 personnel.

Impact of BOI's Loan: BOIs loan has enabled the Company grow from a combined installed capacity of the 660 metric tons per annum to an enhanced capacity of 9,600 tonnes per annum. Its staff strength also grew to 4,000.

GATIMO LIMITED (Lagos State)

Gatimo Limited is an indigenous clothing brand that specializes in the production of premium ready to wear children's clothing under the Ruff 'N'Tumble retail brand. The company is managed by the founder and Chief Responsibility Officer (CRO) with over 30 years' experience in garment manufacturing and retail operations in Nigeria.

Employment of labour and improved market share.

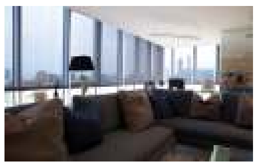
EMEL CORPORATE SOLUTIONS LIMITED (Lagos State)

Emel Corporate Solutions Limited was registered as a Limited liability company on August 10, 2015. ECS Food Pack is Nigeria's leading paper cup & food packaging manufacturer. The company has the capacity to produce 350 cups per minute. Their client base includes some of the world's leading brands including Guinness, Nescafe, Kellogg's, Cadbury amongst others. The company has a four-year successful track record of importing paper cups for leading global brands in Nigeria. In order to better service their client's needs, they decided 2years ago to venture into the production of international standard food packaging by setting up a state of the art manufacturing unit in Lagos. Their on-ground team has years of experience and expertise in the manufacturing of paper cups and food packaging, having worked with market leaders in different countries. This ensures high levels of operational efficiency are achieved.

BOI funded the machines and generator used in starting up the factory for production of paper cups. Job creation- 50 Direct and 10 Indirect Employees

MECHOSHADE NIGERIA LIMITED (Lagos State)

Mechoshade Nigeria Limited is the first indigenous manufacturer of roller shades in Nigeria. Each shade is designed to improve the work and home environment by providing optimum solar protection, reducing radiant solar energy and glare on work surface and computer screens, while providing for the use of natural light.



Their factory is fitted with the most modern technology in the industry which has the capacity to produce two hundred bands of roller shade in an eight hour shift. Its production team have been well trained by Mechoshade Systems Incorporation USA. With a cumulative seventy years' experience in the industry, they are well positioned to meet the demands of modern architectural challenges.

Workforce increase by 20%; improved operational efficiency; increased market reach.

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...Providing support for asset and utility acquisition for light manufacturing operations.

A fund for Limited Liability Companies and Enterprises engaged in light manufacturing activities which include:

- Blocks & Interlocking Stones
- Ceramics & Tiles
- Chemicals and Paints
- Cosmetics/Hair Products
- Digital Printing/Multimedia
- Doors and Window Frames
- Furniture/Wood Processing
- Lube Blending
- Plastics
- Recycling
- Roofing Sheets
- Soaps and Detergents

Features:

- ✓ 9% Interest Rate pa
- ✓ 12 month Moratorium
- ✓ 3 – 5 years Loan Tenor
- ✓ Structured Working Capital for up to 3years

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

HEALTH PRODUCTS AND FARMS LIMITED (Lagos State)

Health Products & Farms Limited is located in Lagos, Nigeria. They produce baker's and sweet confectionery products using state of the art technology and production facilities under the best possible scrutiny and supervision for safety and quality assurance. They parade very experienced and technically sound personnel with a shared valued to remain consistent in service delivery.

Their key bakery products, bread and beef rolls come under the brand names "Baba Beef Rolls" and "Freshbake", and are in small, medium and big sizes. They also produce lollipop and candies with the brand name "XTRA". There are two variants of lollipops, double pop and single pops, each having different variants, which includes Milky & Milk Pop, Strawberry Milk Pop, Green Apple Pop, Choco Caramel Pop, and Extra Orange Pop.

Their candies include Pinger Sweet Candy, Ammo Sweet Candy, Creamy Milk Candy, and Freezy Water Melon Candy. All their products are duly registered with regulatory authorities, especially NAFDAC. They are a member of the Manufacturers Association of Nigeria.

I O Furniture Limited (Lagos State)

I O Furniture Limited is a global interior design and furniture manufacturing company. The company has over 20 years' experience in interior design and furniture manufacturing. I O Furniture Limited core operations involve interior design consultancy, manufacture of bespoke furniture and sale of manufactured furniture. The Company has designed and refurbished high profile projects in Nigeria.

Workforce increase by 30%; improved operational efficiency; increased market reach.

JAWA INTERNATIONAL LIMITED (Lagos State)

JAWA International Limited is a local manufacturing company engaged in the manufacture of pharmaceutical products; it ranks among the first ten of the several companies competing in the Nigerian Pharmaceutical market. The company's core competence lies in the manufacture of the following pharmaceutical formulations: Liquid Orals and Externals, Antibiotics Dry Syrup, Ointments and Creams. JIL is fully recognized by the following regulatory bodies: Pharmacists Council of Nigeria, NAFDAC and Pharmaceutical Manufacturing Group of MAN. The company was awarded the NAFDAC GMP Certificates in 2007 and has recertified for 2017. Between 2008-2010, JAWA International Limited was adjudged the Best Antibiotic Manufacturer in Nigeria. They obtained the ISO 9001-2015 certification in the year 2011 and was recertified in 2014 and 2017.

Workforce increase by 20%; improved operational efficiency; increased market reach.

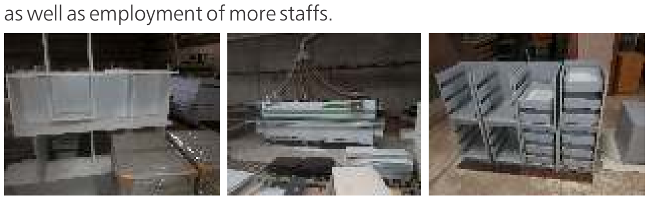
GQP CONTINENTAL INDUSTRIES LTD. (Ogun State)

GQP Continental Industries Limited (GQP) was incorporated in December 2008 with a vision to be the leading furniture and lifestyle brand in Africa by consistently providing durable, innovative, comfortable and unique pieces of furniture to home and office owners. The company conceptualizes and manufactures furniture for homes, offices, Suites, Hotels etc. with a robust R & D Design team, using cutting-edge and modern wood-working technology and machinery.

The end-products are smart furniture and lifestyle pieces which fit into office/home space to various clientele cutting across various sectors of the economy from Banking and Finance to Oil and Gas and also Real Estate Development in different parts of Nigeria and the West African Coast. GQP's clientele includes Guaranty Trust Bank and Union Bank.

To meet increasing demands from its customers, GQP Continental approached BOI for credit facilities for the procurement of machinery as well as provision of working capital.

These credit facilities have resulted in increased capacity for the company as well as employment of more staffs.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

VITABLOM NIGERIA LTD
(Ogun State)

Vitablom Nigeria Ltd is Nigeria's leading manufacturer of hollow siliconized fiber pillow products in different forms, finest feel of bed sheets, duvet and baby products. Their goal at Vitablom is to continually transform materials into distinctive solution for consumers with quest for comfort, quality in the soft furnishing and beddings market.

The company approached the Bank of Industry for a working capital facility. This working capital enabled the company to procure a large amount of its primary raw materials, leading to improved utilization of their existing capacity as well as employment of new personnel.



BU POWER LTD.
(Ogun State)

BU Power Limited is a specialized utility company established to carry on the business of electricity generation, transmission and provision of electrical related services to generation and distribution companies.

The gas-fired plant provides uninterrupted and consistent electricity using Compressed Natural Gas (CNG). This has replaced power from PHCN grid and the existing diesel-powered source for its major client, Babcock University, Ilishan.

With Babcock University expanding its structures and programmes, increase in electricity demand invariably increased; prompting BU Power Ltd. to seek assistance from the Bank of Industry.

The company obtained a credit facility to procure gas skids and Compressed Natural Gas to expand its generation capacity in accordance to the increased demand from Babcock University. This expansion allowed the company to store more gas as buffer; guarding against interruptions that may result from scarcity or logistic problems in transporting the CNG.



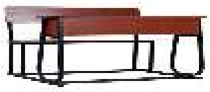


Vono Furniture Products Limited
(Ogun State)

Vono Furniture Products Limited commenced operation in 2016 as a subsidiary of Vitafoam Nigeria Plc following the merger between Vitafoam Nigeria Plc and Vono Products Plc that took effect from March 11, 2016.

The company is actively engaged in the manufacture, distribution and installation of different classes of furniture and foam finished products for Hotels, Schools, Homes and Offices. Specific products of the company includes: Tubular Bunk; Hybrid Bunk; Flush Door; School Desk; Packaged Bed; Divan Bed; Spring Panel and mattresses. Products range is of international standard and highly diversified. The company aims to become the leading provider of sitting and sleeping comfort, frontline manufacturer of bedding and high brand metal/furniture products.

To boost capacity utilization and meet increasing demands from its customers, Vono Furniture Products Ltd approached BOI for credit facility (working capital).This credit facility has resulted in increased capacity for the company and employment of more staffs.



VITAVISCO NIGERIA LTD
(Ogun State)

Vitavisco Nigeria Limited is a subsidiary of Vitafoam Nigeria Plc. The company was incorporated on 25th May , 2012 as a leading manufacturer of Visco Elastic Products in Nigeria.

The company specializes in the production of Visco Elastic Foam Products such as; Visco Elastic Pillows, Latex Pillows, Moulded Furniture Parts, Automotive Seats, Vehicle Bushing and Pipeline Foam Pigs.

As part of the company's expansion drive of the company, the company approached BOI for a credit facility towards procurement of the New state-of-the-art elastic foam production line as well as provision of working capital.

Vitavisco Nigeria Limited's expansion will boost its revenue and generate employment for 15 persons in addition to the existing 27 staff.








SMALL AND MEDIUM ENTERPRISES DIRECTORATE

WESCO LIMITED (Ogun State)

Wesco Cable Limited is a registered private company limited by shares and was incorporated with the Corporate Affairs Commission (CAC) on 9th July, 2015. Wesco Cable delivers more than wire and cable, it believes in delivery of cost effective solutions that will meet all household and Industrial electrical needs making Wesco one of the most efficient and effective electrical source.

The company approached BOI for working capital to facilitate the its growth and help increase in production capacity, so that it can meet up the installed capacity of 72tons per day, which in turn will lead to an upsurge in quantity of raw materials to be imported, increase in labor etc. The Facility was disbursed in September 2019.

BA KHOLON (Ogun State)

BA Kholon Limited is a registered private company limited by shares. The company, with a registered number RC 94213, was incorporated with the Corporate Affairs Commission (CAC) on 9th April, 1987.

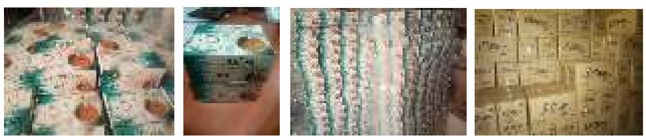
The company is a textile company and its target market is local and international. It is a very large market cut across the country and beyond. The company approached Bank of Industry to source fund for the expansion and increase in production capacity to the maximum level so as to meet the customer demand. This facility was availed to the Company in June 2019.

GREEN PASTURES FARM (Oyo State)

Green Pastures Farm commenced operations in 2007 as a poultry farm and expanded into chicken processing in 2014. The company is a poultry farm that raises, outsources and processes high quality chicken to meet protein demands of the rapidly increasing urban population. The business has a slaughtering house located in Ring Road Ibadan, with a capacity of 2000 broilers and a cold storage facility where it warehouses its products before delivering to buyers. Before procurement of BOI loan, Green Pastures Farm produced 2000 birds daily which is less than 40 percent of the daily demand due to lack of storage space and facilities. The bank approved a loan facility for the procurement of cooling plant and machinery for the expansion of the business. In 2019, the total average capacity of chicken processed was 43,000. Turnover was N450million at the end of 2018 and number of staff 27. However, since the procurement of BOI loan, the company has successfully assisted in the agro-chain business in Oyo state by empowering over 500 poultry farmers in the supply of chicken for processing. The company has greatly expanded both in production and landscape. The total average capacity at the end of 2020 was 80,000. Turnover for 2020 was 1billion. Total staff number is now 68.

JAAGEE NIGERIA LIMITED (Oyo State)

JAAGEE Nigeria Limited was established in 1999 and is one of the leading suppliers of laboratory equipments selling to food and pharmaceutical industries, higher institutions of learning, research institutes, independent analytical laboratories and standard organizations in Nigeria, Ghana and other West African countries. In 2014, the company ventured into production of cube and sachet sugar due to the ban on the importation of sugar by the Federal Government of Nigeria and the need to meet up with consumers' demand. Before the procurement of BOI loan, the company was constantly plagued with the issue of poor power supply resulting to the inability to meet up with their daily production demand. The company's limited capacity was not optimized as they could only meet up with 60 percent of its daily demand due to low production. The Bank approved a loan facility for the procurement of Plant and Machinery for the expansion of the business. The BOI loan has enabled the company to double its daily production volume, increased its staff strength from 15 to 32 and has created more employment opportunities for many young people.. The company has risen to become one of the top sugar manufacturing companies in Southwest Nigeria.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

STONEMILL NIGERIA LIMITED (Kwara State)

Stonemill Nigeria Limited is a solid mineral mining and development company incorporated in 2015. It is currently operating one of the largest marble stone and dolomite production company in western Nigeria. The factory is located in Kwara State. Dolomite is as a major constituent in the manufacture of plastics/PVC, paint, cosmetics and pharmaceutical products among others. The company's products are of high quality and sell at favorably competitive prices, which made the company to enjoy good patronage in Kwara and neighbouring States. The company currently enjoys a Term Loan (ASM Fund and BOI Fund) from the bank, which was used for the expansion of its production capacity. Following the Bank's intervention, it was able to increase its production capacity from 405 tonnes per month to 869 tonnes per month of mined dolomite/marble stones and milled dolomite stones to 120 tonnes per month. Its staff strength increased from 26 to 31 direct employees.

TRIPOD FEEDS LIMITED (Kwara State)

Tripod Feeds Limited was incorporated as a limited liability company in May 27, 2019. The company is wholly owned and operated by Nigerians engaged in production of animal feeds for poultry and fish farming business. The company was granted term loan and working capital facilities to finance acquisition of plant and machinery and raw materials for setting up its production plant as a start-up. The factory is located along Ilorin-Otte-Ogbomoso Road. The factory has a daily production capacity of about 2 tons for fish feeds and 4 tons for its poultry feeds. The company currently has a total number of Twelve (12) direct employees.

DENKI WIRE & CABLE (NIG) LTD (Ondo State)

Denki Wire & Cable (Nig) Ltd is into the manufacturing of electric wire and cables located at Akure, Ondo State. Prior to approaching BOI for financial support in the form of loan, it was producing electric cables of various sizes of 50,760, 5,460 16mm2 aluminum service cables and 160 4-Core non-armored cables. The company's product is certified by both SON and NIS Certified and competes favourable with its imported rivals. However, after the procurement of BOI's loan, the company has been able to increase its production capacity from 45% level to its current 70% position with variety of products such as All-Copper conductors 23MT per annum, All-aluminum conductors 83MT, Single and Multiple cables 266MT, Flexible cables 6MT, Armoured and Non-armoured cables 13MT and Aluminum Conductors Steel Re-inforced 20MT. The company had 20 employees before obtaining loan from BOI but currently employs 52 employees. The company is currently doing excellently well and is planning for further expansion.

FIRST MAXIMUM POINT INDUSTRIES LIMITED (Ondo State)

First Maximum Point Industries Limited is located in Ondo State. The company is into Palm kernel and Soya Bean oil processing business. Before the company approached BOI for loan, it was producing at 45% installed capacity out of the 100MT capacity for palm kernel oil and cake. However, in 2018, BOI granted the company a facility which was used to set up a Soya Bean oil refinery plant to enable it to produce and sell Soya bean and Palm Kernel oil respectively. Prior to the processing and implementation of the project, the company had about 50 employees, currently the company employs a total of 180 employees comprising both direct and indirect workers. The successful execution of the project has enabled the company to increase its installed capacity from 45% to 65% as at January 2021.

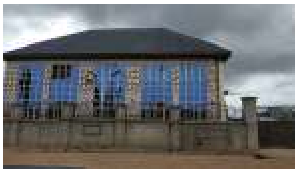
SMALL AND MEDIUM ENTERPRISES DIRECTORATE

ADEJUMO NIGERIA ENTERPRISE (Osun State)

Adejumo Nigeria Enterprise is into Bread production popularly known as "Fortunate Bread" located in Osogbo, Osun State. The company has expanded its operations by establishing more factories in three other locations i.e Ilorin, Akure and Oyo town. The company's vision is to grow into a household bread producer in the entire South West. In the nearest future, the company plans to add other confectionaries to its products. This shall make the company a one-stop shop for confectionary products outside South West.

Adejumo Nigeria Enterprises is a three- time returning customer of BOI. As a result of the Bank's intervention, the company was able to expand its location from Ilorin, Kwara State to other States such as Osogbo, Osun State; Akure, Ondo State; and Ibadan, Oyo State. It has also increased its production capacity from 120 Bags of flour/ per day to 480 bags of flour per day. Its employment generation has increased from less than 50 persons to 240 employees as at 2021. The intervention has also increased the company's turnover and PBT on yearly basis.




IFE IRON & STEEL NIGERIA LIMITED (IISNL) (Osun State)

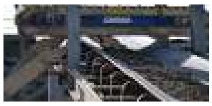
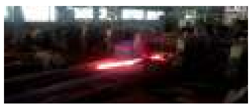
Ife Iron & Steel Nigeria Limited (IISNL) was incorporated on 8th of April, 2009. The factory is located on a Fifty-One (51) acres of land owned by the company in Osun state. The company was into the manufacturing and selling of Mild Steel Billets to other rolling mills for just one year before setting up its own production facilities in 2012 to produce 100,000 MT per annum of Cold Twisted Deformed Bars (CTD Bars) popularly known as Steel Bar. The construction Grade Steel Bar ranges from 8mm, 10mm, and 20mm to 36mm. The factory is connected by roads and is fast growing into an Industrial Area. All essential services like Medical Center, telex, police, fire fighting, and recreational facilities are available. Other infrastructural facilities like power, water, etc. are also available in the area and no difficulty is envisaged in this regard.

IISNL is into recycling of Heavy Melting Steel Scrap Steel: It clears up steel rubbish (scrap), and converts this 'waste' into valuable resource (Iron Rod) through its value-addition. The company's main products are Mild Steel Billets and Construction Grade Steel bars (Iron).

The company utilizes local resources and manpower to produce commodities for local consumption. Besides generating employment, the company's activities are both eco-friendly, and environmentally sustainable.

IISNL customer's base are spread all across South-west; Osun State, Akure, Ibadan, Abeokuta, Ondo Town, etc. Its other off-takers are in Onitsha, Aba, Benin City, and other part of the North.

With the intervention of BOI, the company was able to increase its production capacity of Iron Rod by 120 Metric tons per day (280 metric / tons to 400 metric/tons per day). It also increased its employment generation by employing additional 70 staff. The company's turnover and PBT has also consistently increased on yearly basis as a result of the intervention


LARGE ENTERPRISES DIRECTORATE

Introduction

The Large Enterprises Directorate is focused on providing low cost, long-term funding and financial advice to critical sectors of the Nigerian Economy, in accordance with the policies of the Federal Government of Nigeria with respect to industry.

In line with the Industrial Revolution Plan and Economic Recovery and Growth plan of the Government, the priority sectors of the Large Enterprises Directorate include but are not limited to: Food Processing, Agro (non-food) Processing, Light Manufacturing, Healthcare; Petrochemicals; Engineering and Technology; Solid Minerals, Oil and Gas; Creative Industry, Renewable Energy and Gender Business (Women entrepreneurs).

Large Enterprises Directorate also manages special intervention funds provided by the Central Bank of Nigeria CBN aimed at supporting Power, Aviation, Manufacturing, Cotton, Textile and Garment sectors of the economy.
Additionally, the Directorate is also focused on supporting the establishment and revitalization of Special Export Processing Zones and Special Agro Processing Zones working in partnership with key stakeholders like the African Development Bank (AfDB).

The intent is to catalyse domestic production and job creation on a transformational scale, enhance local industry competitiveness, attract domestic and foreign investments, integrate local industries into domestic, regional and global value chains, grow export earnings and positively impact the overall economic development of the country.

The Division also focuses on supporting women led and women owned businesses. The Division is partnering with the African Development Bank (AfDB) on its Affirmative Finance Action on Financing for Women in Africa (AFAWA) to bridge the huge funding gap experienced by women.

Between 2015 and 2020, the Large Enterprises Directorate has approved loans to over 633 large enterprises across all sectors of the economy to the tune of ₦722 billion, creating an estimated 3,214,472 jobs and further enhancing support to a large swath of SMEs that are part of the value chain either as suppliers of inputs or off-takers of our large enterprise output.

The Large Enterprises Directorate is comprised of ten (10) strategic business groups as shown below:

AGRO PROCESSING GROUP

Agro Processing Group (APG) is a Business Unit under the Large Enterprises Directorate with key focus on driving lending and other support service within the non – food (Agro-based) sector of the economy, such as Cotton, Textile and Garment (CTG), Wood, Leather, Rubber and Paper Products to mention a few.

Over the years Bank of Industry placed emphasis on the growth of Agro processing and related agric. businesses because the sector does not only inspire the virtuous cycle of increased agricultural productivity, industrialization, along the value chain, but also provides creation of high domestic employment, poverty reduction and a major frontier of economic transformation in Nigeria.

The Bank through the Group supports the Federal Government in the implementation of Nigerian Industrial Revolution Plan with strategic partnerships several Agencies such as Central Bank of Nigeria, African Development Bank especially on the establishment of Special Agro Processing Zones amongst several strategic objectives.

As at December 31, 2020, BOI loan facilities to agro-processing large corporates stood at ₦100.2 billion inclusive of the Cotton, Textile & Garment (CTG) sector.

The Bank has supported over 100 projects with cumulative direct employment generation of over 10,000 and indirect employment of close to 100,000.

Notable businesses financed by the Bank through the agro-processing group include the following:-

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

LARGE ENTERPRISES

Agro Processing
GROUP

Agro Processing Group (APG) is a Business Unit under the Large Enterprises Directorate of Bank of Industry with key focus on driving lending and other support service within the non – food (Agro-based) sector of the economy, such as Cotton, Textile and Garment (CTG), Wood, Leather, Rubber and Paper Products.

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LARGE ENTERPRISES DIRECTORATE

NASARA AGRO INDUSTRIAL COMPANY LIMITED

Nasara Agro Industrial Company Limited is an indigenous Cotton processing company with over 30 years' experience located in Gombe State, in Northern Nigeria. The company purchases cotton and processes this into Lint, Cottonseed and Mote/Waste. Cotton waste is an important raw material for hygienic hospital products, wipers and dishcloth, mope rope, floor cleaning mops etc. Their raw material (seed cotton) is sourced locally and internationally from the neighboring states and Cameroun.

Prior to the involvement of the bank, Nasara Agro had an installed production capacity of 20,000mt/year which was underutilized with capacity utilization at 4,700 mt/year due to unavailability of Working Capital, insufficient Cotton Stock and High Funding Cost. However, with the Intervention of CBN through the Anchor Borrowers Programme and the BOI Loan Fund, Cotton has become readily available for purchase and the company has been able to ramp up their production capacity to 11,700mt/year. Also, the high funding cost problem is being resolved through low interest rate funds that they accessed through BOI.

The company has remained operational despite the Covid-19 pandemic and also a beneficiary of the Palliative measures extended by BOI through the support of CBN.

LUCKY FIBRES LIMITED

Lucky Fibres Limited is a member of Tolaram Group of Companies, an international group with vastly diversified activities ranging from its core business of manufacturing of Consumer products and textiles to the trading of various end products, financial services and real estate business.

The Company is headed by Mr. Haresh. G. Aswani as its Managing Director and employs mostly high technically skilled individuals to work in its yarn and carpet plants.

It commenced manufacturing activities in 1990 as a producer of raw materials for carpets manufacturers in Nigeria, PP Yarn and gradually evolved as a dominant player in the carpet industry of the country, manufactures carpeting and flooring materials and other related products. The Company produces woven, tufted, and other carpets and rugs out of a variety of materials, and in different sizes. Lucky Fibres offers their products primarily in West Africa.

The customer was granted facilities by the Bank of Industry with commendable loan repayment and liquidation. Despite the challenges of the textile sector, the onset of the pandemic with attendant lock down, Naira depreciation and others the customer has sustained full operational activity. Turnover is put at approximately ₦14.3Billion from both the carpet and lush factory operations.

Marketing and Sales

The company has about 260 dealers (dealer network) all over the country and 4 regional offices in Lagos, Abuja, Kano and Port-Harcourt.

Lucky Fibres operates two warehouses in its entire operations; one in Kano and the other in Ikorodu, Lagos with 4 regional sales offices responsible for the following regions of Nigeria-namely; Kano, Abuja, Lagos and Port Harcourt.

The customer has won more than 3 golden medal awards under the manufacturers association (MAN) scheme. They produce high quality products that can meet with international standard.

IMPACT OF BOI INTERVENTION

Before BOI last facility (2.0b) as at 2018	Number/ Value	After BOI facility (2.0b) as at 2020	Number/ Value
Production Lines / Number of Products	carpet line only	Production Lines / Number of Products	1.Carpet line 2. Lush line
Number of Jobs (Direct & Indirect)	2000	(Direct & Indirect)	4000
Revenue/Turnover	8.55 Bn	Revenue/Turnover	14.30 Bn

FIG 1 LUCKY FIBRE RUGS AND CARPET

FIG. 2 LUCKY FIBRE -BRAZILLIAN WOOL PRODUCT

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

₦50 BILLION CENTRAL BANK OF NIGERIA TEXTILE INTERVENTION FUND

The facility will be used to restructure existing loans and provision of additional loans to textile and garment companies in Nigeria as part of its efforts to promote the development of the textile and garment sector.

Types of Facilities
- Takeover of Loans (Debt Buyback)
- Long term loans for acquisition of plant and machinery
- Working Capital

The activities to be covered under the Intervention shall include operations in the Cotton Textile and Garments (CTG) value chain:
- Cotton ginning (lint production)
- Spinning (yarn production)
- Textile mills
- Integrated garment factories
  (e.g. for military, para-military, schools and other uniformed institutions as well as for other general purposes.)

Highlights
- Single-Digit Interest Rate per annum
- Loan amount: maximum of ₦3 billion for a single obligor in respect of new facilities (long term loans for acquisition of plant and machinery and working capital) and for takeovers.

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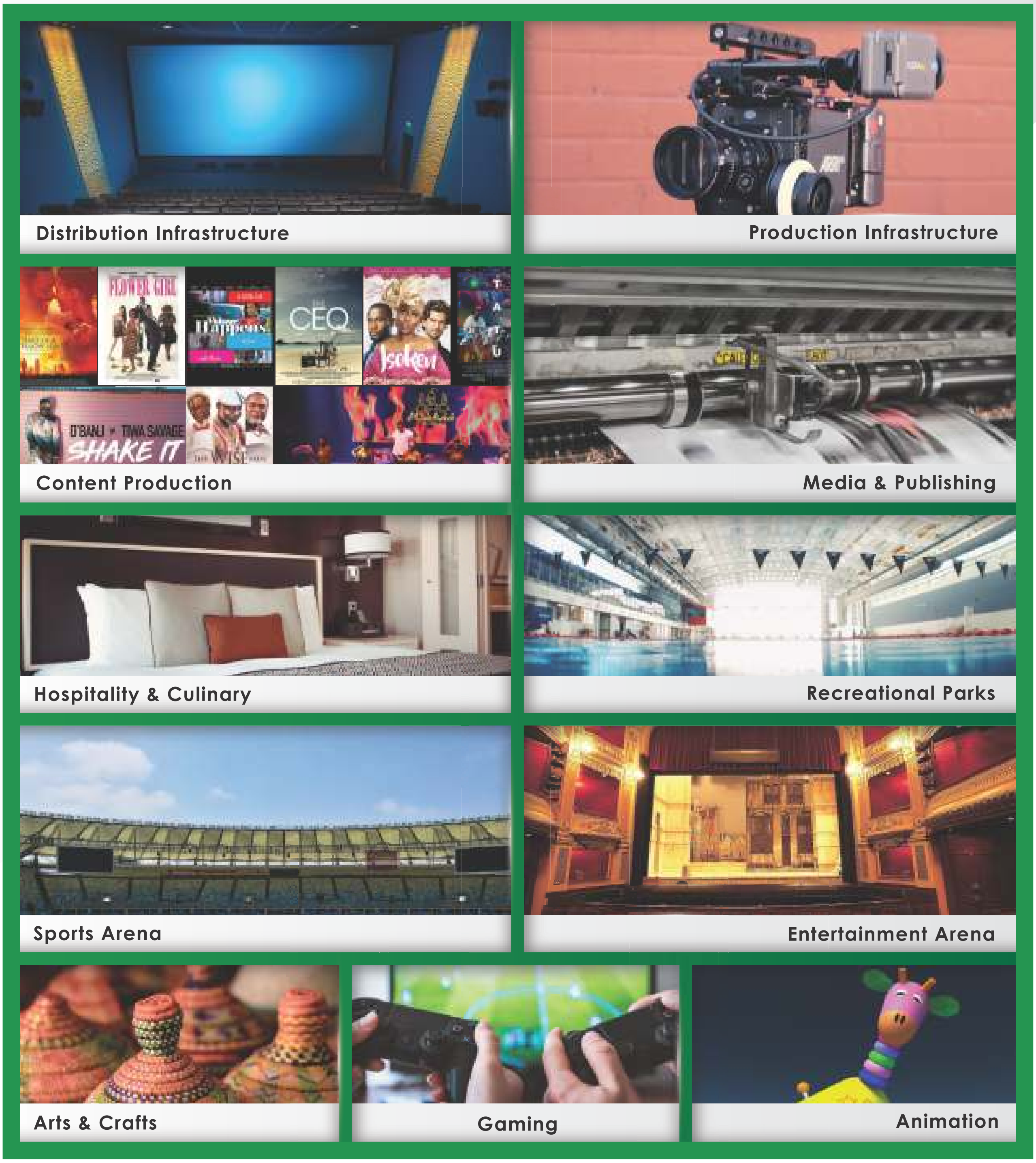
LARGE ENTERPRISES
CREATIVE INDUSTRY
GROUP



...supporting creativity and the growth of the industry

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LARGE ENTERPRISES DIRECTORATE

CREATIVE INDUSTRIES GROUP

The Creative Industries Group (CIG) operates from the Large Enterprise Directorate and currently handles loan requests from 12 Industry Segments of the Creative Sector.

The respective size of the industry segments has not only made the group the most diversified Industry Group in the Bank, but also spotlighted the Bank as the most visible interventionist Development Finance Institution in Nigeria's Creative and Cultural Sectors.

Below are the Sub Sectors of focus:

S/N	Sub Sectors	Nature of Business
1.	Content Production	Films, TV Series, Reality Shows, Broadcast etc.
2.	Production Infrastructure	Content Production Studio, Post-Production & Editing Suites etc.
3.	Distribution Infrastructure	Cinemas, Video on Demand (VOD) platforms, Over The Top (OTT) platforms etc.
4.	Media & Publishing	TV platform, Lamp holders, Digital Billboards, Printing Technology etc.
5.	Hospitality & Culinary	Hotels, Apartments, Eateries, Event Centers etc.
6.	Industrial & Recreational Parks	Business parks, Amusement parks, Playing Ground, Industrial Parks etc.
7.	Entertainment Arena	Integrated Show and Event Arena etc.
8.	Sports Arena	Sporting bowls, Training Pitch etc.
9.	Arts & Crafts	Arts works, Sculpture, 3D- Architectural Designs etc.
10.	Animation	Animated Contents & Programming etc.
11.	Gaming	Video Games, Indoor and Outdoor games etc.
12.	Creative Business Support & Development	Creative Academies, Creative Enterprise Development Centres etc

Developmental Impact Highlights:

- The Group recorded credit approvals of over N20.5Billion and disbursement of N6.6Billion in 2020 despite the challenges of a pandemic year. Total risk assets stood at N50.7Billion. Estimated direct and indirect jobs created for the year was 17,000.

International Awards & Recognition:

- 2015 News Agency Award on Best Country Initiative
- German Creative Review Agency Impact Recognition Award
- California Chamber of Commerce Recognition in BOI's Role in Development financing for the Creative.
- California Legislature Assembly Recognition Award

Local Recognition:

- Strategic Partner on Creative Industry's Roundtable Discussions.
- GO-TO Institution on Creative Industry Impact & Dynamics.
- Creative Sector Support Reference Point.

Strategic Partners & Stakeholders:

- British Council
- Nigeria Film Corporation
- National Film & Censors Board
- All Financial Institutions
- Africa International Film Festival (AFRIF) and other local and international film festivals.
- French-Nigeria Cinema Day Partnership.

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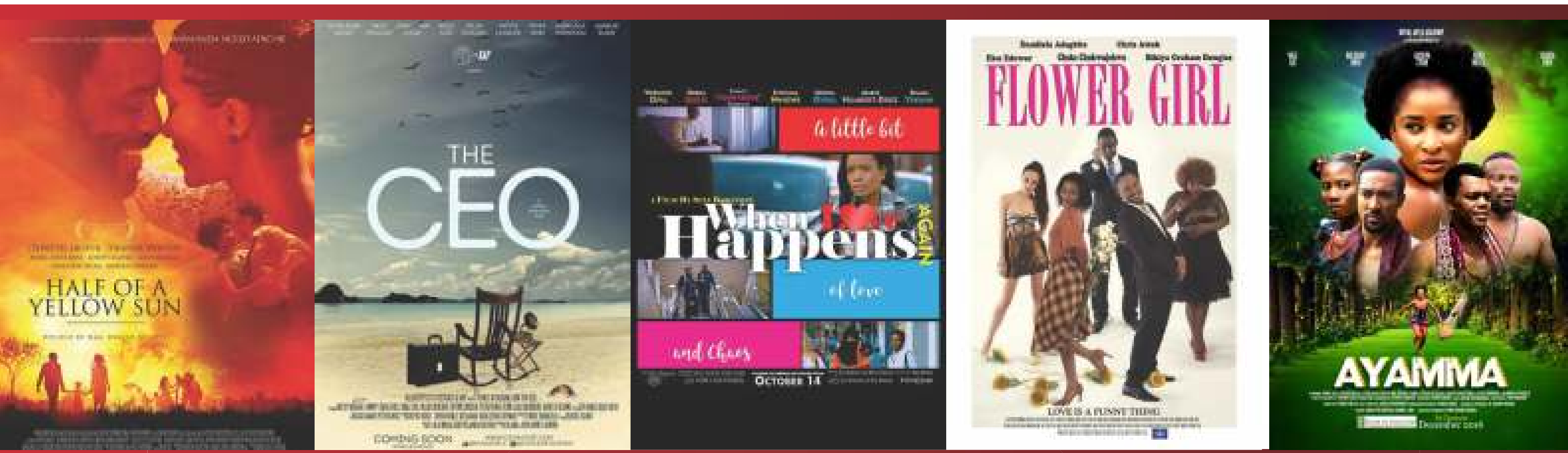

₦1 BILLION NOLLYFUND

...Providing structured finance to the Nigerian Creative Industry towards attaining world class standards.

A fund for Limited Liability Companies and Enterprises in the film production value chain (pre-production to post-production).

Interest Rate	**10% pa**
Tenor	**2 years**
Maratorium	**6 months**

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LARGE ENTERPRISES

ENGINEERING & TECHNOLOGY

GROUP

Supporting enterprises that engage in manufacturing or value added services within the Engineering, Information, Communication and Technology sub sectors.

Engineering

- Automobile Assembly and related components manufacturing
- Automobile maintenance
- Land and Aviation Logistic services
- Recycling and other closely related businesses

Information, Communication& Technology

- Internet Service Providers
- Telecommunication
- Digital Printing and Advertisement
- Production of Smart chips and security access cards

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LARGE ENTERPRISES DIRECTORATE

ENGINEERING AND TECHNOLOGY GROUP

The Engineering and Technology Group was created to serve corporate customers in line with the Bank's mandate in providing business support and financial assistance for the establishment of large projects as well as expansion, diversification, modernization and rehabilitation of existing enterprises that engage in manufacturing or value added services within the following sub-sectors:

1. **Engineering:** This has the following sub-sectors;
   - Automobile Assembly and related components manufacturing, Automobile maintenance.
   - Construction.
   - Land and Aviation Logistic services.
   - Recycling and other closely related businesses.

2. **Information, Communication and Technology: This includes;**
   - Internet Service Providers,
   - Telecommunication,
   - Digital Printing and Advertisement,
   - Production of Smart chips and security access cards etc.

In view of the above sub-sectors, the Group is structured to serve corporates with business investments or capital needs ranging from a minimum of ₦1.0 billion and above worth of projects with the following attributes:

- High employment generation
- Import substitution products
- Export Oriented
- Innovative projects with bias for technological solutions.

Our successful partnership has been with corporate organizations such as Innoson Vehicle Manufacturing Company Limited, Mainone Cable Company Nigeria Limited, Broad Based Communications Limited, IPNX, Nigerian Aluminium Extrusion Company Limied, Secure ID Limited, Allied Air Limited, Tranos Engineering Limited etc.

Over the years the Group has remained focused to the object for which it was created, recording over ₦22.0 billion in disbursement to companies operating within the selected subsectors of the Engineering sector including about ₦6.6 billion to the emerging sub-sectors within the ICT space in 2020. BOI's support for industries through the ETG has led to the creation and sustainability of over 8000 jobs and continues to provide the much-needed support to Nigeria's industrialization.

Furthermore, the ETG has continued to deepen its participation and support to Nigeria's Automotive sector. Through collaborations with several other government agencies; one of which is with the National Automotive Design and Development council (NADDC), for the establishment and management of a fund targeted to provide finance to companies engaged in Automotive assembly, Component Manufacturing, Automotive Research Development and Garages and Workshops that carry out repairs and maintenance.

NADDC
NATIONAL AUTOMATIVE DESIGN AND DEVELOPMENT COUNCIL

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

NATIONAL AUTOMATIVE DESIGN AND DEVELOPMENT COUNCIL (NADDC) FUND

Providing the needed financing to grow and develop the automative industry...

Beneficiaries

- The Fund will be accessed by Limited Liability Companies, and Enterprises engaged in assembly of automobiles, automotive component manufacturers, automotive workshop and Car Service Centers.
- Microfinance Banks and other financial institutions for the implementation of Vehicle Purchase Credit Scheme and on-lending to automobile Artisans, craftsmen, auto-technicians and

The fund is available for disbursement as either a Long Term Loan or Working Capital:

Long Term Loan

Interest Rate:
- 7.5% per annum (payable at the end of every month)

Fees:
- 1% Appraisal Fee (full payment at approval)
- 1% Commitment Fee (full payment on acceptance of loan)
- Legal Fee

Moratorium:
- up to 12 months from the date of loan disbursement

Tenor:
- 5 years

Working Capital

Interest Rate:
- 10% per annum (payable at the end of every month)

Fees:
- 1% Appraisal Fee (full payment at approval)
- 1% Commitment Fee (full payment on acceptance of loan)
- Legal Fee

Moratorium:
- up to 12 months from the date of loan disbursement

Tenor:
- 3 years

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LARGE ENTERPRISES

Food Processing

GROUP

We provide financial and business support services to companies playing in the entire food processing value chain.

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LARGE ENTERPRISES DIRECTORATE

FOOD PROCESSING GROUP

Nigeria like many other developing countries faces the challenge of providing adequate food supply for its teeming population. Policies and programmes aimed at boosting agricultural and food production are being actively promoted.

Food Processing Group (FPG) was carved out of the Agro processing Group in 2015 to drive the Federal Government Agenda of achieving food sufficiency in Nigeria while growing the Banks healthy risk assets. Beginning with a Risk Asset of ₦23 billion at inception, the Group has grown its risk asset numbers to above ₦110 billion as at date.

In keeping with the mandate of the Bank, the Group has a number of key considerations for the selection of bankable and viable projects due to the peculiarities of the sector. Such include the followings amongst others;

- High economic developmental impact
- Foreign exchange savings/earnings
- High local raw material contents
- Forward/backward integration linkages
- High employment generation capacity/wealth creation
- Ability to mitigate nation's food security challenges

Food Processing Group's key focus areas include projects, operations and activities in the following sub-sectors ; cocoa processing, food and beverages, rice milling, flour milling, oil milling, animal feeds milling, meat processing, fish and sea food processing, biscuits and confectioneries.

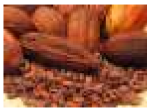
Food manufacturing and processing is one of the success stories of the global economy. One of the reasons for food productions success has been the embracing of modern technology that has allowed many processes in the production industry to be computerized. The Group is focusing on some of the emerging sectors with modern technologies such as cold chain technology, industrial storage and drying facilities amongst others.

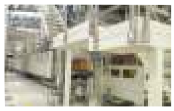
In 2020 the Group disbursed total sum of ₦25.962 billion to 12 companies in various sub sectors for acquisition of items of plant and machineries for the expansion of their existing operations, diversification and establishment of new product lines. This intervention resulted in creation of over 90, 000 direct and indirect jobs.

In 2021, the Group has the focus to lend over ₦37 billion to its target market as well as deepens penetration in the emerging markets.









YALE FOODS LIMITED

Yale Foods Limited was incorporated on January 6, 1995 to produce varieties of high quality confectioneries. Project location is at Ibadan, Oyo State.

The company has major brands like Yale Oven Fresh Bread, Crème Biscuits, Glucose Malted Milk, Digestive Biscuits, Cabin Biscuits, Crackers, Nice Biscuits, Wafers, Robochoc amongst other top confectionery brands.

The company is the largest in the confectionery market in Nigeria with over 60% market share of bread and biscuits. The company operates fully automated bakery lines and has expanded its production from 300,000 loaves/day to 1,000,000 loaves/day due to BOI's intervention.

The success of this intervention led Yale Foods Limited to approach the Bank for further financial assistance to expand the production of its milk chocolate candy product "Robochoc". The application has been approved and the project is expected to commence soon.

The company sources about 95% of its raw materials locally and its operations have helped in creating direct and indirect employment of over 14,000 people.



HONEYWELL FLOUR MILLS PLC

Honeywell Flour Mills Plc was incorporated on June 21, 1983 to produce a wide range of superior quality flour, ball foods (semolina and wheat meal), pasta (spaghetti and macaroni) and instant noodles. The company has various products like Honeywell Superfine Flour, Honeywell Wheat Meal, Honeywell Semolina, Honeywell Noodles, Honeywell Pasta amongst other top flour-based and wheat-based brands.

The company is the largest in the wheat milling market in Nigeria with about 45% market share and the second largest in semolina production. The company operates a 2,610 MT/day pasta production plant which was financed by BOI at Sagamu, Ogun State, and across its other locations.

Honeywell Flour Mills Plc combines top quality with affordability and this has helped in making its products very popular in several homes across the Nation. The Honeywell Christmas bundle/package which is commonly given as gifts during the festive season and beyond, contains several of its products in cartons of different sizes and are sold at giveaway prices.

The direct and indirect employment generated by the company is currently over 4,500 people and it is expected that the number would continue to increase.



LARGE ENTERPRISES DIRECTORATE

AMO BYNG NIGERIA LIMITED

Amo Byng Nigeria Limited was incorporated in October 1979 as an integrated farm with the core business of manufacturing, marketing and distributing livestock feeds, as well as chicken rearing, fishery, chicken, fish and beef processing and sales of eggs on commercial basis.

The company is 100% Nigerian owned and it is situated along Ife Odan Road, Awe, Oyo State, containing 180,000 MT/annum feed mill. Amo Byng Nigeria Limited has other branches in Abia, Plateau, Kaduna, Rivers and Oyo States with total installed capacity of 300,000 MT/annum feed mills, abattoirs for slaughtering and processing of birds at daily capacity of 30,000 birds, also has its hatchery breeders houses and layers pen.

The Bank partners with the company in financing the expansion of its operations. This has led to its growth and increased employment opportunity for numerous Nigerians. Its major brands like "Amo Feeds" for the animal feeds and "Natnudo" for the frozen foods are household names in the Nigerian market.



KARFLEX FISHERIES LIMITED

Karflex Fisheries Limited is an indigenous company incorporated in April 2003 and has been in business (commercial and industrial fishing) for over 17 years.

The company presently has a fleet of 19 fishing/shrimping vessels. Its other operational activities include consulting, procurement, supply, management and maintenance with experience and competence in the following areas: industrial and commercial fishing, supply of patrol vessels, supply of tug boats and security boats, ice plant machinery, water treatment plant, security fishing vessels and spare parts and marine and pipeline consulting services.

The Bank of Industry intervention helped the company acquire additional fishing/shrimping vessels and expand its production.



SONA AGRO ALLIED FOODS LIMITED

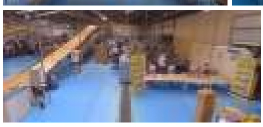
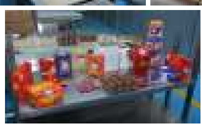
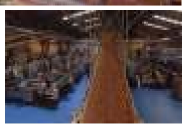
Sona Agro Allied Foods Limited was incorporated on June 24, 2011 and commenced business in February 2013. It is a member of the Sona Group and specializes in the production of biscuits and waivers.

The Bank of Industry intervention in the company was at the onset through the financing of its items of Plant and machinery for the commencement of its operation. It has since expanded from a single line

Popular brands are Sona Malty, Thin Cracker, Sona Snowy, Sona Coaster, Sona Bites, Golden Choco Cream, Golden Milkie Bar and Sona Twister.

Sona Agro is using local raw material like wheat flour, Sorghum flour, Sugar, Sugar syrup made o Sorghum, a substitute of sugar. The factory is located at Ogun State, Nigeria



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LARGE ENTERPRISES

Gender Business

GROUP

Empowering women for national development

We support businesses:

- OWNED by Women
- LED by Women
- whose workforce is made up PREDOMINANTLY of Women
- whose products are TARGETED at Women

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LARGE ENTERPRISES DIRECTORATE

GENDER BUSINESS GROUP

The Gender Business Group was created in 2007 to help ease the challenges of access to finance faced by women-owned business and entrepreneur over long tenor and with favorable terms. In 2015, the Group was reconstituted to cater specifically for female entrepreneurs irrespective of their sector of focus in the Nigerian economy. As at December 2020, the Bank had disbursed its own funds in the form of low cost and long term loans in excess of ₦41.65 Billion to over 582 women-led enterprises.

Unit Focus
- Emerging sectors Financing Female Entrepreneurs in all sectors.

Sub-Sectors of Focus

The Group's focus includes:
- Health Care
- Agro and Food Processing
- I.C.T & Engineering
- Fashion and Beauty products
- Creative Industry
- Gas & Petrochemical.

Summary of Impact in 2020.

BOI plays a significant role in supporting Nigerian businesses by providing innovative financial support - mostly through single digit interest rates, long tenor periods, and a reasonable moratorium period. Inadequate support for MSMEs often affects women disproportionately, making it more difficult for them to become successful entrepreneurs. Hence, this demography of entrepreneurs are given added focus and support by the bank.

Since the establishment of the Bank's Gender Desk which caters specifically to female entrepreneurs, we have successfully disbursed close to ₦100 billion to over 1,500 women-led enterprises. In addition to financial support, the Gender Desk also provides much needed business advisory and capacity building services, leveraging our strategic partnerships with more than 300 Business Development Service Providers (BDSP) nationwide.

As at December, 2020, the bank had disbursed the total sum of its ₦41.65 Billion to over 582 women-led enterprises. A total of three (3) loan facilities in the sum of ₦804,778,522.00 (Eight hundred and four million, seven hundred and seventy-eight thousand, five hundred and twenty two naira) were disbursed in 2020 through Gender Business Group.

Employment Generation And Projections

BOI is currently collaborating with the AfDB on the launch and implementation of the $300 million AFAWA fund; an initiative that is expected to unlock $3 billion in private sector financing to empower female entrepreneurs through capacity building development.

The Bank is also partnering with Islamic Development Bank (IsDB) to implement the Business Resilience Assistance for Value-adding Enterprise (BRAVE) Women Nigeria project; BRAVE Nigeria is part of a larger $32.2 million 5-year initiative coordinated by the IsDBG. The project combines training and grant-matching to support the growth and resilience of women-led enterprises in spite of their challenging operating environment.

BOI invested $10 million in the Alitheia Fund, also towards supporting Nigerian women-led businesses, some of which will be export-oriented. In addition, the Nigerian Content Intervention (NCI) Fund, a partnership between the BOI and Nigerian Content Development & Monitoring Board (NCDMB) has allocated $20 million as an intervention fund to women businesses in the oil and gas sector.

The Management of Bank of Industry Limited approved and disbursed the sum of ₦2 billion to Money Deposit Banks to on-lend to women-owned businesses. This is to leverage on their widespread network to reach out to more women in more friendly terms than obtained in commercial banks.

Furthermore, BOI is playing a key role to support the first Female Bank in Nigeria. The Bank is established mainly to support women businesses.

The impact of the above highlighted points is expected to
1. Grant women access to finance as well as spearhead legal policy and regulatory reforms to support enterprises led by women.
2. Support the growth and resilience of women-led enterprises in spite of their challenging operating environment.
3. Increase accessibility to cheaper finance, longer loan tenor and favorable terms by female entrepreneurs.
4. Generate more businesses and employments
5. Enhance capacity building development and promote more local resources usage.

Autosheck Oil & Gas Limited

Autosheck Oil & Gas Limited was incorporated as a private limited liability company on 23rd July, 2008 to produce automotive lubricants, grease, Hydraulic Oil, Gear Oils, Automotive Transmission Fluid (ATF) and Coolant. It has network of distributors nationwide and in the neighboring countries. The company approached BOI for Long Term Loan and Working Capital facility for:

- The procurement of machinery and raw materials needed for the production of automotive lubricants, grease, Hydraulic Oil, Gear Oils, Automotive Transmission Fluid (ATF) and Coolant.
- After disbursement of loan, the company was able to project expansion to create additional two hundred and two (202) jobs, during the life of the project.

Garnet Pets and Packaging

Garnet Pets and Packaging was incorporated as a business name on March 27, 2002 to blow Pet Bottles. The Company blows different sizes of bottles, the most predominant being 75cl, 50cl and 50ml. The company products are targeted mainly at manufacturer of drinks, beverages, pharmaceuticals, cosmetics etc.

- The Bank disbursed a loan to Garnet Pets and Packaging in August 2020, towards the procurement of machinery and raw materials needed for blowing of pet bottles.
- The project expansion is expected to create additional Fifteen (20) jobs, during the life of the project.

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BECAUSE STYLE IS EVERYTHING!

FASHION FUND

Bank of Industry's Fashion Fund provides fashion businesses an opportunity to create jobs and add value to the Nigerian economy, while promoting our unique fashion sense.

Features:

- ✓ 9% Interest Rate per annum
- ✓ 6 -12 month Moratorium
- ✓ 3 – 5 years Loan Tenor
- ✓ Business Support Services through our BDSPs
- ✓ Guaranteed working capital

For more information, please contact:
GenderBusiness@boi.ng

visit: **www.boi.ng**

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LARGE ENTERPRISES

HEALTH & PETROCHEMICALS GROUP

Supporting projects in the areas of Gas, Plastics, Pharmaceuticals, Petrochemicals, Healthcare, Medical Diagnostics and Personal Care.

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LARGE ENTERPRISES DIRECTORATE

HEALTHCARE AND PETROCHEMICAL GROUP

The Healthcare and Petrochemicals Group provides support and services to companies that fall under the Healthcare, Personal Care and Petrochemicals sector.

In 2020, the Group achieved approvals to the tune of ₦24 billion and disbursed over ₦16 billion to various projects, creating an estimated 5,000 jobs in the process. An emerging sub-sector is the fertilizer industry which is a key input for the growth and development of the agricultural sector.

The Group plans to grow and diversify its portfolio in 2021 via outreach to emerging sub-sectors, as well as continued support and development of the healthcare industry.

PURECHEM MANUFACTURING LIMITED

Purechem Manufacturing Ltd is Nigeria's leading manufacturer of adhesives, construction chemicals and electrical cables.

Purechem manufactures and sells a wide range of adhesives for both industrial and consumer application, Fosroc construction chemicals and low tension electrical cables and wires. With brands like TOP BOND, TOPGIT, TOPGUM, TOPFIX and TOPGROUT, Purechem is Nigeria's undisputed market leader in consumer adhesives. It is West Africa's only producer of beer bottling glue and construction chemicals.

Purechem is an ISO 9001:2008 Certified Company. Purechem follows the highest standards in five key compliance related areas; Health and Safety, Labour Standards, Business Ethics, Environment and Statutory and Legal requirements.

Purechem commenced commercial operations in 1989 at its state of the art manufacturing factory at Sango-Otta near Lagos and today commands the highest credibility in all the markets in which it operates.

Purechem is part of the Enpee Group, an international manufacturing conglomerate with over 50 years of business experience.

LEXCEL PRODUCTS & PACKAGING LIMITED

Lexcel Products & Packaging Limited (LPPL) is a company specializing in PET and other Injection molded plastic products for pharma, water, liquor and other packaging applications.

LEXCEL is a member of the LEXCEL GROUP which comprises of companies like Grand Oak Limited, Nigerian Distilleries, Reliant Distilleries, Supreme Distilleries, Agro Allied Distilleries Limited, Grand Foundry Limited, Green Fuels Limited to name a few.

They produce PET preforms, bottles and other injection molded products with a current capacity of 6 million bottles per month for the Pharma, Liquor and Water sectors. We have moved to being partners and solution providers to our customers with active and close collaboration with them to be able to add value.

LARGE ENTERPRISES DIRECTORATE

SCOTTS INDUSTRIES LIMITED

SCOTTS Industries Limited was incorporated on April 26, 1989. It is a private limited liability company registered for the manufacturing of PET Preforms and Bottles for light packaging of liquids and powders in the food and beverage, water, edible oil, toiletry, pharmaceutical and Cosmetic Industries in Nigeria, It has been in business since its incorporation.

It supplies its products of different sizes, shapes and colours which are customized as per customer's requirement to companies manufacturing carbonated drinks and other kinds of soft drinks.

Scotts Industries Limited is also involved in the marketing and distributing of PET Bottles Wing Machines, PET Blow Moulds, Air Compressors and Shrink Wrapping Machine

The company's partnership with BOI has led to the company gaining market share and increasing its staff strength by over 35%.

SENTRIC VIK LIMITED

Sentric Vik Limited was incorporated in 2019, to engage in the manufacture of PET (Poly Ethylene Terephthalate) preforms used for making bottles for table water companies. The project is a start-up and is currently being implemented. The project is expected to create employment for 250 people.

ALEF RECYCLING LIMITED

Alef Recycling is a start-up company that intends to establish a first of its kind state of the art manufacturing plant for recycling PET (Polyethylene Terephthalate) Bottles into high grade PET granules. The company has a commitment to produce the highest quality food grade recycled PET pellets using the best machine and expertise available and plans to invest in various collection points across Nigeria to ensure it has enough raw materials to meet production demand.

The company's management expertise in the field of manufacturing, extensive experience in several industries, proven ability to build brands, strong financial management skills and solid background in logistics and warehousing will ensure the success of the company. The project is still under implementation.

Over 500 direct and indirect job would be created by the project, with women accounting for 50% of the jobs.

MED-IN HOSPITAL AND PHARMACEUTICAL SERVICES LIMITED

Med-In Hospital and Pharmaceutical Services Limited was incorporated on the 15th of April, 1987 as a Private Limited Liability Company and commenced Hospital business on the 10th of October 1987.

The Fluid project financed by BOI which is production of Intravenous is still under implementation. The company suffered series of time over run since disbursement in 2011 caused by various issues summarized below:

- Relocation of factory from Mowe to Shagamu due to Government interference with the initial location.
- Issues with suppliers of items of Plant and Machinery (American Plastic Technology) which led to a protracted court case in the US. The company however won the court case.
- Technical issues experienced during installation of equipment. This was however resolved with technical support gotten within Nigeria.

Implementation of the project is back on course as the company has acquired additional equipment of a higher capacity through the assistance of BOI and commissioning is slated for second quarter of 2021.

LARGE ENTERPRISES DIRECTORATE

TSI PROPERTY AND INVESTMENT HOLDINGS LTD

TSI Property and Investment Holdings Ltd (TSI) is a privately owned Investment Holdings Company, which was incorporated in Nigeria in February 1988 as a Private Limited Company.

TSI operates in the following sectors:

- Property and Development Management
- Healthcare- Medical, Diagnostics and Oncology
- Hospitality and Tourism
- Finance
- Manufacturing
- Services

The Bank of Industry Limited (BOI) in October 2020 disbursed a long term facility of N995 million to its ASI Ukpo Comprehensive Cancer Centre for the procurement of oncology equipment for treatment of Cancer. As a result the company is concluding preparations for the commencement of the first phase of the Cancer Centre project. This phase comprises the installation of 1 Linear Accelerator, a CT Simulator and mini-operating theatre equipment, to provide all its service offerings.

The proposed Cancer Centre is set to go live in August 2021, offering an array of cancer treatment services that cut across the following services: Radiotherapy (internal & External), Surgical therapy and Chemotherapy.




PRIMA CORPORATION LIMTED (PCL)

Prima Corporation Limited was incorporated on 27th March 1974 as a trading company in PET resin. Commercial production started on 1st October 04, the machines and equipment were sourced from best of suppliers locally and overseas.

Today, PCL emerged has one of the most modern state of the art manufacturing facility for preforms and caps. It is the first to introduce the highly sophisticated compression molding machine for caps and is the only company in Africa to successfully commission a Husky Hypet Machine with a capacity of 350 tons / month.

The project has already created a total of 272 jobs consisting of 139 direct and 133 indirect jobs. With the achievement of the expansion plan, additional employment would be generated and this would be beneficial to the economy at large.



PRIMEPAK INDUSTRIES NIG LIMITED

The PrimePak Industries Limited was incorporated in 2004 and commenced operations in January 2006, manufacturing instant flexible packaging and supplies to Fast Moving Consumer Goods and Pharmaceuticals Companies in Nigeria. The Company was formerly known as Positive Packaging Industries Nigeria Limited. It is part of the Enpee Group of Companies, and international conglomerate, having diverse manufacturing activities in Nigeria and India.

The company undertakes turnkey projects for all the packaging requirements for both its existing and new customers. The quality of their products and the loyalty of their customers make them one of the leading packaging manufacturers in Nigeria.

Primepack Products are:

Primepak Laminates - used in packaging.

Labels - Wrap around labels for beverages and water bottles.

Tube Laminates - Laminate tubes for Oral care product.

Soap Wrappers- Laminates for toilet soaps.

Specialty laminates -such as high barrier laminates for detergents, 4-layer laminates for tomato paste, ketchup and Retort laminate.

BANK OF INDUSTRY
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LARGE ENTERPRISES

Intervention Funds

GROUP

Revitalizing the Nigerian Economy through the Central Bank of Nigeria intervention schemes (SME/RRF and Power and Airlines Intervention Fund)

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LARGE ENTERPRISES DIRECTORATE

INTERVENTION FUNDS GROUP

The Intervention Funds Group is responsible for managing the Central Bank of Nigeria's Intervention funds for Power & Airline (PAIF) and SME Restructuring & Refinancing Facility (RRF).

The fund has increased access to credit for manufacturers, power projects & airlines; and improved liquidity of Deposit Money Banks and Development Finance Institutions.

IMPACT:

- The Power and Airline Intervention Fund (PAIF) has funded a total of 1,662.3 MW generation capacity with 1,214.3MW being new capacity.
- The Fund (PAIF) has re-financed part of the acquisition costs for 29 aircrafts for 10 airline companies and provided working capital related facilities of ₦16.4 billion for 8 airlines companies.
- The Fund (PAIF) has saved the Airline industry in excess of ₦72 billion in interest expenses over the last 10 years.
- The SME/RRF has helped stabilizing the SME and Manufacturing sectors by way of reduced interest burden and extended tenor.
- Both funds have helped in Increasing production output, generating employment, economic diversification and increasing foreign exchange earnings.

FIRST POWER LIMITED

First Power Limited is an independent power producing and project Development Company focused on the immediate intervention and inevitable capacity power generation and supply growth in Nigeria by developing Greenfield projects, expanding operative to supply power to EKEDC (Eko Distribution Company) and other commercial and industrial installations that require immediate power supply.

First Power Ltd, a beneficiary under the CBN Power and Airline Intervention Fund (PAIF) recently completed the acquisition, installation and expected successful commissioning of a 13.02MW embedded power generation plant in Ijora, which comprises of two Turbomach dual fuel technology (gas/diesel) turbine engines. The location of the power plant makes power generation and embedded capacity supply logistics to consumers located at the commercial hub of Lagos Island, the most viable economic choice for swift energy requirements and aid in the overall power capacity boost in the nation's current lapses in power supply.

The state's economic development will be enhanced with reliable supply at reasonable competitive prices utilising Nigeria's readily available Natural Gas resources.





BANK OF INDUSTRY
...transforming Nigeria's industrial sector

LARGE ENTERPRISES
Oil & Gas
GROUP

We support businesses in the Oil and Gas Industry value chain.

visit: www.boi.ng

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**

call: **0700-CALL-BOI | 0700 225 5264**
switchboard: **(+234)-1-2715070-71**

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LARGE ENTERPRISES DIRECTORATE

OIL AND GAS GROUP

Group Focus

The primary focus of the Oil and Gas group is to promote local content development in the oil and gas sector by providing financial and business support to indigenous players operating within the sector. The group is one of the key implementing arms of the Federal Government's Economic Recovery & Growth Plan (ERGP).

The group's current portfolio as at December 31, 2020 cuts across, Gas Processing and Distribution, Upstream Service and Support, Marine Logistics and Modular Refineries, Fabrication, amongst others.

At BOI, we believe that an effective local content development policy seeks to engender inclusiveness and integration in the oil and gas sector as well as provide linkages to other sectors of the economy. It also seeks to promote local employment and the use of local goods and contractors in the execution of projects within the sector.

Following the establishment of the Nigerian Oil and Gas Content Development Act (NOGIC Act) in 2010, which established the Nigerian Content Development and Monitoring Board, the Bank in August 2018 partnered with the NCDMB to manage a $200 million Nigerian Content Intervention Fund at a single digit interest rate of 8% (currently 6% due to the palliatives offered to indigenous manufacturers, service providers and other key players in the Oil and gas sector to meet their funding needs). In view of the successful disbursement of the $200 million fund, the Fund was topped-up with additional $150 million. From this $150 million, $20 million is to be disbursed under the intervention fund for women in oil and gas; while $30 million will be disbursed under the intervention fund for The Petroleum Technology Association of Nigeria (PETAN) working capital products, which include working capital loans and capacity building loans for PETAN member companies.

In spite of the COVID-19 Pandemic, the group disbursed the sum of ₦29 billion to different projects creating approximately 2000 direct and indirect jobs across the oil and gas value chain.

During the financial year, the Bank also approved a total sum of ₦9.5 billion to two projects for the setting up of gas refinery plants (to be disbursed from its own funds) to eligible indigenous players who met its requirements in accessing loans.

The group has also made significant contribution to the financing of an expansion phase of a modular refinery to increase production from 1,000 bpd to 10,000 bpd. The first phase of the expansion was recently concluded and the second phase is expected to be commissioned in 2021.

In line with the Bank's mission to transform Nigeria's industrial sector, BOI recently signed an MOU with the Export-Import Bank of China to provide financial support for production capacity co-operation through trade financing in the sum of $500 million. The aim is to promote the production capacity of our Oil and gas Industry, with focus on developing our refineries and instituting a flare gas recovery program.

RUSSELSMITH

RusselSmith is an indigenous oil and gas servicing company based in Lagos, Nigeria. They commenced business in 2005, they are a leading oilfield services provider with a focus on oilfield operations and production, asset integrity management and engineering. Their services ensure that our customers' oilfield assets operate optimally and safely throughout the expected lifetime of such assets.

As a leading oilfield services provider, RusselSmith has strengthened its presence over the years and evolved to offer services which cut across many areas of oilfield operations.

As an indigenous Nigerian company with a reputation for world-class quality service delivery and high safety standards, they are committed to building local capacity and promoting innovation as a means to meet the ever-evolving technical challenges of the oil & gas industry in safe and cost-effective ways.

RusselSmith is one of the beneficiaries of the NCIFUND being managed by the Bank. The company has acquired a COUGAR-XT ROV for subsea survey work, IRM, drill support, light construction projects and salvage support operations. In addition the company has completed its permanent yard and Niger Delta base in Port Harcourt with job creation for over 100 staff.

LARGE ENTERPRISES DIRECTORATE

OILSERV LIMITED

Oilserv Limited is a leading provider of integrated engineering, procurement, construction, installation & commissioning (EPCIC) services and complementary solutions across the asset and program life cycle within the onshore, offshore and subsea market segments of the oil and gas sector. Oilserv Limited was incorporated in 1992 and commenced operations in 1995.

The company has pooled the expertise of highly qualified and experienced engineers, technicians and other support personnel to provide Total Quality Services (TQS) to the multinational and local oil and gas and power companies operating in Nigeria for onshore and offshore activity.

The company is a beneficiary under the Nigeria Content Intervention Fund (NCI Fund) and has recently commenced the NNPC-sponsored Ajaokuta–Kaduna–Kano (AKK) Gas Pipeline project. Oilserv has also been awarded the engineering, procurement, construction, installation, testing, and commissioning of the first segment of the 614 km x 40-Inch Gas pipeline (from Ajaokuta to mid-way between Abuja and Kaduna).

The company achieved significant progress in a short spate of time including ongoing detailed engineering design, topographical and geotechnical surveys, haulage and stacking of line pipes in preparation to commence construction activities. This has also created over 400 jobs with more expected as the project continues.

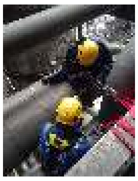
CANDIX ENGINEERING (NIGERIA) LIMITED

Candix Engineering (Nigeria) Limited was incorporated on the 6th of August, 1979 with the objective of providing relevant and effective engineering, technical procurement, construction and maintenance solutions to the emerging oil and gas and power industry sectors in Nigeria and West Africa. The company is also engaged in the provision of relevant and effective engineering, technical procurement and construction solutions.

Over the years, Candix has been offering services to the following major clients: Nigeria LNG Ltd, Total E&P Nigeria, NNPC, Shell Petroleum Development Company, Nigerian Gas Company, NAOC, ExxonMobil Producing Nigeria and AMEC Contractors (WA) Ltd.

In addition to the property at the yards, CANDIX also has a number of other valuable equipment. Existing plant and machinery include Pre-Cast Concrete manufacturing system, PVC Extension Plant, hydraulic Crane, Hydraulic Forklift, Mobile Batching Plant, Delivery trucks, and Motor Vehicles etc.

Candix through the NCIFUND has established a 75,000MT per year galvanizing plant to offer galvanizing and surface treatment products and services to the oil and gas industry. The galvanizing plant will enable CEL fabricate over 75% of its components locally which they previously CEL imported all components procured and supplied by it. This project will provide jobs for over 200 people both directly and indirectly.



BANK OF INDUSTRY

...transforming Nigeria's industrial sector

The Nigerian Content Intervention Fund
(NCI Fund)

Building local supply chain efficiency and competitiveness in the oil and gas sector...

The Nigerian Content Development and Monitoring Board (NCDMB) in conjunction with the Bank of Industry (BOI) have launched the US $200 million Nigerian Content Intervention Fund (NCI Fund). The financing scheme will solve the funding challenges of the local supply chain in the oil and gas industry.

To benefit, applicants must be contributors to the Nigerian Content Development Fund (NCDF).

Highlights

- Term Loans
- Working Capital
- Leasing
- Low Interest rates for credit facilities
- Loan Tenor: maximum of 5 years

Applications can be submitted online at:
www.boi.ng/ncifund

Terms and conditions apply

Available Facilities:

Loan for Manufacturing:
maximum of US$10M @ 8% p.a
tenor: up to 5 years

Asset Acquisition:
maximum of US$10M @ 8% p.a
tenor: up to 5 years

Contract Financing:
maximum of US$10M @ 8% p.a
tenor: up to 5 years

Community Contract Financing:
maximum of N$20M @ 5% p.a
tenor: up to 5 years

Loan Refinancing:
maximum of US$2M loans @ 8% p.a
tenor: up to 5 years

For more information, please visit:
www.ncdmb.gov.ng | www.boi.ng/ncifund

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LARGE ENTERPRISES

Renewable Energy

GROUP

We finance projects in the Renewable Energy sector.

visit: **www.boi.ng**

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**

call: **0700-CALL-BOI | 0700 225 5264**
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LARGE ENTERPRISES DIRECTORATE

RENEWABLE ENERGY GROUP

The Renewable Energy Group provides financial and advisory support services to various commercial and industrial businesses switching their energy needs from fossil fuel to clean energy solutions with a view to reducing their initial capex. In 2020, BOI provided funding in excess of ₦2.5 billion in loans to support the emerging renewable energy industry in Nigeria.

The Renewable Energy group harnesses the potential of Nigeria's multiple energy sources such as solar, hydro, wind, biomass and waste-to-energy, with the an emphasis on solar energy due to the market expansion in recent. The relatively low cost of installation and maintenance of this technology also contributes its widespread adoption across the country both for residential, commercial and industrial purposes.

The Renewable Energy Group is also exploring project funding in the waste-to-energy space, wind, magnetic flywheel technology among other sectors as a large potential for technology in Nigeria currently exists.

JUBAILI BROS ENGINEERING LIMITED

Jubaili Bros was established and incorporated in 1995 in Nigeria to assemble, service and sell generators and its components. Jubaili Bros has around 1500 international employees deployed in 9 countries with 28 branches and service centres, making Jubaili Bros one of the leading providers of Electro-Mechanical Solutions in the Middle East, Africa and Asia.

Looking for a cheaper and more sustainable alternative, the company explored alternative energy sources (solar), and went into the design of solar hybrid systems. In 2017, using its equity, Jubaili Bros designed and installed a captive 30kwp Solar Hybrid Energy solution for its factory.

The company approached BOI in 2018 to install an additional 207kwp to further reduce the associated energy costs. It also intends to use the platform to demonstrate the workability/viability of Solar Hybrid solutions in order to inculcate it into the company's product offerings to its numerous customers in various parts of Nigeria, already eager to reduce their energy costs.

With the future tending towards clean, efficient and green energy, the company is repositioning itself to be a major player in the sector.

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LARGE ENTERPRISES

Solid Minerals

GROUP

We finance projects in the solid minerals and metals sector.

visit: **www.boi.ng**

Head Office: **23 Marina Road, Lagos, Nigeria**
email: **customercare@boi.ng**

call: **0700-CALL-BOI | 0700 225 5264**
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LARGE ENTERPRISES DIRECTORATE

SOLID MINERALS GROUP

A. **Unit Focus**
Solid minerals and metals projects funding.

B. **Sub-Sectors of Focus**
The Group's sub-sectors focus include cement, ceramic tiles, granite aggregates, roofing sheets, electricity wires and cables, steel and iron products, aluminium profiles, roofing sheets, electricity meters production companies, etc.

C. **Summary of Impact in 2020**
Factories/plants installed capacities were enhanced and optimized, jobs created and foreign exchange saved via import substitution.

D. **Number of Loans, Investments, etc.**
Nine (9) loans totaling ₦24,172,571,950.00 (Twenty-Four Billion, One Hundred and Seventy-Two Million, Five Hundred and Seventy-One Thousand, Nine Hundred and Fifty Naira only) were approved in 2020. However, the sum of ₦5,834,574,160.00 (Five Billion, Eight Hundred and Thirty-Four Million, Five Hundred and Seventy-Four Thousand, One Hundred and Sixty Naira only) was disbursed to six (6) projects during the year.

E. **Employment Generation and Projections**
Following BOI intervention in the Solid Minerals and Metals sector over twenty-five thousand (25,000) jobs are expected to be created in the coming years.

AVON CROWNCAPS AND CONTAINERS NIGERIA LIMITED

Avon Crowncaps and Containers Nigeria Limited was established in September 1981 to produce various types of metal closures and metal cans used in the packaging of soft drinks and beer, pilfer-proof caps for pharmaceuticals other food products and chemicals. In addition, the company controls 70% of the total market share.

In February 2020, Multiple Facilities comprising Long Term Loan and Working Capital facility was disbursed to the company to acquire machinery and raw materials required to expand its existing production capacity.

As a result of BOI intervention, the project shall create one hundred and ninety-eight (198) jobs in addition to the existing four hundred and eighty-four (484) jobs.

KIAN SMITH TRADE AND COMPANY LIMITED

Kian Smith Trade and Company Limited is engaged in gold exploration, mining, processing and trading. The company pioneered several Gold Artisanal Mining Initiatives (GAMI) including Zokia Systems, a mobile technology platform for artisanal miners. The company manages several gold exploration concessions and gold processing units in Osun State, Zamfara State and Niger State. In addition, the company engages in consulting with regards to logistics, strategy for development and sustainability.

In March 2020, the loan was disbursed to Kian Smith as Working Capital facility under the Gold Pilot Scheme of the Nigerian Artisanal and Small-Scale Miners (ASM) Financing Support Fund. The company utilized the loan to fund artisanal gold miners, smelters and other dependencies in the gold value chain. Over sixty (60) mining groups consisting of over five hundred (500) miners were impacted by participating in the Kian Smith Gold Sourcing Programme. The company maintains a staff strength of ten (10) individuals.

LARGE ENTERPRISES DIRECTORATE

MOMAS ELECTRICITY METERS MANUFACTURING COMPANY LIMITED

Momas Electricity Meters Manufacturing Company Limited (MEMMCOL) was incorporated in 2011 to produce energy meters, vending/management application and support services. The company is a subsidiary company of Momas Systems Nigeria Limited.

Long Term Loan and Working Capital facility was disbursed to MEMMCOL in July 2020 towards the procurement of machinery and components needed for the production of electricity meters and accessories.

The proposed project expansion is expected to create additional one thousand one hundred (1,100) jobs, comprising three hundred (300) direct and one thousand (800) indirect jobs during the life of the project.

MINISTRY OF
Mines and Steel Development

&

BANK OF INDUSTRY
...transforming Nigeria's industrial sector

The Nigerian Artisanal & Small-Scale Miners Financing Support Fund

ASM Fund

Supporting the Mining Sector for Greater Economic Growth

This is a managed fund between the Federal Ministry of Mines and Steel Development (FMMSD) and the Bank of Industry Limited (BOI). This fund is particularly designed to play a catalytic role in the mining sector.

Beneficiaries

- Artisanal Miners
- Small Scale Miners

Minerals in Focus

- Industrial Minerals: Barite, Felspar, Kaolinitic Clay etc.
- Metallic Minerals: Precious metals; Gold, Lead & Zinc etc.
- Dimension Stones: Marble, Granite,Charnockite etc.

Features of the initiative include:

- Purchase of plants and machinery
- Provision of working capital

Key Highlights

- Interest rate: 5%
- Loan tenor: up to 5years
- Moratorium period: 6 - 12 months

Applications can be submitted at Bank of Industry offices across the country or online at: **www.boi.ng/ASMfund**

Terms and conditions apply

visit: **www.boi.ng**

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Financial
Statements

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bank of Industry Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the separate and consolidated financial statements of Bank of Industry Limited ("the Bank") and its subsidiaries (together, "the Group"), which comprise:

- the separate and consolidated statements of financial position as at 31 December, 2020;
- the separate and consolidated statements of profit or loss and other comprehensive income;
- the separate and consolidated statements of changes in equity;
- the separate and consolidated statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Bank and its subsidiaries as at 31 December, 2020, and of its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements section* of our report. We are independent of the Group and Bank in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Partners:

Adegoke A. Oyelami, Adekunle A. Elebute, Adetola P. Adeyemi, Adewale K. Ajayi, Ajibola O. Olomola, Akinyemi Ashade, Ayobami L. Salami, Ayodele A. Soyinka, Ayodele H. Othihiwa, Chibuzor N. Anyanechi, Chineme B. Nwigbo, Elijah O. Oladunmoye, Goodluck C. Obi, Ibitomi M. Adepoju, Ijeoma T. Emezie-Ezigbo, Joseph O. Tagbe, Kabir O. Okunlola, Lawrence C. Amadi, Martins I. Arogie, Mohammed M. Adama, Nneka C. Eluma, Olabimpe S. Afolabi, Oladimeji I. Salaudeen, Olanike I. James, Olufemi A. Babem, Olumide O. Olayinka, Olusegun A. Sowande, Oluseyi I. Ogunlowo, Oluwafemi O. Awotoye, Oluwatoyin A. Gbagi, Tayo I. Ogungbenro, Temitope A. Onitiri, Tolulope A. Odukale, Victor U. Onyenkpa

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Impairment of loans and advances

The Group uses an Expected Credit Loss (ECL) model to determine the impairment allowance for its loans and advances. The ECL methodology incorporates information about past events, current conditions, forecasts of future economic conditions and impact of COVID-19 in determining impairment allowances.

The Group's ECL model includes certain judgments and assumptions such as:

- the possibility of a loan becoming past due and subsequently defaulting; the rate of recovery on the loans that are past due and in default; and the market values and estimated time and cost to sell the collaterals; and
- the incorporation of forward-looking information related to the expected outlook on the country's inflation rates and the price of crude oil used in determining the expected credit losses in the loans and advances portfolios.

Impairment allowance on loans that have shown a significant increase in credit risk is based on the Group's estimate of losses expected to result from default events over the life of the loans. Impairment allowance on other loans that have not shown a significant increase in credit risk is recognized based on an estimate of the losses expected to result from default events within 12 months after the reporting period. This estimate is also an output of models, with the key assumptions being the possibility of a loan becoming past due and subsequently defaulting (which is reflected in the classification of loans into stages) and the rate of recovery on the loans that are past due and in default.

The judgment involved in classifying loans into stages, the level of subjectivity inherent in estimating the key assumptions on the recoverability of loan balances, application of industry knowledge and prevailing economic conditions in arriving at the level of impairment required, the inputs estimated, the complexity of the estimation process and the significant judgment involved in applying these estimates to determine the level of impairment allowance required, make the impairment of loans and advances a matter of significance to the audit.

How the matter was addressed in our audit

Our procedures included the following with respect of the impairment allowances as at 31 December 2020:

- We evaluated the design and implementation of the key controls over the impairment determination process. The key controls evaluated includes management review of significant increase in credit risk and the resultant classification of loans into the various stages and management review of the accuracy of the relevant data used in the calculation of parameters included in the impairment model like the probability of default and loss given default.
- For a selected sample of loans and advances to customers, we assessed the appropriateness of the Group's determination of significant increase in credit risk and the resultant classification of loans into the various stages. For loans and advances to customers which have shown a significant increase in credit risk, we evaluated the level of past due obligations using qualitative factors such as available information about the obligor's business or project being financed and qualitative backstop indicators such as number of days past due to determine the impairment based on the losses expected over the life of the facilities.
- For all loans and advances to financial institutions, we assessed the appropriateness of the Group's determination of significant increase in credit risk and evaluated the level of past due obligations to determine whether the Group should recognize an impairment based on the losses expected to result from default events within a year or defined default events over the life of the facilities.
- With the assistance of our Financial Risk Management specialists we:
  - assessed the appropriateness of the Group's ECL methodology by considering whether it reflects probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions;
  - challenged the appropriateness of the modelling approach and the historical movement in the balances of facilities between default and non-default categories in determining the Probability of Default (PD) used in the ECL calculations;
  - reviewed the segmentation of loans and advances based on similar credit risk characteristics and consistent with the internal credit management of the Group and Bank;
  - evaluated the appropriateness of the data used in determining the Exposure at Default, including the contractual cash flow, outstanding loan balance, loan contractual repayment pattern and loan tenor;
  - tested the accuracy of the calculation of the Loss Given Default (LGD) used by the Group;
  - reviewed the valuation of the collaterals used in the ECL model;

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- o challenged the appropriateness of management's forward-looking assumptions comprising the inflation rates and crude oil prices used in the ECL calculations using publicly available information from external sources;
- o determined the staging of facilities through the consideration of days past due as well as other qualitative characteristics (multiple restructuring during the loan term, history of default of loan customer etc.) that signified an increase in the credit risk of a loan customer.
- o tested the accuracy of the Group and Bank's ECL provision by re-performing the calculations of the ECL impairment allowance for loans and advances. For loans and advances which have shown a significant increase in credit risk, the recalculation was based on the amount which the Group and Bank may not recover throughout the life of the loans while for loans and advances that have not shown significant increase in credit risk, the recalculation was based on the losses expected to result from default events within a year after the reporting period.

The Group and Bank's accounting policy on impairment allowance for loans and advances, disclosure on judgment and estimate and relevant financial risk disclosures are shown in notes 4.4 and 42 respectively.

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Separate and Consolidated Financial Statements, Report of the Audit Committee, Statement of Corporate Responsibility for the Financial Statements, Additional Disclosure on Managed Funds and Other National Disclosures but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of separate and consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the directors are responsible for assessing the Group and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes pubic disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Acts (CAMA), 2020

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from branches not visited by us).
iii. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;

Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

i. The Bank and Group paid no penalties during the year ended 31 December 2020.
ii. Related party transactions and balances are disclosed in note 38 to the separate and consolidated financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Akinyemi Ashade
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
25 March 2021
Lagos, Nigeria

Consolidated and Separate Statement of Profit or Loss
for the year ended 31 December 2020

	Note	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
		₦'000	₦'000	₦'000	₦'000
Gross earnings		131,843,084	98,401,623	130,681,251	96,519,541
Interest income	5	116,906,211	81,229,450	116,671,135	80,810,850
Interest expense	6	(34,117,130)	(25,384,814)	(34,975,683)	(25,822,536)
Net interest income		82,789,081	55,844,636	81,695,452	54,988,314
Fees and commission income	7	5,765,882	5,936,008	5,396,111	5,657,567
Fees and commission expense	7.2	(3,705,378)	(2,207,284)	(3,705,378)	(2,207,284)
Net fees and commission income		2,060,504	3,728,724	1,690,733	3,450,283
Net (loss)/gain from financial instruments measured at fair value	8	(17,816,750)	2,935,676	(17,816,567)	2,935,928
(Loss)/gain on sale of financial assets at FVOCI	20.1	-	(33)	-	-
Other income	9	9,170,991	4,316,082	8,614,005	3,111,232
Other Operating (loss)/income		(8,645,759)	7,251,725	(9,202,562)	6,047,160
Total operating income		76,203,826	66,825,085	74,183,623	64,485,756
Impairment (charges)/writeback	10	(12,847,174)	3,984,407	(12,805,416)	4,003,964
Net operating income		63,356,652	70,809,492	61,378,207	68,489,720
Staff cost	11	(14,111,271)	(13,997,851)	(13,756,710)	(13,655,825)
Depreciation and amortisation	12	(2,595,808)	(2,499,815)	(2,558,247)	(2,923,278)
Other operating expenses	13	(11,107,556)	(14,976,654)	(10,714,649)	(14,507,530)
Total operating expense		(27,814,635)	(31,474,319)	(27,029,606)	(31,086,632)
Profit before tax		35,542,017	39,335,172	34,348,601	37,403,089
Taxation	28.2	(3,944,159)	(3,834)	(3,545,031)	93,006
Profit for the period		31,597,858	39,331,338	30,803,570	37,496,095
Profit attributable to:					
Owners of the Bank		31,591,094	39,317,049	30,803,570	37,496,095
Non-controlling interest		6,764	14,289	-	-
		31,597,858	39,331,338	30,803,570	37,496,095
Basic earnings per share (kobo)	33.1	43	53	42	51
Diluted earnings per share (kobo)	33.2	39	48	38	46

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2020

		Note	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
			₦'000	₦'000	₦'000	₦'000
	Profit for the year		31,597,858	39,331,338	30,803,570	37,496,095
	Other comprehensive income:					
a	Items that may be reclassified into profit or loss		–	–	–	–
b	Items that may not be reclassified into profit or loss					
	Fair value loss on equity instrument at FVOCI		(314,769)	(1,349,454)	(315,482)	(1,361,117)
	Remeasurement of defined benefit obligation	30.2(d)	(441,284)	(1,638,525)	(474,069)	(1,571,972)
	Taxes relating to components of OCI	28.6	153,762	504,704	151,702	503,031
			(602,291)	(2,483,275)	(637,849)	(2,430,058)
	Other comprehensive income for the period net of tax		(602,291)	(2,483,275)	(637,849)	(2,430,058)
	Total comprehensive income for the period net of tax		30,995,567	36,848,062	30,165,721	35,066,037
	Total comprehensive income attributable to:					
	Owners of the Bank		30,988,803	36,835,298	30,165,721	35,066,037
	Non-controlling interest		6,764	12,765	-	-
			30,995,567	36,848,062	30,165,721	35,066,037

The notes on pages 152 to 254 form an integral part of these financial statements

Consolidated and Separate Statement of Financial Position

As at 31 December 2020

		GROUP		BANK	
		31-Dec-20	31-Dec-19	**31-Dec-20**	31-Dec-19
	Note	**₦'000**	₦'000	**₦'000**	₦'000
ASSETS					
Cash and bank balances	14	83,230,087	9,872,038	82,593,208	9,408,307
Due from financial Institutions	15	104,652,434	36,633,351	103,625,287	35,791,352
Derivative asset	16	–	2,935,928	–	2,935,928
Investment in debt securities	18	872,195,497	197,850,196	872,104,525	197,386,510
Advances under finance lease	17	9 ,594	226,539	–	–
Loans and advances	19	749,838,732	740,032,638	748,957,244	739,420,096
Equity securities	20	4,403,919	2,571,289	4,382 ,411	2,550,311
Investment in subsidiaries	21	–	–	3,545,720	3,545,720
O the r assets	22	10,710,266	11,362,373	9,143,024	9,931,557
Intangible assets	23	529,346	499,937	529,346	499,937
Property and equipment	24	25,466,028	24,442,706	21,351,298	20,522,247
Investment property	25	11,160,435	11,427,807	11,023,369	11,286,521
Deferred tax asset	28.4	1,556,290	2,330,222	817,996	1,488,950
Right-of-use assets	26			3,920,594	3,344,690
TOTAL ASSETS		1,863, 752,628	1,040,185,024	1,861,994,022	1,038,112,156
LIABILITIES					
Derivative liability	16	4,695,233	–	4,695,233	–
Tax payable	28.1	4,109,688	2,902,622	3,591,666	2,613,315
Deposit for shares	31	–	15,000,000	–	15,000,000
Borrowings	29	1,302,479,259	598,199,128	1,300,972,636	509,363,052
Employee benefits	30	4,638,588	3,603,563	4,188,872	3,177,635
Deferred tax liabilities	28.4	–	–	–	–
Other liabilities	27	211,346,787	127,392,185	213,221,068	128,559,328
TOTAL LIABILITIES		1,527,269,535	747,097,498	1,527,029,475	745,713,330
CAPITAL AND RESERVES					
Share capital	32	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	32	64,616,711	51,427,211	63,789,774	51,345,947
Statutory reserve	32	64,502,053	50,562,471	63,857,662	49,952,840
Non - distributable reserves	32	16,381,154	14,519,142	16,251,132	14,396,211
Actuarial reserve	32	(262,245)	27,006	(111,261)	211,106
SME reserve	32	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	32	(2,109,168)	(1,794,399)	(2,113,980)	(1,798,498)
Business combinations under common control	32	919,899	919,899	919,899	919,899
Deposit for Shares	31	15,000,000	–	15,000,000	–
Total equity attributable to owners of the company		336,419,725	293,032,651	334,964,547	292,398,826
Non controlling interest		63,368	54,875	–	–
Total equity		336,483,093	293,087,526	334,964,547	292,398,826
TOTAL LIABILITIES AND EQUITY		1,863,752,628	1,040,185,024	1,861,994,022	1,038,112,156

The financial statements were approved by the Board of Directors on 18 March 2021 and signed on its behalf by:

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors
FRC/2013/IODN/00000002375

Olukayode Pitan
Managing Director
FRC/2018/IODN/00000017947

Akeem Olatunji Adesina
Chief Financial Officer
FRC/2013/ICAN/00000004532

The notes on pages 152 to 251 form an integral part of these financial statements

Consolidated and Separate Statement of Changes in Equity - Group

As at 31 December 2020

	Note	Share Capital ₦'000	Retained Earnings ₦'000	Deposit for Shares ₦'000	Regulatory Reserve: Statutory Reserves ₦'000	Regulatory Reserve: Non-Distributable Reserves ₦'000	Business combination under common control ₦'000	Actuarial Reserve ₦'000	SME Reserve ₦'000	Fair Value Reserve ₦'000	Total ₦'000	Non Controlling Interest ₦'000	Total equity ₦'000
Balance as at 1 January, 2019		147,371,321	30,815,531	-	39,326,952	9,049,290	919,899	1,159,305	30,000,000	(444,945)	258,197,353	42,111	258,239,464
Profit or loss for the year		-	39,317,049	-	-	-	-	-	-	-	39,317,049	14,289	39,331,338
Other Comprehensive Income													
Fair value gains/loss on equity instrument at FVOCI	20	-	-	-	-	-	-	-	-	(1,349,454)	(1,349,454)	-	(1,349,454)
Remeasurement of defined benefit	30.2(d)	-	-	-	-	-	-	(1,637,002)	-	-	(1,637,002)	(1,524)	(1,638,526)
Tax on other comprehensive income	29	-	-	-	-	-	-	504,704	-	-	504,704	-	504,704
Total other comprehensive income		-	-		-	-	-	(1,132,298)	-	(1,349,454)	(2,481,752)	(1,524)	(2,483,276)
Total comprehensive income		-	39,317,049	-	-	-	-	(1,132,298)	-	(1,349,454)	36,835,297	12,765	36,848,062
Transactions with owners of the Bank													
Contributions and Distributions													
Dividend to equity holders		-	(2,000,000)	-	-	-	-	-	-	-	(2,000,000)	-	(2,000,000)
Transfer to statutory reserve		-	(11,235,518)	-	11,235,518	-	-	-	-	-	-	-	-
Transfer to non-distributable reserves		-	(5,469,851)	-	-	5,469,851	-	-	-	-	-	-	-
Total Contributions and Distributions		-	(18,705,369)	-	11,235,518	5,469,851	-	-	-	-	(2,000,000)	-	(2,000,000)
Balance as at 31 December 2019		147,371,321	51,427,211	-	50,562,471	14,519,142	919,899	27,006	30,000,000	(1,794,399)	293,032,651	54,875	293,087,526
Balance as at 1 January, 2020		147,371,321	51,427,211	-	50,562,471	14,519,142	919,899	27,006	30,000,000	(1,794,399)	293,032,651	54,875	293,087,526
Profit or loss		-	31,591,094	-	-	-	-	-	-	-	31,591,094	6,764	31,597,859
Other Comprehensive Income													
Fair value gains/loss on equity instrument at FVOCI	20	-	-	-	-	-	-	-	-	(314,769)	(314,769)	-	(314,769)
Remeasurement of defined benefit liability	30.2(d)	-	-	-	-	-	-	(443,013)	-		(443,013)	1,729	(441,284)
Tax on other comprehensive income	29	-	-	-	-	-	-	153,762	-		153,762	-	153,762
Total other comprehensive income		-	-	-	-	-	-	(289,251)	-	(314,769)	(604,020)	1,729	(602,291)
Total comprehensive income		-	31,591,094	-	-	-	-	(289,251)	-	(314,769)	30,987,074	8,493	30,995,568
Transactions with owners of the Bank													
Contributions and distributions													
Dividend to equity holders		-	(2,600,000)	-	-	-	-	-	-	-	(2,600,000)	-	(2,600,000)
Reclassification from liability to equity		-	-	15,000,000	-	-	-	-	-	-	15,000,000	-	15,000,000
Realised gain on equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve		-	(13,939,582)	-	13,939,582	-	-	-	-	-	-	-	-
Transfer to/(from) non-distributable reserve		-	(1,862,012)	-	-	1,862,012	-	-	-	-	-	-	-
Total contributions and distributions		-	(18,401,594)	15,000,000	13,939,582	1,862,012	-	-	-	-	12,400,000	-	12,400,000
Balance as at December 31, 2020		147,371,321	64,616,711	15,000,000	64,502,053	16,381,154	919,899	(262,245)	30,000,000	(2,109,168)	336,419,725	63,368	336,483,093

The notes on pages 152 to 251 form an integral part of these financial statements

Consolidated and Separate Statement of Changes in Equity - Bank

As at 31 December 2020

	Note	Share capital ₦'000	Retained earnings ₦'000	Deposit for shares ₦'000	Regulatory reserves: Statutory reserves ₦'000	Regulatory reserves: Non distributable reserves ₦'000	Business combination under common control ₦'000	SME reserve ₦'000	Fair value reserve ₦'000	Actuarial reserve ₦'000	Total ₦'000
Balance as at 1 January, 2019		147,371,321	32,447,748	-	38,704,011	9,047,144	919,899	30,000,000	(437,381)	1,280,047	259,332,789
											-
Profit or loss		-	37,496,095	-	-	-	-	-	-	-	37,496,095
Other Comprehensive Income											
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	-	(1,068,941)	(1,068,941)
Tax on other comprehensive income				-							-
Fair value loss on equity instrument at FVOCI		-	-	-	-	-	-	-	(1,361,117)	-	(1,361,117)
Total Other Comprehensive Income		-	-	-	-	-	-	-	(1,361,117)	(1,068,941)	(2,430,058)
Total Comprehensive Income		-	37,496,095	-	-	-	-	-	(1,361,117)	(1,068,941)	35,066,037
Transactions with owners of the Bank											
Contributions and distributions											
Dividend to equity holders		-	(2,000,000)		-	-	-	-	-	-	(2,000,000)
Transfer to statutory reserve		-	(11,248,829)		11,248,829	-	-	-	-	-	-
Transfer to non-distributable reserves		-	(5,349,067)	-	-	5,349,067	-	-	-	-	-
Total contributions and distributions		-	(18,597,896)	-	11,248,829	5,349,067	-	-	-	-	(2,000,000)
Balance as at 31 December, 2019		147,371,321	51,345,947	-	49,952,840	14,396,211	919,899	30,000,000	(1,798,498)	211,106	292,398,826
Balance as at 1 January, 2020		147,371,321	51,345,947	-	49,952,840	14,396,211	919,899	30,000,000	(1,798,498)	211,106	292,398,826
Profit or loss		-	30,803,570	-	-	-	-	-	-	-	30,803,570
Other Comprehensive Income											
Remeasurement of defined benefit liability	30.2(d)	-	-		-	-	-	-	-	(474,069)	(474,069)
Tax on other comprehensive income	29	-	-		-	-	-	-	-	151,702	151,702
Net change in fair value	20	-	-		-	-	-	-	(315,482)	-	(315,482)
Total other comprehensive income		-	-	-	-	-	-	-	(315,482)	(322,367)	(637,849)
Total comprehensive income		-	30,803,570	-	-	-	-	-	(315,482)	(322,367)	30,165,721
Transactions with owners of the Bank											
Contributions and distributions											
Dividend to equity holders		-	(2,600,000)	-	-	-	-	-	-	-	(2,600,000)
Reclassification from liability to equity		-	-	15,000,000	-	-	-	-	-	-	15,000,000
Realised gain on equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve		-	(13,904,822)	-	13,904,822	-	-	-	-	-	-
Transfer to non-distributable reserve		-	(1,854,921)	-	-	1,854,921	-	-	-	-	-
Total contributions and distributions		-	(18,359,743)	15,000,000	13,904,822	1,854,921	-	-	-	-	12,400,000
Balance as at December 31, 2020		147,371,321	63,789,774	15,000,000	63,857,662	16,251,132	919,899	30,000,000	(2,113,980)	(111,261)	334,964,547

The notes on pages 152 to 251 form an integral part of these financial statements

Consolidated and Separate Cash Flow Statement
As at 31 December 2020

	Note	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
		₦'000	₦'000	₦'000	₦'000
Operating activities					
Cash from operations	34	120,052,767	(47,026,367)	119,728,017	(47,962,061)
Income tax paid	28.1	(1,809,419)	(3,323,978)	(1,384,024)	(3,130,745)
Net cash (used in)/from operating activities		118,243,348	(50,350,345)	118,343,993	(51,092,806)
Investing activities					
Purchase of equity securities		(280,736)	–	(280,736)	–
Dividend from equity securities	9	1,693	1,619	594	594
Proceed from disposal of investment properties		–	828,751	–	828,750
Proceeds from disposal of equity		–	4,016	–	–
Purchase of property and equipment	24	(3,236,971)	(3,262,468)	(1,153,070)	(702,926)
Purchase of Intangible assets	23	(180,311)	(439,436)	(180,311)	(439,435)
Proceed from disposal of property and equipment		133,794	28,116	15,733	–
Proceeds from redemption of debt securities		1,847,775,521	928,431,797	1,847,775,521	928,431,797
Purchase of debt securities	35(b)	(2,519,908,442)	(860,989,471)	(2,519,908,442)	(860,585,099)
Net cash (used in)/from investing activities		(675,695,452)	64,602,924	(673,730,711)	67,533,681
Financing activities					
Proceeds from borrowing	29.3	931,345,033	3,760,498	931,345,033	3,760,498
Repayment on Borrowing	29.3	(229,660,905)	(95,001,049)	(229,660,905)	(95,001,049)
Dividend payment		(2,600,000)	(2,000,000)	(2,600,000)	(2,000,000)
Lease liability payment		–	–	(2,422,444)	(2,198,878)
Net cash from/(used in) financing activities		699,084,128	(93,240,551)	696,661,684	(95,439,429)
Net increase/(decrease) in cash and cash equivalents		141,632,024	(78,987,971)	141,274,966	(78,998,554)
Cash and cash equivalents at 1 January		46,785,795	125,773,766	45,471,399	124,469,953
Cash and cash equivalents at 31 December	35(a)	188,417,819	46,785,795	186,746,365	45,471,399

The notes on pages 152 to 251 form an integral part of these financial statements

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

1. General Information

Bank of Industry was incorporated as a private limited liability company under the name Nigerian Industrial Development Bank Limited on 22 January 1964 and domiciled in Nigeria. The Bank changed its name to Bank of Industry Limited by a special resolution on 5 October 2001. It is owned by the Ministry of Finance Incorporated (94.80%), Central Bank of Nigeria (5.19%) and other Nigerian citizens (0.0008%). The Bank's registered address is 23 Marina Road Lagos. The Bank is primarily engaged in providing financial assistance for the establishment and expansion of large, medium small scale and micro projects. The shares are not quoted in a public market and it does not file its financial statements with a securities and exchange commission for the purpose of issuing any class of instruments in a public market.

The Bank has 4 subsidiaries; they include LECON Financial services, BOI Microfinance Bank, BOI Insurance Brokers and BOI Investment and Trust Company. The consolidated and separate financial statement as at year ended 31 December 2020 comprise the Bank and its subsidiaries together referred to as "the Group”

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as published by the International Accounting Standards Board (IASB), and the interpretations of these standards, issued by the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004, Central Bank of Nigeria (CBN) Guidelines and Circulars and Circulars Supervisory Guidelines for Development Finance institutions in Nigeria and other relevant Guidelines and circulars.

Details of the Group's accounting policies, including changes during the year, are included in Notes 3 and 4 respectively of the consolidated and separate financial statements. The consolidated and separate financial statements were authorised for issue on 24 March 2021.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost basis, except for the following material items.

Items	*Measurement basis*
Financial instruments at FVTPL	Fair value
Financial assets at FVOCI	Fair value
Net defined benefit (asset) liability	Fair value of plan assets less the present value of defined benefit obligation.
Derivative Financial Instruments	Fair value

(c) Functional and presentation currency

Items included in the financial statements of Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). These financial statements are presented in Nigerian Naira (=N=), which is the entity's functional currency. The financial information has been rounded to the nearest thousand, except as otherwise indicated.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

(d) Use of judgement and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is included in the following notes below.

- Business model assessment

  Classification and measurement of financial assets depends on the contractual cashflow characteristics of financial assets and the Bank's business model for managing financial assets. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- Assessment of whether contractual cash flows are solely payments of principal and interest

  For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial assets contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

  -contingent events that would change the amount and timing of cash flows;
  -leverage features;
  -prepayment and extension terms;
  -terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
  -features that modify consideration of the time value of money (e.g. periodical reset of interest rates)

  The Group holds a portfolio of short, medium and long-term loans for which the borrower has the option to prepay at par. The Group has determined that the contractual cash flows of these loans are solely payment of principal and interest because the interest represent consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. In addition, the right to prepay merely results in the acceleration of the payment of principal outstanding plus accrued interest since the last interest payment due.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

- **Significant increase of credit risk**
  Expected Credit Loss (ECL) is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. The Group applies judgement in establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition. The Group takes into account qualitative and quantitative reasonable and supportable forward looking information. Refer to note 42(e) for details of how judgement is applied.

- **Establishing groups of assets with similar credit risk characteristics**
  When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 42(e) for details of the characteristics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

- **Determination of power over relevant activities of funds under management**
  The Group assesses whether it controls the relevant activities of funds under management based on the scope of decision making over the fund, the rights held by other parties, the remuneration to which it is entitled to in accordance with the fund management agreement and its exposure to variability of returns on the funds.
  Different weightings are applied to each of the factors on the basis of particular facts and circumstances.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2020 is included in the following notes.

- **Impairment allowance on financial instruments**
  The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).
  Some of the assumptions include assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.
  Explanations of inputs, assumptions and estimation techniques used in measuring the ECL impairment of financial instruments are further detailed in Note 4.4 and Note 42(e).

- **Fair value measurement and valuation process**
  In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial instruments.
  The inputs, assumptions and estimation techniques used in determining fair values are further detailed in Note 20.3

- **Measurement of defined benefit obligations**
  The Group measures its defined benefit obligation based on the projected unit credit method. Key actuarial assumptions used in the valuation are detailed in Note 30.2

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- **Recognition of deferred tax assets**
  The Group recognizes deferred tax assets based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group's entities will have future taxable profits against which these assets can be utilized. See note 28.4

- **Recognition and measurement of provisions and contingencies**
  A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. See note 27.1

- **Depreciation and carrying amount of property and equipment**
  The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. See note 24

- **Determination of impairment of property and equipment, and intangible assets**
  Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its property and equipments and intangible assets. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed. See note 23 and 24

3 Changes in significant accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 4 to all periods presented in these separate and consolidated financial statements. The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

A. Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

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B. Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

C. Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

D. Amendments to IFRS 9,IAS 39 and IFRS 7 Interest rate Benchmark Reform

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendment are currently not relevant to the Group given that it does not apply hedge accounting to its benchmark interest rate exposures.

3.2 New and Revised Standards issued but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 Reference to the Conceptual Framework
- IFRS 17 Insurance Contracts
- Amendments to IFRS 10 and IAS 28
- Amendments to IAS 16 Property Plant and Equipment-Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

(a) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of

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financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

(b) Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

(c) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

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For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

(d) Amendments to IFRS 10 and IAS 28

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(e) Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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(f) Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(g) Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

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IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

4 Significant accounting policies

4.1 Interest, fees and commissions

(a) Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to gross basis.

For financial instruments that were credit-impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the financial asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset

Interest income is recognized in the profit or loss and it is included in the "interest income" line item.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2018).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

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4 Significant accounting policies

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss

–interest on financial assets and liabilities measured at amortised cost;

Other interest income presented in the statement of profit or loss and OCI includes interest income on

Interest expense presented in the statement of profit or loss and OCI includes:

–financial liabilities measured at amortised cost;

–interest expense on lease liabilities.

(b) Fees and commission and other income

Fee income is earned from a diverse range of services provided by Bank of Industry Limited to its customers. Fee income is accounted for as follows:

–income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate (for example, certain loan commitments, arrangement and processing fees) and recorded in Interest income. Commitment fees, together with related direct costs, for loan facilities where drawdown is probable are deferred and recognised as an adjustment to the effective interest on the loan once drawn down. Commitment fees in relation to facilities where drawdown is not probable are recognised over the term of the commitment.

–Other fee and commission income – including account asset management, portfolio and other management advisory and services fees, wealth management and financial planning – is recognised

–A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(c) Dividend income

Dividend on investments in equity instruments are recognised in profit or loss when the Bank's right to receive the dividends is established in accordance with IFRS 15 Revenue from contracts, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

4.2 Determination of fair value

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield curves, option volatilities and currency rates. When such evidence exists, the Group recognises a gain or loss on inception of the financial instrument, being the difference between the transaction price and the fair value. When unobservable market data have a significant

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4 Significant accounting policies

impact on the valuation of financial instruments, the entire initial difference in fair value indicated by the valuation model from the transaction price is not recognised immediately in the income statement but is recognised over the life of the transaction on an appropriate basis, or when the inputs become observable, or the transaction matures or is closed out, or when the firm enters into an offsetting transaction.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities assumed. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Fair values of financial instruments may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data, where current prices or observable market data are not available. Various factors influence the availability of observable inputs and these may vary from product to product and change over time.

To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, depending on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities or other analytical techniques.

4.3 Financial Instruments

Financial assets and Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financials assets and financial liabilities (other than financial assets and financial liabilities at a fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

i. Recognition and initial measurement

The Group recognises a financial asset in the statement of financial position on the date on which they are originated. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

ii. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income (FVOCI) or Fair value through profit or loss (FVTPL).

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4 Significant accounting policies

Specifically:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

-the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows: and

-the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVOCI.

-the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

-the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FV

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

the Group may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

a. Equity instruments designated as at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

A financial instrument is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investment in equity that are not held for trading as at FVOCI on initial application of IFRS 9.

Dividends on these investments in equity instruments are recognised in profit or loss when the Bank's right to receive the dividends is established in accordance with IFRS 15 Revenue from contracts, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

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4 Significant accounting policies

b. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

iii. Reclassification

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the income statement unless required or permitted by any accounting standard or interpretation.

(b) De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the firm neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the firm recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the firm retains substantially all the risks and rewards of ownership of a transferred financial asset, the firm continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously

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4 Significant accounting policies

accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(c) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

i. **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, e.g. financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate, are measured in accordance with the specific accounting policies set out below:

a. **Financial liabilities at fair value through profit and loss (FVTPL)**

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Bank as at fair value through profit or loss are recognised in profit or loss.

b. **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

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(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Derivative financial instruments

The Group enters into derivative financial instruments such as such foreign exchange forward contracts and currency swap to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(f) Embedded derivatives

Derivatives embedded in financial liabilities or other non-financial asset host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;

for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;

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(g) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified assets are substantially different. If the cash flows are substantially different, then the contractual right to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the terms of a financial assets were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate.

Financial liabilities

The Group also derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If the terms of a financial liability modification is not substantially different, the financial liability is not derecognised. The difference between the present value of the original financial liability and the modified financial liability would be recognised in profit or loss in future periods through the revised effective interest rate.

4.4 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on loans and advances measured at amortised cost or at FVOCI, lease receivable, as well as on loan commitments. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a

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default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

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(a) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the

- when there is a breach of financial covenants by the counterpart
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank, in full (without taking into account any collaterals held by the Bank).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(b) Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Irrespective of the above analysis, the Group considers that credit risk has significantly increased since initial recognition when a contractual payments are more than 30 days past due unless the Group has reasonable and supportable information to demonstrate otherwise.

(c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's
- restructuring of the loan
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group);
Past-due status;
Nature, size and industry of debtors;
Nature of collaterals for finance lease receivables; and
External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(f) Restructured financial assets

If the terms of a financial assets renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset are included in calculating the cash shortfalls from the existing assets.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the asset is treated as final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

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4.5 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less any impairment losses and depreciation calculated on a straight-line basis to write-off the assets over their useful lives.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. Where significant parts of an item of property and equipment has different useful lives, they are accounted for as separate components of property and equipment. All other repairs and maintenance are charged to the profit and loss statement during the period in which they are incurred.

(b) Depreciation

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. The depreciable amount is the gross carrying amount, less the estimated residual value at the end of its useful economic life.

The firm depreciates its assets over the following period

Freehold Buildings	50
Freehold land	Not depreciated
Leasehold land	Not depreciated
Construction Work in progress	Not depreciated
Motor vehicles	4
Furniture, fittings and Equipment	4

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the bank takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic

(c) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised in the income statement during the period in which they were incurred.

4.6 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise office buildings leased out under operating lease agreements.

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Some properties are partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Group considers the owner-occupied portion as insignificant when the property is more than 75% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Group uses the size of the property measured in square metre. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost and accounted for in a manner similar to IAS 16 requirements. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group depreciates its investment property over a 50 year period.

4.7 Intangible assets

(a) Computer software

Computer software is stated at cost, less amortisation and accumulated impairment losses, if any.

The identifiable and directly associated external and internal costs of acquiring and developing software are capitalized where the software is controlled by the Group, and where it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense during the period when they are incurred.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for computer software is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

4.8 Impairment of non-financial assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets, are assessed for indicators of impairment. If indicators are present, these assets are subject to an

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impairment review. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which management monitors the return on investment on assets. The impairment review includes the comparison of the carrying amount of the asset with its recoverable amount. The recoverable amount of the asset is the higher of the assets or the cash-generating unit's fair value less cost to sell and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of tangible and intangible assets, excluding goodwill, are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. In subsequent years, the Group assesses whether indications exist that impairment losses previously recognized for tangible and intangible assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating income as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

4.9 Share capital

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options including those issued on the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividend on ordinary shares

Dividend on ordinary shares is recognised in equity in the period in which it is approved by the Group's shareholders. Dividend declared after the balance sheet date is dealt with in the subsequent period.

4.10 Employee benefits

(a) Post-employment benefits

The Group operates a defined contribution plan, based on a percentage of pensionable earnings funded by both the Group and qualifying employees under a mandatory scheme governed by the Pension Reform Act of 2004. The employer contributes 25% and employee contribute 5% of pensionable earnings hence an amount of 30% in total is contributed. Contributions to these plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group also maintains a defined benefit plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair

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value of plan assets, together with adjustments for unrecognised actuarial gains or losses and

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions is recognised in other comprehensive income. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a

(b) Short term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(c) Other long term employee benefit

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

4.11 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the firm from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

4.12 Taxes, including deferred taxes

(a) Income tax

Income tax comprises current tax and deferred tax. Current tax is the tax expected to be payable on the taxable profit for the period, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years and is recognised as an expense in the period in which profits arise. Current tax assets and liabilities are offset when the Group intends to settle on a net basis and the legal right to offset exists. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

(b) Deferred tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted at the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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(i) Deferred tax asset

The recognition of a deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies.

Recognition of deferred tax assets is based on the evidence available about conditions at the balance sheet date, and requires significant judgments to be made regarding projections of loan impairment charges and the timing of recovery in the economy. These judgments take into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income, future reversals of existing taxable temporary differences, tax planning strategies and the availability of loss carrybacks.

4.13 Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on hand, placements due from financial institutions and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

4.14 Lease

The Group as a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recognised within Advance under finance lease as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognise the lease payments as an operating expense on a straight-line basis over the term of the unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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Initial Recognition

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

The incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

-fixed lease payments (including in-substance fixed payments), less any lease incentives;

-variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

-amount expected to be payable by the lessee under residual value guarantees;

-exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

-payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as part of other liabilities in the consolidated statement of financial position.

Right-of-use asset are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

Subsequent Recognition

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payment made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets that do not meet the definition of investment property are presented as a separate line in the Statement of financial position.

Depreciation on right of use assets

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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Remeasurement/modifications of lease liability
The Group remeasures the lease liability (and make a corresponding adjustment to right-of-use asset)

-the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

-the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

-a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

4.15 Fiduciary activities
The Bank acts as fund manager and in other fiduciary capacities to some Federal Government, State Governments of Nigeria, other government agencies and high net worth individuals that results in the holding or placing of assets on behalf of these stakeholders. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Bank. The fees earned on these activities are recognised as management fees.

4.16 Earnings per share
The Bank present basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Where there are shares that could potentially affect the numbers of share issued, those shares are considered in calculating the diluted earnings per share.

4.17 Business combination
Business Combination under common controls are accounted for in the consolidated accounts prospectively from the date the Bank obtains the ownership interests. Assets and liabilities are recognized upon reconsolidation at their carrying amount in the consolidated financial statement of the Group. Any difference between the fair values of consideration paid and the amounts at which the assets and liabilities are recorded is recognized directly in equity reserve.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3, "Business Combinations", a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants.

A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business. For acquisitions meeting the definition of business, the acquisition method is used. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities

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4 Significant accounting policies

assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired is recorded as goodwill. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicated the need for an impairment. If the cost of acquisition is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly in the consolidated income statement.

For acquisitions not meeting the definition of business, the Group allocates the cost between the individual identifiable assets and liabilities. The cost of acquired assets and liabilities is determined by (a) accounting for financial assets and liabilities at their fair value at the acquisition date as measured in accordance with IFRS 9, “Financial instruments”; and (b) allocating the remaining balance of the cost of purchasing the assets and liabilities to the individual assets and liabilities, other than financial instruments, based on their relative fair values at the acquisition date.

4.18 Consolidation

The financial statements of the consolidated subsidiaries, used to prepare the consolidated financial statements, were prepared as of the Bank's reporting date.

a) Subsidiaries

The consolidated financial statements of the Group comprise the financial statements of the parent entity and all consolidated subsidiaries as of the reporting periods. Subsidiaries are companies in which the Group directly or indirectly holds the majority of the voting rights and where it determines their financial and business policies and is able to exercise control over them in order to benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective acquisition date or up to the effective date on which control ceases, as appropriate. Inter-company transactions, balances and intragroup gains on transactions between group companies are eliminated. Intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

For acquisitions meeting the definition of a business, the acquisition method of accounting is used. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired is recorded as

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4 Significant accounting policies

goodwill. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicated the need for an impairment. If the cost of acquisition is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly in the consolidated income statement. For acquisitions not meeting the definition of business, the Group allocates the cost between the individual identifiable assets and liabilities. The cost of acquired assets and liabilities is determined by (a) accounting for financial assets and liabilities at their fair value at the acquisition date as measured in accordance with IFRS 9, “Financial instruments: Recognition and measurement”; and (b) allocating the remaining balance of the cost of purchasing the assets and liabilities to the individual assets and liabilities, other than financial instruments, based on their relative fair values at the acquisition date.

Business combination under common controls are accounted for in the consolidated accounts prospectively from the date the Bank obtains the ownership interests. Assets and liabilities are recognized upon reconsolidation at their carrying amount in the consolidated financial statement of the Group. Any difference between the fair values of consideration paid and the amounts at which the assets and liabilities are recorded is recognized directly in equity reserve.

b) Non-Controlling Interest (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisitions. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity.

c) Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

d) Common control transactions

Common control transactions in the consolidated financial statements are accounted for prospectively from the date the Bank obtains the ownership interest. Assets and liabilities are recognized upon consolidation at their carrying amount in the consolidated financial statement of the Group. Any difference between the fair values of the consideration paid and the amounts at which the assets and liabilities are recorded is recognized directly in equity reserve.

e) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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4 Significant accounting policies

4.19 Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

		Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
5	**Interest income**					
	Interest income on financial assets carried at amortised cost:					
	Loans and advances to customers		51,669,925	43,278,684	51,529,884	43,151,253
	Loans and advances to financial institutions		1,583,937	2,222,098	1,583,937	2,222,098
	Placements with financial institutions		1,912,111	3,833,737	1,912,111	3,691,694
	Investment in debt securities		61,729,539	31,746,901	61,645,203	31,745,805
	Total interest income calculated using effective interest method		116,895,512	81,081,420	116,671,135	80,810,850
	Other Interest income:					
	Lease Income		10,699	148,030	–	–
			116,906,211	81,229,450	116,671,135	80,810,850

The amounts reported above include interest income calculated using the effective interest method, that relate to the following financial assets

	Note	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Financial assets measured at amortised cost		1,809,916,750	984,388,223	1,807,280,264	982,006,295

		Note				
6	**Interest expense**					
	Borrowings	6.1	34,117,130	25,384,814	33,961,426	25,166,707
	Lease liabilities	6.2	-	-	1,014,257	655,829
			34,117,130	25,384,814	34,975,683	25,822,536

The amounts reported above include interest expense calculated using the effective interest method, that relate to the following financial liabilities

	Note	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Financial liabilities measured at amortised cost		1,189,700,964	374,535,890	1,188,194,341	372,699,814

6.1 The total represents interest expense on financial liabilities that are measured at amortised cost.
6.2 This represents the unwinding of discount on future lease payments for the year.

		Note				
7	**Fees and commission income**					
	Management fee on third party funds	7.1	2,047,399	2,951,932	2,047,399	2,951,932
	Credit related fees		3,483,066	2,941,508	3,316,146	2,673,387
	Commission on letter of credit		235,417	42,568	32,566	32,248
	Fees and commission income		5,765,882	5,936,008	5,396,111	5,657,567

7.1 Management fee on third party funds relate to fees earned by the Bank on trust and fiduciary activities in which the Bank holds or manage funds on behalf of its customers.
7.2 Fee and commission expense relates to 1% monitoring fees paid to Commercial Banks for loan facilities guaranteed.

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		Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
8	**Net (loss)/gain from financial instruments measured at fair value**					
	Derivative (loss)/gain	16	(17,816,567)	2,935,928	(17,816,567)	2,935,928
	Unrealized fair value (loss)/gain on equity investments at FVTPL		(183)	(252)	–	–
			(17,816,750)	2,935,676	(17,816,567)	2,935,928
9	**Other income**					
	Gain on disposal of Investment property		–	778,228	–	778,228
	Exchange gain		1,060,946	1,246,251	1,000,476	1,120,916
	Rental income	9.1	719,251	745,624	713,796	728,824
	LPO Finance income		2,132	493	–	–
	Loan recoveries		719,808	229,147	692,213	229,147
	Brokerage Income		94,730	74,054	–	–
	Dividend from equity securities		1,693	1,619	594	594
	Gain on disposal of Property and Equipment		97,679	1,442	12,465	–
	Grant income	9.2	3,687,692	–	3,687,692	–
	Other miscellaneous income		2,787,060	1,239,224	2,506,769	253,523
			9,170,991	4,316,082	8,614,005	3,111,232

9.1 Rental Income represents income earned from rental of the Group's investment properties and building.

9.2 The Bank received support from the government to enable the Bank increase lending in the SME sector due to the deteriorating performance of the SME sector. This support received from the government is recognised on a systematic basis over the time the Bank recognises as expense the related cost for which the grant is intended to compensate. The total grant received in 2020 was ₦10 billion and the amount recognised as income in 2020 was ₦3.687 billion. The unrecognised grant income is ₦6.312 billion. See note 27.

9.3 Included in other miscellaneous income is ₦1.866billion which presents the value of additional shares received from Ladol Integrated Logistics Free Zone Enterprises to reinstate the Bank's shareholding back to 10%. The total unit of additional shares received was 74,949, thereby resulting to a total shareholdings of 174,949 by Bank of Industry in Ladol Integrated Logistics Free Zone Enterprise.

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		Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
10	**Impairment charges/(write back)**					
	Cash Balances	42(e)(I)	23,639	46	23,639	46
	Due from Financial Institutions	42(e)(ii)	231,253	49,967	232,491	41,301
	Investment in debt securities	42(e)(iii)	261,760	(23,392)	257,392	(23,506)
	Loans and advances	42(e)(iv)	5,167,186	(4,007,535)	5,168,915	(4,015,478)
	Other assets	42(e)(v)	805,440	(6,327)	761,784	(6,327)
	Advances under finance lease	42(e)(vi)	(3,299)	2,834	–	–
	Modification Loss	10(a)	6,361,195	–	6,361,195	–
			12,847,174	(3,984,407)	12,805,416	(4,003,964)

10(a) The Group restructured some of its loans during the period in form of interest rate reduction, moratorium extension and tenure elongation. This was necessitated due to the anticipated impact of COVID-19 on the businesses of the its customers. Interest rate was reduced by 2%, a moratorium of three(3) months was also extended and in some cases there were additional moratorium extension of nine (9) months. The interest rate reduction by 2% for one (1) year commenced April 1, 2020 and terminates March 31, 2021. The effect of this restructuring resulted to a modification loss of N6.361 billion.

		Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
11	**Staff costs**					
	Salaries and wages		11,004,584	11,374,959	10,752,025	11,136,536
	Contributions to defined contribution plans		1,233,239	1,015,694	1,182,658	961,754
	Expenses related to post-employment defined benefit plans	30.2(e)	623,709	376,910	573,955	329,101
	Medical and welfare expenses		1,249,739	1,230,288	1,248,073	1,228,434
			14,111,271	13,997,851	13,756,711	13,655,825
12	**Depreciation and amortisation**					
	Amortisation of Intangible asset	23	150,902	117,354	150,902	117,354
	Depreciation of property and equipment	24	2,177,534	2,114,492	320,751	319,537
	Depreciation of investment property	25	267,372	267,969	263,152	263,750
	Depreciation of right-of-use asset	26	–	–	1,823,442	2,222,636
			2,595,808	2,499,815	2,558,247	2,923,278
13	**Other operating expenses**					
	Rent and rates		432,449	371,217	420,765	357,748
	Directors' emoluments	37b	337,418	523,710	323,790	511,567
	Postages and telephones		158,700	128,170	154,366	124,022
	Entertainment		263,412	277,258	259,260	272,206
	Motor running/ Staff travelling expenses		657,614	1,878,615	646,572	1,857,727
	Advertisement expenses		321,996	356,999	319,536	350,512
	Professional service fees		851,632	1,679,429	826,416	1,632,151
	Corporate promotional expenses		917,955	798,641	917,955	798,641
	Business Development expenses		1,779,807	1,354,164	1,779,807	1,354,164
	MSME Development		695,926	700,992	695,926	700,992
	Training and conference, etc		532,862	2,031,859	528,107	2,021,842
	Bank charges		116,415	40,459	114,227	35,558
	Insurance		403,211	257,815	345,337	179,529
	Subscriptions		13,418	41,022	11,831	36,237
	Donations		11,292	9,700	11,292	9,700
	Repairs and Maintenance		740,818	688,737	731,972	684,257
	Sundry expenses		202,220	138,608	151,454	90,331
	Office expenses		1,421,809	1,338,110	1,250,927	1,154,927
	Printing and stationery		116,126	164,770	113,528	160,740
	Cacovid Donations		962,000	–	962,000	–
	Other asset write off		74,581	2,106,399	74,581	2,106,399
	Audit fee		95,895	89,980	75,000	68,280
			11,107,556	14,976,654	10,714,649	14,507,530

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			GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
			₦'000	₦'000	₦'000	₦'000
14	**Cash and Bank Balances**					
	Cash in hand		3,531	4,371	2,119	1,250
	Cash balances with Local Banks		7,097,336	3,725,444	6,461,869	3,264,834
	Cash Balances with Foreign Banks		2,700,849	4,056,144	2,700,849	4,056,144
	Cash with CBN		73,453,804	2,087,873	73,453,804	2,087,873
			83,255,520	9,873,832	82,618,641	9,410,101
	Allowance for impairment	42(e)(I)	(25,433)	(1,794)	(25,433)	(1,794)
			83,230,087	9,872,038	82,593,208	9,408,307
15	**Due from Financial Institutions**					
	Fixed Deposit - Local		33,585,168	24,273,538	32,550,593	23,422,873
	Fixed Deposit - Foreign		71,577,131	12,638,425	71,577,131	12,638,425
			105,162,299	36,911,963	104,127,724	36,061,298
	Allowance for impairment	42(e)(ii)	(509,865)	(278,612)	(502,437)	(269,946)
			104,652,434	36,633,351	103,625,287	35,791,352

Due from financial institutions represents local and domiciliary fixed deposit placements with financial institutions in Nigeria with original maturities of less than three months.

16 Derivative instrument
Group and Bank

31 December 2020

	Counterparty	Notional contract Amount	Derivative Asset	Derivative Liability	Net
		N'000	N'000	N'000	N'000
Foreign Currency swap - USD	Central Bank of Nigeria	411,077,500	–	(135,311)	(135,311)
Foreign Currency swap - EUR	Central Bank of Nigeria	450,693,600	–	(4,559,923)	(4,559,923)
		861,771,100	–	(4,695,233)	(4,695,233)

31 December 2019

	Counterparty	Notional contract Amount	Derivative Asset	Derivative Liability	Net
		N'000	N'000	N'000	N'000
Foreign Currency swap - USD	Central Bank of Nigeria	20,475,000	2,935,928	-	2,935,928
		20,475,000	2,935,928	-	2,935,928

The Bank entered into various foreign currency swap contracts of Euros and US dollars notional amount with the Central Bank of Nigeria (CBN) during the year. On reporting date, the Group estimates the fair value of the derivatives transacted with the CBN using the discounted cashflow technique. Most inputs into the valuation techniques are wholly observable.

During the year, the derivative contracts entered into by the Group generated net loss of N17.8billion (31 Dec 2019 net gain of N2.9billion), which were recognized in the statement of profit or loss and other comprehensive income. See note 8.

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	Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
17 Advances under Finance Lease					
Gross Investment	17.1	10,921	236,846	–	–
Unearned Income	17.1	(876)	(6,557)	–	–
Present value of minimum lease payments	17.1	10,045	230,289	–	–
Allowance for uncollectible lease payments	17.1	(451)	(3,750)	–	–
		9,594	226,539	–	–
17.1 Advances under finance lease may be analysed as follows:					
Gross investment in finance leases					
- No later than 1 year		10,921	122,378	–	–
- Later than 1 year and no later than 5 years		–	67,327	–	–
- More than 5 years		–	47,141	–	–
		10,921	236,846	–	–
Unearned Income		(876)	(6,557)	–	–
Net Investment in finance lease		10,045	230,289	–	–
Less Impairment allowance	42(e)(v)	(451)	(3,750)	–	–
		9,594	226,539	–	–
Net Investment in finance lease					
Less than one year		10,045	115,821		
Between one and five years		–	67,327		
More than five years		–	47,141		
		10,045	230,289	–	–

The Group enters into finance leasing arrangements as a lessor for generating sets and motor vehicles to its customers.
The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Naira. Residual value risk on the motor vehicles and generating set is not significant, because the residual values are guaranteed and also the existence of a secondary market with respect to them.

	Note	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
18 Investment in debt securities at amortised cost					
Treasury Bills		91,021	15,107,916	–	14,644,246
CBN Omo Bills	18.1	872,365,010	182,745,387	872,365,010	182,745,387
		872,456,031	197,853,303	872,365,010	197,389,633
Impairment allowance		(260,534)	(3,107)	(260,485)	(3,093)
		872,195,497	197,850,196	872,104,525	197,386,540

18.1 This represents the carrying amount of the Bank's investment in CBN OMO Bills at an interest rate that ranged from 11.44% to 13.4% per annum during the period

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		Note	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
			₦'000	₦'000	₦'000	₦'000
19	**Loans and Advances**					
	Loans to customers		575,393,243	526,399,776	574,507,297	525,773,252
	Loans to financial institutions		187,754,160	238,567,832	187,754,160	238,567,832
	Gross loans and advances		763,147,403	764,967,608	762,261,457	764,341,084
	Less ECL allowance	42(e)(iv)	(13,308,671)	(24,934,970)	(13,304,213)	(24,920,988)
	Net loans and advances		749,838,732	740,032,638	748,957,244	739,420,096

20 Equity investment securities

	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
	N'000	N'000	N'000	N'000
Quoted equity investments at FVTPL	4,257	4,440	676	676
Quoted equity investments at FVOCI	10,498	9,850	8,077	8,142
Unquoted equity investments at FVOCI	4,389,164	2,556,999	4,373,658	2,541,493
Total equity investment securities	4,403,919	2,571,289	4,382,411	2,550,311

Analysis of movement in the Group and Bank's equity investment securities are presented below:

Group

	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
31 December 2020	N'000	N'000	N'000	N'000
Balance as at 1 January 2020	4,440	9,850	2,556,999	2,571,289
Additions during the year	–	–	2,147,582	2,147,582
Disposal during the year	–	–	–	–
Unrealised fair value gain/(loss) recognised in P&L	(183)	–	–	(183)
Unrealised fair value gain/(loss) recognised in other comprehensive income	–	648	(315,417)	(314,769)
Balance as at 31 December 2020	4,257	10,498	4,389,164	4,403,919

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31 December 2019	Quoted equity investments at FVTPL ₦'000	Quoted equity investments at FVOCI ₦'000	Unquoted equity investments at FVOCI ₦'000	Total ₦'000
Balance as at 1 January 2019	676	7,898	3,912,454	3,921,028
Additions during the year	4,016	-	-	4,016
Disposal during the year	-	-	(4,049)	(4,049)
Unrealised fair value gain/(loss) recognised in P&L	(252)	-	-	(252)
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	1,952	(1,351,406)	(1,349,454)
Balance as at 31 December 2019	4,440	9,850	2 ,556,999	2,571,289

Bank

31 December 2020	Quoted equity investments at FVTPL N'000	Quoted equity investments at FVOCI N'000	Unquoted equity investments at FVOCI N'000	Total N'000
Balance as at 1 January 2020	676	8,142	2,541,493	2,550,311
Additions during the year	–	–	2,147,582	2,147,582
Unrealised fair value gain/(loss) recognised in other comprehensive income	–	(65)	(315,417)	(315,482)
Balance as at 31 December 2020	676	8,077	4,373,658	4,382,411

31 December 2019	Quoted equity investments at FVTPL N'000	Quoted equity investments at FVOCI N'000	Unquoted equity investments at FVOCI N'000	Total N'000
Balance as at 1 January 2019	676	7,898	3 ,902,852	3,911,426
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	244	(1,361,359)	(1,361,115)
Balance as at 31 December 2019	676	8,142	2 ,541,493	2,550,311

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20.1 Realised gain/(loss) on disposal of equity investments at FVTPL during the year are analysed below:

	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
	₦'000	₦'000	₦'000	₦'000
Sales proceeds	–	4,016	–	–
Carrying amount of investment disposed	–	(4,049)	–	–
Gain on sale of equity investment securities	–	(33)	–	–

20.2 Details of the Group and Bank's equity investments are presented below:

	GROUP 31-Dec-20	GROUP 31-Dec-19	BANK 31-Dec-20	BANK 31-Dec-19
	N'000	N'000	N'000	N'000
(a) Quoted equity investment				
Union Trading Company Plc	676	676	676	676
Other Equity investments	3,581	3,764	–	–
	4,257	4,440	676	676
(b) Quoted equity securities				
GlaxoSmith Kline	278	309	278	309
I.P.W.A Plc	3,478	3,478	3,478	3,478
Thomas Wyatt Plc	395	429	395	429
Staco Insurance Plc	3,426	3,426	3,426	3,426
Gold link Insurance	500	500	500	500
Other equity investments	2,421	1,708	–	–
	10,498	9,850	8,077	8,142

(c) Unquoted equity investment securities measured at FVOCI

The Group has designated some investments in equity instruments at FVOCI as these are investments that the Group plans to hold in the long term for strategic reasons.

LADOL Integrated Logistics Free Zone Enterprises	4,042,254	2,490,825	4,042,254	2,490,825
United Nigeria Textile Limited	31,096	31,096	31,096	31,096
Nigeria Aluminium Extrusion Limited	12,933	12,933	12,933	12,933
Other equity investments	302,881	22,145	287,375	6,639
	4,389,164	2,556,999	4,373,658	2,541,493
Total	4,403,919	2,571,289	4,382,411	2,550,311

No dividend income was received on the unquoted equity investment measured at FVOCI during the year.

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20.3 Measurement of fair value

i. Fair value hierarchy

The fair value of the equity securities at FVOCI was determined by management as the bank's share of the fair value of the investee companies determined based on average of adjusted net asset, trading comparables, transaction comparables and discounted cash flow technique as at 31 December 2020.

The fair value measurement for the unquoted equity securities of ₦4.39billion (31 Dec 2019: ₦2.56billion) has been categorised as Level 3 fair value based on the inputs into valuation technique used.

ii Valuation technique and significant unobservable inputs.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
The fair values are determined by applying the average of discounted cash flow techniques, trading comparables, transaction comparables and adjusted net assets valuation method. References were made to the investee companies historical financial performance and financial positions, cost of capital, discount rate, illiquidity discount etc. The data obtained was analysed and adjustments were made to reflect differences in the circumstances of each investees	Expected net cash flow derived from the entity Risk Free Rate: Average Yield on 10-Year US Treasury Notes – 0.93% Market premium (MRP) -10.05% Base premium for mature equity market - 4.72% Country Risk Premium - 5.33% Cost of debt – 11% Discount rate – 11.92% Liquidity discount - 10% WACC - 11.79% Equity Beta - 1.2	The estimated fair value would increase (decrease) if the following key inputs increases or (decreases): i. Expected net cash flow derived from the entity ii. discount rate iii. Market risk premium iv. equity beta

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21 Investment in subsidiaries
Details of the group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of Incorporation and operation	Ownership Interest	Carrying Amount	
			31-Dec-20	31-Dec-20	31-Dec-19
				₦'000	₦'000
Lecon Financial Services Limited (LECON)	Leasing and Financing	Lagos, Nigeria	98%	3,332,070	3,332,070
BOI Investment and Trust Company Limited	Trusteeship and Consultancy Services	Lagos, Nigeria	100%	108,650	108,650
BOI Microfinance Bank	Microfinance Banking	Lagos, Nigeria	100%	100,000	100,000
Industrial and Development Insurance Brokers Limited	Insurance Placement and Consultancy	Lagos, Nigeria	100%	5,000	5,000
				3,545,720	3,545,720

21.1 Change in the Group's ownership interest in a subsidiary
There were no changes in the Group ownership of the subsidiaries during the year.

21.2 There are no significant non-controlling interest in the group

21.3 There was no indication of impairment on any of the subsidiaries.

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			Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
22	**Other assets**		₦'000	₦'000	₦'000	₦'000
	Prepayments		4,603,634	4,074,513	3,681,054	3,364,541
	WHT receivable		1,573,453	1,645,620	1,455,695	1,426,182
	Other debit balances		253,807	13,326	254,057	6,550
	Net other non-financial assets		6,430,894	5,733,459	5,390,806	4,797,273
	Other financial assets					
	Estate and rental debtors		976,287	940,992	527,743	500,197
	UNDP receivable		37,249	37,249	37,249	37,249
	Due from fund holders		8,454	95,883	8,454	95,883
	Other account receivable	22.1	2,872,795	2,450,019	2,780,299	2,412,013
	Accrued income		342,401	265,295	342,401	265,295
	Late fee receivable		44,774	841,161	44,774	841,161
	Loan fee receivable		885,633	779,853	885,633	779,853
	Due from related companies		-	-	13,162	12,043
	Management fees receivable	22.2	1,056,381	1,357,625	994,126	1,310,429
	LC fees and commission receivable		89,638	89,638	89,638	89,638
	Gross other financial assets		6,313,612	6,857,715	5,723,479	6,343,761
	Less: Impairment allowance	42(d)	(2,034,240)	(1,228,801)	(1,971,261)	(1,209,477)
	Net Other financial assets		4,279,372	5,628,914	3,752,218	5,134,284
	Total other assets		10,710,266	11,362,373	9,143,024	9,931,557

22.1 Other receivable majorly consist of receivable from Ministry of finance in respect of payment made on its behalf to ex-employees of defunct Nigeria Bank for Commerce and Industry (NBCI). This receivable currently stands at N1.869billion with an allowance for impairment of N379.4million

22.2 Management fee receivable represent fee income earned from the management of various funds by the Group from the funds under management.

		Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
23	**Intangible assets**				
	Cost	N'000	N'000	N'000	N'000
	Opening Balance	**761,009**	322,344	**761,009**	321,574
	Acquired during the year	**180,311**	439,436	**180,311**	439,435
	Disposal	–	(771)	–	–
	Closing balance	**941,320**	761,009	**941,320**	761,009
	Accumulated Depreciation				
	Opening Balance	**261,072**	144,489	**261,072**	143,718
	Charge	**150,902**	117,354	**150,902**	117,354
	Disposal	–	(771)	–	–
	Closing balance	**411,974**	261,072	**411,974**	261,072
	Opening net book value	**499,937**	177,855	**499,937**	177,856
	Closing net book value	**529,346**	499,937	**529,346**	499,937

Intangible asset represents purchased computer software.
All intangible assets are non current. All intangible assets of the Group have finite useful life and are amortised over 5 years. The Group does not have internally generated intangible assets.
There were no capitalized borrowing cost during the period.

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24. Property and Equipment

Group

	Freehold Land ₦'000	Building ₦'000	Motor Vehicles ₦'000	Furniture, Fittings and equipment ₦'000	Construction work in progress ₦'000	Total ₦'000
Cost						
At 1 January 2019	11,912	263,250	6,586,065	2,861,560	19,277,179	28,999,965
Additions during the year	-	-	2,193,980	665,920	402,567	3,262,468
Disposal	-	-	(895,270)	(4,951)	-	(900,221)
At 31 December 2019	11,912	263,250	7,884,775	3,522,529	19,679,746	31,362,212
At 1 January 2020	11,912	263,250	7,884,775	3,522,529	19,679,746	31,362,212
Additions during the year	–	–	1,710,613	638,889	887,469	3,236,971
Disposal	–	(299)	(2,434,714)	(85,684)	(3,000)	(2,523,697)
At 31 December 2020	11,912	262,951	7,160,674	4,075,734	20,564,215	32,075,486
Accumulated Depreciation						
At 1 January 2019	754	103,545	3,574,310	1,999,952	-	5,678,561
Charge for the year	(754)	5,266	1,738,092	371,888	-	2,114,492
Disposal	-	-	(868,759)	(4,788)	-	(873,547)
At 31 December 2019	-	108,811	4,443,643	2,367,052	-	6,919,506
At 1 January 2020	–	108,811	4,443,643	2,367,052	–	6,919,506
Charge for the year	–	5,265	1,618,390	553,879	–	2,177,534
Disposal	-	(32)	(2,401,878)	(85,672)	–	(2,487,582)
At 31 December 2020	–	114,044	3,660,155	2,835,259	–	6,609,458
Net Book Value						
At 31 December 2020	**11,912**	**148,907**	**3,500,519**	**1,240,475**	**20,564,215**	**25,466,028**
At 31 December 2019	11,912	154,439	3,441,132	1,155,477	19,679,746	24,442,706

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24. Property and Equipment (contd.)

Bank

	Freehold Land ₦'000	Building ₦'000	Motor Vehicles ₦'000	Furniture, Fittings and equipment ₦'000	Construction work in progress ₦'000	Total ₦'000
Cost						
At 1 January 2019	11,912	262,917	16,284	1,929,900	19,277,179	21,498,192
Additions during the year	–	–	415	299,944	402,567	702,926
At 31 December 2019	11,912	262,917	16,699	2,229,844	19,679,746	22,201,118
At 1 January 2020	11,912	262,917	16,699	2,229,844	19,679,746	22,201,118
Additions during the year	–	–	–	265,602	887,469	1,153,070
Disposal	-	(299)	(330)	(82,241)	(3,000)	(85,870)
At 31 December 2020	11,912	262,618	16,369	2,413,205	20,564,215	23,268,318
Accumulated Depreciation						
At 1 January 2019	754	103,408	16,284	1,238,888	–	1,359,334
Charge for the year	–	5,259	–	315,032	-	320,291
Reversal of depreciation	(754)	–	–	–	–	(754)
At 31 December 2019	–	108,667	16,284	1,553,920	–	1,678,871
At 1 January 2020	–	108,667	16,284	1,553,920	–	1,678,871
Charge for the year	–	5,257	138	315,355	–	320,751
Disposal	-	(32)	(330)	(82,240)	-	(82,602)
At 31 December 2020	–	113,892	16,092	1,787,035	–	1,917,020
Net Book Value						
At 31 December 2020	11,912	148,726	277	626,170	20,564,215	21,351,298
At 31 December 2019	11,912	154,250	415	675,924	19,679,746	20,522,247

(I) There were no impairment losses on any class of property and equipment during the period (31 December 2019: NIL)
(ii) All property and equipment are non-current. There were no capitalized borrowing costs related to the acquisition of property and equipment during the period ended 31 December 2020 (31 December 2019: NIL)
(iii) There were no restrictions on title of any property and equipment.
(iv) There were no property and equipment pledged as security for liabilities
(v) The Group had no capital commitments during the period ended 31 December 2020 (2019: Nil) in respect of construction of BOI Tower II Office Complex in Abuja).

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25 Investment Property

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
	₦'000	₦'000	₦'000	₦'000
Cost				
Opening balance	13,351,062	13,422,802	13,157,602	13,229,341
Disposal	–	(71,740)	–	(71,739)
Closing balance	13,351,062	13,351,062	13,157,602	13,157,602
Accumulated depreciation				
Opening balance	1,923,255	1,676,503	1,871,081	1,628,548
Charge	267,372	267,969	263,152	263,750
Disposal	–	(21,217)	–	(21,217)
Closing balance	2,190,627	1,923,255	2,134,233	1,871,081
Net book value: Opening	11,427,807	11,746,298	11,286,521	11,600,793
Net book value: Closing	11,160,435	11,427,807	11,023,369	11,286,521

(a) Investment property comprises a number of properties that are leased out to third parties for rental income. Rental income from investment property of N719million (Dec 2019: N745million) has been recognised in other income.

(b) The open market value of investment properties as at 31 December 2020 is N51.739 billion (31 Dec 2019:N51.739 billion). The Group and Bank's investment properties were valued using the depreciated replacement cost, direct market and contractors test valuation methods. The valuation of the investment properties was carried out by firms of independent Estate Valuers & Surveyors, namely Diya Fatimilehin & Co. (FRC/2013/NIESV/00000002773), Bode Adediji Partnership (FRC/2012/NIESV/00000000279), Knight & Frank (FRC/2013/NIESV/00000000584) and Ubosi Eleh & Co. (FRC/2014/NIESV/00000003997).

(c) Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

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Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Prices per square meter -Rate of development in the area -Quality of the building -Influx of people and/or businesses to the area	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

26 Right of use asset

	31-Dec-20 ₦'000	31-Dec-19 ₦'000	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Cost				
Opening Balance	–	–	5,567,326	3,625,410
Additions during the year	–	–	2,399,346	1,941,916
Closing Balance	–	–	7,966,672	5,567,326
Accumulated depreciation				
Opening Balance	–	–	2,222,636	–
Charge for the year	–	–	1,823,442	2,222,636
Closing Balance	–	–	4,046,078	2,222,636
Net carrying amount: Opening	–	–	3,344,690	3,625,410
Net carrying amount: Closing	–	–	3,920,594	3,344,690

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27 Other Liabilities

	Note	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
		₦'000	₦'000	₦'000	₦'000
Accruals and deferred income	27.1	6,632,025	4,891,077	6,153,771	4,413,838
LC payable	27.2	2,578,177	1,682,192	2,578,177	1,682,192
Amount due to debt management office	27.3	1,717,153	1,716,976	1,717,153	1,717,153
Due to fund holders	27.4	187,906,329	110,626,185	187,831,057	110,603,176
Deposits from customers		935,810	780,723	–	–
Lease liability	27.6	–	–	4,135,922	3,356,422
De-risk grant	9.2	6,312,308	–	6,312,308	–
Other creditors		5,264,985	7,695,032	4,492,680	6,786,547
		211,346,787	127,392,185	213,221,068	128,559,328

27.1 Accruals and deferred income

	Note	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
Accrued expenses		4,469,612	2,649,252	4,429,402	2,610,057
Deferred income		438,044	438,044	–	–
Provision for litigation		150,000	150,000	150,000	150,000
Advance deposit for legal expenses		1,463,001	1,509,331	1,463,001	1,509,331
Rental creditors		110,621	143,718	110,621	143,718
Dividend payable	27.5	747	732	747	732
		6,632,025	4,891,077	6,153,771	4,413,838

27.2 LC payable relates to letter of credits opened for customers of the Bank. Under this arrangement, the Bank is expected to make payments on behalf of its customers.

27.3 This represents amount due to Debt Management Office (DMO) for repayment of Legacy Lines of Credits to the lenders on behalf of the Bank. The credit was taken by Bank's precursor institution (NIDB).

27.4 Due to fund holders represent balances due to Funds that are being managed by the Bank of Industry Limited. All related risk and rewards on assets and liabilities.

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	N'000	N'000	N'000	N'000
Cement fund (see note a below)	20,802,543	19,914,953	20,802,543	19,914,953
Textile intervention fund	4,692,962	4,104,960	4,692,962	4,104,960
Nigerian Content Development and Monitoring Board (see note b below)	136,241,337	65,200,203	136,241,337	65,200,203
Sugar Development fund	692	59,174	692	59,174
GEEP	158,643	158,642	158,643	158,642
Textile revival fund	14,269,750	19,670,092	14,269,750	19,670,092
State matching funds	2,096	55,429	2,096	55,429
MSME Survival fund	11,610,834		11,610,834	
Other managed funds	127,472	1,462,732	52,200	1,439,723
	187,906,329	110,626,185	187,831,057	110,603,176

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(a) Amount represents balance due to Cement Technology Institute of Nigeria (CTIN) in respect of the Nigerian Cement Fund being managed by BOI under a fixed income arrangement.

(b) Amount represents the balance of the Nigerian Content Development Monitoring Board (NCDMB) fund being managed by BOI. The Bank acts as the Fund Manager and is responsible for the disbursement of loans under this fund. Interest income on loans disbursed are shared at 50:50 ratio between the Bank and NCDMB. BOI also has an obligation to pay on a monthly basis 50% of the interest earned on the undisbursed portion of the fund.

27.5 Lease Liabilities

	Note	Group 31-Dec-20 ₦'000	Group 31-Dec-19 ₦'000	Bank 31-Dec-20 ₦'000	Bank 31-Dec-19 ₦'000
Maturity Analysis - contractual undiscounted cash flows					
Less than one year		–	–	2,072,968	1,758,818
One to five years		–	–	2,962,445	2,570,269
Total undiscounted lease liabilities at close of period		–	–	5,035,413	4,329,087
Lease liabilities included in the statement of financial position at close of period		–	–	4,135,922	3,356,422
Current		–	–	1,926,408	1,601,902
Non-current		–	–	2,209,514	1,754,520
			–		
Amount recognised in profit or loss			-		
Interest on lease liabilities	6	–	–	1,014,257	655,829
Expenses relating to short lease	13	432,449	371,217	420,765	357,748
Amount recognised in statement of cash flows					
Lease liability payment				2,422,444	2,198,878

There are no variable payment or extension options in the lease contract arrangements.

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28 Income Taxes

28.1 Current tax liability

		Group 31-Dec-20 ₦'000	Group 31-Dec-19 ₦'000	Bank 31-Dec-20 ₦'000	Bank 31-Dec-19 ₦'000
At 1 January					
Current tax liability					
At 1 January		2,902,622	5,073,130	2,613,315	4,685,306
Charge for the period/year					
Income tax	28.2	3,016,465	1,070,617	2,722,375	975,901
Capital gains tax	28.2(a)	–	82,853	–	82,853
Paid during the year		(1,809,419)	(3,323,978)	(1,384,024)	(3,130,745)
At period ended		4,109,668	2,902,622	3,951,666	2,613,315

28.2 Income Tax Recognised in statement of profit or loss

	Group 31-Dec-20 N'000	Group 31-Dec-19 N'000	Bank 31-Dec-20 N'000	Bank 31-Dec-19 N'000
Current Tax				
Company income tax	2,142,972	696,716	2,077,352	600,000
Education tax	303,121	440	299,820	-
Information technology levy	353,661	374,031	343,486	374,031
Nigerian policy trust fund levy	1,729	1,870	1,717	1,870
Tax (over)/under provision	214,982	(2,440)	–	–
	3,016,465	1,070,617	2,722,375	975,901
Capital gain tax (see note(a) below)	–	82,853	–	82,853
Tax expense	3,016,465	1,153,470	2,722,375	1,058,754
Deferred tax recognised in statement of profit or loss	927,694	(1,149,636)	822,656	(1,151,760)
Total income tax recognised in statement of profit or loss	3,944,159	3,834	3,545,031	(93,006)

(a) Capital gains tax represents tax charge at the rate of 10% on the realised gain on disposal of investment property in line with the Capital Gains Tax Act (CGT).

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	Note	GROUP 31-Dec-20 ₦'000	GROUP 31-Dec-19 ₦'000	BANK 31-Dec-20 ₦'000	BANK 31-Dec-19 ₦'000
28.3 Income Tax Reconciliation					
Profit before Tax		35,542,017	39,335,172	34,348,601	37,403,089
Income tax expense calculated at 30% of PBT (2019: 30%)		10,662,605	11,800,552	10,304,580	11,220,927
Effect of income that is exempt from taxation		(21,946,796)	(12,162,466)	(21,946,796)	(12,162,466)
Effect of expense that are not deductible in determining taxable profit		14,490,119	398,706	14,490,119	398,706
Effect of information technology levy		343,486	374,031	343,486	374,031
Effect of Nigeria Police Trust fund levy		1,717	1,870	1,717	1,870
Effect of minimum tax		–	–	–	
Effect of education tax		299,820	–	299,820	–
Effect of capital gain tax		–	82,853	–	82,853
Effect of change in tax rate		(98,512)	(161,928)	(98,512)	(161,928)
Effect of tax incentive		–	(4,119)	–	(4,119)
Others		191,720	(325,674)	150,617	157,120
Income tax expense recognised in profit or loss		3,944,159	3,826	3,545,031	(93,006)

28.4 Deferred tax assets/(liabilities)	Notes	Group 31-Dec-20 N'000	Group 31-Dec-19 N'000	Bank 31-Dec-20 N'000	Bank 31-Dec-19 N'000
At 1 January		2,330,222	675,882	1,488,950	(165,841)
Charge to profit or loss	28.2	(927,694)	1,149,636	(822,656)	1,151,760
(Charge)/released to other comprehensive income	28.6	153,762	504,704	151,702	503,031
At end of the year		1,556,290	2,330,222	817,996	1,488,950

28.5 Deferred tax balances	Group 31-Dec-20 N'000	Group 31-Dec-19 N'000	Bank 31-Dec-20 N'000	Bank 31-Dec-19 N'000
Deferred tax assets	4,427,131	5,249,189	3,979,102	4,698,183
Deferred tax liabilities	(2,870,841)	(2,918,967)	(3,161,106)	(3,209,233)
	1,556,290	2,330,222	817,996	1,488,950

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28.6 Component of deferred tax

Group

31 December 2019	Opening Balance ₦'000	Recognised in profit or loss ₦'000	Recognised in other comprehensive income ₦'000	Closing balance ₦'000
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(1,941,215)	(490,827)	–	(2,432,042)
Employee benefit	1,106,195	170,737	153,762	1,430,694
Loans & advances	1,793,711	(636,990)	–	1,156,721
Exchange differences	(477,338)	38,539	–	(438,799)
Tax losses	2,345,529	(2,008,288)	–	337,241
Derivative	(500,414)	2,002,889	–	1,502,475
Right of use asset	3,754	(3,754)	–	–
	2,330,222	(927,694)	153,762	1,556,290
31 December 2019				
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(2,133,632)	192,417	–	(1,941,215)
Trading properties	–	–	–	–
Employee benefit	362,262	239,229	504,704	1,106,195
Loans & advances	2,509,233	(715,522)	–	1,793,711
Exchange differences	(503,244)	25,906	–	(477,338)
Tax losses	441,263	1,904,266	–	2,345,529
Derivative	–	(500,414)	–	(500,414)
Right of use asset	–	3,754	–	3,754
	675,882	1,149,636	504,704	2,330,222

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28.6 Component of deferred tax

Components and movement in deferred tax balances are presented as follows:

Bank

31 December 2020	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax(liabilities)/assets in relation to:	₦'000	₦'000	₦'000	₦'000
Property and equipment	(2,350,125)	(490,827)	–	(2,840,952)
Employee benefit	1,013,638	171,928	151,702	1,337,268
Loans & advances	1,776,524	(637,164)	–	1,139,360
Exchange differences	(358,693)	38,539	–	(320,154)
Tax losses	1,904,267	(1,904,267)	–	–
Derivative	(500,415)	2,002,889	–	1,502,474
Right of use asset	3,754	(3,754)	–	–
	1,488,950	(822,656)	151,702	817,996
31 December 2019				
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(2,544,628)	194,503	–	(2,350,125)
Employee benefit	271,378	239,229	503,031	1,013,638
Loans & advances	2,492,008	(715,484)	–	1,776,524
Exchange differences	(384,599)	25,906	–	(358,693)
Tax losses	–	1,904,267	–	1,904,267
Derivative	–	(500,415)	–	(500,415)
Right of use asset	–	3,754	–	3,754
	(165,841)	1,151,760	503,031	1,488,950

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
	₦'000	₦'000	₦'000	₦'000
29 Borrowings				
CBN Intervention fund (Note 29.1 (i))	249,019,633	288,863,441	249,019,633	288,863,441
AFDB Borrowing(Note 29.1 (ii))	19,782,648	21,949,409	19,782,648	21,949,409
Syndicated Lending I (Note 29.1 (iii))	–	184,500,887	–	184,500,887
Syndicated Lending II (Note 29.1 (v))	445,458,947	–	445,458,947	–
Syndicated Lending II (Note 29.1 (vi))	385,522,532	–	385,522,532	–
CBN Industrial Borrowing (Note 29.1 (iv))	201,188,876	101,049,315	201,188,876	101,049,315
Other borrowing	1,506,623	1,836,076	–	–
	1,302,479,259	598,199,128	1,300,972,636	596,363,052

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29.1 Summary of borrowing arrangements

i) CBN Intervention Fund
The Central Bank of Nigeria (CBN) in 2010 invested N500 billion in a zero coupon debenture instrument issued by the Bank of Industry Limited as part of its intervention programs in the Nigeria economy. The fund was meant to provide developmental finance of N300billion to the power and aviation sector as well as refinancing and restructuring facilities of ₦200billion to the SME subsectors. An additional amount of ₦35billion was invested into Bank of Industry in 2011. The Power and Aviation Intervention Fund (PAIF) guidelines issued by the CBN provides that the issuer, the Bank of Industry Limited shall be the managing agent of the fund whilst the African Finance Corporation (AFC) serves as the Technical Adviser to the Fund.

ii) Borrowings from African Development Bank (AFDB)
The bank obtained a $100million line of credit from African Development Bank (AfDB) on the 9th of September 2015. The loan is secured by a sovereign guarantee of the Federal Government of Nigeria issued by the debt management office. The facility is earmarked for the financing of export-oriented small and medium enterprises (SME) with particular emphasis on the non-oil sector. The first tranche of the loan drawn down is $50 million with the following terms; tenor - 10 years, interest rate - 6months USD libor plus 0.06% funding margin plus 60 basis points, 3 years grace period.

iii) Syndicated Lending I
The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 6th of June 2018. The total amount obtained by the bank was $750m. This facility was fully guaranteed by the Central Bank of Nigeria. The proceeds of the facility is to be used by the bank to finance trade and trade related projects of its customers in eligible sectors. The facility has a 12 month moratorium period on principal repayment with a final maturity 36 months from the signature date. Interest payable under the facility is Libor + a margin (determined by Reuters – 6%) for 90 days. This facility has been fully repaid in December 2020 and was refinanced with a new borrowing of 1billion Dollars.

iv) CBN Industrial Fund Borrowing
In 2017, the Central Bank of Nigeria (CBN) provided a ₦50billion facility to the bank. This facility was introduced to stimulate the failing industrial sector of the country. Subsequent to the provision of the first tranche of ₦50billion, a second facility of ₦50billion was added. This was further increased by ₦100billion in November 2020, thereby bringing it to a total sum of ₦200billion. Each tranche of the facility holds a tenure of 8 years and interest rate of 2%. However, the interest rate on the tranches received in 2017 which amounts to ₦100billion was reduced to 1% with an effective date of 1 March, 2020. This reduced interest rate is expected to run for one year.

v) Syndicated Lending II
The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 14th of February 2020. The total amount obtained by the bank was 1billion Euros. This facility has been fully guaranteed by the Central Bank of Nigeria. The proceeds of the facility is to be used by the bank to finance trade and trade related projects of its customers in eligible sectors. The facility has a 12 month moratorium period on principal repayment with a final maturity 60 months from the signature date. Interest payable under the facility is Euribor + a margin (4.5%)

vi) Syndicated Lending III
The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 14th of December 2020. The total amount obtained by the bank was 1billion Dollars. This facility has been fully guaranteed by the Central Bank of Nigeria. The proceeds of the facility is to be used by the bank to finance trade and trade related projects of its customers in eligible sectors. The facility has a 12 month moratorium period on principal repayment with a final maturity 36 months from the signature date. Interest payable under the facility is Libor + a margin (6%)

29.2 Breach of loan agreement
During the year, the Group did not breach any of the loan agreements with its lenders.

29.3 Reconciliation of liabilities arising from financing activities
The table below details changes in the Group and Bank's Liabilities arising from financing activities, which were mainly cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cashflows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities

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Group

	Balance as at 1January 2020	Financing Cash flow Net principal proceed and Repayments	Financing Cash flow Net Interest accrual and Repayments	Balance as at 31 December 2020
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	288,863,441	(39,843,808)	-	249,019,633
AFDB Borrowing	21,949,409	(1,898,286)	(268,475)	19,782,648
Syndicated Lending I	184,500,887	(182,850,255)	(1,650,632)	-
Syndicated Lending II	-	442,122,815	3,336,132	445,458,947
Syndicated Lending III	-	384,153,660	1,368,872	385,522,532
CBN Industrial Borrowing	101,049,315	100,000,000	139,561	201,188,876
Other borrowing	1,836,076	-	(329,453)	1,506,623
	598,199,128	701,684,126	2,596,005	1,302,479,259

Bank

	Balance as at 1January 2020	Financing Cash flow Net principal proceed and Repayments	Financing Cash flow Net Interest accrual and Repayments	Balance as at 31 December 2020
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	288,863,441	(39,843,808)	-	249,019,633
AFDB Borrowing	21,949,409	(1,898,286)	(268,475)	19,782,648
Syndicated Lending I	184,500,887	(182,850,255)	(1,650,632)	-
Syndicated Lending II	-	442,122,815	3,336,132	445,458,947
Syndicated Lending III	-	384,153,660	1,368,872	385,522,532
CBN Industrial Borrowing	101,049,315	100,000,000	139,561	201,188,876
	596,363,052	701,684,126	2,925,458	1,300,972,636

30 Employee benefit obligations

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec-19
	₦'000	₦'000	₦'000	₦'000
Defined Pension Contribution (see note (30.1) below)	170,139	151,679	9,910	10,016
Defined benefits (see note (30.2) below)	4,468,449	3,451,884	4,178,962	3,167,619
	4,638,588	3,603,563	4,188,872	3,177,635

30.1 Defined pension contribution

At 1 January	151,679	294,853	10,016	162,223
Arising during the year	1,233,239	1,015,694	1,182,658	961,754
Remittance during the year	(1,214,779)	(1,158,868)	(1,182,764)	(1,113,961)
At period ended	170,139	151,679	9,910	10,016

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30.2 Defined benefits

The Bank operates a funded defined benefits scheme for its qualifying employees. An employee is entitled to the benefits of the gratuity as long as the employee has spent not less than 5 years in the service before he retires or withdraws. The retirement age is the date on which the employee attains the age of 60. The defined benefits plan is a plan that defines the amount of benefit that each employee is entitled to on retirement. The defined benefit liability is discounted using the market yields at the reporting date of government bonds that are denominated in the currency in which benefits will be paid, and that have a maturity approximating to the terms of the related pension liability.

The most recent actuarial valuations of the present value of the defined benefit obligations were carried out by Messers KDA Associates, FRC Number FRC/2013/00000000001556. The present value of the defined benefit obligation and the related current and past service cost were measured using the Projected Unit Credit Method.

	Group		Bank	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	₦'000	₦'000	₦'000	₦'000
The principal assumptions used for the purposes of the actuarial valuations are as follows:				
Discount rate	10.0%	11.8%	10.0%	11.8%
Expected rates of salary increase	5%	5%	5%	5%
Rate of inflation	9.0%	11.34%	9.0%	11.34%
The details of the defined plans are as below:				
Present value of defined benefit obligation	6,269,083	4,983,056	5,919,270	4,609,084
Fair value of planned assets	(1,800,634)	(1,531,172)	(1,740,308)	(1,441,465)
Net liability arising from defined benefit obligation	**4,468,449**	**3,451,884**	**4,178,962**	**3,167,619**

30.2(a) Movements in the present value of the defined benefit obligation in the current year as follows

At 1 January	4,983,056	2,769,407	4,609,084	2,480,741
Current service Cost	246,134	204,687	231,889	188,735
Interest cost	590,593	459,196	543,872	411,307
Actuarial losses/(gains) (note 30.2d)	583,560	1,613,511	624,345	1,552,121
Benefits paid	(134,260)	(63,745)	(89,920)	(23,820)
At 31 December	6,269,083	4,983,056	5,919,270	4,609,084

30.2(b) Planned Asset

Opening Fair value	1,531,172	1,732,769	1,441,465	1,632,685
Expected return on plan asset	213,018	286,973	201,805	270,941
Employer contribution	7,000	18,680	7,000	–
Actuarial gain/(loss) (note 30.2d)	142,276	(25,015)	150,276	(19,851)
Benefit paid	(92,832)	(482,235)	(60,238)	(442,310)
	1,800,634	1,531,172	1,740,308	1,441,465

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	Group		Bank	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
	₦'000	₦'000	₦'000	₦'000
30.2(c) Planned asset comprise of the following				
FGN Bonds	942,981	289,239	942,981	289,239
Corporate Bonds	25,694	24,553	25,694	24,553
Treasury Bills	300,959	948,457	300,959	948,457
Cash and cash equivalent	531,000	268,924	470,674	179,216
	1,800,634	1,531,173	1,740,308	1,441,465

	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
	N'000	N'000	N'000	N'000
30.2(d) Amount recognised in Statement of Other Comprehensive income in respect of the defined benefit plans are as follows:				
Defined benefit obligation (note 30.2a)	(583,560)	(1,613,511)	(624,345)	(1,552,121)
Planned asset (note 30.2b)	142,276	(25,015)	150,276	(19,851)
	(441,284)	(1,638,525)	(474,069)	(1,571,972)
30.2(e) Amounts recognised in profit or loss in respect of these defined benefit obligations				
Current service Cost	246,134	204,687	231,889	188,735
Interest on obligation	590,593	459,196	543,872	411,307
Expected return on planned assets	(213,018)	(286,973)	(201,805)	(270,941)
	623,709	376,910	573,956	329,101

31 Deposit for shares

	Group	Group	Bank	Bank
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
	₦'000	₦'000	₦'000	₦'000
Deposit for shares	15,000,000	15,000,000	15,000,000	15,000,000
	15,000,000	15,000,000	15,000,000	15,000,000

Amount represents funds from the Federal Government of Nigeria being additional capital contribution to the Bank as part of the first phase for restructuring development finance institutions in Nigeria.

During the period, the Bank performed a re-assessment of the funds received from the Federal Government of Nigeria as additional capital contribution to the Bank as part of the first phase for restructuring development finance institutions in Nigeria. From the assessment, it was concluded that there is no possibility that the funds meant for recapitalization of the Bank of Industry would be refunded to the Federal Government of Nigeria (Ministry of Finance Incorporated). The deposit for shares has therefore been reclassified from Liability to Equity.

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The Bank is still in the process of recapitalization and the deposit for shares would be converted to share capital upon receipt of all regulatory approval.

32 Share Capital and Reserves

32 (a) Share Capital	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec19
	₦'000	₦'000	₦'000	₦'000
Authorised Capital Comprise of:				
125,000,000 ordinary shares of N2 each	250,000,000	250,000,000	250,000,000	250,000,000
31 December 2020 -73,685,660,620; (31 December 2019 -73,685,660,620) Ordinary shares of N2 each:	147,371,321	147,371,321	147,371,321	147,371,321

There was no additional capital injected during the current period

32(b) Retained earnings
Retained earnings comprises the undistributed profits from previous years which have not been reclassified to other reserves.

32(c) Statutory reserve
This reserve represents the cumulative appropriation from general reserves/earnings in line with Nigerian banking regulations and CBN Regulatory and Supervisory Guidelines for Development Finance Institutions in Nigeria that require the Bank to make an annual appropriation in reference to specific rules. Section 15(1) of the Bank and Other Financial Institutions Act of 2020, stipulates that an appropriation of 30% of profit after tax be made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

32(d) Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the investments are derecognised or impaired.

32(e) Non-distributable reserve
This reserve warehouses the difference between loan provision under Prudential guideline and IFRS impairment allowance

32(f) Actuarial reserve
This consists of the actuarial gains or losses arising from the valuation of the Group's defined benefit plan.

32(g) Business combination under common control
This reserve reflects the difference between the cost of acquisition and the amount at which the assets and liabilities have been recognised for the acquisition of a business combination under common control.

32(h) SME reserve
This reserve is to provide funding for SME to provide funding in line with medium term expenditure framework of the federal government

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33 Earnings per share

33.1 Basic earnings per share

Basic earnings per share (EPS) are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year as follows:

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec19
	₦'000	₦'000	₦'000	₦'000
Profit for the period attributable to shareholders	31,597,858	39,331,338	30,803,570	37,496,095
Weighted average number of ordinary shares in issue as at year end (unit) '000'	73,685,660	73,685,661	73,685,660	73,685,661
Earning per share - basic (kobo)	43	53	42	51

33.2 Diluted Earnings per share

Diluted earnings per share (EPS) are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec19
	₦'000	₦'000	₦'000	₦'000
Profit for the period attributable to shareholders	31,597,858	39,331,338	30,803,570	37,496,095
Weighted average number of ordinary shares in issue as at year end (unit) '000'	73,685,660	73,685,661	73,685,660	73,685,661
- Deposit for shares as at year end ('000)	**7,500,000**	7,500,000	**7,500,000**	7,500,000
Weighted average number of ordinary shares used in the calculation of diluted earnings per share(unit) '000'	81,185,660	81,185,661	81,185,660	81,185,661
Earning per share - Diluted (kobo)	39	48	38	46

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		Note	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec19
			₦'000	₦'000	₦'000	₦'000
34	**Reconciliation of profit after tax to cash generated from operation**					
	Profit for the period		31,597,858	39,331,338	30,803,570	23,313,452
	Income tax expense recognised in profit or loss	28.2	3,944,159	3,834	3,545,031	2,404,533
			35,542,017	39,335,172	34,348,601	25,717,985
	Adjustment for non-cash items					
	Impairment charge/(write back) on loans and advances	10	5,167,186	(4,007,535)	5,168,915	(6,224,171)
	Other asset write off	13	74,581	2,106,399	74,581	612,948
	(Writeback)/charge on leases	10	(3,299)	2,834		
	Impairment Loss/(writeback) for prepayment and other assets	10	805,440	(6,327)	761,784	(169,265)
	Impairment/(write back) on debt securities	10	261,760	(23,392)	257,392	(21,300)
	Impairment on cash Balances	10	23,639	46	23,639	81,116
	Impairment on due from financial institutions	10	231,253	49,967	232,491	(75,159)
	Non-cash transfer of shares received		(1,866,846	-	(1,866,846)	-
	Amortisation - Intangible assets	12	150,902	117,354	150,902	50,418
	Depreciation charge- Investment properties	12	267,372	267,969	263,152	130,446
	Depreciation - Property and equipments	12	2,177,534	2,114,492	320,751	159,160
	Depreciation - Right of use assets	12	-	-	1,823,442	1,113,703
	Gain on disposal of Investment property	9	-	(778,228)	-	(778,228)
	Loss on disposal of equity		-	33	-	-
	Gain from disposal of property and equipment	9	(97,679)	(1,442)	(12,465)	-
	Dividend from equity securities	9	(1,693)	(1,619)	(594)	(594
			42,732,167	39,175,724	41,545,745	20,597,059
	Changes in operating assets and liabilities					
	Decrease/(Increase) in traded equity instruments		183	(3,764)	-	-
	Decrease/(Increase) in derivative instruments		7,631,161	(4,308,736)	7,631,161	(3,585,513)
	Decrease in advances under lease		220,244	(98,322)	-	-
	(Increase)/Decrease in loans and advances		(14,973,280)	(101,909,070)	(14,706,063)	42,405,512)
	Increase in prepayment, accrued income and other assets		(2,702,054)	(9,547,967)	(2,890,288)	(5,479,877)
	Increase in right-of-use assets		-	-	(2,399,346)	(4,390,689)
	Increase in staff gratuity		593,741	633,546	537,168	244,266
	Increase in other liabilities		86,550,605	29,032,223	90,009,640	4,404,536
	Cash used in operations		120,052,767	(47,026,365)	119,728,017	(30,615,730))

		Note	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
35(a)	**Cash and cash equivalents**					
			N'000	N'000	N'000	N'000
	Cash and bank balances	14	83,255,520	9,873,832	82,618,641	9,410,101
	Due from financial institution	15	105,162,299	36,911,963	104,127,72	36,061,298
			188,417,819	46,785,795	186,746,365	45,471,399

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		Note	Group 31-Dec-20 ₦'000	Group 31-Dec-19 ₦'000	Bank 31-Dec-20 ₦'000	Bank 31-Dec19 ₦'000
35(b)	**Reconciliation of gross investment in debt securities**					
	Opening balance of debt securities		197,853,303	262,817,684	197,389,633	261,773,911
	Purchase of debt securities		2,519,908,442	860,989,471	2,519,908,442	860,585,099
	Redemption of debt securities		(1,847,775,521)	(928,431,797)	(1,847,775,521)	(928,431,797)
	Write off		–	(984,475)	–	–
	Interest accrued and receipts		2,469,807	3,462,420	2,842,456	3,462,420
			872,456,031	197,853,303	872,365,010	197,389,633
36	**Statement of prudential adjustment**					
	Provision per prudential guidelines		29,689,825	39,454,112	29,555,345	39,317,198
	Impairment per IFRS		(13,308,671)	(24,934,970)	(13,304,213)	(24,920,988)
	Non distributable reserves		16,381,154	14,519,142	16,251,132	14,396,210

Section 12.4 of the Prudential Guidelines (PG) 2010 requires difference between loan provision under PG and IFRS provision be treated as follows:

a Where loan provision under PG is greater than IFRS provisions, the excess should be transferred from general reserves to a non-distributable regulatory reserves (i.e. loan impairment reserves).

b Where loan provision under PG is less than IFRS provisions, the excess should be transferred from regulatory reserve (i.e. loan impairment reserve) to retained earnings account to the extent of the non-distributable reserve previously recognized

As at 31 December 2020, the sum of N1.854 billion was transferred from Bank's retained earnings to non-distributable reserve while N1.861 billion was transferred from the Group's retained earnings to non-distributable reserve.

37 Employees and Directors

a) Employees

The average number of persons employed by the Company during the year was as follows:

	Group 31-Dec-20 Number	Group 31-Dec-19 Number	Bank 31-Dec-20 Number	Bank 31-Dec19 Number
Managing Director	1	1	1	1
Executive Directors	4	5	4	4
Management	43	48	27	32
Non-management	457	462	413	414
	505	516	445	451

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37 Employees and Directors (cont'd)

Compensation for the above staff is set out below

		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
		₦'000	₦'000	₦'000	₦'000
Wages and salaries		11,004,583	11,374,959	10,752,025	11,136,536
Pension cost:					
Defined contribution		1,233,239	1,015,694	1,182,658	961,754
Defined benefits	30.2(e)	623,709	376,910	573,955	329,101
		12,861,531	12,767,563	12,508,638	12,427,391

The number of employees of the Bank, other than directors, who received emoluments in the following ranges (excluding pension contributions) were

	Group	Group	Bank	Bank
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
	Number	Number	Number	Number
N300,001 - N2,000,000	29	27	4	2
N2,000,001 - N2,800,000	4	6	-	2
N2,800,000 - N3,500,000	-	2	-	-
N3,500,001 - N4,000,000	3	4	-	-
N4,000,001 - N5,500,000	11	13	-	-
N5,500,001 - N6,500,000	75	73	67	67
N6,500,001 - N7,800,000	76	78	73	75
N7,800,001 - N9,000,000	78	78	73	73
N9,000,001 - and above	229	235	228	232

b Directors

Remuneration paid to the directors				
Fees and sitting allowances	107,880	83,960	107,880	83,960
Other directors expenses and benefits	229,538	439,750	215,910	427,607
	337,418	523,710	323,790	511,567
Fees and other emoluments disclosed above include amount paid to:				
The Chairman	38,726	24,835	38,726	24,835

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Bank		Group	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec19
	Number	Number	Number	Number
Below N1,000,000	7	13	-	-
N1,000,000 - N2,000,000	4	5	-	-
N2,000,001 - N3,000,000	1	-	-	-
N5,500,001 - and above	5	7	5	7

Notes to the Consolidated and Separate Financial Statements
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38 Related party transactions:

a Parent:

Transactions between Bank of Industry and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements.

Entity	31-Dec-20 Effective holding %	31-Dec-20 Nominal share capital N'000	31-Dec-19 Effective holding %	31-Dec-19 Nominal share capital held N'000
BOI Investment and Trust Company Limited	100.0%	110,000	100.0%	110,000
Leasing Company of Nigeria Limited	98.0%	3,270,038	98.0%	3,270,038
BOI Insurance Brokers	100.0%	5,000	100.0%	5,000
BOI Microfinance Bank Limited	100.0%	100,000	100.0%	100,000

Transaction and balances with Related Parties	Nature of relationship	Nature of transactions	Balance as at 31 December 2020	Balance as at 31 December 2019
Central Bank of Nigeria	Shareholder	Investment in OMO Bills	872,365,010	182,745,387
		Borrowings	(450,208,510)	(389,912,756)
Ministry of Finance Incorporated	Shareholder	Receivable from MOFI	1,869,448	1,869,448
LECON	Subsidiary	Lease of assets:		
		Right of Use assets	3,920,594	3,344,690
		Lease liability	4,135,922	3,356,422

b Key management personnel

Key management personnel is defined as the Group's executive management, including their close members of family and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

c Key management compensation

The renumeration of directors and other members of key management personnel during the year was as follows:

	Group 31-Dec-20	Group 31-Dec-19	Bank 31-Dec-20	Bank 31-Dec19
	₦'000	₦'000	₦'000	₦'000
Salaries and other short-term benefits	1,858,861	1,861,099	1,858,861	1,861,099
Post Employment Benefits	204,068	231,658	204,068	231,658

d Loans to key management personnel

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. Loans amounting to ₦1.948billion as at 31 December 2020 (31 December 2019: ₦2.129billion) are secured by the underlying assets.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

39 Penalties for non compliance

There was no penalty in the current year.

40 Contingent liabilities and commitment

a Legal proceedings

The Group is presently involved in 41 cases (31 December 2019: 42 cases) as a defendant and 3 cases (31 December 2019: 3 cases) as a plaintiff, and 43 cases (31 December 2019: 50 cases) in appeal in its ordinary course of business. The total amount claimed in the 3 cases (31 December 2019: 3 cases) instituted by the Bank is estimated at ₦1.315 billion (31 December 2019: ₦1.208billion), while the total amount claimed in the 41 cases (31 December 2019: 42 cases) instituted against the Bank is ₦12.9 billion (31 December 2019: ₦177.73billion), while the total amount claimed in the 43 cases in appeal (31 December 2019: 42 cases) instituted against the Bank is ₦159.4 billion (31 December 2019: ₦2.99 billion). It is worthy of note that one particular case amounts to ₦155billion. The Federal High Court has dismissed the claim on the grounds that it is frivolous and an abuse of court processes. The claimants filed an appeal against the judgement which is pending at the Court of Appeal. Until the determination of the appeal, the judgment of the lower court is in favor of the Bank. In addition, the total amount counter-claim by the bank from cases instituted against it is estimated at ₦4.65 billion (31 December 2019: ₦5.143billion).

Included in the litigation above is one legal case in which judgement have been given against the Bank by the Federal High Court (FHC) dated 13th January 2020, a notice of appeal has been lodged by the Bank against the judgements. The FHC ordered the defendants to pay an estimated sum of ₦2.82billion, the Bank has filed for appeal and this is currently pending before the Appeal Court. Included in the amounts are foreign currency amounts converted at closing rate. An independent opinion prepared by a solicitor on the case has indicated that there is a high chance of the appeal succeeding in view of the identified lapses noted in the judgement. The Directors believe that the appeal filed before the Court of Appeal has a high chance.

b Capital commitments

At the reporting date, the Group had no capital commitment as at 31 December 2020: Nil (31 December 2019: Nil) in respect of authorised and contracted capital projects.

41 Event after the reporting period

There are no post balance sheet events that could have had a material effect on the state of affairs of the group as at 31 December 2020 and its operating results for the period then ended which have not been adequately provided for or disclosed in these financial statements

42 Financial risk management
Introduction and overview

The Bank has exposure to the following risks from financial instruments:
- credit risk
- liquidity risk
- market risk

Credit Risk

The Bank defines credit risks as all the risks that may lead to economic loss to the Bank as a result of the failure or inability of a customer/counterparty to meet its obligations as they fall due. The principal areas where the Bank is exposed to credit risk include: lending (in form of short term loan, medium term loan and long term loan), contigent obligations, lease financing and treasury activities. As every loan has an inherent risk of not being repaid, the Bank's main concern is to minimize credit risks.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (cont'd)

Principal credit objectives
The Bank's principal credit objective is to manage risks in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) would not be jeopardized. Its credit objectives are therefore to support, manage or finance:

I) Enterprises with potential to be profitable, competitive, sustainable and have substantial developmental impact.
ii) Companies that have capacity to add substantially to industrial outputs.
iii) Projects that utilize largely domestic raw materials
iv) Industries in which Nigeria's comparative advantage could be converted to competitive ones.
v) Companies that have abilities to promote the expansion of exports through the production of high quality products that are attractive to domestic and export markets.
vi) Projects that create both forward and backward linkages with the rest of the domestic or regional economy.
vii) Ventures that promote inter-state or regional integration.
viii) Enterprise with high employment generation capacity.
ix) MSMEs that have linkage with large firms that operate under franchise, cluster and specialized markets.
x) Projects that are environmentally friendly.
xi) Projects in the services sector that support industrial development.

Credit risk measurement
The Board of Directors of the Group is the ultimate authority for all credit decisions and approvals. It may delegate its powers to other levels as deemed necessary. Such delegated authority must be exercised with high sense of responsibility. Management of credit risk is of importance to the Group. To achieve the above mentioned credit objectives, the Bank adopts the following strategies:

i) Define appropriate target markets.
ii) Determine its risk appetite and philosophy
iii) Determine its risk acceptance criteria and returns consistent with the risk level
iv) Have effective and efficient relationship management and credit administration systems
v) Have effective problem loan recognition and management procedures
vi) Partner with customers and other stakeholders based on shared responsibilities for the success of the enterprise
vii) Make lending decisions based on the project's expected viability and probability of loan repayment (Relationship Officers should place more emphasis on using cash flow to be generated by a project as a major criterion for recommending such project for approval).
viii) Ensure adequacy of security and collateral for loans.
ix) Pay attention to details and exercise due diligence in all stages of loan transactions. (A simple omission or mistake can make a loan go bad. There must be no ambiguity in any aspect of the transaction).
x) Familiarize with requisite fiscal and monetary policies as well as the CBN Prudential Guidelines and CBN regulatory and supervisory guideline for DFIS and apply these to the evaluation of credit proposals.
xi) Imbibe the credit culture. A credit culture is rooted in corporate attitudes, philosophies, traditions and standards which are institutionalized. The role of a well-received credit culture is to create a risk-management climate that will foster an understanding of the Bank's expectations and the reasons behind its policies.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

The Group also has an Executive Management Committee charged with the responsibility of:

I) Reviewing the single obligor limit as well as the delegated approval limits from time to time and recommend same to the Board
ii) Reviewing and approving the submissions of all projects evidenced by requisite reports presented before it by the Lending /Business Groups within its approval limits.
iii) Recommending to the Board Credit and Investment Committee those projects above its limits.

The Group also has the Risk Management Division(RMD). RMD has the primary responsibility of monitoring compliance with the Group's credit policies and processes. It has five groups: Credit Risk Management (credit Administration Department, Credit Control Department, Credit Monitoring Department), Loan Recovery, Compliance Risk, Environmental and Social Risk Management and other Enterprise Risk Management. The division's primary responsibilities are to:

I) Ensure the maintenance of effective risk management environment in the Bank. Develop credit analysis guidelines for the Group and recommend credit approval limits in line with
ii) the Group's policy.
iii) Ensure compliance with regulatory authorities' guidelines.
iv) Define the Group's risk and return preferences and target risk portfolio.
v) Quarterly review of the credit portfolio on a Bank-wide basis to assess risk in the Bank's portfolio as per the Prudential Guidelines and Regulatory Supervisory Guidelines for DFIs of the CBN.
vi) Review placement and investment limits.
vii) Issue Group-wide portfolio review report on a bi-annual basis.
viii) Issue Group/State office Portfolio Review Report on a monthly basis to ensure effective loan repayment
ix) Pre-disbursement audit and vetting of credit documents.
x) Carry out recovery, loan work out and turn around functions as well as make recommendations for write offs.
xi) Set risk acceptable criteria for credit & product paper developed in the Bank.
xii) Review and accreditation of insurance counterparties
xiii) Review and accreditation of estate valuers
xiv) Instituted the use of Bank Verification Number (BVN) to verify MSME customers and their guarantors
xv) Review and recommend the appointment of External Auditors for SMEs' customers.
xvi) Liaise with the rating agencies in the conduct of the Bank rating exercise

Single Obligor Limit

The Group maintains single obligor limits as follows:

I) For Loans from BOI Funds - 20% of the Group's Shareholders' Fund unimpaired by losses
ii) For Off Balance Sheet Items - 331/3% of the Group's Shareholders' Fund unimpaired by losses.
iii) For Specialized Intervention Funds - Limit as per the underlying Memorandum of Understanding.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Credit Risk Control & Mitigation policy

Credit risk limits which defines the Bank's risk appetite signify the maximum level of credit risk the Bank is willing to accept in pursuit of its earning objectives. Levels of credit risk undertaken by the Group are controlled by setting approved credit limits for all loans, advances, investments and off balance sheet engagements.

The Bank maintains internal credit approval limits for various levels of authority in the credit process. The current position as approved by the Board and Management is as shown in the table below:

42a) Authority level	Approval limit
Chief Risk Officer and General Manager	Above N1m and up to ₦5m
Chief Risk Officer and Line Executive Directors	Above N5m and up to ₦10m
Micro Credit Committee (MICC)	Above N10m and up to ₦50m
MICC, Executive Director & MD/CEO	Above N50m and up to ₦100m
Executive Management Committee	Above N100m and up to ₦400m
Board Credit and Investment Committee	N400m and up to ₦1bn
Board of Directors	Above ₦1bn

Approval limits are set by the Board after recommendation by the Board Credit, Investment Committee and Executive Management Committee and reviewed from time to time as the circumstances of the Bank demand.

Some other specific control and mitigation measures are outlined below :

42b) Collateral

In line with the Group's credit policy, security is taken for all credits granted

The major types of collateral acceptable for loan and advances include:

I) First legal charge on all present and future fixed and floating assets.
ii) Legal or Equitable mortgage on the collateral properties.
iii) Pari-passu sharing of charged assets with other Financial Institutions (where applicable).
iv) Bank guarantees.
v) Mortgage of shares.
vi) Lien by way of legal charge on the intellectual property in the case of film industry.
vii) Personal guarantee of the Promoters (as appropriate).
viii) Quadripartite domiciliation of ISPO arrangement to be executed by the customer, a designated Bank and the Franchiser in favour of BOI.
ix) Cash collateral.

Loans, Short & Long-term finance and lending to corporate entities as well as individuals are generally secured. In addition, in order to minimise the credit loss, the Bank obtains additional collaterals from the counterparty for the relevant loans and advances.

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below for loans that are individually impaired and loans that are past due but not impaired.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Group

	31 December 2020		31 December 2019	
	Total Exposure	Value of Collateral	Total Exposure	Value of Collateral
	₦'000	₦'000	₦'000	₦'000
Secured against Bank Guarantees	509,468,141	517,922,453	437,724,921	445,628,789
Secured against Cash Collaterals, lien over fixed & Floating assets	6,829,468	19,583,062	9,396,422	13,807,420
Secured against Federal Government Bond	198,993,724	205,020,459	261,138,456	241,253,498
Secured against Trust Deed	326,710	3,588,850	465,952	6,272,737
Secured against Real Estate	43,370,157	88,146,391	49,528,802	80,980,598
Secured against Personal Guarantee	4,159,203	5,492,504	6,713,055	6,918,738
Unsecured	763,147,403	839,753,719	764,967,608	794,861,780

Bank

	31 December 2020		31 December 2019	
	Total Exposure	Value of Collateral	Total Exposure	Value of Collateral
	₦'000	₦'000	₦'000	₦'000
Secured against Bank Guarantees	509,468,141	517,922,453	437,724,921	445,628,789
Secured against Cash Collaterals, lien over fixed & Floating assets	6,829,468	19,583,062	9,396,422	13,807,420
Secured against Federal Government Bond	198,993,724	205,020,459	261,138,456	241,253,498
Secured against Trust Deed	326,710	3,588,850	465,952	6,272,737
Secured against Real Estate	43,370,157	88,146,391	48,902,206	80,980,598
Secured against Personal Guarantee	3,273,257	5,492,504	6,713,127	6,918,738
Unsecured			-	-
	762,261,457	839,753,719	764,341,084	794,861,780

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

42(c) Credit concentration

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	Group Loans and advances to customers	
	31 December 2020	31 December 2019
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	59,685,099	57,208,850
Creative Industry	53,937,026	55,383,386
Engineering & Technology	64,389,484	45,540,771
Food processing	110,542,459	112,793,777
Gas & Petrochemicals	208,391,570	99,854,648
Solid Minerals	45,555,375	123,134,380
Gender Business	12,390,790	5,436,341
Financial Institutions	202,434,443	259,873,425
Others	5,821,157	5,742,031
	763,147,403	764,967,608

	Bank Loans and advances to customers	
	31 December 2020	31 December 2019
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	59,685,099	57,208,850
Creative Industry	53,937,026	55,383,386
Engineering & Technology	64,389,484	45,540,771
Food processing	110,542,459	112,793,777
Gas & Petrochemicals	208,391,570	99,854,648
Solid Minerals	45,555,375	123,134,380
Gender Business	12,390,790	5,436,341
Financial Institutions	202,434,443	259,873,425
Others	4,935,211	5,115,506
	762,261,457	764,341,084

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

42(d) Exposure to credit risk

The tables below detail the Bank's maximum exposure to credit risk of financial assets.

Group

31-Dec-20	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	83,255,520	(25,433)	83,230,087
Due from financial institutions	15	105,162,299	(509,865)	104,652,434
Investment in debt securities	18	872,456,031	(260,534)	872,195,497
Loans and advances	19	763,147,403	(13,308,671)	749,838,732
Advances under lease	17	10,045	(451)	9,594
Other assets	22	6,313,612	(2,034,240)	4,279,372
		1,830,344,910	(16,139,194)	1,814,205,716

31-Dec-19	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	9,873,832	(1,794)	9,872,038
Due from financial institutions	15	36,911,963	(278,612)	36,633,351
Investment in debt securities	18	197,853,303	(3,107)	197,850,196
Loans and advances	19	764,967,608	(24,934,970)	740,032,638
Advances under lease	17	230,289	(3,750)	226,539
Other assets	22	6,857,715	(1,228,801)	5,628,914
		1,016,694,710	(26,451,034)	990,243,677

Bank

31-Dec-20	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	82,618,641	(25,433)	82,593,208
Due from financial institutions	15	104,127,724	(502,437)	103,625,287
Investment in debt securities	18	872,365,010	(260,485)	872,104,525
Loans and advances	19	762,261,457	(13,304,213)	748,957,244
Other assets	22	5,723,479	(1,971,261)	3,752,218
		1,827,096,311	(16,063,829)	1,811,032,482

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

42(d) Exposure to credit risk

31-Dec-19	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	9,410,101	(1,794)	9,408,307
Due from financial institutions	15	36,061,298	(269,946)	35,791,352
Investment in debt securities	18	197,389,633	(3,093)	197,386,540
Loans and advances	19	764,341,084	(24,920,988)	739,420,096
Other assets	22	6,343,761	(1,209,477)	5,134,284
		1,013,545,877	(26,405,298)	987,140,579

For measuring credit risk of financial assets, the Group makes use of its risk rating criteria which are clearly and precisely defined based on: objectively measurable factors e.g. cash flow capacity, capital adequacy, profitability, liquidity, gearing, return on asset, return on equity, credit history, current exposure and past account performance. Some non-numerate criteria are also applied such as character, quality of Board and Management, type of facility, type/location/value of security/type of customer/sectoral classification etc.

Internal rating Scale

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and past-due amounts is less than	12month ECL
Watchlist	Amount is >29 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Substandard/Impaired	Amount is >89 days past due or there is evidence indicating the asset is credit impaired Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. Explanation of the terms: stage 1 (12month ECL), stage 2 (lifetime ECL) and stage 3 (credit impaired) are included in Note 42(e)

Group	Note	31 December 2020 Stage 1 12 month ECL	31 December 2020 Stage 2 Lifetime ECL	31 December 2020 Stage 3 Lifetime ECL	31 December 2020 Total	31 December 2019 Stage 1 12 month ECL	31 December 2019 Stage 2 Lifetime ECL	31 December 2019 Stage 3 Lifetime ECL	31 December 2019 Total
1 Cash and Bank Balances		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Performing		83,255,520	-	-	83,255,520	9,873,832	-	-	9,873,832
Gross amount		83,255,520	-	-	83,255,520	9,873,832	`-	-	9,873,832
Loss allowance	42 (e)(I)	(25,433)	-	-	(25,433)	(1,794)	-	-	(1,794)
Carrrying amount		83,230,087	-	-	83,230,087	9,872,038	-	-	9,872,038
2 Due from Financial Institutions									
Performing		105,162,299	-	-	105,162,299	36,750,000	-	161,963	36,911,963
Gross amount		105,162,299	-	-	105,162,299	36,750,000	-	161,963	36,911,963
Loss allowance	42 (e)(ii)	(509,865)	-	-	(509,865)	(116,649)	-	(161,963)	(278,612)
Carrrying Amount		104,652,434	-	-	104,652,434	36,633,351	-	-	36,633,351
3 Investment in debt securities									
Performing		872,456,030	-	-	872,456,030	197,853,303	-	-	197,853,303
Watchlist		-	-	-	-	-	-	-	-
Gross amount		872,456,030	-	-	872,456,030	197,853,303	-	-	197,853,303
Loss allowance	42 (e)(iii)	(260,534)	-	-	(260,534)	(3,107)	-	-	(3,107)
Carrrying Amount		872,195,496	-	-	872,195,496	197,850,196	-	-	197,850,196
4 Loans and advances measured at amortised cost									
Performing		710,032,291	-	-	710,032,291	708,736,241	-	-	708,736,241
Watchlist		-	33,353,791	-	33,353,791	-	21,334,545	-	21,334,545
Substandard -Impaired		-	-	19,761,321	19,761,321	-	-	34,896,822	34,896,822
Gross amount		710,032,291	33,353,791	19,761,321	763,147,403	708,736,241	21,334,545	34,896,822	764,967,608
Loss allowance	42 (e)(iv)	(2,725,656)	(838,746)	(9,744,269)	(13,308,671)	(3,348,322)	(2,208,946)	(19,377,702)	(24,934,970)
Carrrying Amount		707,306,635	32,515,045	10,017,052	749,838,732	705,387,919	19,125,599	15,519,120	740,032,638

Notes to the Consolidated and Separate Financial Statements
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42 Financial risk management (contd.)

Group

	Note	31 December 2020 Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	31 December 2019 Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
5 Other assets		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Watchlist		-	6,313,612	-	6,313,612	-	-	-	-
Substandard -Impaired		-	-	-	-	-	6,857,715	-	6,857,715
Gross amount		-	6,313,612	-	6,313,612	-	6,857,715	-	6,857,715
Loss allowance	42 (e)(v)	-	(2,034,240)	-	(2,034,240)	-	(1,228,801)	-	(1,228,801)
Carrrying Amount		-	4,279,372	-	4,279,372	-	5,628,914	-	5,628,914
6 Derivative asset									
Performing		-	-	-	-	2,935,928	-	-	2,935,928
Gross amount		-	-	-	-	2,935,928	-	-	2,935,928
Loss allowance		-	-	-	-	-	-	-	-
Carrrying Amount		-	-	-	-	2,935,928	-	-	2,935,928
7 Advances under lease									
Performing		10,045	-	-	10,045	230,289	-	-	230,289
Substandard -Impaired		-	-	-	-	-	-	-	-
Gross amount		10,045	-	-	10,045	230,289	-	-	230,289
Loss allowance	42 (e)(vi)	-	-	-	-	(3,750)	-	-	(3,750)
Carrrying Amount		10,045	-	-	10,045	226,539	-	-	226,539

The following table shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Group are generally fully collateralised by cash.

	31 December 2020 Notional Amount ₦'000	Fair value ₦'000	31 December 2019 Notional Amount ₦'000	Fair value ₦'000
Derivative assets	-	-	20,475,000	2,935,928
Derivative liabilities	861,771,100	(4,695,233)	-	-
	861,771,100	(4,695,233)	20,475,000	2,935,928

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42 Financial risk management (contd.)

Bank

		Note	31 December 2020 Stage 1 12 month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000	31 December 2019 Stage 1 12 month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
1	Cash and Bank Balances									
	Performing		82,618,641	-	-	82,618,641	9,410,101	-	-	9,410,101
	Gross amount		82,618,641	-	-	82,618,641	9,410,101	-	-	9,410,101
	Loss allowance	42 (e)(I)	(25,433)	-	-	(25,433)	(1,794)	-	-	(1,794)
	Carrying amount		82,593,208	-	-	82,593,208	9,408,307	-	-	9,408,307
2	Due from Financial Institutions									
	Performing		104,127,724	-	-	104,127,724	35,899,335	-	161,963	36,061,298
	Gross amount		104,127,724	-	-	104,127,724	35,899,335	-	161,963	36,061,298
	Loss allowance	42 (e)(ii)	(502,437)	-	-	(502,437)	(107,982)	-	(161,963)	(269,945)
	Carrrying Amount		103,625,287	-	-	103,625,287	35,791,353	-	-	35,791,353
3	Investment in debt securities									
	Performing		872,365,010	-	-	872,365,010	197,389,633	-	-	197,389,633
	Gross amount		872,365,010	-	-	872,365,010	197,389,633	-	-	197,389,633
	Loss allowance 42 (e)(iii)		(260,485)	-	-	(260,485)	(3,092)	-	-	(3,092)
	Carrrying Amount		872,104,525	-	-	872,104,525	197,386,541	-	-	197,386,541
4	Loans and advances measured at amortised cost									
	Performing		709,146,345	-	-	709,146,345	708,109,716	-	-	708,109,716
	Watchlist		-	33,353,791	-	33,353,791	-	21,334,545	-	21,334,545
	Substandard -Impaired		-	-	19,761,321	19,761,321	-	-	34,896,822	34,896,822
	Gross amount		709,146,345	33,353,791	19,761,321	762,261,457	708,109,716	21,334,545	34,896,822	764,341,083
	Loss allowance	42 (e)(iv)	(2,721,785)	(838,715)	(9,743,713)	(13,304,213)	(3,342,722)	(2,208,916)	(19,369,350	(24,920,988)
	Carrrying Amount		706,424,560	32,515,076	10,017,608	748,957,244	704,766,994	19,125,629	15,527,472	739,420,095

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42 Financial risk management (contd.)

Group

	Note	31 December 2019 Stage 1 12 month ECL ₦'000	31 December 2019 Stage 2 Lifetime ECL ₦'000	31 December 2019 Stage 3 Lifetime ECL ₦'000	31 December 2019 Total ₦'000	31 December 2018 Stage 1 12 month ECL ₦'000	31 December 2018 Stage 2 Lifetime ECL ₦'000	31 December 2018 Stage 3 Lifetime ECL ₦'000	31 December 2018 Total ₦'000
5 Other assets									
Performing		-	-	-	-	-	-	-	-
Watchlist		-	5,723,480	-	5,723,480	-	6,343,761	-	6,343,761
Substandard -Impaired		-	-	-	-	-	-	-	-
Gross amount		-	5,723,480	-	5,723,480	-	6,343,761	-	6,343,761
Loss allowance	42 (e)(v)	-	(1,971,261)	-	(1,971,261)	-	(1,209,477)	-	(1,209,477)
Carrrying Amount		-	3,752,219	-	3,752,219	-	5,134,284	-	5,134,284
6 Derivative asset									
Performing		-	-	-	-	2,935,928	-	-	2,935,928
Gross amount		-	-	-	-	2,935,928	-	-	2,935,928
Loss allowance	42 (e)(iii)	-	-	-	-	-	-	-	-
Carrrying Amount		-	-	-	-	2,935,928	-	-	2,935,928

The following table shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Bank are generally fully collateralised by cash.

	31 December 2020 Notional Amount ₦'000	31 December 2020 Fair value ₦'000	31 December 2019 Notional Amount ₦'000	31 December 2019 Fair value ₦'000
Derivative assets	-	-	20,475,000	2,935,928
Derivative liabilities	861,771,100	(4,695,233)	-	-
	861,771,100	(4,695,233)	20,475,000	2,935,928

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

42(e) Amounts arising from Expected Credit Losses (ECL)

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses two criteria for determining whether there has been a significant increase in credit risk:
- qualitative indicators; and
- a backstop of 30 days past due

Credit monitoring typically involves use of the following data:
- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions
- Payment record – this includes overdue status as well as a range of variables about payment ratios.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. For most exposures, key macro-economic indicators include:
GDP growth and crude oil prices.

The Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward looking information). The Group then uses these forecasts to adjust its estimates of PDs.

In determining the ECL for other assets, the Group applies the simplified model to estimate ECLs, adopting a provision matrix to determine the lifetime ECLs. The provision matrix estimates ECLs on the basis of historical default rates, adjusted for current and future economic conditions (expected changes in default rates) without undue cost and effort.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist.

In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Generally, facilities with loss allowances being measured as Life-time ECL not credit impaired (Stage 2) are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Lifetime ECL not credit impaired (Stage 2) to 12-month ECL (Stage 1) while credit-impaired facilities (Stage 3) are monitored for a probationary period of 180 days before migration from Stage 3 to Stage 1.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Definition of default

The Group considers a financial asset to be in default when

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group.Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding. In assessing whether a borrower is in default, the Group considers indicators that are:
  - qualitative - e.g. breaches of covenant;
  - quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
  - based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2020 for the years 2021 to 2023, for Nigeria which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

	2021	2022
Inflation		
Base scenario	13.15%	11.27%
Range of upside scenarios	11.10%	11.10%
Range of downside scenarios	16.80%	11.60%
Crude Oil Prices		
Base scenario	51.00	53.00
Range of upside scenarios	58.00	59.00
Range of downside scenarios	44.00	50.00
GDP		
Base scenario	1.82%	2.73%
Range of upside scenarios	4.00%	3.10%
Range of downside scenarios	0.70%	2.50%
Foreign Exchange		
Base scenario	471.05	493.55
Range of upside scenarios	449.60	472.10
Range of downside scenarios	492.50	515.00

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 years.

Notes to the Consolidated and Separate Financial Statements
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42 Financial risk management (contd.)

Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in stage 1 (12-months ECL) is calculated by multiplying the 12-month PD, LGD and EAD term structures. Lifetime ECL is calculated by multiplying the lifetime PD, LGD and EAD term structures.

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. The Bank's PD was estimated based on yearly performance status (i.e. default and non-default) migration. The lifetime PD term structure was derived using the Homogenous Discrete Time Markov Chain approach. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The Bank estimated LGD based on expected collateral recoveries. For each collateral type, the Bank made reasonable assumptions regarding the expected collateral haircut, direct costs of recovery, and time to recovery. These assumptions were arrived at on the basis of industry data and expert judgment.

EAD is an estimate of the exposure at a future default date. The Bank estimated the EAD term structure based on the contractual cash flows of each financial asset.

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- credit risk grade;
- collateral type;
- date of initial recognition;
- remaining term to maturity;
- industry;
- geographic location of the borrower;
- past due information

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

- remaining term to maturity;
- industry;
- geographic location of the borrower;
- past due information

Notes to the Consolidated and Separate Financial Statements
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42 Financial risk management (contd.)

42 (e) Amounts arising from Expected Credit Losses (ECL) (continued)

Loss allowance

The following table show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Explanation of the terms: stage 1 (12month ECL), stage 2 (Lifetime ECL) and stage 3 (credit impaired) are included in Note 42(e).

Group

42(e)(I) Cash and bank balances	Note	31 December 2020 Stage 1 Lifetime 12month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total	31 December 2019 Stage 1 12month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		1,794	-	-	1,794	1,748	-	-	1,748
Net remeasurement of loss allowance	10	23,639	-	-	23,639	46	-	-	46
Closing balance		25,433	-	-	25,433	1,794	-	-	1,794

42(e)(ii) Due from financial institutions	Note	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance		278,612	-	-	278,612	228,645	-	-	228,645
Net remeasurement of loss allowance	10	231,253	-	-	231,253	49,967	-	-	49,967
Closing balance		509,865	-	-	509,865	278,612	-	-	278,612

42(e)(iii) Investment in debt securities	Note	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		3,107	-	-	3,107	26,599	984,375	-	1,010,974
Remeasurement of loss allowance		257,427	4,333	-	261,760	(23,492)	100	-	(23,392)
Transfer to Lifetime ECL - credit impaired		-	-	-	-	-	(984,475)	984,475	-
Net remeasurement of loss allowance	10	257,427	4,333	-	261,760	(23,492)	(984,375)	984,475	(23,392)
Write off		-	(4,333)	-	(4,333)	-	-	(984,475)	(984,475)
Closing balance		260,534	-	-	260,534	3,107	-	-	3,107

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42 Financial risk management (contd.)

42(e)iv Loan and advances		31 December 2020				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		3,348,322	2,208,946	19,377,702	24,934,970	2,823,724	4,969,430	23,209,631	31,002,785
Remeasurement of loss allowance		(2,056,937)	(386,007)	7,676,392	5,233,448	(3,594,648)	(2,709,040)	839,947	(5,463,741)
Transfer to 12 month ECL		1,083,116	(434,675)	(648,441)	-	3,579,179	(3,311,100)	(268,079)	-
Transfer to Lifetime ECL - not credit impaired		(57,125)	176,315	(119,190)	-	(191,717)	3,878,485	(3,686,768)	-
Transfer to Lifetime ECL - credit impaired		(69,903)	(764,064	833,967	-	(265,174)	(820,828)	1,086,002	-
Loans repaid		(55,387)	(4,015)	(687,688)	(747,090)	(71,837)	(41,500)	(96,908)	(210,245)
New loans acquired		533,570	42,246	105,012	680,828	1,068,795	243,499	354,157	1,666,451
Net remeasurement of loss allowance	10	(622,666)	(1,370,200)	7,160,052	5,167,186	524,598	(2,760,484)	(1,771,649)	(4,007,535)
Unwinding of discount		-	-	681,186	681,186	-	-	-	-
Write off		-	-	(17,474,671)	(17,474,671)	-	-	(2,060,280)	(2,060,280)
Closing balance		2,725,656	838,746	9,744,269	13,308,671	3,348,322	2,208,946	19,377,702	24,934,970

42(e)v Other assets		31 December 2020				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		-	1,228,800	-	1,228,800	-	1,829,721	-	1,829,721
Remeasurement of loss allowance		-	805,440	-	805,440	-	(6,327)	-	(6,327)
Transfer to Lifetime ECL - not credit impaired-		-	-	-	-	-	-	-	-
Transfer to Lifetime ECL - credit impaired		-	-	-	-	-	(594,594)	594,594.00	-
Financial asset derecognised		-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	10	-	805,440	-	805,440	-	(600,921)	594,594	(6,327)
Write off		-	-	-	-	-	-	(594,594)	(594,594)
Closing balance		-	2,034,240	-	2,034,240	-	1,228,800	-	1,228,800

Notes to the Consolidated and Separate Financial Statements
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42 Financial risk management (contd.)

42(e)vi Advances under finance lease

	31 December 2010				31 December 2019			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	-	-	3,750	3,750	-	-	943,642	943,642
Remeasurement of loss allowance	(3,299)	-	-	(3,299)	-	-	2,834	2,834
Transfer to 12 month ECL	3,750	-	(3,750)	-	-	-	-	-
Leases repaid	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	451	-	(3,750)	(3,299)	-	-	2,834	2,834
Write off	-	-	-	-	-	–	(942,726)	(942,726)
Closing balance	451	-	-	451	-	-	3,750	3,750

Bank

I Cash and bank balances

		31 December 2010				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		1,794	-	-	1,794	1,748	-	-	1,748
Net remeasurement of loss allowance	10	23,639	-	-	23,639	46	-	-	46
Closing balance		25,433	-	-	25,433	1794	-	-	1,794

ii Due from Financial Institutions

		31 December 2010				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Balance		269,946	-	-	269,946	228,645	-	-	228,645
Net remeasurement of loss allowance	10	232,491	-	-	232,491	41,301	-	-	41,301
Closing balance		502,437	-	-	502,437	269,946	-	-	269,946

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42 Financial risk management (contd.)

iii Investment in debt securities

	Note	31 December 2020				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		3,093	-	-	3,093	26,599	-	-	26,599
Net remeasurement of loss allowance	10	257,392	-	-	257,392	(23,506)	-	-	(23,506)
Closing balance		260,485	-	-	260,485	3,093	-	-	3,093

iv Loan and advances

	Note	31 December 2020				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		3,342,722	2,208,916	19,369,350	24,920,988	2,818,124	4,969,400	23,209,222	30,996,746
Remeasurement of loss allowance		(2,056,938)	(386,007)	7,676,392	5,233,447	(3,594,648)	(2,709,040)	832,004	(5,471,684)
Transfer to 12 month ECL		1,083,115	(434,675)	(648,440)	-	3,579,179	(3,311,100)	(268,079)	-
Transfer to Lifetime ECL - not credit impaired		(57,125)	176,315	(119,190)	-	(191,717)	3,878,485	(3,686,768)	-
Transfer to Lifetime ECL - credit impaired		(69,903)	(764,065)	833,968	-	(265,174)	(820,828)	1,086,002	-
Loans repaid		(55,387)	(4,015)	(687,688)	5,331,577	(71,837)	(41,500)	(96,908)	(210,245)
New loans acquired		535,301	42,246	105,011	682,558	1,068,795	243,499	354,157	1,666,451
Net remeasurement of loss allowance	10	(620,937)	(1,370,201)	7,160,053	5,168,915	524,598	(2,760,484)	(1,779,592)	(4,015,478)
Unwinding of discount		-	-	681,186	681,186	-	-	-	-
Write off		-	-	(17,466,876)	(17,466,876)	-	-	(2,060,280)	(2,060,280)
Closing balance		2,721,785	838,715	9,743,713	13,304,213	3,342,722	2,208,916	19,369,350	24,920,988

Notes to the Consolidated and Separate Financial Statements
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42 Financial risk management (contd.)

v Other assets

		31 December 2010				31 December 2019			
		12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		-	1,209,477	-	1,209,477	-	1,337,648	-	1,337,648
Remeasurement of loss allowance		-	761,784	-	761,784	-	(6,327)	-	(6,327)
Transfer to Lifetime ECL - not credit impaired	-	-	-	-	-	-	-	-	
Transfer to Lifetime ECL - credit impaired		-	-	-	-	-	-	(121,844)	121,844
Financial asset derecognized		-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	10	-	761,784	-	761,784	-	(128,171)	121,844	(6,327)
Write off		-	-	-	-	-	-	(121,844)	(121,844)
Closing balance		-	1,971,26	-	1,971,261	-	1,209,477	-	1,209,477

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

(f) Credit definitions

(i) Impaired loans and investment securities
Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

(ii) Loans with renegotiated terms
Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

(iii) Allowances for impairment
The Group establishes an allowance for impairment losses that represents its estimate of expected losses in its loan portfolio.

(Iv) Write-off policy
The Group writes off a loan/security balance (and any related allowances for impairment losses) when Management determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write off decisions are generally based on a product specific past due status.

Liquidity risk
This is the risk that the Bank might not be able to meet with its obligation as they fall due. Management of liquidity risk; The ultimate responsibility for liquidity risk management rest with the Board of Directors, which has established an appropriate risk management framework for the management of the Bank short, medium and long term funding and liquidity management requirements. This function has been delegated to the asset and liability management committee of the Bank. This committee meets on bi-weekly to monitor liquidity profile of the Bank. The Bank also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows on the Group and Bank's financial assets and financial liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Liquidity risk (contd.)

Group

Residual contractual maturities of financial assets and liabilities

31 December 2020 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	83,230,087	83,230,087	83,230,087	-	-	-	-	-
Due from financial institution	15	104,652,434	105,146,750	105,146,750	-	-	-	-	-
Investment in debt securities	18	872,195,497	889,753,712	889,753,712	-	-	-	-	-
Loans and advances	19	749,838,732	865,021,424	257,895,382	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Other assets	22	4,279,372	4,279,372	4,279,372	-	-	-	-	-
Total financial assets		1,814,196,122	1,947,431,345	1,340,305,303	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Non-derivative liabilities									
Other Liabilities	27	(211,346,787)	(211,346,787)	(211,346,787)	-	-	-	-	
Borrowings	29	(1,302,479,259)	(1,436,505,797)	(335,116,805)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
		(1,513,826,046)	(1,647,852,584)	(546,463,592)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Derivative liabilities									
Risk management:	16	(4,695,233)	-	-	-	-	-	-	-
Inflow		-	893,348,101	893,348,101	-	-	-	-	-
Outflow		-	(900,763,340)	(900,763,340)	-	-	-	-	-
		-	(7,415,239)	(7,415,239)	-	-	-	-	-
Total financial liabilities		(1,518,521,279)	(1,655,267,823)	(553,878,831)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Gap (asset - liabilities)		-	292,163,522	786,426,472	(163,728,659)	(178,664,812)	(16,443,390)	35,283,674	(170,709,763)
Cumulative liquidity gap		-	-	786,426,472	622,697,813	444,033,001	427,589,611	462,873,285	292,163,522

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For the year ended 31 December 2020

42 Financial risk management (contd.)

Liquidity risk (contd.)

Group

Residual contractual maturities of financial assets and liabilities

31 December 2019 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	9,872,038	9,872,038	9,872,038	-	-	-	-	-
Due from financial institutions	15	36,633,351	36,819,648	36,819,648	-	-	-	-	-
Investment in debt securities	18	197,850,196	198,222,437	198,222,437	-	-	-	-	-
Loans and advances	19	740,032,638	905,733,280	254,802,172	204,659,473	156,307,699	125,843,608	95,191,051	69,929,277
Other assets	22	5,628,914	5,628,914	5,628,914	-	-	-	-	
		990,017,137	1,156,276,317	505,345,209	204,659,473	156,307,699	125,843,608	95,191,051	69,929,277
Derivative assets									
Risk management:	16	2,935,928	-	-	-	-	-	-	
Inflow		-	20,475,000	20,475,000	-	-	-	-	-
Outflow		-	(20,865,000)	(20,865,000)	-	-	-	-	-
		-	(390,000)	(390,000)	-	-	-	-	-
Total financial assets		992,953,065	1,155,886,317	504,955,209	204,659,473	156,307,699	125,843,608	95,191,051	69,929,277
Non-derivative liabilities									
Other Liabilities	27	127,392,185	127,392,185	127,392,185	-	-	-	-	-
Borrowings	29	598,199,128	626,622,349	255,010,002	120,345,760	46,557,036	43,068,410	33,988,959	127,652,183
Total financial liabilities		725,591,313	754,014,534	382,402,187	120,345,760	46,557,036	43,068,410	33,988,959	127,652,183
Gap (asset - liabilities)			402,261,783	122,553,022	84,313,713	109,750,663	82,775,198	61,202,092	(57,722,906)
Cumulative liquidity gap				122,553,022	206,866,735	316,617,398	399,392,596	460,594,688	402,871,782

Current maturity mis-match profile

The above tables show the undiscounted cash flows on the Group's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The gross nominal inflows / (outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities and assets held for risk management purposes.

As part of the management of its liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial risk management (contd.)

Liquidity risk (contd.)

Bank

Residual contractual maturities of financial assets and liabilities

31 December 2020 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	82,593,208	82,593,208	82,593,208	-	-	-	-	-
Due from financial institution	15	103,625,287	104,119,603	104,119,603	-	-	-	-	-
Investment in debt securities	18	872,104,525	889,662,741	889,662,741	-	-	-	-	-
Loans and advances	19	748,957,244	864,139,937	257,013,895	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Other assets	22	3,752,218	3,752,218	3,752,218	-	-	-	-	-
-									
Total financial assets		1,811,032,482	1,944,267,707	1,337,141,665	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Non-derivative liabilities									
Other Liabilities	27	(213,221,068)	(213,221,068)	(213,221,068)	-	-	-	-	-
Borrowings	29	(1,300,972,636)	(1,434,999,173)	(333,610,181)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
		(1,514,193,704)	(1,648,220,241)	(546,831,249)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Derivative liabilities									
Risk management:	16	(4,695,233)	-	-	-	-	-	-	-
Inflow		-	893,348,101	893,348,101	-	-	-	-	-
Outflow		-	(900,763,340)	(900,763,340)	-	-	-	-	-
		-	(7,415,239)	(7,415,239)	-	-	-	-	-
Total financial liabilities		(1,518,888,937)	(1,655,635,480)	(554,246,488)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Gap (asset - liabilities)		-	288,632,226	782,895,177	(163,728,659)	(178,664,812)	(16,443,390)	35,283,674	(170,709,763)
Cumulative liquidity gap		-	-	782,895,177	619,166,519	440,501,706	424,058,316	459,341,990	288,632,227

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Liquidity risk (contd.)

Bank

Residual contractual maturities of financial assets and liabilities

31 December 2019 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	9,408,307	9,408,307	9,408,307	-	-	-	-	-
Due from financial institutions	15	35,791,352	35,981,951	35,981,951	-	-	-	-	-
Investment in debt securities	18	197,386,540	197,758,878	197,758,878	-	-	-	-	-
Loans and advances	19	739,420,096	905,120,667	254,189,558	204,659,473	156,307,699	125,843,608	95,191,051	68,929,277
Other assets	22	5,134,284	5,134,284	5,134,284	-	-	-	-	
		987,140,579	1,153,404,087	502,472,978	204,659,473	156,307,699	125,843,608	95,191,051	68,929,277
Derivative assets									
Risk management:	16	2,935,928	-	-	-	-	-	-	-
Inflow		-	20,475,000	20,475,000	-	-	-	-	-
Outflow		-	(20,865,000)	(20,865,000)	-	-	-	-	-
		-	-	(390,000)	(390,000)	-	-	-	-
Non-derivative liabilities									
Other Liabilities	27	(128,559,328)	(128,559,328)	(128,559,328)	-	-			
Borrowings	29	(596,363,052)	(624,786,273)	(253,173,926)	(120,345,760)	(46,557,036)	(43,068,410)	(33,988,959)	(127,652,183)
Total financial liabilities		(724,922,380)	(753,345,601)	(381,733,254)	(120,345,760)	(46,557,036)	(43,068,410)	(33,988,959)	(127,652,183)
Gap (asset - liabilities)			399,668,486	120,349,724	84,313,713	109,750,664	82,775,198	61,202,092	(58,722,905)
Cumulative liquidity gap				120,349,724	204,663,437	314,414,101	397,189,299	458,391,391	399,668,486

Current maturity mis-match profile

The above tables show the undiscounted cash flows on the Bank's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity.

The gross nominal inflows / (outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities and assets held for risk management purposes.

As part of the management of its liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, and debt securities for which

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Market Risk
Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is majorly exposed to foreign currency risk and interest rate risk. The Bank's exposure to equity market as at end of the period is very minimal with a total market value exposure of N8.7 million (31 Dec. 2019: N8.8 million) due to the Bank's divestment from quoted equity securities.

Management of Foreign Currency risk
The Group manages its foreign currency risk by limiting the amount of cash it holds in foreign currency and also ensuring that they are managed within approved policy parameters utilising forward foreign exchange contracts. The table below summarises foreign currency exposures of the Group as at year end.

Group

		31 December 2020				
In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	216,703	3,142	2,526,723	80,483,519	83,230,087
Due from Financial Institutions	15	622,150	625,164	70,330,258	33,074,862	104,652,434
Investment in debt securities	18	-	-	-	872,195,497	872,195,497
Other assets	22	-	16,549	303,978	3,958,845	4,279,372
Loans and advances	19	-	-	82,698,980	667,139,752	749,838,732
Total assets		838,853	644,855	155,859,939	1,656,852,475	1,814,196,122
Derivative liabilities	16	-	-	-	(4,695,233)	(4,695,233)
Borrowings	29	(445,458,947)	-	(405,305,180)	(451,715,132)	1,302,479,259)
Other liabilities	27	(24,381)	-	(67,148,980)	(144,173,426)	(211,346,787)
Total liabilities		(445,483,328)	-	(472,454,160)	(600,583,791)	(1,518,521,279)
Net on-balance sheet financial position		(444,644,475)	644,855	(316,594,221)	1,056,268,684	295,674,843

		31 December 2019				
	Note	EUR	GBP	USD	NGN	Grand Total
In thousands of Naira						
Cash and Bank Balances	14	37,207	22,376	5,200,286	4,612,169	9,872,038
Due from Financial Institutions	15	468,455	482,180	11,687,790	23,994,926	36,633,351
Derivative assets	16	-	-	-	2,935,928	2,935,928
Other assets	22	-	12,896	169,339	5,446,679	5,628,914
Loans and advances	19	-	-	61,167,950	678,864,688	740,032,638
Total assets		505,662	517,452	78,225,366	715,854,389	795,102,869
Borrowings	29	-	-	(206,450,295)	(391,748,833)	(598,199,128)
Other liabilities	27	-	(2,216)	(66,927,340)	(60,462,629)	(127,392,185)
Total liabilities		-	(2,216)	(273,377,636)	(452,211,461)	(725,591,313)
Net on-balance sheet financial position		505,662	515,236	(195,152,270)	263,642,928	69,511,556

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Bank

31 December 2020

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	216,703	3,142	2,526,723	79,846,640	82,593,208
Due from Financial Institutions	15	622,150	625,164	70,330,258	32,047,715	103,625,287
Investment in debt securities	18	-	-	-	872,104,525	872,104,525
Other assets	22	-	16,549	303,978	3,431,691	3,752,218
Loans and advances	19	-	-	82,698,980	666,258,264	748,957,244
Total assets		838,853	644,855	155,859,939	1,653,688,835	1,811,032,482
Derivative liabilities	16	-	-	-	(4,695,233)	(4,695,233)
Borrowings	29	(445,458,947	-	(405,305,180)	(450,208,509)	(1,300,972,636)
Other liabilities	27	(24,381)	-	(67,148,980)	(146,047,707)	(213,221,068)
Total liabilities		(445,483,328)	-	(472,454,160)	(600,951,449)	(1,518,888,937)
Net on-balance sheet financial position		(444,644,475)	644,855	(316,594,221)	1,052,737,386	292,143,545

31 December 2019

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	37,207	22,376	5,200,286	4,148,438	9,408,307
Due from Financial Institutions	15	468,455	482,180	11,687,790	23,152,927	35,791,352
Derivative assets	16	-	-	-	2,935,928	2,935,928
Other assets	22	-	12,896	169,339	4,952,049	5,134,284
Loans and advances	19	-	-	61,167,950	678,252,146	739,420,096
Total assets		505,662	517,452	78,225,366	713,441,487	792,689,967
Borrowings	29	-	-	(206,450,295)	(389,912,757)	(596,363,052)
Other liabilities	27	-	(2,216)	(66,927,340)	(61,629,772)	(128,559,328)
Total liabilities		-	(2,216)	(273,377,636)	(451,542,528)	(724,922,380)
Net on-balance sheet financial position		505,662	515,236	(195,152,270)	261,898,959	67,767,586

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Foreign Currency Exchange Risk (continued)

The following table details the Group's sensitivity to a increase and decrease in Naira against the US dollars, pounds and Euro. Management believe that the stated percentage movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding denominated assets as there were no liabilities denominated in foreign currency. A positive number indicates an increase in profit where Naira strengthens by the stated percentage against the respective currencies. For the stated percentage increase or decrease in the rate, there would be an equal and opposite impact on profit, and the balances below would be negative

31 December 2020	Group	Bank
	₦'000	₦'000
Naira strengthens by 1% against the US dollar Profit / (loss)	*3,814,904*	*3,814,904*
Naira weakens by 1% against the US dollar Profit / (loss)	*(3,814,904)*	*(3,814,904)*
Naira strengthens by 1% against the Pounds Profit / (loss)	*(6,449)*	*(6,449)*
Naira weakens by 1% against the Pounds Profit / (loss)	*6,449*	*6,449*
Naira strengthens by 1% against the Euro Profit / (loss)	*4,446,445*	*4,446,445*
Naira weakens by 1% against the Euro Profit / (loss)	*(4,446,445)*	*(4,446,445)*

31 December 2019	N'000	N'000
Naira strengthens by 1% against the US dollar Profit / (loss)	*1,951,523*	*1,951,523*
Naira weakens by 1% against the US dollar Profit / (loss)	*(1,951,523)*	*(1,951,523)*
Naira strengthens by 1% against the Pounds Profit / (loss)	*(5,152)*	*(5,152)*
Naira weakens by 1% against the Pounds Profit / (loss)	*5,152*	*5,152*
Naira strengthens by 1% against the Euro Profit / (loss)	*(5,057)*	*(5,057)*
Naira weakens by 1% against the Euro Profit / (loss)	*5,057*	*5,057*

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For the year ended 31 December 2020

42 Financial risk management (contd.)

Interest rate risk
The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of forward interest rate contracts.

The Group is not exposed to interest rates risk on its financial assets, however, the Group is exposed to interest rate risk on its financial liabilities

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed rate financial assets or financial liabilities at FVTPL , they do not contain a variable cash flow, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cashflow sensitivity analysis for variable-rate instruments
A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Group	Profit or loss		Equity, net of tax	
Effect in thousand of Naira	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Variable-rate instruments	(8,507,641)	8,507,641	-	-
Cash flow sensitivity (net)	(8,507,641)	8,507,641	-	-
31 December 2019				
Variable-rate instruments	(2,064,503)	2,064,503	-	-
Cash flow sensitivity (net)	(2,064,503)	2,064,503	-	-

Bank

	Profit or loss		Equity, net of tax	
Effect in thousand of Naira	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Variable-rate instruments	(8,507,641)	8,507,641	-	-
Cash flow sensitivity (net)	(8,507,641)	8,507,641	-	-
31 December 2019				
Variable-rate instruments	(2,064,503)	2,064,503	-	-
Cash flow sensitivity (net)	(2,064,503)	2,064,503	-	- -

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

Capital management

Regulatory capital
The Bank's regulator, the Central Bank of Nigeria, sets and monitors capital requirements for the Bank. In implementing current capital requirements, Central Bank of Nigeria requires the Wholesale Development Finance Institutions to maintain a minimum capital of ₦100 billion while Retail Development Finance Institutions (RDFIs) are to maintain a minimum capital base of ₦10 billion. The Banks' capital is divided into two tiers:

I. Tier 1 capital:
core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve. Non-controlling interests arising on consolidation from interests in permanent shareholders' equity. The book value of goodwill, unpublished losses and under provisions are deducted in arriving at qualifying Tier 1 capital; and

ii. Tier 2 capital:
qualifying subordinated loan capital and unrealised gains arising from the fair valuation of financial instruments held as available for sale. Under the Basel II requirements as implemented in Nigeria, Tier 2 capital is restricted to 33 1/3% of Tier 1 capital.

The Central Bank of Nigeria prescribed the minimum capital adequacy for Development Financial Institutions in Nigeria.

The Bank's objectives when managing capital are:
i. To comply with the capital requirements set by regulators of the Development Finance Institutions
ii. To safeguard the Bank's ability to continue to revitalise ailing industry and serve as growth engine for industrial and economic development in Nigeria

Capital management strategy
The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Bank meets the minimum capital requirement set by CBN for both Wholesale Development Finance Institutions and Retail Development Finance Institutions as the shareholders' funds as at 31 December 2020 was ₦338billion (31 December 2019: ₦292billion).

Capital adequacy ratio
The capital adequacy ratio is the quotient of the capital base of the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained. The table below summarises the Basel II capital adequacy ratio for 2020 and 2019:

	Bank	Bank
	31 Dec 2020	31 Dec 2019
In thousands of naira		
Tier 1 capital		
Ordinary share capital	147,371,321	147,371,321
Retained earnings	63,789,774	51,345,947
Statutory reserves	63,857,662	49,952,840
Deposit for shares	15,000,000	-
Other reserves	30,919,899	29,332,507
	320,938,656	278,002,615

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

42 Financial risk management (contd.)

In thousands of naira	Bank 31 Dec 2020	Bank 31 Dec 2019
Capital management		
Less:		
Deferred tax	-	(1,904,267)
Investment in capital of financial subsidiaries	(1,772,860)	(1,772,860)
Intangible assets	(529,346)	(499,937)
Total Tier 1 Capital (A)	318,636,450	273,825,551
Tier 2 capital Borrowings	201,188,876	101,049,315
Other reserves	(2,225,240)	(1,587,392)
Tier 2 before deduction of investment	198,963,636	99,461,923
Tier 2 limit	106,803,103	91,866,137
Less:		
Investment in capital of financial subsidiaries	(1,772,860)	(1,772,860)
Net Total Tier 2 Capital (B)	105,030,243	90,093,277
Total regulatory capital (A+B)	423,666,694	363,918,828
Market risk	102,829,759	10,677,564
Operational risk	117,507,028	98,039,326
Credit risk	658,239,890	594,775,450
Total risk-weighted assets	879,576,677	703,492,341
Capital ratios		
Total minimum regulatory required capital expressed as a percentage of total risk weighted assets	10.00%	10.00%
Bank's total tier 1 capital expressed as a percentage of total risk-weighted assets	36.27%	38.92%
Total capital expressed as a percentage of total risk-weighted assets	48.22%	51.73%

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial assets and liabilities

43.1 Classification of financial assets and liabilities, fair value and fair value hierarchy

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments. It also shows the fair values of the financial assets and liabilities and their fair value hierarchy.

31 December 2020

Group

	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
In thousands of Naira							
Cash and bank balances	14	-	-	83,230,087	83,230,087	83,230,087	2
Due from financial institution	15	-	-	104,652,434	104,652,434	104,652,434	2
Investment in debt securities	18	-	-	872,195,497	872,195,497	889,069,071	2
Equity investment securities:							
- Equity securities at FVTPL	20	4,257	-	-	4,257	4,257	1
- Quoted equities at FVOCI	20	-	10,498	-	10,498	10,498	1
- Unquoted equities at FVOCI	20	-	4,389,164	-	4,389,164	4,389,164	3
Loans and advances	19	-	-	749,838,732	749,838,732	749,838,732	2
Other assets	22	-	-	4,279,372	4,279,372	4,279,372	–
Total financial assets		4,257	4,399,662	1,814,196,122	1,818,600,041	1,835,473,615	
Derivative liability		4,695,233	-	-	4,695,233	4,695,233	2
Other liabilities	27	-	-	211,346,787	211,346,787	211,346,787	2
Borrowings	29	-	-	1,302,479,259	1,302,479,259	1,246,525,445	2
Total financial liabilities		4,695,233	-	1,513,826,046	1,518,521,279	1,462,567,465	

31 December 2019

	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
In thousands of Naira							
Cash and bank balances	14	-	-	9,872,038	9,872,038	9,872,038	2
Due from financial institution	15	-	-	36,633,351	36,633,351	36,904,041	2
Derivative assets	16	2,935,928	-	-	2,935,928	2,935,928	2
Investment in debt securities	18	-	-	197,850,196	197,850,196	203,883,951	2
Equity investment securities:							
- Equity securities at FVTPL	20	4,440	-	-	4,440	4,440	1
- Quoted equities at FVOCI	20	-	9,850	-	9,850	9,850	1
- Unquoted equities at FVOCI	20	-	2,556,999	-	2,556,999	2,556,999	3
Loans and advances	19	-	-	740,032,638	740,032,638	740,032,638	2
Other assets	22	-	-	5,628,914	5,628,914	5,628,914	-
Total financial assets		2,940,368	2,566,849	990,017,137	995,524,354	1,001,828,798	
Other liabilities	27	-	-	127,392,185	127,392,185	127,392,185	–
Borrowings	29	-	-	598,199,128	598,199,128	551,837,841	2
Total financial liabilities		-	-	725,591,313	725,591,313	679,230,026	

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial assets and liabilities

43.1 Classification of financial assets and liabilities, fair value and fair value hierarchy

Bank

31 December 2020

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	82,593,208	82,593,208	82,593,208	2
Due from financial institution	15	-	-	103,625,287	103,625,287	103,625,287	2
Investment in debt securities	18	-	-	872,104,525	872,104,525	888,978,099	2
Equity investment securities:							
- Equity securities at FVTPL	20	676	-	-	676	676	1
- Quoted equities at FVOCI	20	-	8,077	-	8,077	8,077	1
- Unquoted equities at FVOCI	20	-	4,373,658	-	4,373,658	4,373,658	3
Loans and advances	19	-	-	748,957,244	748,957,244	748,957,244	2
Other assets	22	-	-	3,752,218	3,752,218	3,752,218	
Total financial assets		676	4,381,735	1,811,032,482	1,815,414,893	1,832,288,467	
Derivative liability	16	4,695,233	-	-	4,695,233	4,695,233	2
Other liabilities	27	-	-	213,221,068	213,221,068	213,221,068	
Borrowings	29	-	-	1,300,972,636	1,300,972,636	1,245,018,823	2
Total financial liabilities		4,695,233	-	1,514,193,704	1,518,888,937	1,462,935,124	

31 December 2019

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	9,408,307	9,408,307	9,408,307	2
Due from financial institution	15	-	-	35,791,352	35,791,352	36,057,708	2
Derivative assets		2,935,928	-	-	2,935,928	2,935,928	2
Investment in debt securities	16	-	-	197,386,540	197,386,540	203,420,281	2
Equity investment securities:							
- Equity securities at FVTPL	20	676	-	-	676	676	1
- Quoted equities at FVOCI	20	-	8,142	-	8,142	8,142	1
- Unquoted equities at FVOCI	20	-	2,541,493	-	2,541,493	2,541,493	3
Loans and advances	19	-	-	739,420,096	739,420,096	739,420,096	2
Other assets	22	-	-	5,134,284	5,134,284	5,134,284	-
Total financial assets		2,936,604	2,549,635	987,140,579	992,626,818	998,926,915	
Other liabilities	27	-	-	128,559,328	128,559,328	128,559,328	
Borrowings	29	-	-	596,363,052	596,363,052	550,001,765	2
Total financial liabilities		-	-	724,922,380	724,922,380	678,561,093	

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial assets and liabilities

43.2 Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements

Level 1
Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Level 3 fair value measurements
Reconciliation
The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Group Unquoted equity investments at FVOCI ₦'000	Bank Unquoted equity investments at FVOCI ₦'000
Balance as at 1 January 2020	2,556,999	2,541,493
Additions during the year	2,147,582	2,147,582
Unrealised fair value gain/(loss) recognised in other comprehensive	(315,417)	(315,417)
Balance as at 31 December 2020	4,389,164	4,373,658

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial assets and liabilities (cont'd)

Fair value methods and assumptions

(i) Equity investment securities

Equity investment securities comprise quoted equity instruments traded on the floor of the Nigerian Stock Exchange and unquoted equity instruments for which are not traded in an active market. The fair value of quoted equity securities were derived based on trading prices of the securities as at reporting date. The fair value of unquoted equity instruments were determined using valuation techniques (adjusted net asset valuation and discounted cashflow techniques) and inputs which may not be observable in the market. References were made to the investee companies historical financial performance and financial positions, cost of capital, discount rate, illiquidity discount etc. The data obtained were analysed and adjustments was made to reflect differences in the circumstances of each investees.

Information about significant unobservable inputs used as at 31 December 2020 in measuring the unquoted equity securities categorised as Level 3 in the fair value hierarchy are included in Note 20.2(ii)

(Ii) Derivative asset/liability

The fair value of derivative is estimated from the foreign exchange rates (far and near legs) of the currency swap contracts with the Central Bank of Nigeria (CBN) and discounted using market discount rate. The foreign exchange rates were obtained from the contract and the discount rate was based on Federal Government of Nigeria treasury bill rate.

The valuation method and assumptions for financial instruments not measured at fair value, which were included in table 43.1 are presented below:

(i) Cash and bank balances

Cash and bank balances represent cash held with various banks. The fair value of these balances is their carrying amounts.

(ii) Due from other banks

Due from financial institutions represents bank placements with very short maturity, typically 30 days. The fair value of these balances is their carrying amounts.

(iii) Investment in debt securities

Investment in debt securities includes Treasury bills and CBN Omo Bills issued by the Central Bank of Nigeria. The fair value of treasury bills at amortised cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

43 Financial assets and liabilities (cont'd)

Fair value methods and assumptions (cont'd)

(iv) Loans and advances

Loans and advances represent loans issued to customers for industrialisation and are carried at amortised cost less impairment allowance. The fair value of these loans is their carrying amounts.

(v) Other financial assets/financial liabilities

Other financial assets/financial liabilities represent monetary assets, which usually have a short recycle period and as such, whose fair values approximate their carrying amount.

(vi) Borrowings

The estimated fair value of borrowings which includes non-interest-bearing borrowings, is the discounted amount repayable. The estimated fair values of interest-bearing borrowings are determined using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

44 Current and non-current classification of assets and liabilities

The following table distinguishes the current and non-current assets and liabilities as at year end

31 December 2020

	Group			Bank		
	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000
ASSETS						
Cash and bank balances	83,230,087	83,230,087	-	82,593,208	82,593,208	-
Due from financial institutions	104,652,434	104,652,434	-	103,625,287	103,625,287	-
Investment in debt securities	872,195,497	872,195,497	-	872,104,525	872,104,525	-
Advances under lease	9,594	9,594	-	-	-	-
Loans and advances	749,838,732	232,687,194	517,151,538	748,957,244	231,805,707	517,151,537
Equity investment securities	4,403,919	4,403,919	-	4,382,411	4,382,411	-
Investment in subsidiaries	-	-	3,545,720	3,545,720	-	
Other assets	10,710,266	10,710,266	-	9,143,024	9,143,024	-
Trading properties	-	-	-	-	-	-
Intangible assets	529,346	-	529,346	529,346	-	529,346
Property and equipment	25,466,028	-	25,466,028	21,351,298	-	21,351,298
Investment property	11,160,435	-	11,160,435	11,023,369	-	11,023,369
Right-of-use assets	-	-	-	3,920,594	-	3,920,594
TOTAL ASSETS	1,862,196,338	1,307,888,991	554,307,347	1,861,176,026	1,307,199,882	553,976,144
LIABILITIES						
Tax payable	4,109,668	4,109,668	-	3,951,666	3,951,666	-
Deposit for shares	15,000,000	-	15,000,000	15,000,000	-	15,000,000
Borrowings	1,302,479,259	317,718,745	984,760,515	1,300,972,636	316,212,121	984,760,515
Employee benefits	4,638,588	-	4,638,588	4,188,872	-	4,188,872
Other liabilities	211,346,787	211,346,787	-	213,221,068	213,221,068	-
TOTAL LIABILITIES	1,537,574,302	533,175,200	1,004,399,103	1,537,334,242	533,384,855	1,003,949,387

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

45 Current and non-current classification of assets and liabilities

The following table distinguishes the current and non-current assets and liabilities as at year end 31 December 2020

	Group			Bank		
	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000
ASSETS						
Cash and bank balances	9,872,038	9,872,038	-	9,408,307	9,408,307	-
Due from financial institutions	36,633,351	36,633,351	-	35,791,352	35,791,352	-
Derivative asset	2,935,928	2,935,928	-	2,935,928	2,935,928	-
Investment in debt securities	197,850,196	197,850,196	-	197,386,540	197,386,540	-
Advances under lease	226,539	226,539	-	-	-	-
Loans and advances	740,032,638	234,618,101	505,414,537	739,420,096	223,585,830	515,834,266
Equity investment securities	2,571,289	2,571,289	-	2,550,311	2,550,311	-
Investment in subsidiaries	-	-	-	3,545,720	3,545,720	-
Other assets	11,362,373	11,362,373	-	9,931,557	9,931,557	-
Intangible assets	499,937	-	499,937	499,937	-	499,937
Property and equipment	24,442,706	-	24,442,706	20,522,247	-	20,522,247
Investment property	11,427,807	-	11,427,807	11,286,521	-	11,286,521
Deferred tax asset	2,330,222	-	2,330,222	1,488,950	-	1,488,950
TOTAL ASSETS	1,040,185,024	496,069,814	544,115,210	1,034,767,466	485,135,545	549,631,921
LIABILITIES						
Tax payable	2,902,622	2,902,622	-	2,613,315	2,613,315	-
Deposit for shares	15,000,000	-	15,000,000	15,000,000	-	15,000,000
Borrowings	598,199,128	244,415,500	353,783,628	596,363,052	242,579,424	353,783,628
Employee benefits	3,603,563	-	-	3,603,563	3,177,634	3,177,634
Other liabilities	127,392,185	127,392,185	-	128,559,328	128,559,328	-
TOTAL LIABILITIES	747,097,498	374,710,307	372,387,191	745,713,330	373,752,067	371,961,263

Other Information
Value Added Statement

	Group				Bank			
	31-Dec-20		31-Dec-19		31-Dec-20		31-Dec-19	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross income	**131,843,084**		**95,465,947**		**130,681,251**		**93,583,612**	
Interest paid	(34,117,130)		(25,384,814)		(34,975,683)		(25,822,536)	
Fees paid	(3,705,378)		(2,207,284)		(3,705,378)		(2,207,284)	
	94,020,576		**67,873,849**		**92,000,190**		**65,553,792**	
Net loss from financial instruments measured at fair value	(17,816,750)		2,935,676		(17,816,567)		2,935,928	
(Loss)/gain on sale of financial assets at FVOCI	-		(33)		-		-	
Impairement charges	(12,847,174)		-		(12,805,416)		-	
Administrative overheads	**(11,107,556)**		**(14,976,654)**		**(10,714,649)**		**(14,507,530)**	
Value Added	**52,249,096**	**100**	**55,832,838**	**100**	**50,663,558**	**100**	**53,982,190**	**100**
Applied as follows:								
To pay employees:								
- Salaries and wages	14,111,271	27	13,997,851	25	13,756,710	27	13,655,825	25
To pay government								
- Taxation	3,944,159	8	3,834	-	3,545,031	7	(93,006)	-
Retained for future replacement of assets and expansion of business:								
- Depreciation and amortization	**2,595,808**	**5**	**2,499,815**	**5**	**2,558,247**	**5**	**2,923,277**	**5**
- Profit retained in the business	31,597,858	60	39,331,338	70	30,803,570	61	37,496,095	70
	52,249,096	**100**	**55,832,838**	**100**	**50,663,558**	**100**	**53,982,190**	**100**

Other Information
Financial Summary - Group

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
ASSETS					
Cash and Bank Balances	83,230,087	9,872,038	18,193,868	15,413,153	9,918,212
Due from Financial Institution	104,652,434	36,633,351	107,578,150	81,061,115	76,707,031
Derivative Asset	-	2,935,928	-	736,486	-
Debt securities	872,195,497	197,850,196	261,806,710	50,662,415	40,449,831
Loans and Advances	749,838,732	740,032,638	634,116,033	525,837,976	517,910,285
Advances under Lease	9,594	226,539	131,052	361,776	706,273
Equity securities	4,403,919	2,571,289	3,921,028	5,010,185	4,965,679
Other assets	10,710,266	11,362,373	7,376,899	6,107,124	5,933,114
Intangible assets	529,346	499,937	177,855	202,784	178,617
Property and equipment	25,466,028	24,442,706	23,321,404	15,583,831	13,678,423
Investment property	11,160,435	11,427,807	11,746,299	11,596,594	8,422,336
Deferred tax asset	1,566,290	2,330,222	675,882	682,485	1,910,874
TOTAL ASSETS	1,863,752,628	1,040,185,024	1,069,045,180	713,255,924	682,973,064
Derivative liability	4,695,233	-	1,372,808	–	
Tax payable	4,109,668	2,902,622	5,073,130	3,093,018	2,199,233
Deposit for shares	-	15,000,000	15,000,000	-	-
Borrowings	1,302,479,259	598,199,128	686,730,273	389,450,139	422,203,976
Employee benefits	4,638,588	3,603,563	1,331,491	482,749	106,483
Deferred tax liabilities	-	-	-	-	-
Other liabilities	211,346,787	127,392,185	101,298,014	78,452,787	38,558,214
TOTAL LIABILITIES	1,527,269,535	747,097,498	810,805,716	471,478,693	463,067,906
CAPITAL AND RESERVES					
Ordinary share capital	147,371,321	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	64,616,711	51,427,211	30,815,531	11,616,275	830,734
Statutory reserve	64,502,053	50,562,471	39,326,952	29,396,863	23,511,669
Non - distributable reserves	16,381,154	14,519,142	9,049,290	20,274,739	15,052,521
Actuarial Reserve	(262,245)	27,006	1,159,305	1,990,411	2,082,012
SME reserve	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	(2,109,168)	(1,794,399)	(444,945)	171,992	158,265
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Deposit for shares	15,000,000	-	-	-	
Total equity attributable to owners of the Company	336,419,725	293,032,651	258,197,353	241,741,500	219,926,421
Non controlling Interest	63,368	54,875	42,111	35,731	(21,263)
Total Equity	336,483,093	293,087,526	258,239,464	241,777,231	219,905,157
TOTAL LIABILITIES AND EQUITY	1,863,752,628	1,040,185,024	1,069,045,180	713,255,924	682,973,064

Other Information
Financial Summary (contd.) - Bank
Statement of financial position

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
ASSETS					
Cash and Bank Balances	82,593,208	9,408,307	17,877,630	14,925,793	9,609,117
Due from Financial Institution	103,625,287	35,791,352	106,590,574	82,598,714	82,545,829
Derivative Asset	-	2,935,928	-	736,486	-
Debt securities	872,104,525	197,386,540	261,747,312	50,416,949	40,428,831
Advances under Lease	-	-	-	-	-
Loans and Advances	748,957,244	739,420,096	633,706,120	525,386,170	517,730,409
Equity Securities	4,382,411	2,550,311	3,911,426	4,967,080	8,937,831
Investment in Subsidiaries	3,545,720	3,545,720	3,545,720	3,545,720	545,720
Other assets	9,143,024	9,931,557	6,864,505	5,225,534	5,059,456
Intangible Assets	529,346	499,937	177,856	202,785	177,846
Property and equipment	21,351,298	20,522,247	20,138,858	13,076,702	12,072,401
Investment Property	11,023,369	11,286,521	11,600,793	12,061,402	8,250,313
Employee benefit	-	-	-	-	50,848
Deferred Tax Asset	817,996	1,488,950	-	-	613,474
Right of use assets	3,920,594	3,344,690	-	-	-
TOTAL ASSETS	1,861,994,022	1,038,112,156	1,066,160,794	713,143,335	686,022,075
Derivative Liability	4,695,233	1,372,808			
Tax Payable	3,951,666	2,613,315	4,685,306	2,750,358	1,791,406
Deposit for Shares	-	15,000,000	15,000,000	-	
Borrowings	1,300,972,636	596,363,052	684,647,342	389,450,139	422,013,520
Employee benefit	4 ,188,872	3 ,177,634	1 ,010,279	107,843	-
Deferred Tax Liabilities	-	-	1 65,841	522,537	-
Other Liabilities	213,221,068	128,559,328	99,946,429	77,050,068	37,277,173
TOTAL LIABILITIES	1,527,029,475	745,713,330	806,828,005	469,880,945	461,082,099
CAPITAL AND RESERVES					
Ordinary share capital	147,371,321	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	63,789,774	51,345,947	32,447,748	13,353,581	6,057,460
Statutory reserve	63,857,662	49,952,840	38,704,011	29,131,717	23,255,284
Non-distributable reserve	16,251,132	14,396,211	9 ,047,144	20,271,157	15,050,316
Actuarial Reserve	(111,261)	2 11,106	1 ,280,047	2,058,565	2,124,382
SME reserve	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Available for sale reserve	(2,113,980)	(1,798,498)	(437,381)	156,149	161,314
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Deposit for shares	15,000,000	-	-	-	
Total equity attributable to owners of the Company	334,964,547	292,398,826	259,332,789	243,262,3902	24,939,976
Total Equity	334,964,547	292,398,826	259,332,789	243,262,390	224,939,976
TOTAL LIABILITIES AND EQUITY	1,861,994,022	1,038,112,156	1,066,160,794	713,143,335	686,022,075

Other Information
Financial Summary (cont'd)
Consolidated Statement of profit and loss
For the year ended 31 December 2020

	31-Dec-20 ₦'000	31-Dec-19 ₦'000	31-Dec-18 ₦'000	31-Dec-17 ₦'000	31-Dec-16 ₦'000
Interest income	116,906,211	81,229,450	67,719,337	34,966,778	28,054,718
Interest Expense	(34,117,130)	(25,384,814)	(16,445,454)	(528,375)	(367,281)
Net Interest Income	82,789,080	55,844,636	51,273,883	34,438,403	27,687,437
Net fees and commission income	2,060,504	3,728,724	4,125,293	3,273,396	1.944,705
Net (loss)/gain from financial instruments measured at fair value	(17,816,750)	2,935,676	(2,567,866)	845,105	24,641
Gain on sale of financial assets at FVTPL	-	-	233,444	9,289	1,148
Loss on sale of financial assets at FVOCI	-	(33)	-	-	-
Other income	9,170,991	4,316,082	5,482,414	3,686,859	5,919,008
Total Operating income	76,203,825	66,825,085	58,547,168	42,253,052	35,576,939
Impairment writeback/(charges)	(12,847,174)	3,984,407	5,155,154	3,403,814	(1,792,051)
Net Operating Income	63,356,651	70,809,492	63,702,322	45,656,867	33,784,888
Staff cost	(14,111,271)	(13,997,851)	(12,183,454)	(8,020,477)	(7,058,409)
Depreciation and amortization	(2,595,808)	(2,499,815)	(1,972,293)	(1,357,246)	(1,280,381)
Other operating expenses	(11,107,556)	(14,976,654)	(12,883,365)	(9,915,823)	(8,508,669)
Total operating expense	(27,814,635)	(31,474,320)	(27,039,112)	(19,293,546)	(16,847,460)
Profit before tax	35,542,017	39,335,172	36,663,210	26,363,320	16,937,429
Taxation	(3,944,159)	(3,834)	(4,209,382)	(3,203,771)	(2,370,503)
Profit for the year	31,597,858	39,331,338	32,453,828	23,159,550	14,566,926
Profit attributable to:					
Owners of the company	31,591,094	39,317,049	32,446,939	23,151,908	14,534,574
Non-Controlling Interest	6,764	14,289	6,889	7,642	32,352
	31,597,858	39,331,338	32,453,828	23,159,550	14,566,926

Other Information
Financial Summary (contd.) - Bank

	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
	₦'000	₦'000	₦'000	₦'000	₦'000
Interest income	116,671,135	80,810,850	65,208,827	33,820,364	27,277,475
Interest Expense	(34,975,683)	(25,822,536)	(16,457,823)	(619,850)	(197,784)
Net Interest Income	81,695,452	54,988,314	48,751,004	33,200,514	27,079,691
Net fees and commission income	1,690,733	3,450,283	3,888,351	3,134,624	1,832,573
Net (loss)/gain from financial instruments measured at fair value	(17,816,567)	2,935,928	(2,567,866)	845,105	24,641
Gain on sale of financial assets at FVTPL	–	–	219,926		
Loss on sale of financial assets at FVOCI	–	–	–	9,289	1,148
Other income	8,614,005	3,111,232	4,702,514	1,531,428	4,911,000
Total Operating income	74,183,623	64,485,757	54,993,929	38,720,960	33,849,053
Impairment writeback/(charges)	(12,805,416)	4,003,964	5,010,024	1,651,447	(1,676,611)
Net Operating Income	61,378,207	68,489,721	60,003,953	40,372,407	32,172,442
Staff cost	(13,756,710)	(13,655,825)	(11,793,588)	(7,750,858)	(6,792,894)
Depreciation and amortisation	(2,558,247)	(2,923,277)	(530,597)	(435,930)	(382,571)
Other operating expenses	(10,714,649)	(14,507,530)	(12,326,447)	(9,447,940)	(8,023,473)
Total operating expense	(27,029,606)	(31,086,632)	(24,650,632)	(17,634,728)	(15,198,938)
Profit before tax	34,348,601	37,403,089	35,353,321	22,737,679	16,973,504
Taxation	(3,545,031)	93,006	(3,445,677)	(3,149,567)	(3,148,619)
Profit for the year	30,803,570	37,496,095	31,907,644	19,588,112	13,824,885

Other Information
Additional Disclosure on Managed Funds

This represents the net asset balances of the various funds managed by the bank as at 31 December 2020.

	2020 ₦'000	2019 ₦'000
Government Enterprise and Empowerment Programme (GEEP)	27,389,183	43,400,779
CBN Textile Intervention Funds	30,307,560	29,996,399
Cassava Bread Support Fund	3,216,669	3,097,634
National Automotive Council fund	2,870,453	2,806,779
Anambra State Fund	614,952	670,035
Kebbi state fund	969,596	989,505.68
Niger State Funds	175,099	174,563
Kogi State Funds	89,031	91,657
Osun State Funds	216,165	207,397
Edo State Funds	184,465	188,028
Delta State Funds	489,923	501,640
Kaduna State Fund	391,386	436,770
Taraba State Fund	440,418	434,940
Kano State Fund	61,614	58,830
Kwara State Fund 1	4,328	1,886.81
Kwara State Fund 2	161,972	162,971
Ekiti State Fund	7,086	8,331
SMEDAN Fund - Osun	(132)	10,701
Ondo State Fund	131,961	132,515
Ogun State fund	359,413	369,393
Dangote fund	5,337,084	5,139,908
Gombe Fund	58,002	59,253
Oyo State Fund	448,058	483,174
Enugu State Fund	176,774	196,611
Cross River State fund	200,279	211,678
Business Development Fund for Women (BUDFOW)	33,891	39,135
National Sugar Industrial Development fund	479,171	10,190,059
Sugar Levy Fund	5,255,873	2,318,813
SMEDAN Fund - Oyo	52,550	53,338
Benue State fund	1,188,734	1,276,873
Ebonyi State fund	20,621	4,734
Rice Processing fund	1,888,718	1,993,480
National Programme for Food Security (NPAFS) fund	655,459	670,258
Federal Department of Agriculture (FDA) Cottage fund	2,580,210	2,445,481
Sokoto State fund	516,406	558,505
Bayelsa State fund	10,254	10,273
Nigeria Artisanal & Small Scale Miners Financial Support Fund (ASM)	3,222,098	3,198,188
Nigeria Industrial Policy & Competitiveness Advisory Council (NIPCAC) fund	(86,111)	234,432
MTN Foundation (MTNF) Youth enterprises	82,041	108,058
Delta state Government Healthcare	224,426	216,917
Borno State Fund	962,728	–
IsDB Brave Women Fund	185,809	–
Textile Revival Fund	21,492,505	–
Northeast Rehabilitation Fund	301,389	–
	113,368,111	113,149,921

Other Information
Additional Disclosure on Managed Funds

GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME (GEEP)

Government Enterprise and Empowerment Programme (GEEP) Fund was established by the Federal Government of Nigeria through the Social Investment Unit in the Office of the Vice President (OVP) of the Federal Republic of Nigeria to provide financial assistance to market women, artisans, women cooperative societies, enterprising youths, small scale farmers, agro-allied processors and other MSME categories for the purpose of small and medium businesses in Nigeria.

BOI is vested with the responsibility to manage the fund on behalf of the Federal Government and to disburse the funds to the target beneficiaries directly under its Micro Enterprises Directorate; and through existing products of BOI as well as those to be developed to reach the target beneficiaries.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	43,400,779	24,663,985
Net Fund Generated/(Utilised)	(16,011,595)	(2,529,712)
Withdrawal from Fund	-	21,266,506
Closing Accumulated Fund	27,389,183	43,400,779
Represented by:		
Bank Balances	3,873,070	3,357,808
Investment in Money Market	10,700,035	12,171,805
Loan Debtors	11,827,440	24,765,123
Other Receivables	1,408,302	3,984,663
Less Liabilities	(419,664)	(878,621)
	27,389,183	43,400,779

CBN TEXTILE INTERVENTION FUND

The Central Bank of Nigeria in line with its development function under Section 31 of CBN Act 2007, put in place a N50 billion special intervention facility to resuscitate the textile industry in Nigeria. The facility will be used to restructure existing loans and provision of additional loan to textile and garment companies in Nigeria as part of its efforts to promote the development of the textile and garment sector. The activities to be covered under the Intervention shall include operations in the Cotton Textile Garment (CTG) value chain as follows:

- Cotton ginning (lint production)
- Spinning (yarn production)
- Textile mills
- Integrated garment factories (e.g. for military, para-military and schools and other uniformed institutions as well as for other general purposes). The Bank of Industry (BOI) was appointed to be the managing agent and be responsible for the day-to-day administration of the Fund.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	29,996,399	38,262,780
Net Fund Generated/(Utilized)	311,161	(8,266,381)
Prior Year Adjustment	–	–
Closing Accumulated Fund	30,307,560	29,996,399
Represented by:		
Bank Balances	(86,158)	141,271
Investment in Money Market	–	–
Loan Debtors	26,380,660	25,469,875
Other Receivable	4,013,058	4,385,252
Less Liabilities	–	–
	30,307,560	29,996,399

Other Information
Additional Disclosure on Managed Funds

CASSAVA BREAD SUPPORT FUND

Cassava Bread Fund was created by the Federal Government on 12 December 2013 as part of the transformation policy in the agribusiness sector between the Federal Ministry of Agriculture and Rural Development and Bank of Industry Limited.

To ensure that Nigeria becomes the largest cassava processor having occupied the position of largest producer of the commodity in the world and guarantee the reduction of food import bills; a number of measures including the cassava bread policy were endorsed by the Government.

Government's intervention in the Cassava Value Chain by funding Cassava Processors and Bakers would translate to foreign exchange savings and job creation along the cassava value chain and also prevent post-harvest losses. The initiative is aimed at providing equipment and working capital support to Master Bakers and High-Quality Cassava Flour (HQCF) processors across Nigeria.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	3,097,634	3,116,902
Net Fund Generated/(Utilized)	126,497	(19,268)
Prior Year Adjustment	(7,462.25)	-
Closing Accumulated Fund	3,216,669	3,097,634
Represented by		
Bank Balances	73,249	9,444
Investment in Money Market	1,936,104	1,847,700
Loan Debtors	(201,847)	(109,400)
Other Receivable	1,425,387	1,363,328
Less Liabilities	(16,225)	(13,439)
	3,216,669	3,097,634

NADDC FUND

The NADDC Fund is aimed at developing the Nigerian automotive sector by financing projects in the automotive industry. The Fund is also used to finance annual budgetary approval for Capital and Recurrent Expenditures of the National Automotive Council.

From the inception of the NAC Fund on July 31, 2003 till date, the total inflow from the National Automotive Council (NAC) stands at ₦18.09 billion. The Fund is being managed by BOI for a fee of 5% per annum on investible Fund, payable quarterly and deductible from the balance of the Fund. Similarly, NAC receives Management Fee of 2% per annum on investible Fund payable quarterly and deducted for the funding of projects, the Fund is broken down into three categories, namely;

NAC Term loans/Working Capital Financing:

This is for projects in the Automotive Industry. These loans are granted at 7.5% and 10% per annum on term loan and working capital loan respectively.

NAC Auto Technicians Support Scheme (NAC-ATSS):- This represents the sum of ₦1.00 billion set aside from the main NAC Fund for capacity building in repair and maintenance for Nigerian Artisans, Craftsmen and Technicians/Mechanics. The loans are to be advanced through Micro Finance Banks (MFB) that meet certain set criteria. This scheme is provided at 7.5% per annum to the partnering MFB and 10% per annum to the final beneficiary.

Vehicle Purchase Credit Scheme:

This is to encourage patronage of Nigerian Made Vehicles. ₦2,500,000.00 (from the main NAC Fund) for Vehicle Purchase Credit Scheme for individuals and private commercial operators, lease finance for fleet operators to purchase vehicles from local assembly plants in order to enhance their capacity utilization and those of component manufacturers. BOI deals with vehicle purchasers (individuals or fleet operators) via selected Banks and other financial institutions. This scheme is provided at 7.5% per annum to the partnering MFB and 10% per annum to the final beneficiary.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	2,806,779	2,848,017
Net Fund Generated/(Utilized)	63,673	(41,238)
Prior Year Adjustment		
Closing Accumulated Fund	2,870,453	2,806,779
Represented by:		
Bank Balances	62,794	1,407
Investment in Money Market	1,254,251	1,125,090
Loan Debtors	(208,748)	(983,144)
Other Receivable	1,765,399	2,663,427
Less Liabilities	(3,243)	–
	2,870,453	2,806,779

ANAMBRA STATE MANAGED FUND

Anambra State MSME Fund (also referred to as ANSG-BOI MSME Fund) represents Anambra state Government's share of the 50:50 Counter-part Fund by both the ANSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The ANSG committed a sum of ₦500.0 million with the first and second tranches of the ₦500.0 million Funds received on 17th August, 2007 and 11th December, 2009 respectively in the sum of ₦250.0 million per tranche. The interest rate on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	670,035	628,706
Net Fund Generated/(Utilised)	(55,083)	41,329
Closing Accumulated Fund	614,952	670,035
Represented by:		
Bank Balances	67,205	496
Investment in Money Market	420,445	422,749
Loan Debtors	4,247	130,252
Other Receivable	128,166	125,076
Less Liabilities	(5,112)	(8,538)
	614,952	670,035

Other Information
Additional Disclosure on Managed Funds

KEBBI STATE FUND

Kebbi State MSME Fund (also referred to as KBSG-BOI MSME Fund) represents Kebbi State Government's share of the 50:50 Counterpart Fund by both the KBSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KBSG signed the MOU with BOI in March 2019 and committed a sum of ₦1 billion to the scheme, which has been fully released. All loans granted under the KBSG MSME Fund shall be interest free. Beneficiaries shall however be required to pay an administrative fee 3.5% of the loan amount per annum. The Management Fee to be earned by the Bank is 2% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	989,506	1,000,000
Net Fund Generated/(Utilised)	(19,910)	(10,494)
Closing Accumulated Fund	969,596	989,506
Represented by:		
Bank Balances	2,307	-
Investment in Money Market	98,292	116,828
Loan Debtors	837,718	864,547
Other Receivable	42,939	17,924
Less Liabilities	(11,660)	(9,793)
	969,596	989,506

DELTA STATE MANAGED FUND

Delta State MSMEs Fund (also referred to as DTSG-BOI MSME Fund) represents Delta state Government's share of the 50:50 Counterpart Fund by both the DTSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.
The DTSG signed the MOU with BOI on 23rd March, 2008 and committed a sum of ₦500.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 9% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	501,640	324,180
Under accrual of Prior year Management fee	2,765	–
Net Fund Generated/(Utilised)	(14,482)	177,460
Closing Accumulated Fund	489,923	501,640
Represented by:		
Bank Balances	173	116
Investment in Money Market	38,206	52,741
Loan Debtors	(54,289)	(46,897)
Sundry Debtors	510,505	503,155
Less Liabilities	(4,671)	(7,475)
	489,923	501,640

Other Information
Additional Disclosure on Managed Funds

KADUNA STATE MANAGED FUND

Kaduna State MSME Fund (also referred to as KDSG-BOI MSME Fund) represents Kaduna state Government's share of the 50:50 Counter-part Fund by both the KDSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KDSG signed the MOU with BOI 2014 and committed a sum of ₦500.0 million to the scheme, which has been fully released. Interest rate of 5% per annum and 6.25% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 2% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	436,770	487,015
Unaccrued 2019 Audit fees	(2,500)	–
Net Fund Generated/(Utilised)	(42,884)	(50,245)
Closing Accumulated Fund	391,386	436,770
Represented by:		
Bank Balances	(1,333)	484
Investment in Money Market	324,320	363,723
Loan Debtors	56,684	77,277
Other Receivables	17,101	1,862
Less Liabilities	(5,387)	(6,576)
	391,386	436,770

TARABA STATE MANAGED FUND

Taraba State MSMEs Fund (also referred to as TRSG-BOI MSME Fund) represents Taraba state Government's share of the 50:50 Counter-part Fund by both the TRSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The TRSG signed the MOU with BOI on 10th June, 2015 and committed a sum of ₦350.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 0% per annum (subsidized by TRSG and 7.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	434,940	406,739
Additional fund contributed	-	-
Net Fund Generated/(Utilised)	5,478	28,201
Closing Accumulated Fund	440,418	434,940
Represented by:		
Bank Balances	811	172
Investment in Money Market	433,334	432,305
Loan Debtors	6,862.80	2,250
Sundry Debtors	6,428	7,967
Less Liabilities	(7,017)	(7,754)
	440,418	434,940

Other Information
Additional Disclosure on Managed Funds

KANO STATE MANAGED FUND

Kano State MSME Fund (also referred to as KNSG-BOI MSME Fund) represents kano state Government's share of the 50:50 Counter-part Fund by both the KNSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions. The KNSG signed the MOU with BOI on 30th July, 2013 and committed a sum of ₦500.0 million to the scheme, which has been fully released. Interest rate of 5% per annum which shall be subject to review by BOI and KNSG from time to time in line with the market dictates. The interest on loan shall accrue to BOI. The Management Fee to be earned by the Bank is 5% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	58,830	81,181
Prior year expenses not accrued	(5,460)	
Net Fund Generated/(Utilised)	8,243	(22,351)
Closing Accumulated Fund	61,614	58,830
Represented by:		
Bank Balances	13,940	7,593
Investment in Money Market	4,960	10,000
Loan Debtors	–	15,407
Other Receivables	44,419	27,345
Less Liabilities	(1,705)	(1,515)
	61,614	58,830

NIGER STATE MANAGED FUND

Niger State MSME Fund (also referred to as NGSG-BOI MSME Fund) represents Niger state Government's (NGSG) share of the 50:50 Counter-part Fund by both the NGSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The NGSG signed the MOU with BOI on 23rd September, 2009 and committed a sum of ₦1.0 billion to the scheme. However, only the sum of ₦300.0 million has since been released by NGSG. Interest rate of 10% per annum and 12.5% per annum is applicable to the Term loans and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3% on the outstanding balance per annum of the Fund payable quarterly.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	174,563	93,389
Overaccrual of Mgt fee corrected	(6)	
Net Fund Generated/(Utilised)	542	81,174
Closing Accumulated Fund	175,099	174,563
Represented by:		
Bank Balances	(1,821)	85,311
Investment in Money Market	179,984	92,428
Loan Debtors	–	318
Other Receivables	28	–
Less Liabilities	(3,091)	(3,494)
	175,099	174,563

KOGI STATE MANAGED FUND

Kogi State MSME Fund (also referred to as KGSG-BOI MSME Fund) represents Kogi state Government's share of the 50:50 Counter-part Fund by both the KGSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KGSG signed the MOU with BOI on 26th June, 2009 and committed a sum of ₦1.0 Billion to the scheme. However, only the sum of ₦250.0 million has since been released by KGSG. Interest rate of 5% per annum and 10% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3% per annum on the outstanding balance of Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	91,657	94,359
Reclassification	-	-
Net Fund Generated/(Utilised)	(2,626)	(2,702)
Closing Accumulated Fund	89,031	91,657
Represented by:		
Bank Balances	637	(46)
Investment in Money Market	–	–
Loan Debtors	4,331	4,331
Other Receivables	112,419	106,469
Less Current Liabilities	(28,356)	(19,097)
	89,031	91,657

Other Information
Additional Disclosure on Managed Funds

OSUN STATE MANAGED FUND

Osun State MSME Fund (also referred to as OSSG-BOI MSME Fund) represents Osun state Government's share of the 50:50 Counter-part Fund by both the OSSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The OSSG signed the MOU with BOI on 18th September, 2009 and committed a sum of ₦1.0 billion to the scheme. However, only the sum of ₦250.0 million has since been released by OSSG. Interest rate of 10% per annum and 12.5% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3% on outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	207,397	195,542
Prior year adjustment	52	
Net Fund Generated/(Utilised)	8,716	11,855
Closing Accumulated Fund	216,165	207,397
Represented by:		
Bank Balances	326	13,020
Investment in Money Market	170,566	163,790
Loan Debtors	(28,714)	(24,059)
Other Receivables	77,915	59,414
Less Liabilities	(3,928)	(4,768)
	216,165	207,397

EDO STATE MANAGED FUND

Edo State MSME Fund (also referred to as EDSG-BOI MSME Fund) represents Edo state Government's share of the 50:50 Counter-part Fund by both the EDSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The EDSG signed the MOU with BOI on 8th December, 2009 and committed a sum of ₦250.0 million to the scheme, which has been fully released. Interest rate of 5% per annum and 6.25% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 2% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	188,028	176,440
Prior year adjustment on audit fee	(1,500)	
Net Fund Generated/(Utilised)	(2,063)	11,588
Closing Accumulated Fund	184,465	188,028
Represented by:		
Bank Balances	11,620	3,707
Investment in Money Market	159,037	156,622
Loan Debtors	(0)	11,252
Other Receivables	18,987	19,780
Less Liabilities	(5,178)	(3,333)
	184,465	188,028

Other Information
Additional Disclosure on Managed Funds

ONDO STATE MANAGED FUND

Ondo State MSME Fund (also referred to as ODSG-BOI MSME Fund) represents Ondo state Government's share of the 50:50 Counterpart Fund by both the ODSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The ODSG signed the MOU with BOI on 30th August, 2010 and committed a sum of ₦1.0 billion to the scheme. However, only the sum of ₦500.0 million has since been released by ODSG. The interest rate attributable on the Term loan is 6% per annum and 8.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	132,515	126,089
Net Fund Generated/(Utilised)	(554)	6,426
Closing Accumulated Fund	131,961	132,515
Represented by:		
Bank Balances	19,215	13,135
Investment in Money Market	80,306	73,340
Loan Debtors (Net)	(31,495)	(5,950)
Other Asset	68,056	59,416
Less Current Liabilities	(4,122)	(7,426)
	131,961	132,515

OGUN STATE MANAGED FUND

Ogun State MSME Fund (also referred to as OGSG-BOI MSME Fund) represents Ogun state Government's share of the 50:50 Counterpart Fund by both the OGSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The OGSG signed the MOU with BOI on 3rd November, 2011 and committed a sum of ₦500.0 million to the scheme, which has been received. The interest rate attributable on the Term loan is 7% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	369,393	352,533
Prior year adjustment	21	
Net Fund Generated/(Utilised)	(10,001)	16,860
Closing Accumulated Fund	359,413	369,393
Represented by:		
Bank Balances	593	6,004
Investment in Money Market	357,069	378,190
Loan Debtors	(22,358)	(18,561)
Other Receivables	32,963	23,884
Less Liabilities	(8,854)	(20,124)
	359,413	369,393

Other Information
Additional Disclosure on Managed Funds

DANGOTE MANAGED FUND

Dangote Fund (also referred to as DF-BOI MSME Fund) represents Dangote's share of the 50:50 Counter-part Fund by both the DF and BOI for the deepening and improvement of industrial activities in the country. The Scheme was designed to stimulate economic growth by empowering micro, small and medium entrepreneurs (MSMEs) engaged in manufacturing, agro-processing, distributive or merchandizing activities and service provision in any part of the country.

The DF signed the MOU with BOI on 7th March, 2011 and committed a sum of ₦2.5 billion to the scheme. However, only the entire sum has been fully released by DF. The interest rate attributable on the loan is 5% per annum. The Management Fee to be earned by the Bank is 1% per annum on the managed Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	5,139,908	4,544,340
Net Fund Generated/(Utilised)	197,176	595,568
Closing Accumulated Fund	5,337,084	5,139,908
Represented by:		
Bank Balances	78,443	3,394
Investment in Money Market	5,192,159	4,948,532
Loan Debtors	70,419	158,976
Other Receivables	12,019	51,116
Less Liabilities	(15,956)	(22,110)
	5,337,084	5,139,908

GOMBE STATE MANAGED FUND

Gombe State MSME Fund (also referred to as GSG-BOI MSME Fund) represents Gombe state Government's share of the 50:50 Counter-part Fund by both the GSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The GSG signed the MOU with BOI on 2nd August, 2011 and committed a sum of ₦500.0 million to the scheme. However, only the sum of ₦250.0 million has since been released by GSG. The interest rate attributable on the Term loan is 5% per annum and 6.25% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	59,253	52,469
Prior year adjustment	370	
Net Fund Generated/(Utilised)	(1,622)	6,784
Closing Accumulated Fund	58,002	59,253
Represented by:		
Bank Balances	919	664
Investment in Money Market	58,002	56,554
Loan Debtors	(0)	2,324
Other Receivables	(562)	407
Less Liabilities	(358)	(696)
	58,002	59,253

Other Information
Additional Disclosure on Managed Funds

KWARA STATE 1 MANAGED FUND

Kwara State MSMEs Fund also referred to as KWSG-BOI MSME Fund represents Kwara state Government's share of the 50:50 Counter-part Fund by both the KWSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KWSG signed the MOU with BOI on 16th May, 2008 and committed a sum of ₦250.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 1.5% per annum on the outstanding balance of the Fund payable quarterly.

The fund was closed to new participants in 2015 and the balance of the fund was used to kickstart Kwara State 2 Managed Fund.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	1,887	(220)
Net Fund Generated/(Utilised)	2,441	2,107
Closing Accumulated Fund	4,328	1,887
Represented by:		
Bank Balances	3,166	(2,384)
Investment in Money Market	–	–
Loan Debtors	(90,740)	(84,226)
Other Receivables	100,290	86,746
Less Liabilities	(8,387)	1,751
	4,328	1,887

KWARA STATE 2 MANAGED FUND

Kwara State 2 MSMEs Fund also referred to as KWSG-BOI MSME Fund of N160M was established from the balance of the Kwara State 2 Fund in 2015 address the dearth of funding support to small business owners in the State by. The purpose of the new scheme is to deepen the reach of the Fund by granting loans to Co-operative associations operated by MSMEs. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	162,971	165,969
Net Fund Generated/(Utilised)	(999)	(2,998)
Closing Accumulated Fund	161,972	162,971
Represented by:		
Bank Balances	–	–
Investment in Money Market	–	–
Loan Debtors	–	–
Other Receivables	169,057	169,057
Less Liabilities	(7,085)	(6,086)
	161,972	162,971

Other Information
Additional Disclosure on Managed Funds

EKITI STATE MANAGED FUND

Ekiti State MSMEs Fund (also referred to as EKSG-BOI MSME Fund) represents Ekiti state Government's share of the 50:50 Counter-part Fund by both the EKSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The EKSG signed the MOU with BOI on 2nd February, 2010 and committed a sum of N500.0 million to the scheme. However, only the sum of N100.0 million has been released by EKSG. Interest rate attributable on the disbursed portion of the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% on outstanding balance of the Fund payable quarterly.

Summary of Fund

	2020	2019
	N'000	N'000
Opening Accumulated Fund	8,331	7,719
Prior year closing journals	144	757
Net Fund Generated/(Utilised)	(1,389)	(145)
Closing Accumulated Fund	7,086	8,331
Represented by:		
Bank Balances	214	1,238
Investment in Money Market	20,852	20,059
Loan Debtors	(70,646)	(63,142)
Other Receivables	61,769	54,290
Less Liabilities	(5,104)	(4,114)
	7,086	8,331

SMEDAN MANAGED FUND OSUN

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) signed an MOU with BOI in 2010 to manage its Fund after the Agency was allocated N50.0 million for Micro Credit Scheme to 10 Cooperatives in 10 Local Governments in Osun East Senatorial District. The amount was apportioned into N30.0 million for onward disbursement to cooperatives while, N20.0 million was for the training of potential loan beneficiaries. The Fund was hence tagged SMEDAN OSUN Fund.

The interest rate attributable on the loan is 5% per annum and the Management Fee to be earned by the Bank is also 5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2020	2019
	N'000	N'000
Opening Accumulated Fund	10,701	8,409
Contribution Received	-	-
Net Fund Generated/(Utilised)	(10,833)	2,292
Closing Accumulated Fund	(132)	10,701
Represented by:		
Bank Balances	(132)	8
Investment in Money Market	0	10,877
Loan Debtors	–	(12,016)
Other Receivables	–	12,066
Less Liabilities	–	(234)
	(132)	10,701

Other Information
Additional Disclosure on Managed Funds

OYO STATE MANAGED FUND

Oyo State MSME Fund (also referred to as OYSG-BOI MSME Fund) represents Oyo state Government's share of the 50:50 Counter- part Fund by both the OYSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The OYSG signed the MOU with BOI on 16th December, 2011 and committed a sum of ₦500.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 5% per annum on the outstanding Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	483,174	534,049
Net Fund Generated/(Utilised)	(35,116)	(50,875)
Closing Accumulated Fund	448,058	483,174
Represented by:		
Bank Balances	61,304	1,694
Investment in Money Market	250,589	283,023
Loan Debtors	143,796	187,770
Other Receivables	8,570	21,743
Less Liabilities	(16,199)	(11,056)
	448,058	483,174

ENUGU STATE MANAGED FUND

Enugu State MSME Fund (also referred to as ENSG-BOI MSME Fund) represents Enugu state Government's share of the 50:50 Counter-part Fund by both the ENSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The ENSG signed the MOU with BOI on 17th August, 2012 and committed a sum of ₦500.0 million to the scheme, of which only ₦141.8 million has been released. The interest rate attributable on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% per annum on the outstanding Fund payable quarterly.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	196,611	177,877
Prior year adjustment	20	-
Net Fund Generated/(Utilised)	(19,857)	18,734
Closing Accumulated Fund	176,774	196,611
Represented by:		
Bank Balances	1,118	13,883
Investment in Money Market	144,373	139,094
Loan Debtors	18,074	45,400
Other Receivables	15,113	1,219
Less current liabilities	(1,904)	(2,985)
	176,774	196,611

Other Information
Additional Disclosure on Managed Funds

CROSS RIVER STATE MANAGED FUND

Cross River State MSME Fund (also referred to as CRSG-BOI MSME Fund) represents Cross River state Government's share of the 50:50 Counter-part Fund by both the CRSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The CRSG signed the MOU with BOI on 30th July, 2012 and committed a sum of N250.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 8% per annum and 9.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	211,678	209,890
Prior year adjustments	(7,677)	
Net Fund Generated/(Utilised)	(3,722)	1,788
Closing Accumulated Fund	200,279	211,678
Represented by:		
Bank Balances	9,037	9,691
Investment in Money Market	199,162	196,300
Loan Debtors	(7,377)	8,061
Other Receivables	7,577	6,372
Less Liabilities	(8,120)	(8,746)
	200,279	211,678

BUSINESS DEVELOPMENT FUND FOR WOMEN

The Memorandum of Understanding (MOU) between the Federal Ministry of Women Affairs and Social Development (FMWASD) and the Bank of Industry Limited (BOI) was drawn in December, 2006 to address challenges faced by women in accessing credit facilities. The aim was to deepen the credit extended to female entrepreneurs in all parts of the country who are desirous of transiting their respective businesses from micro to small scale and later to medium scale enterprises. The Fund is set up to help in development of businesses owned by Women.

The FMWASD released Fund in the sum of ₦89, 997,600.00 in March, 2007.
The interest on the loan is 10% per annum while the Bank earns Management Fee of 2% per annum of disbursed portfolio.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	39,135	37,338
Prior year adjustments	(1,097)	
Net Fund Generated/(Utilised)	(4,147)	1,797
Closing Accumulated Fund	33,891	39,135
Represented by:		
Bank Balances	1,265	1,245
Investment in Money Market	28,529	29,027
Loan Debtors	(15,789)	(7,178)
Other Receivables	22,685	17,512
Less Liabilities	(2,799)	(1,471)
	33,891	39,135

Other Information
Additional Disclosure on Managed Funds

SUGAR DEVELOPMENT FUND

The Federal Government in furtherance of its policy on Sugar development, instituted the National Sugar Development Council (NSDC) Fund with an initial sum of ₦200 million for the establishment and resuscitation of companies engaged in the production of sugar, ethanol and sugar cane. The MOU between BOI and the National Sugar Development Council was signed on November 6, 2009. An additional amount of ₦200 million and ₦600 million was received by the Bank on 29th December, 2011 and October, 2013 respectively.

The Fund is to be disbursed as loans to stakeholders involved in the sugar value chain. It is to be used for financing fixed assets as well as working capital. The applicable interest rate on the long term loan is 5% per annum while the working capital is 7% per annum.
The Bank earns Management Fee on the Fund at the rate of 3% per annum on the on the total loans disbursed.

Summary of Fund

	2020 ₦'000	2019 ₦'000
Opening Accumulated Fund	10,190,059	8,119,757
Withdrawal by Fund owners	(10,003,018)	1,000,000
Net Fund Generated/(Utilised)	292,129	1,070,302
Closing Accumulated Fund	479,171	10,190,059
Represented by:		
Bank Balances	314,237	11,085
Investment in Money Market	6,282	9,811,239
Loan Debtors	161,700	284,795
Other Receivables	1,376	107,024
Less Liabilities	(4,424)	(24,084)
	479,171	10,190,059

SUGAR LEVY FUND

The Sugar Levy Fund was set up Federal Government with a statutory mandate to utilize the fund for the development of the Sugar sub-sector of the Nigerian economy. Also, the annual budgetary approval for capital and recurrent expenditure of the National Sugar Development Council (NSDC) is expected to be funded from the Sugar levy Fund as entrenched in section 3(ai) of decree No 88 of 1993. The total amount contributed as at 31st December, 2013 was ₦3,118,710,845. The fund is remitted to BOI quarterly based on presidential approval from the 10% Sugar levy account with Central Bank of Nigeria (CBN) as prescribed by section 6(4a) of the National Sugar Development Council Enabling Act.

The Bank earns Management Fee on the Fund at the rate of 3% per annum on the total loans disbursed.

Summary of Fund

	2020 ₦'000	2019 ₦'000
Opening Accumulated Fund	2,318,814	1,342,406
Contribution Received	5,823,744	8,488,380
Withdrawal from Fund	(3,000,000)	(8,062,443)
Net Fund Generated/(Utilised)	113,315	550,471
Closing Accumulated Fund	5,255,873	2,318,814
Represented by:		
Bank Balances	3,960	3,985
Investment in Money Market	5,251,089	2,298,116
Loan Debtors	–	–
Other Receivables	1,663	17,552
Less Liabilities	(840)	(840)
	5,255,873	2,318,813

Other Information
Additional Disclosure on Managed Funds

SMEDAN MANAGED FUND OYO

The SMEDAN-Oyo Fund is a sum of ₦40.00 million set aside by the Oyo South Senatorial District of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2009. The amount was apportioned into ₦30.00 million for onward disbursements to micro, small and medium scale enterprises that are members of registered trade associations or co-operative societies and ₦10.00 million for the training of potential loan beneficiaries.

The fund does not attract any interest. 5% of the net asset of the Fund payable quarterly to BOI as management fee payable.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	53,338	51,554
Net Fund Generated/(Utilised)	(787)	1,784
Closing Accumulated Fund	52,550	53,338
Represented by:		
Bank Balances	970	3,485
Investment in Money Market	52,803	50,982
Loan Debtors	(369)	(183)
Other Receivables	402	942
Less Liabilities	(1,257)	(1,888)
	52,550	53,338

BENUE STATE FUND

The BNSG State MSME Fund (also referred to as BNSG-BOI MSME) represents Benue State Government's share of the 50:50 Counter-part Fund contributed by both Benue State Government and BOI to support the growth of businesses in the state. The BNSG MSME is a business and development fund designed to assist Benue State indigeneous enterpreneurs who are engaged in small and medium scale businesses within the state. These entrepreneurs are divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The BNSG committed a sum of ₦1.00 billion which was received in May, 2017. The interest rate on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 30% of the interest earned on outstanding cash balance.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	1,276,873	1,114,613
Prior year adjustments	(7,200)	
Net Fund Generated/(Utilised)	(80,939)	162,260
Closing Accumulated Fund	1,188,734	1,276,873
Represented by:		
Bank Balances	11,687	18,037
Investment in Money Market	883,323	1,035,061
Loan Debtors	300,001	251,513
Other Receivables	6,490	3,085
Less Liabilities	(12,767)	(30,823)
	1,188,734	1,276,873

Other Information
Additional Disclosure on Managed Funds

EBONYI STATE FUND

The Ebonyi State MSME Fund (also referred to as EBSG-BOI MSME) represents Ebonyi State Government's fund contributed by the State Government and BOI to support the growth of businesses in the state. The fund provides financial assistance to Ebonyi State indigenous enterpreneurs who are engaged in small and medium scale businesses within the state. These entrepreneurs are divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The EBSG committed total of ₦4 billion which was received in four tranches of ₦1 billion each. The first tranche of ₦1 billion was received in August, 2017. Two more tranches of ₦1.00billion each were received in September and October 2017 respectively. The last tranche was received in January 2018.

The fund is divided into two parts; the MSME Scheme and the Agro-Based Civil Servant Scheme. Each tranche of the fund was funded to the tune of ₦2 billion. However, the Fund Owners pulled out of the Scheme in 2018. A few loans had been disbursed before the cessation of the program.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	4,734	49,679
Prior year adjustments	27,837	
Net Fund Generated/(Utilised)	(11,950)	(44,945)
Closing Accumulated Fund	20,621	4,734
Represented by:		
Bank Balances	1,917	8,347
Investment in Money Market	–	
Loan Debtors	–	11,944
Other Receivables	18,704	20,467
Less Liabilities	–	(36,024)
	20,621	4,734

RICE PROCESSING INTERVENTION FUND

The Federal Executive Council (FEC) formally approved the setting up of a ₦10 Billion Rice Processing Intervention Fund in May 2009. The Fund was designed as a credit scheme to ten initially pre-qualified companies to set up 17 Model Rice Processing Mills in the country. The estimated cost of each mill is ₦1.4 billion, which is to be financed 40% by the Federal Government's Rice Fund credit facility and 60% by the beneficiary companies/ Commercial Banks. The credit facility, which is mainly to finance plant and machinery and associated costs, is for a tenor of twenty (20) years with five (5) years moratorium at an interest rate of 4% per annum.

The MOU between BOI and Federal Ministry of Agriculture and Water Resources (FMA&WR) for the administration of the Fund was signed on September 2009. The Bank is to retain as Management Fee 0.5% of the 4% interest on the Term Loan.

The unutilized balance on the Fund is invested in the Nigerian money market at rates ranging from 4% - 9% per annum. The interest income from the investment is added to the Fund.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	1,993,480	1,801,545
Net Fund Generated/(Utilised)	(104,763)	191,935
Closing Accumulated Fund	1,888,718	1,993,480
Represented by:		
Bank Balances	146,789	7,061
Investment in Money Market	805,123	772,498
Loan Debtors	600,424	939,531
Other Receivables	343,849	288,584
Less Liabilities	(7,467)	(14,194)
	1,888,718	1,993,480

NATIONAL PROGRAMME FOR FOOD SECURITY (NPAFS) FUND

The Federal Government in 2009, set up the National Programme on Agriculture and Food Security (NPAFS) as an organ to implement the programme for Food Security, particularly to initiate policies and execute projects aimed at accelerating the pace of development of rural agriculture through enhanced rural agricultural finance. The Fund is on a Public - Private Partnership (PPP) arrangement by way of Loan 40% of project cost, Grant 40% and 20% Equity contribution from the beneficiaries.

The vehicle for achieving the stated objective is by way of grant and loan schemes, Funded by the Federal Government's budgetary allocation and some Donor Support Funds, thus leading to the establishment of the National Programme for Food Security Fund "NPFS Fund". The MOU for this arrangement with the Ministry of Agriculture and Rural Development was signed in January 2010 for the appropriation of the sum of ₦1,155,021,085.00. The scope was later adjusted to ₦800 million vide a letter from the Ministry in September, 2010. Beneficiaries are screened and pre-selected by the NPFS Office. The beneficiaries of the Fund shall be registered members of Apex Farmers Association (AFA), registered co-operative groups and SMEs in all thirty six (36) States of the country including the Federal Capital Territory (FCT).
The interest rate on the Long Term Loan is 8 % per annum and the Bank is to earn a one-off Management Fee at 4% on the total sum.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	670,258	942,353
Refund to Fund Owners	(380,693)	
Net Fund Generated/(Utilised)	(14,799)	108,598
Closing Accumulated Fund	655,459	670,258
Represented by:		
Bank Balances	970	(369)
Investment in Money Market	612,374	627,465
Loan Debtors	–	–
Other Receivables	47,502	47,632
Less Liabilities	(5,387)	(4,470)
	655,459	670,258

Other Information
Additional Disclosure on Managed Funds

FEDERAL DEPARTMENT OF AGRICULTURE (FDA) COTTAGE FUND

The Federal Government, in furtherance of its programme on Food Security instituted the FDA Cottage Fund with a take-off amount of ₦1,100,000,000.00. The MOU was signed in January 2009 between the Federal Ministry of Agriculture and Water Resources (FMA&WR), now Federal Ministry of Agriculture and Rural Development (FMA&RD) and BOI. The implementing agency for the scheme is the FMA&RD, through the Federal Department of Agriculture (FDA). Beneficiaries are screened and pre-selected by the FMA&RD.
The objective of the Fund is to promote the development of the selected crops by adding value to their processing chain and providing employment to Nigerian farmers and processors.
The Fund is available for the construction of cottage factory building and procurement of equipment for the processing of three (3) crops namely Oil Palm, Cassava and Rice.
The Fund is being managed on a public sector – private sector partnership arrangement by way of loan (50% of project cost) grant (40%) and 10% equity contribution from the Beneficiary in addition to provision of land for the project.
The Fund is dedicated for the provision of financial assistance to registered members of apex farmers associations, cooperative groups and societies in twenty (20) states of the federation and the FCT.
The interest rate on the Term loan is 8% per annum and the Bank is to earn a one off Management Fee of 4% on the Fund.
The unutilized balance on the Fund is invested in the Nigerian money market at rates ranging from 8% - 10% per annum. The interest income from the investment is added to the Fund.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	2,445,481	2,133,906
Net Fund Generated/(Utilised)	134,729	311,575
Closing Accumulated Fund	2,580,210	2,445,481
Represented by:		
Bank Balances	6,701	4,802
Investment in Money Market	2,539,129	2,405,254
Loan Debtors	21,429	4,954
Other Receivables	48,687	64,082
Less Liabilities	(35,736)	(33,611)
	2,580,210	2,445,481

SOKOTO STATE FUND

The Sokoto State MSME Fund (also referred to as SOSG-BOI MSME) represents Sokoto Government's share of the 50:50 Counter-part Fund contributed by both Sokoto State Government and BOI to support the growth of businesses in the state. The fund provides financial assistance to Sokoto State indigenous enterpreneurs who are engaged in small and medium scale businesses within the state. These entrepreneurs are divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.
The SOSG committed a sum of ₦1.00 billion which was received in May, 2017. The interest rate on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% on the outstanding balance of the Fund payable quarterly.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	558,505	514,983
Net Fund Generated/(Utilised)	(42,099)	58,503
Prior year adjustment	-	(14,981)
Closing Accumulated Fund	516,406	558,505
Represented by:		
Bank Balances	953	2
Investment in Money Market	484,974	562,684
Loan Debtors	38,045	–
Other Receivables	619	2,490
Less Liabilities	(8,186)	(6,671)
	516,406	558,505

BAYELSA STATE FUND

Bayelsa State MSME Fund (also referred to as BYSG-BOI MSME Fund) represents Bayelsa state Government's share of the 50:50 Counter- part Fund by both the BYSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The BYSG signed the MOU with BOI 2017 and committed a sum of ₦1.0 Billion to the scheme. However, the sum of ₦250.0 Million has bee released into the scheme. Interest rate of 6% per annum and 8.5% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3.5% per annum on the Managed Fund payable quarterly and 1% per annum on the Managed Fund, payable quarterly in arrears provided that payment of such a fee does not reduce the value of the principal amount contributed to the fund by BYSG.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	10,273	279,302
Prior year adjustment	79	(300,000)
Net Fund Generated/(Utilised)	(98)	30,971
Closing Accumulated Fund	10,254	10,273
Represented by:		
Bank Balances	10,318	7,846
Investment in Money Market	(0)	4,318
Loan Debtors	–	–
Other Receivables	(0)	18
Less Liabilities	(63)	(1,909)
	10,254	10,273

Other Information
Additional Disclosure on Managed Funds

NIG. ARTISANAL & SMALL SCALE MINERS FIN. SUPPORT FUND - ASM

The Nigerian Artisanal and Small-Scale Miners Financing Support Fund (also referred to as ASM Fund) represents Federal Ministry of Mines and Steel Development (FMMSD) provided by the Ministry to be managed by BOI to provide funding support to registered mining Cooperative Society, Association, Business Enterprises or Limited Liability Company who is engaged in artisanal or small scale mining business involving Industrial Minerals, Precious Stones, Precious Metal (Gold), Diamond Stone and such other solid minerals in Nigeria as shall be approved by owners in the State. The ASM Fund shall be available in form of Term loan s or Working Capital to be utilized for: a) Purchase of requisite item of plant and machinery; b) Payment for drilling, geological and other services related to mining business as may be required; c) Working Capital for purchase materials/other expenses; and d) Leasing of equipment. The single obligor limit of loans to be granted under the fund shall be a) Artisanal Scale Miners- from ₦100,000.00 to ₦10,000,000.00; and b) Small Scale Miners - from ₦10 million to ₦100 million

The Federal Ministry of Mining and Solid Minerals (FMMSD) signed the MOU with BOI on 29th August 2017 and committed a sum of ₦2.50 billion to the scheme, which has been fully released. The interest rate attributable on the loan is 5% per annum while a penal fee of 2% (two percent) interest shall be charged on all overdue obligations with effect from the due date after moratorium, where such has been agreed upon.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	3,198,188	2,897,813
Prior year adjustment	1,474	
Net Fund Generated/(Utilised)	22,437	300,375
Closing Accumulated Fund	3,222,098	3,198,188
Represented by:		
Bank Balances	(19,474)	13,652
Investment in Money Market	3,007,320	3,135,411
Loan Debtors	232,810	94,114
Other Receivables	3,314	23,943
Less Liabilities	(1,872)	(68,932)
	3,222,098	3,198,188

NIGERIA INDUSTRIAL POLICY AND COMPETITIVENESS ADVISORY COUNCIL (NIPCAC) FUND

The Federal Executive Council meeting of Wednesday, 15th March, 2017 approved the establishment of Nigeria Industrial Policy and Competitiveness Advisory Council (NIPCAC) to enable the successful implementation of the Nigeria Economic Recovery and Growth Plan and the Nigeria Industrial Revolution Plan. The objectives of this council would be achieved through the active participation of the Public-Private Sector Partnership.

The council has the following Terms of References:

(a) Identify and implement project(s)/initiative(s) to differentiate, accelerate and boost power supply to industries.
(b) Identify and implement project(s)/initiative(s) to improve road access to areas which benefit the Nigerian business community as a whole
(c) Identify and implement initiatives to improve Broad Bank coverage
(d) Identify and implement initiatives to bridge the gap between the skills demanded by industry and supply by Nigerian Education Institutions.
(e) Identify and implement initiatives to improve access to Nigeria's priority markets.
(f) Identify initiatives to improve access and cost of finance in Nigeria businesses,
(g) Identify and implement initiatives to minimize smuggling and incentivize investment

The Bank has committed the sum of ₦50.0 million as its contribution to the funding of the Council. This fund will be accounted for as Managed Fund with additional funding from the private sector participants.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	234,432	(25,848)
Net Fund Generated/(Utilised)	12,293	(39,720)
Additional Contribution	(332,837)	300,000
Closing Accumulated Fund	(86,111)	234,432
Represented by:		
Bank Balances	(149,866)	234,432
Investment in Money Market	65,445	–
Loan Debtors	–	–
Other Receivables	0	–
Less Liabilities	(1,690)	–
	(86,111)	234,432

DELTA STATE GOVERNMENT HEALTHCARE FUND

The Delta State Government of Nigeria represented by the Delta State Contributory Health Commission (also referred to as "DTSG" Fund) represents Delta State Government Healthcare's share of the 50:50 Counter-part Fund by both the DTSG and BOI. This is to implement access to finance schemes for the revitalization of Government Health Facilities in the Delta State and the Delta Central Hospital, Asaba, also referred to as the "framework".

DTSG has empowered the Delta State Contributory Health Commission (DSCHC) via the Delta State Contributory Commission Law to enhance access to the quality and affordable healthcare services leveraging on private sector financing and participation to protect, promote and facilitate access to quality healthcare services without financial or other barriers.

BOI and DTSG are desirous of setting up a matching fund for the revitalization of 25 health facilities operating in Delta State, at an interest rate of 9%, which shall be dedicated for the provision of financial assistance to Delta State indigenous Entrepreneurs who are engaged in Healthcare Services situate in Delta State. DTSG signed MOU with BOI on 14th March 2019 and committed a sum of ₦200.0 million to the scheme, which has been fully released. The earnings from treasury activities shall be shared in the ratio of 70% for DTSG and 30% for BOI, payable quarterly in arrears. The 70% accruals to DTSG shall accrue to the Fund.

Summary of Fund

	2020	2019
	₦'000	₦'000
Opening Accumulated Fund	216,917	–
Net Fund Generated/(Utilised)	7,509	16,917
Additional Contribution	-	200,000
Closing Accumulated Fund	224,426	216,917
Represented by:		
Bank Balances	11328	
Investment in Money Market	173,853	186,510
Loan Debtors	28,311	29,340
Other Receivables	11,400	1,655
Less Liabilities	(466)	(587)
	224,426	216,917

Other Information
Additional Disclosure on Managed Funds

MTN FOUNDATION

MTN Nigeria Foundation Limited GTE, a company limited by guarantee duly registered under the laws of Nigeria, in a bid to complement the efforts of the Government the area of youth employment, is desirous of building the enterpreneurship skills of 75 MTNF Scholars Alumni and provision of small business loans for 50 successful beneficiaries to enable them become business owners. The pilot phase of the MTNF Youth Enterpreneurship Development Programme will involve enterpreneurial skills training, development and presentation of bankable business plans, provision of small business loans and business support services for sustainability and seamless loan repayment process.

MTNF has engaged BOI to build the capacity of 75 potential alumni enterpreneurs, administer small business loans to top 50 successful loan applicants and monitor the loan repayment process which BOI has agreed to provide the loan beneficiaries satisfy BOI's Risk Acceptance Criteria. The Agreement between MTNF and BOI shall commence on the date of the last Party signing and shall inure for a period of 4 years except otherwise terminated earlier in accordance with the Provisions of the Agreement. MTNF may elect to renew the agreement for further periods by giving notice to BOI in writing, not later than one (1) month prior to the expiration of the term or any additional period.

MTNF signed the MOU with BOI on 2nd May, 2018 and committed a sum of ₦113.0 million to the scheme, which has been fully released. The Management Fee to be earned by the Bank is 5% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund

	2020 ₦'000	2019 ₦'000
Opening Accumulated Fund	108,058	–
Net Fund Generated/(Utilised)	(26,024)	(5,697)
Prior year adjustment	7	113,755
Closing Accumulated Fund	82,041	108,058
Represented by:		
Bank Balances	373	2,157
Investment in Money Market	80,517	107,554
Loan Debtors	3,577	–
Other Receivables	68	490
Less Liabilities	(2,494)	(2,143)
	82,041	108,058

BORNO STATE GOVERNMENT FUND

The Borno State Government represented by the Ministry of Commerce & Industry hereinafter referred to as BRSG is committed to initiating policies, carrying out programmes and projects and promoting economic and political empowerment and accelerating the pace of attainment of industrial development processes in Borno State.

BRSG and BOI are desirous of setting up a Business and Development Fund for Borno State Indigenous Enterpreneurs (hereinafter referred to as "BRSG - BOI Fund") which shall be dedicated for the provision of financial assistance to Borno State Indigenous Enterpreneurs who are engaged in small and medium businesses situated in Borno State.

The BRSG committed a sum of ₦1.00 billion in a matching funding arrangement under which BOI is expected to provide ₦1 billion matching fund. The interest rate on the Term loan is 5% per annum and 7.5% per annum on the Working Capital Loans. BRSG shall forfeit its own share of accrued interest from 5% to 0% which shall operate as subsidy to the beneficiaries. The Management Fee to be earned by the Bank is 2.5% on the outstanding balance of the Fund payable quarterly.

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2020
	₦'000
Opening Accumulated Fund	–
Net Fund Generated/(Utilised)	(37,272)
Initial Contribution	1,000,000
Closing Accumulated Fund	962,728

Represented by:

Bank Balances	(2)
Investment in Money Market	492,413
Loan Debtors	487,516
Other Receivables	182
Less Liabilities	(17,380)
	962,728

IsDB BRAVE WOMEN FUND

The Women Enterpreneurs Finance Initiative (We-Fi), a multi-donor fund consisting of G20 countries (herein referred to as the "Fund") currently being administered by the World Bank under the BRAVE Women Program (herein referred to as the "Program") has approved grant financing to the Federal Republic of Nigeria, totalling USD 14,265,511 to support the sustainability of private sector enterprises owned/led by Women in Nigeria.

Islamic Development Bank (IsDB) hereinafter referred to as the Bank and the Federal Republic of Nigeria (represented by the Federal Ministry of Finance) have signed a Framework agreement dated 1/4/2020 which sets out the general framework to facilitate the implementation of the Project to ensure the achievement of the desired objectives of the Project.

As approved by the Fund, the bank shall make available to the Recipient (BOI) a technical assistance grant an amount not exceeding USD 3,517,952 to finance the component of the Project to be implemented by the Recipient (BOI).

Summary of Fund

	2020
	₦'000
Opening Accumulated Fund	–
Net Fund Generated/(Utilised)	(11,191)
Prior year adjustment	197,000
Closing Accumulated Fund	185,809

Represented by:

Bank Balances	197,000
Investment in Money Market	–
Loan Debtors	–
Other Receivables	(11,191)
Less Liabilities	–
	185,809

TEXTILE INTERVENTION FUND

The Nigerian textile/cotton industry is the third largest in Africa, next only to Egypt and South Africa. Figures from the Federal Ministry of Trade show that in its boom years, the industry used to net an average of $2 billion annually, across the value chain. During post-independence, the sector thrived with over 180 functional factories spread across the entire country fed by locally grown cotton and supported by an enormous demand hinged on a fast growing population. The industry provided about 1 million direct jobs and over 2 million indirect jobs.

Other Information
Additional Disclosure on Managed Funds

However, with the fall in oil price, import substitution policy, and coupled with growing appetite for imported goods, the performance of the industry had been on a downward spiral. As a result of this trend, the capacity utilization in the industry has remained below 50 per cent and the growth had been stagnant and therefore the need for intervention. Nigeria current spent about $4 billion annually on imported textiles and ready-made clothing. Considering the Nigeria population which is projected to be about 200 million, the demand for clothing by ordinary Nigerians in terms of school uniforms in primary and secondary schools, military and paramilitary, etc clearly shows the enormous size of the textile market and the inherent potential of the sector to contribute significantly to job creation in Nigeria.

The CTG sub-sector has been fraught with several severe challenges and is expedient to state that mere channelling of additional credit to the sector via re-financing/new loans or restructuring of existing ones may not be the critical solution to the challenges faced by the industry.

Summary of Fund	2020 ₦'000
Opening Accumulated Fund	–
Initial Contribution	21,492,505
Net Fund Generated/(Utilised)	0
Closing Accumulated Fund	21,492,505
Represented by:	
Bank Balances	174,287
Investment in Money Market	–
Loan Debtors	–
Other Receivables	21,318,218
Less Liabilities	–
	21,492,505

NORTHEAST REHABILITATION FUND

The Board of Bank of Industry (BOI) approved the sum of ₦2.4 billion as non-interest facility to be deployed to support the establishment and/or expansion of an estimated 5,000 enterprises across the six (6) states of the North East geopolitical region of the country whose businesses have been affected by insurgency except for start-ups. The facility shall be deployed for the purpose of resuscitating local manufacturing, processing and trading activities. Any business existing between 2009 to date in the North East states shall be considered to have been affected by the insurgency.

Summary of Fund	2020 ₦'000
Opening Accumulated Fund	–
Initial Contribution	375,000
Net Fund Generated/(Utilised)	(73,611)
Prior year adjustment	–
Closing Accumulated Fund	301,389
Represented by:	
Bank Balances	288,975
Investment in Money Market	–
Loan Debtors	214,270
Other Receivables	(201,831)
Less Liabilities	(25)
	301,389

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Bank of Industry Limited @BOINigeria /BankofIndustryNigeria @BOINigeria Bank of Industry Limited Nigeria
customercare@boi.ng **Customer care** (+234) 700-CALL-BOI (+234) 700 225 5264 **Switchboard** (+234)-1-2715070-71