Building A Stronger
Industrial Sector

Annual Report & Accounts

2019

BANK OF INDUSTRY

...transforming Nigeria's industrial sector

Building A Stronger **Industrial Sector**

At 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 provision of financial support to enterprises regardless of size or scale. This has helped to establish new businesses, drive the growth of existing ones and most importantly revive and sustain ailing ones.

Our ambitious pace is driving our momentum as we strive to meet the evolving and unique demands of industries that range from agro-processing to engineering and technology, across all sizes.

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 (appointed wef March 5, 2019)
Dr. Mudashiru Olaitan	-	Non-Executive Director (retired wef January 26, 2020)
Mr. Olufemi Edun	-	Non-Executive Director (retired wef May 14, 2019)
Dr. Bakari Wadinga	-	Non-Executive Director (retired wef May 15, 2019)
Engr. Chukwuemeka Nzewi	-	Non-Executive Director
Mr. Philip Yila Yusuf	-	Non-Executive Director (appointed wef February 12, 2020)
Mallam Mohammed Mustapha Bintube	-	Non-Executive Director
Mr. Alexander Adeyemi	-	Non-Executive Director (appointed wef May 16, 2019)
Mr. Salisu Bala Kura	-	Non-Executive Director (appointed wef May 22, 2019)

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 (appointed wef May 5, 2019)
Mr. Akeem Adesina	-	General Manager/Chief Financial Officer (wef October 2, 2019)
Dr. Ezekiel J. Oseni	-	General Manager/Chief Risk Officer
Mr. Leonard Maxwell Kange	-	General Manager (Large Enterprises - I)
Dr. Rislanudeen Muhammad	-	General Manager (SME - North)
Mrs. Yemi Ogunfeyimi	-	Deputy General Manager/Head (Internal Audit & Investigation Division)
Mr. Osuwa H. Mohammed	-	Assistant General Manager/Legal Adviser

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

Our Vision

To be Africa's leading development finance institution operating under global best practices.

Our Mission

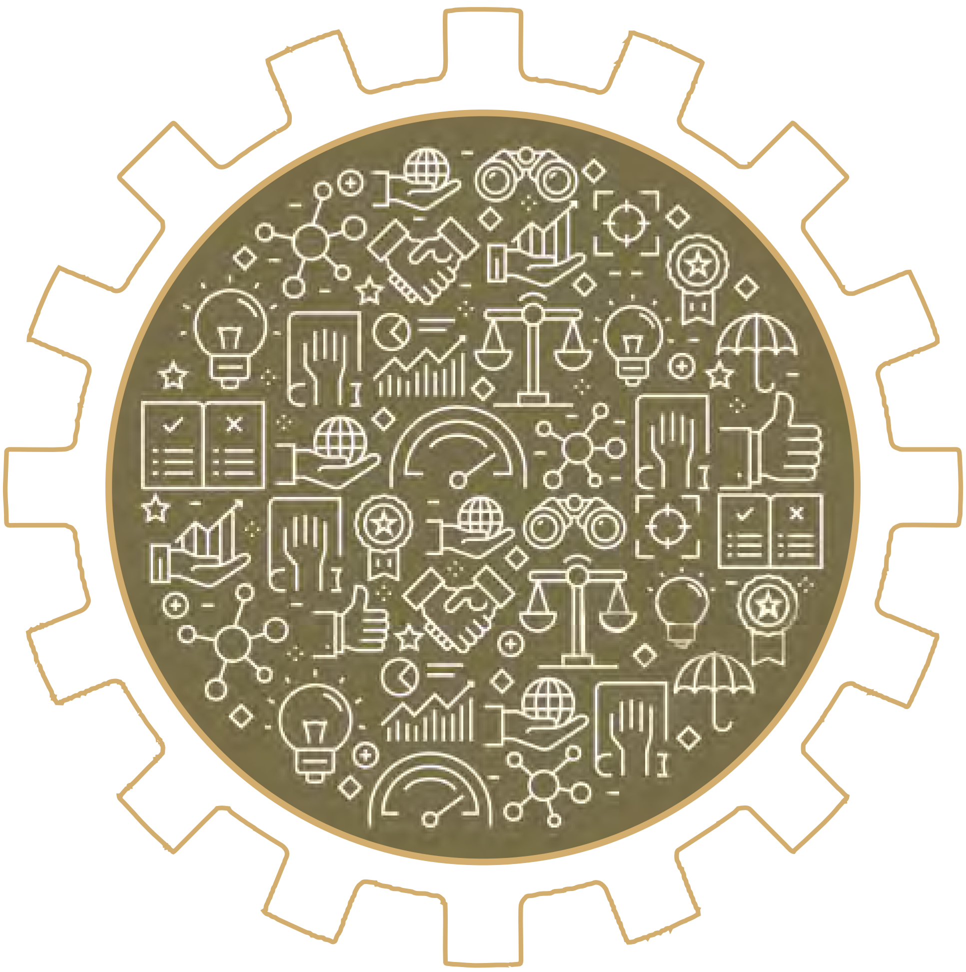
To transform Nigeria's industrial sector by providing financial and business support services to enterprises.

Our Mandate

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 Core Values

Service
Professionalism
Passion
Integrity
Resourcefulness
Innovation
Team Spirit



Otunba Richard Adeniyi Adebayo, CON

Honourable Minister, Federal Ministry of Industry, Trade and Investment

Ambassador Maryam Katagum

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

Dr. Nasir Sani-Gwarzo

Permanent Secretary, Federal Ministry of Industry, Trade and Investment

Foreword by The Honourable Minister of Industry Trade and Investment

It gives me great pleasure as the Minister of Industry, Trade and Investment to be part of yet another successful year for the Bank of Industry (BOI). I assumed my role as the supervising Minister of Bank of Industry in August, 2019 and I am impressed by the developmental impact that the Bank has been able to achieve over the past 60 years.

I am therefore proud to present the 2019 Annual Report of the Bank. This report showcases in detail, the many ways in which the Bank supports entrepreneurship and industrialisation in Nigeria.

In 2019, the Bank consolidated its role in implementing one of the Federal Government's Social Investment Programmes, Government Enterprise and Empowerment Programme (GEEP). In the year, the Bank facilitated the disbursement of ₦8.2 billion, thus bringing the total disbursed amount since inception to ₦37.1 billion to over 2.3 million beneficiaries nationwide. In light of this outstanding performance, GEEP was recognised by the Desmond Tutu Fellowship for its role in driving financial inclusion. The programme also won the African Development Bank's African Bankers' Award as the most impactful Financial Inclusion programme in Africa.

I also commend the Bank for taking key initiatives to develop the agro-processing value chain in Nigeria. A key sub-sector of focus in the Federal Government's Economic Recovery and Growth Plan (ERGP). The Bank, alongside African Development Bank (AfDB) and various other ministries and agencies of the Federal Government of Nigeria are working together towards raising up to $500m for the establishment of six special agro-processing zones (SAPZ) in the country.

Another key initiative which the Bank is pivotal to, is the Textile Revival Intervention Fund (TRIF). This fund was created by the Central Bank of Nigeria, alongside various federal ministries and organised trade sectors in the Nigerian Cotton, Textile and Garment (CTG) sub-sectors to revive moribund firms in the country. The Federal Government considers this to be a very important intervention for the sector, given that in spite of the local opportunities that exist to develop the sector, about $4bn worth of textile materials is imported into the country annually. The initiative, which has Bank of Industry as the fund manager will leverage a vertically integrated approach to harness the synergies of all participants across the sector value chain. The fund intends to achieve this by both adopting the Anchor Borrowers' Programme model across the CTG value chain as well as guaranteeing off-takers across the value chain to boost growth and development.

These initiatives, amongst others, are key to the economic development of our great nation. I am confident that in the coming years, the Bank of Industry will continue to execute co-ordinated and tailored projects that would keep supporting the growth and development of new and existing enterprises. I want to strongly reiterate that the Federal Ministry of Industry, Trade and Investment is highly committed to supporting the Bank through this journey.

As we gear up for the take-off of the Africa Continental Free Trade Area (AFCFTA) in 2020, I challenge the Board and management of the Bank to further raise the bar with respect to their support to the industrial sector.

I would also like to extend my appreciation to all the private and public stakeholders of the Bank of Industry for their various contributions towards ensuring a successful 2019 for the Bank.

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

BOARD OF DIRECTORS

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors

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

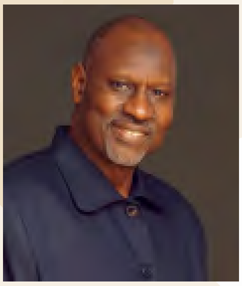
Mrs. Toyin Adeniji
Executive Director,
Micro-Enterprises

Mr. Jonathan Tobin
Executive Director,
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. Salisu Bala Kura
Non Executive Director

Dr. Mudashiru Olaitan
Non Executive Director

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the virtual Annual General Meeting of Bank of Industry Limited will be held at 12 noon on Thursday, July 23, 2020 precisely to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Accounts for the financial year ended 31 December, 2019 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

5. To fix the remuneration of the Directors.

Dated this 18th day of June, 2020

BY ORDER OF THE BOARD

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

Registered Office
BOI House
23, Marina
Lagos

NOTES:

1. *In compliance with the current restrictions on public gatherings in view of the COVID-19 pandemic as well as the Federal Government of Nigeria, State Governments and the Nigeria Centre for Disease Control (NCDC) Guidelines and Directives, attendance and participation by all members and/or their proxies in this year's Annual General Meeting shall be strictly VIRTUAL (i.e. by online participation).*

2. *A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend (via online participation) 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 (via online participation). Where a member decides to attend the meeting (i.e. participate online), 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, July 21, 2020.*

5. *All members who intend to attend the virtual meeting personally or by proxy should send a confirmation mail to osalami@boi.ng indicating the email address to which details for accessing the virtual Annual General Meeting can be forwarded. They should also include details of their mobile numbers.*

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors

CHAIRMAN'S STATEMENT

Distinguished Ladies and Gentlemen,

I am very pleased to welcome you all to the 60th Annual General Meeting of the Bank of Industry. The meeting is being held virtually this year, due to the need to ensure social distancing following the outbreak of the COVID-19 pandemic. The Board of Directors, decided to hold a virtual Annual General Meeting in consideration of the health impact of the pandemic and the restrictions on public gatherings imposed by the Government.

I hereby present the Annual Report for the financial year ended December, 2019.

Global Economy

The global economy in 2019 recorded its slowest growth in a decade, since the 2009 global financial recession. In a year marred by rising trade barriers and protectionism, the World Economic Outlook report of the International Monetary Fund (IMF) reported a global Gross Domestic Product growth of 2.9% for 2019, compared to 3.5% that was estimated at the beginning of the year.

Industrial activity slowed down in the year as a result of reduced household demand; weaker spending on machinery and equipment; social and political unrest in a number of countries such as Libya, Venezuela and Yemen; geo-political tension and the imposition of sanctions on Iran by the United States of America. In response to the weaker activity in the global economy, the US Federal Reserve cut interest rates three times within the year to encourage expansion of the American economy. The European Central Bank also took steps to stimulate the Eurozone by restarting its quantitative easing programme which entails the purchase of €20 billion worth of treasury assets on a monthly basis.

Economic growth in the world's largest economies - the US and China, recorded 2.3% and 6.1% respectively in the year. In comparison to 2018, US growth rate in 2019 was down by 60 basis points and could be attributed to reduction in non-residential fixed investment, personal consumption expenditures and exports. Despite a growth of 6.1% recorded in China in 2019, it marked the country's lowest GDP growth rate in nearly three decades. The slowed growth is attributed largely to the trade war with the US, which weighed down on exports and reduced investment in manufacturing due to weakened investor confidence.

Following three failed attempts to secure a withdrawal deal from the European Union for the United Kingdom, Theresa May announced her resignation as the Prime Minister effective June, 2019. Boris Johnson took over as Prime Minister and secured parliamentary support, paving the way for the UK to trigger procedures to fully withdraw from the European Union. The country witnessed zero growth in the last quarter of the year bringing full year economic growth rate to 1.4% in 2019.

Commodities prices fell in the year under review as a result of the weaker than expected performance in the Emerging Markets and Developing Economies, which have a more significant impact on demand for these commodities. Likewise, crude oil prices declined due to global economic slowdown, weaker-than-expected demand and supply glut resulting from accelerated production of shale oil in the United States. In a bid to shore up oil prices, OPEC instituted production cuts in addition to previous reductions already put in place. Despite political tensions in Venezuela and Iran, including attacks on Saudi Arabian oil processing facilities, crude oil prices averaged $64 per barrel in 2019, marking an 8% decline from 2018 average.

The African Development Bank reported GDP growth rate of 3.4% in Sub-Saharan Africa in 2019. This is below the 5% average growth rate over the past decade. The major expected contributor to growth is investment spending, which accounts for more than half of GDP growth. Exports, driven by recovery in oil prices, was also a strong contributor for commodity dependent economies. Economic performance of Africa's big 5 – Nigeria, South Africa, Egypt, Algeria and Morocco was estimated at 3.1% on average, below the 4% estimated for the rest of Africa. Countries in East Africa however showed impressive performances with Rwanda, Ethiopia and Tanzania recording 8.7%, 7.4% and 6.8% growth rates respectively.

Nigeria's Macroeconomic Review

Nigeria's economy achieved 2.27% growth in 2019, surpassing IMF growth projection of 2.1% and 1.91% growth that was achieved in 2018. The growth is attributed to volume-driven growth in the oil sector; double digit expansion in the telecommunications sector; increase in crop production; and improved activities in both financial and manufacturing sectors.

Nigeria climbed 15 places on the World Bank's Ease of Business Index in 2019 to 131 from a previous ranking of 146 in 2018. The target is to be ranked top 70 by the year 2023. This improvement marks the second time Nigeria is ranked among the top 10 countries with the most significant improvements in the Ease of Doing Business. Notably, Nigeria improved significantly across 6 of 10 indices: starting a business; dealing with construction permits; getting electricity; registering property; trading across borders; and enforcing contracts.

CHAIRMAN'S STATEMENT cont'd

Nigerian Banking Industry

In March 2019, the Central Bank of Nigeria (CBN) officially reduced the Monetary Policy Rate (MPR) to 13.5%, after maintaining a rate of 14% since July 2016. The move by the CBN was informed by the need to stimulate lending, reduce unemployment and support the economic diversification agenda of the Federal Government.

The Apex bank released its 5-year policy thrust for 2019 – 2024 horizon which focused significantly on maintaining foreign exchange rate stability and targeted interventions in non-oil sectors. Additionally, CBN rolled out policies to discourage the continuous deployment of funds from deposit money banks into government securities. The CBN crashed treasury bills rates by 50% while restricting the activities of individuals and local firms in the primary and secondary Open Market Operations (OMO) auctions. It also issued a new directive requiring a minimum Loan to Deposit ratio of 60%, and subsequently raised to 65%. This action led to a reduction in lending rate and an increase in Loans granted by the Banks.

Financial Scorecard for the Group

Ladies and Gentlemen, I am delighted to present the Group's financial scorecard for the year 2019. The Group's Total Equity for the year ended 2019 was ₦293.09 billion showing a 13.5% increase over 2018 position of ₦258.24 billion. However, the Group's total asset dropped slighted by 2.7% to ₦1.04 trillion.

The Group closed the year with a Profit Before Tax of ₦39.34 billion marking a year-on-year growth of 7.3% over ₦36.66 billion recorded in 2018. I am also pleased to report that the Group's balance sheet remains strong while our business operations are in line with both regulatory requirements and global best practices.

Despite a slow start in the first quarter of the year due to the build-up to the 2019 general elections, Loans and Advances grew by 16.7% from ₦634.11billion in 2018 to ₦740.03 billion in 2019. Interest Income and Interest Expense increased by 20% and 54% on a year-on-year basis respectively due to increase in loan book as well as the impact of borrowings.

In the year under review, the Bank of Industry (the Bank) disbursed a total of ₦234 billion to 10,145 enterprises, thus facilitating the creation of an estimated 1 million direct and indirect jobs. Though the total disbursement for the year indicated a 9% reduction when compared to the prior year, disbursement to the Micro, Small and Medium Enterprises (MSME) segment increased from N33.9 billion in 2018 to N53.0 billion in 2019, representing a remarkable 56.3% year-on-year growth.

In the course of the year, we made significant progress towards improving the size of our loan able funds leveraging our strategic partnerships in the international market and the support of the CBN. The Bank was able to raise **w**1 billion (One Billion Euro) in 2020 through a syndication by International Banks for on lending to SMES to create jobs.

Banking on Sustainability

Reflecting on our purpose-driven mandate to accelerate social impact in our business operations, the Bank has been demonstrating commitment towards embracing sustainable development practices. Consequently, our strategic focus is in line with the United Nations Sustainable Development Goals (SDGs), with significant emphasis on the following specific goals:

- SDG 1: No Poverty
- SDG 2: Zero Hunger
- SDG 5: Gender Equality
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure

These goals shall help us effectively align with the global action to end poverty, protect the planet and ensure that our people enjoy peace and prosperity by the year 2030.

New Board Appointments

During the year under review, Mr. Shekarau Omar was appointed Executive Director, Small and Medium Enterprises, a position that was previously held by Dr. Waheed Olagunju. Mr. Omar joined the Bank in 2005, as Senior Manager and Head of Management Services and rose to become a General Manager in 2014. He served as General Manager, SME-North Directorate and subsequently the General Manager, Large Enterprises before his appointment to the board.

On behalf of the board, I would like to express our gratitude to two (2) Non-Executive Directors, representing The Federal Ministry of Finance and The Federal Ministry of Industry, Trade and Investment, Dr. Bakari Wadinga and Mr. Femi Edun respectively who left the board in 2019. While on the Board, Dr Wadinga served as the Chairman, Board Finance and General Purpose Committee, while Mr. Edun served as Chairman, Board Credit Investment and Governance Committee. Subsequently, two new Non-Executive Directors, Mr. Alexander Adeyemi (representing Ministry of Finance)

CHAIRMAN'S STATEMENT cont'd

and Mr. Salisu Bala Kura (representing Federal Ministry of Industry, Trade and Investment) were appointed during the year under review. The Board has strong confidence in these appointments, and believe that these additions will be valuable to the growth of the Bank considering the rich background and experiences of the new Directors.

Future Outlook

The outbreak of COVID-19, which was first identified in Wuhan, China in December 2019 and has since spread rapidly to all nations of the world, has had significant adverse social and economic impact on a global scale. The pandemic, which as of today has claimed over 450,000 lives globally, out of the recorded cases of over 9 million has also created recessionary pressures in most economies, including Nigeria; which as at today has also recorded both over 20,000 cases and over 500 deaths. Owing to the impact of this pandemic, the International Monetary Fund expects the global and local economy to decline in 2020 by 3% and 3.4% respectively.

Following the outbreak of the pandemic, the African Continental Free Trade Area (AfCFTA) agreement, which is aimed at boosting regional cross-border trade, improve productivity via increased investment, drive competitiveness and shine a spotlight on African businesses in the international markets has now been re-scheduled to kick-off on 1st January 2021, from its earlier date of 1st July 2020.

For us at the Bank of Industry, we shall continue to play our key role in providing both financial and non-financial support to local enterprises towards improving operational efficiency and sustainability through these difficult and unusual times, whilst also providing support to enable them compete effectively and take advantage of the anticipated improved demand following the kick-off of the AfCFTA.

I would like to thank my colleagues on the Board for their diligent oversight, and the Executive Management and the Staff for their hard work and tenacity which has continuously positioned the Bank as a leading Development Finance Institution.

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 to the 60th Annual General Meeting of the Bank of Industry Limited (BOI). Indeed we are grateful to God Almighty for sustaining our Bank for the past six decades. Although the journey through the years has not been easy, I am glad to report however that we have sustained the momentum in providing the much needed support for Nigerian enterprises towards the development of our great nation with the help of all our stakeholders.

We remain committed to our goals and objectives of building a customer-focused organisation, operating under global best practises and supporting the government in achieving its socio-economic developmental aspirations.

Developmental Impact Assessment

₦234.5 billion was disbursed to 10,145 enterprises in the year. Though, a 9% reduction when compared to the disbursement of prior year, Micro, Small and Medium Enterprises (MSME) segment achieved a significant improvement of 56.3% in disbursement, from ₦33.9 billion in 2018 to ₦53.0 billion in 2019.

As at 2019, the Bank's youth-centric products: Youth Entrepreneurship Support Programme (YES-P) and the Graduate Entrepreneurship Fund (GEF), had so far trained 14,000 youths in entrepreneurship and other business management modules. In total, ₦2.29 billion has been disbursed to 945 beneficiaries under these programmes.

Through the Government Enterprise and Empowerment Programme, the flagship programme under the Federal Government's Social Intervention Programme, the Bank has facilitated the disbursement of ₦36.9 billion to 2.3 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.)

An estimated 1million direct and indirect jobs were created based on the activities of the bank in 2019.

Financial Assessment

The Bank's Loans and Advances improved by 16.7% to ₦739.42 billion from ₦633.71 billion in 2018. Total Equity also improved on a year-on-year basis from ₦259.33 billion to ₦292.40 billion between 2018 and 2019 respectively, thus representing a growth of 12.7%.

On the Income Statement, Gross Earnings of the Bank improved by 18.4% on a year-on-year basis, from ₦79.03 billion in 2018 to ₦93.58 billion in 2019. In the same vein, Interest Income rose by 23.9%, from ₦65.21 billion to ₦80.81 billion between 2018 and 2019 respectively resulting from improved loan book. Interest Expense also increased by 56.9% during the same periods from ₦16.46 billion to N25.82 billion. The impact of the repayments on the Bank's borrowings was primarily responsible for this increase (full year impact occurred in 2019, while 2018 impact was for 6 months).

Profit Before Tax improved by 5.8% when compared to prior year (₦37.4 billion in 2019 as against ₦35.35 billion in 2018). Increase in Loans and Advances which resulted in improved Interest Income and Other Operating Income contributed significantly to this achievement. Management fee from managed funds as well as gain from derivative instruments were also key contributors.

Enablers of our Strategy (Strategic Alliances & Funding)

2019 was a very engaging year for the Bank in terms of fund raising activities as well as strengthening strategic alliances. We were able to significantly leverage strategic partnerships across key public, private and multilateral institutions to improve our lending capacity, which further positioned the Bank as a self-financing government-owned institution with the capability to raise funds both locally and internationally on the strength of its balance sheet and track record.

The following are some highlights of the year:

- Through a syndicate of international lenders, led by AFREXIM Bank, Credit Suisse, Rand Merchant Bank and Sumitomo Mitsui Banking Corporation as Co-Lead Arrangers, Bookrunners and Underwriters, the Bank is close to concluding raising the sum of €1 billion to bolster its lending capacity. Discussions are also underway to raise an additional €750 million in the coming year.

- In a bid to revamp and revive the Cotton, Textile and Garment (CTG) subsector, we were appointed by the Central Bank to manage the Textile Revival Intervention Fund (TRIF). TRIF aims to develop the CTG value chain from smallholder farmers to ginneries, textile mills and garment manufacturers.

- The Bank is also working with the African Development Bank (AfDB) and other stakeholders to raise funds for the establishment of Special Agro Processing Zones (SAPZs) to support targeted agro value chains. Discussions are also ongoing with AfDB with respect to raising funds to finance women-led businesses under the Affirmative

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

Finance Action for Women in Africa (AFAWA) initiative, a pan-African initiative to bridge the financing gap facing women in Africa.

- Also in 2019, the Bank was appointed by the Islamic Development Bank as the Local Execution Agency for the Business Resilience Assistance for Value-adding Enterprises (BRAVE) Program in Nigeria. The BRAVE project was introduced to develop and increase the economic opportunities of female entrepreneurs, particularly those living in economically disadvantaged areas arising from conflicts and social unrest. The project provides specialised capacity building and finance to beneficiaries.

- We signed a Memorandum of Understanding with All-On Energy to provide up to ₦1 billion to support off-grid renewable energy projects in the Niger Delta. The partnership is a matching fund arrangement wherein each organisation shall each commit half of the fund size.

Credit Ratings

In the year, Fitch revised the outlook on the Long-Term Issuer Default Ratings (IDR) of four Nigerian banks, including Bank of Industry to negative from stable, primarily due to the outlook of the sovereign. However, the Bank's Issuer Default Rating was reaffirmed at 'B+'. Fitch stated that a key factor in the Bank's credit rating is its funding, which is long-term and sourced from the Central Bank of Nigeria and leading multilateral development banks, which include the African Development Bank (AAA/Stable) and African Export-Import Bank (BBB-/Stable). The firm further explained that the Bank's strong capital ratios are prudent and continue to generate good net interest margins owing to its low cost of funding and reasonable overall performance metrics, supported by fairly low loan impairment changes.

Moody's also affirmed the Bank's issuer ratings at 'B2' and also revised its outlook to negative, reflecting the negative outlook assigned on the sovereign. Moody's attributed the reaffirmation to the bank's robust capital buffers, its stable liability structure consisting partly of long-term funding at concessional rates and its tangible improvements in risk positioning, which has been achieved in recent years.

Agusto and Company maintained the Bank's rating of Aa, citing the Bank's strategic importance as the largest Development Finance Institution in Nigeria as well as the strong support of its shareholders. The firm also considered the Bank's good capitalisation, growing funding sources, good liquidity and experienced management team as rating positives.

ISO Certifications

We obtained the ISO 27001 Certification in Information Security Management System in the year. This certifies that the bank has put in place adequate structures and processes to be able to effectively manage information security risks.

The Bank also successfully underwent the surveillance audit to maintain its ISO 9001-2015 Quality Management Certification.

The management and staff of the Bank are committed to achieving continual improvement in our business processes in line with global best practices.

Corporate Social Responsibility

North-East Rehabilitation Initiatives

The security challenges faced by the North-Eastern part of the country have devastated the lives and the economy of this area. BOI has responded with several interventions aimed at rehabilitating the economic livelihood of women, youth and small businesses in the region. These include the following:

1) **BOI's N2.4 billion North-East Rehabilitation Fund (NERF)**
   BOI deployed a ₦2.4 billion fund specifically dedicated to granting non-interest facilities to MSMEs across six states in the North-Eastern region of the country. The fund is aimed at promoting poverty alleviation among Internally Displaced Persons (IDPs) and host communities, petty traders, small businesses and cottage industries in this region. The funds have been disbursed to over 68,000 businesses while 6,000 women and youths have received training under this programme.

2) **BOI's High-Level Session: Investment and Entrepreneurship for Resilient Communities - the Missing Link (organized in partnership with the Emergency Coordination Centre)**
   While the Bank is heavily vested in alleviating the hardships of MSMEs in the region, we realize the need for strategic partnerships to support our efforts in the growth and development of these entrepreneurs. Given our role as a catalytic enabler of development, the Bank anchored a high-level interactive session from September 9th-11th, 2019 with strategic local and international stakeholders to emphasize the challenges faced by these communities and define key action points to ensure economic development and empowerment of MSMEs in the region.

   The session was attended by dignitaries including the Honourable Minister of Finance, Budget and National Planning, representatives of the World Bank, British High

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

Commission, the International Committee of the Red Cross, the North East Development Commission (NEDC) as well as other contributors from the private, public and international humanitarian and developmental finance ecosystems.

3) **BOI Agri-Business Training Workshops (in partnership with Nara Foundation)**
This initiative is aimed at preparing agri-entrepreneurs from the rural areas of the North-East to access the agri-business value chain. These workshops were aimed at motivating young entrepreneurs to innovate by highlighting the benefits of specialization and providing tools to promote export readiness of agri-business. Following the success of these workshops, an agri-business hub and cooperative was launched with over 1000 active youth entrepreneurs.

In recognition of the critical role the technology sector plays in providing job opportunities for Nigerians, especially the youth, the bank has a program of supporting technology hubs across the country:

- UNILAG Innovation Hub - The Launch Pad: This is an initiative of the Civic Foundation for Innovation in partnership with University of Lagos. It provides a collaborative environment to translate research into innovations and disruptive solutions and then incubate them into start-ups and businesses.

- BOI-UNILAG Incubation Centre: This is a collaboration between the management of UNILAG and BOI to run an entrepreneurship capacity development program in the university. Every student will be exposed to practical tech start-up skills from mentors and coaches, with the objective that those who are able to develop viable solutions will be supported by the centre to grow the ideas into successful enterprises.

- Vatebra Tech Hub, Ajah Lagos: This project promotes skills development, youth entrepreneurship and job creation in new technology and innovations. It provides co-working spaces with high speed internet access, robotics training, incubation and start-up programs.

- Bayelsa Tech Hub, Yenagoa and BOI-UAT Incubation Centre at University of Africa Toru-Orua: The centre provides co-working spaces with high speed internet access, robotics training, incubation and start-up programs. It also provides a Computer Based Testing (CBT) facility for high tech skills.

- Kaduna State Tech Hub: Implementation at an advanced stage

- Kebbi State Tech Hub: Implementation at an advanced stage

Going Forward

We intend to re-dedicate our efforts in supporting entrepreneurship and industrialisation in Nigeria in the New Year, through the provision of affordable and convenient financing opportunities that will guarantee comparative advantage for Nigerian businesses in the face of changing regional and global market trends.

As an organisation, we will continue to reinforce our strategic focus on long-term sustainability and global competitiveness, whilst building on our achievements.

In closing, I want to express my deep appreciation to our customers, lenders, shareholders, supervising ministries, partner MDAs, Board of Directors and our staff for making 2019 another successful year. I am convinced that the next sixty years hold even more achievements for this Bank and this great nation.

Thank you all.

Olukayode Pitan
Managing Director/Chief Executive Officer

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 2019.

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 N250 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. 2019 ₦'000	31 Dec. 2018 ₦'000	31 Dec. 2019 ₦'000	31 Dec. 2018 ₦'000
Gross earnings	95,465,947	82,715,642	93,583,612	79,029,642
Profit before tax	39,335,172	36,663,210	37,403,089	35,353,321
Income tax	(3,834)	(4,209,382)	93,006	(3,445,677)
Profit for the year	39,331,338	32,453,828	37,496,095	31,907,644
Other comprehensive income	(2,483,277)	(1,277,184)	(2,430,058)	(1,216,757)
Total comprehensive income for the year	36,848,061	31,176,644	35,066,037	30,690,887

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 industries. 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, CAP C20, LFN 2004.

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 (appointed wef March 5, 2019)
Dr. Mudashiru Olaitan	Non-Executive Director (retired wef January 26, 2020)
Mr. Olufemi Edun	Non-Executive Director (retired wef May 14, 2019)
Dr. Bakari Wadinga	Non-Executive Director (retired wef May 15, 2019)
Engr. Chukwuemeka Nzewi	Non-Executive Director
Mallam Mohammed Mustapha Bintube	Non-Executive Director
Mr. Alexander Adeyemi	Non-Executive Director (appointed wef May 16, 2019)
Mr. Salisu Bala Kura	Non-Executive Director (appointed wef May 22, 2019)

REPORT OF THE DIRECTORS (cont'd)

7. Record of Attendance of Directors

Pursuant to and in accordance with the provisions of Section 258(2) of the Companies and Allied Matters Act CAP C20 LFN 2004, the Record of Directors' Attendance at Board Meetings held during the year 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 (31 December 2018: Nil)

9. Analysis of Shareholding

As at the end of 2019, 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, CAP C20 LFN 2004 of any disclosable interest in contracts with which the Company was involved as at 31 December 2019.

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 Company operate a non-discriminatory policy in the consideration of applications for employment including those received from physically challenged persons. The Group'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 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 provides medical facilities to its employees and their immediate families at its expense.

13.3 Employee Involvement and Training

The Group encourages participation of its employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Group provides opportunities where employees deliberate on issues affecting the Group and employees interest, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower.

13.4 Research and Development

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

REPORT OF THE DIRECTORS (cont'd)

14. Donations and charitable gifts

The Bank made contributions to charitable and non-political organisations of N9.7million (December 2018: N2.337million) during the year.

15. Auditors

In line with the best Corporate Governance Practice and in compliance with the Central Bank of Nigeria (CBN) Guidelines on tenor of External Auditors of Banks which provides for a maximum tenor of 10 years for the engagement of External Auditors, the Bank appointed KPMG Professional Services in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004. The External Auditors have indicated their willingness to continue in office as Auditors to the Company. 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 International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of.Nigeria Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004, Central Bank of Nigeria (CBN) Guidelines, Circulars and Supervisory Guidelines for Development Finance institutions in Nigeria 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, Cap C.20, Laws of the Federation of Nigeria 2004, 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 Group and Bank's ability to continue as a going concern and have no reason to believe that the Group and Bank 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 359(6) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 ["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 2019 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 Group and Bank 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 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 is adequate.
5. Related party transactions and balances have been disclosed in note 38 to the consolidated and separate financial statements.

Mr. Salisu Bala Kura
Chairman

Members of the Audit Committee
Mr. Salisu Bala Kura – Chairman (wef February 20, 2020)
Mr. Alexander M. Adeyemi
Mr. Philip Yila Yusuf (wef February 20, 2020)

Dr. Mudashiru Olaitan – Former Chairman (up till January 26, 2020)
Engr. Chukwuemeka Nzewi (up till February 20, 2020)
Mallam Mohammed M. Bintube (up till July, 2019)

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 Tel: +234 8090381862
info@ dcsl.com.ng
www.dcsl.com.ng

RC NO. 352393

June 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, 2019.

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, 2019 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 Section 14.1 of the Nigerian Code of Corporate Governance ("NCCG"). The appraisal entailed a review of the Company'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

2.2.1. Senior Management

Among them, BOI's senior 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 career.

He began his career with Citibank Nigeria in 1986. Prior to joining BOI, 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.

He graduated with a BSc (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. He is an alumnus of Lagos Business School and London Business School. He is also an alumnus of the Haggai Institute in Singapore. He is an ordained Senior Pastor of the Redeemed Christian Church of God. Mr. Pitan also participated in many innovative transactions in the Nigerian Capital Market.

Mr. Pitan 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;
- Mr Pitan has also served as member of several boards including the alternate Director of Kakawa Discount House Ltd, Director of Newdevco Investments & Securities co. Ltd and Director of Banque International Du Benin;
- Currently he is the 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 February 2016 and she currently oversees the Micro-Enterprises Directorate where she is responsible for the Bank's strategy and operations for this focus market.

Mrs. Adeniji is a financial services professional with a career spanning over 26 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 was engaged in the development of the Micro, Small and Medium Enterprises ("MSME") and agribusiness strategies for Nigeria's Unity Bank Plc; her work involved the creation of strategies for agricultural value chains, agricultural SMEs in identified segments and women and youth development.

During 2013-2014, Mrs. Adeniji held the position of Investment Officer with the International Finance Corporation ("IFC") in the Syndications & International Securities as well as the Global Mining Departments. Her position entailed the provision of business advisory to SMEs through intermediaries and aggregators, providing inclusion and value chain linkages. Her prior position within the IFC was as the Head of Women in Business, where she led the programmee to mainstream gender across the IFC's investment and advisory portfolio.

Prior to her engagement by the IFC, Mrs. Adeniji briefly worked for Arthur Andersen (Chartered Accountants). Mrs. Adeniji was also previously the Managing Director of Susu Microfinance Bank Limited, which was one of the first five indigenously operated microfinance institutions licensed by the CBN to provide a broad range of financial services to micro entrepreneurs and to the unbanked market.

Mrs. Adeniji is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). She holds a Bachelor of Science degree in Civil Engineering with Second Class Honours (Upper Division) from the University of Lagos, a Masters of Business Administration (MBA) from the Harvard Graduate School of Business Administration and is a Chartered Accountant.

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 and Administration Departments and the Bank's subsidiaries.

Mr. Tobin has over 27 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 ₦220 billion MSME Development Office which focuses on promoting financial inclusion across Nigeria's unbanked and under-banked communities. 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 direction, a small portion of the fund was devoted to developmental objectives such as grants, capacity building and administrative costs while the vast majority was allocated to participating financial institutions at very low interest rates, for the purpose of on-lending to MSMEs. Eligible activities financed during Mr. Tobin's leadership included agricultural value chain, services, cottage industries, artisans, trade and commerce and other income generating business.

Mr. Tobin also held the position of pioneer Project Manager for the CBN's ₦20 billion Anchor Borrowers' Rice project for 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, USA.

He is an Honorary member of the Chartered Institute of Bankers 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 is also an Honorary 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. 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 Omar

Executive Director, Small and Medium Enterprises

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 licensed Human Resource Professional, and a member of the Society for Human Resources Management (SHRM), a member of the Chartered Institute of Personnel Management (CIPM) and a Member of the Chartered Institute of Administration of Nigeria.

He had previously served in the Military, Academic (University), Banking and Telecoms sectors before joining BOI in 2005 as a Senior Manager/Head of Human Resources. He rose to become a General Manager (Management Services) in 2014 and later was the General Manager (SME - North) and subsequently General Manager (Large Enterprises 1) until he was appointed as Executive Director SME in March, 2019.

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 wef October 2, 2019)
(General Manager, Operations & Technology up till October 1, 2019)

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 a General Manager (Large Enterprises).

Dr. Rislanudeen Muhammad

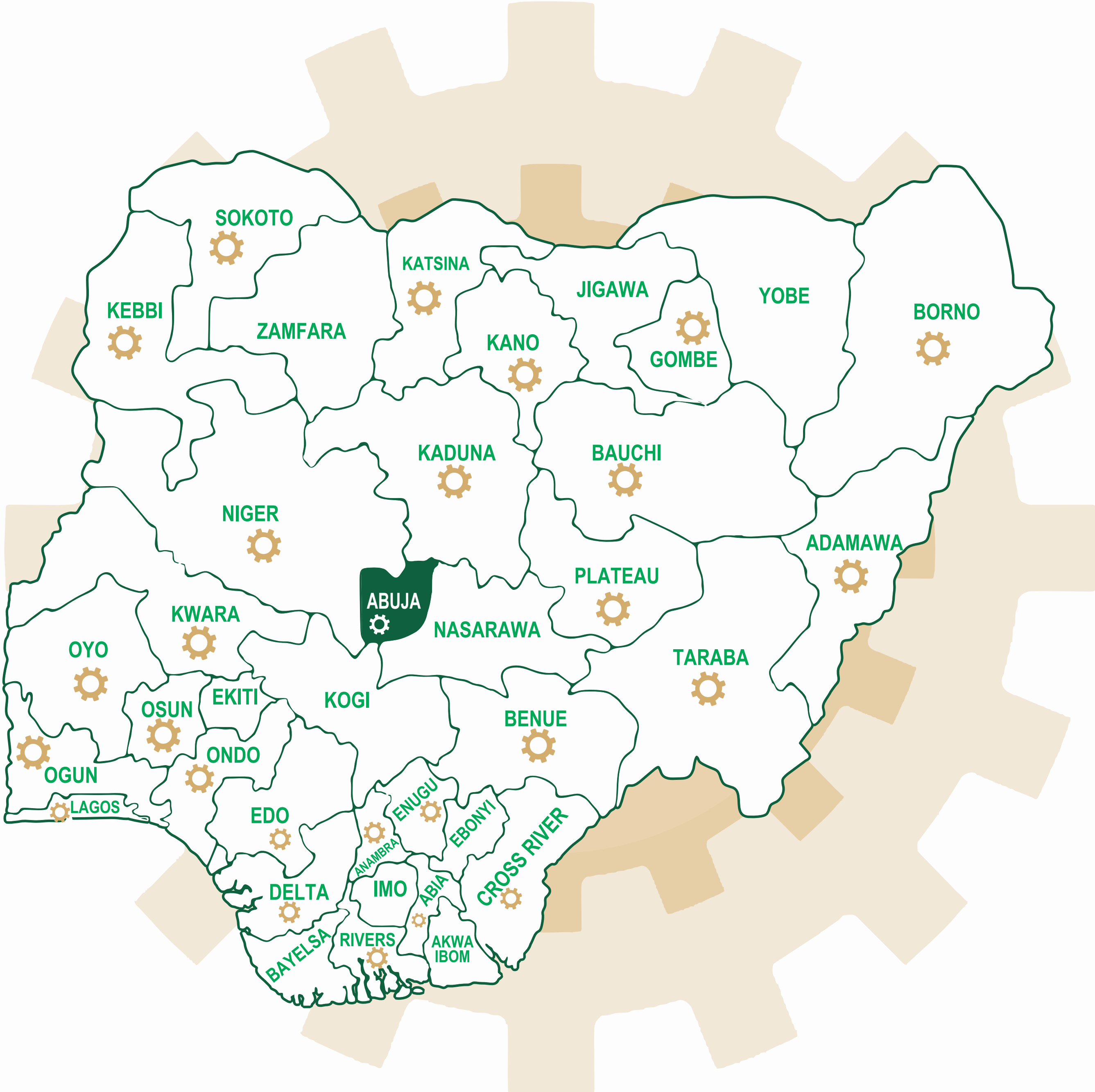
(General Manager, Small and Medium Enterprises North)

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 PhD (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 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

BOI Presence Across Nigeria

(by end 2019)



Working Harder, Getting
Closer… to you

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

Corporate Office
Plot 256, Zone A 0,
off Herbert Macaulay way,
Behind Unity Bank,
Central Business District,
FCT-Abuja.

Abia
25B Adelabu Street,
Adelabu Housing Estate,
Umahia,
Abia State.

Anambra
39, Zik Avenue,
Akwa,
Anambra State.

Bauchi
BOI House,
Maiduguri Road,
Bauchi State.

Benue
Plot BNA 8837,
beside Fajeh Global Resources
Filling Station,
Ankpa Road,
Makurdi.

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

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

Delta
Karyle Tower
No.10, Delta State Broadcasting
Station (DBS) Road,
opp. Deputy Governor's Office,
Asaba Delta State.

Edo
Edo Production Centre,
Magistrate Court Compound,
Evbuoriaria, Sapele Road,
Benin City, Edo State.
(New state office, operations yet to begin)

Enugu
47 Coal City Garden Estate,
Behind Central Bank,
Osapara Avenue,
Enugu State.

Gombe
Shonga Estate,
near NNPC Depot,
Gombe State.

Kaduna
BOI House,
PMB 2141
Muhammadu Buhari way,
Kaduna State.

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

Katsina
10, WTCRoad,
Zamani House,
Opp CBN Building,
GRA Katsina.

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

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

Lagos
3 Ashabi Cole Street,
o Agidingbi Road,
Ikeja, Lagos.

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

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

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

Osun
10 Obafemi Awolowo way,
Igbona,
Osogbo.

Oyo
Green Plaza,
NTC Leaf Road,
Beside FIRS Oce,
Iyaganku GRA,
Ibadan, Oyo.

Plateau
15 Jengre/ Richard Road,
o Murtala Muhammed way,
Jos, Plateau State.

Rivers
105 Olu Obasanjo Road,
opp. Dominos Pizza,
Port-Harcourt.

Sokoto
6 Ahmadu Bello way,
Sokoto.

Taraba
72, Ham Maruwa Way,
opposite GTBank,
Jalingo, Taraba.

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

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

www.boi.ng **Head Office** 23, Marina Road, Lagos Island, Lagos
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

www.boi.ng

Fitch	Moody's	Agusto
National Long Term AA+	National Scale Issuer Rating Aa3.ng Issuer Rating – B2	Credit Rating Aa

Corporate
Profile

CORPORATE PROFILE

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.

Today, after 60 years of driving industrialisation in Nigeria, 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 24 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 ailing 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 £2m • 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 ₦50bn
2007	• Authorised share capital was increased to ₦250bn, in order to put the bank in a position to better address its mandate
2014	• Secured credit rating of A- from Agusto & Co. • Engaged 122 SME Consultants to support SMEs • Entered into strategic alliance with 10 SME friendly commercial banks
2015	• Obtained ISO 9001-2008 Quality Mgt. Certification • Secured credit rating of AA+ from Fitch Rating • Expands offices from 7 to 15 state offices
2016	• Fitch re-affirmed AA+ National Credit rating • Moody's assigned Aa1.ng/NG-1 rating • Increased SME Consultants to 200
2017	• Obtained ISO 9001-2015 Quality Management Certification • Expands from 20 to 24 state offices • Launched $200m local content fund in partnership with NCDMB • Secured $750m syndicated loan through partnership with AFREXIM
2018	• Secured strategic partnership with InfraCredit by providing a ₦10bn line of credit for issuing local currency guarantees for infrastructure projects • Part-sponsored the inaugural Intra-Africa Trade Fair (IATF) in Cairo, Egypt and supported over 50 Nigerian SMEs participate in the fair
2019	• Credit Ratings: Long Term Issuer Default Ratings of B+, B2 and Aa maintained from Fitch, Moody's and Agusto respectively • Partnered with All-On Energy to set up a ₦1bn fund to finance deployment of off-grid energy solutions in Niger-Delta region • Invested $10m 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 ₦2.5bn fund to support enterprises in North East Nigeria • Signed MoU with AfDB to execute Affirmative Finance Action for Women in Africa (AFAWA) • Secured sovereign guarantee from the Federal Executive Council to borrow up to €750m from the international market. • Secured guarantee from the Central Bank of Nigeria to borrow €1 billion from 24 international lenders. • Financed the set-up of 3 technology hubs in Lagos (2) and Bayelsa States • Maintained ISO 9001:2015 Quality Management Systems certifications upon successfully passing the surveillance audit • Obtained ISO 27001in Information Security

2019 - Key Achievements

Developmental Impact

- Total loan disbursement of ₦234 billion to 10,145 Micro, Small, Medium and Large Enterprises.
- Business activities in the year led to the creation of over 1 million direct and indirect jobs.
- Continued management of the Government Enterprise and Empowerment Programme (GEEP). ₦8.2 billion was disbursed in 2019. Total beneficiaries now 2.3 million beneficiaries and total disbursement since inception stands at ₦36.9 billion.

Financial Performance Summary

- Profit Before Tax growth of 5.8% from ₦35.35 billion in 2018 to ₦37.4 billion in 2019
- Loans and Advances grew by 16.7% from ₦633.7 billion in 2018 to ₦739.42 billion in 2019
- Gross Earnings improved by 18.4% from ₦79.03 billion in 2018 to ₦93.58 billion in 2019
- Total Equity also improved by 12.7% from ₦259.3 billion to ₦292.3 billion between 2018 and 2019 respectively.

CORPORATE PROFILE

Funding

- Guarantees obtained from the Federal Government and the Central Bank of Nigeria to borrow up to €1.750 billion from international lenders:
  - Sovereign guarantee and approval from the Federal Executive Council to raise up to €750 million.
  - Central Bank of Nigeria guarantee to raise €1 billion.
- Through a syndicate of international lenders, led by AFREXIM Bank, Credit Suisse, Rand Merchant Bank and Sumitomo Mitsui Banking Corporation as Co-Lead Arrangers, Bookrunners and Underwriters, the bank is close to concluding raising the sum of €1 billion to bolster its lending capacity.
- The Bank is currently working with AfDB to raise additional funds for the following initiatives:
  - Up to $500 million to support the establishment of Special Agro Processing Zones (SAPZs) to support targeted agro value chains.
  - Up to $300 million to support women-led businesses under the Affirmative Finance Action for Women in Africa (AFAWA) programme, a pan-African initiative to bridge the financing gap faced by women in Africa.
- BOI was appointed by the Islamic Development Bank as the Local Execution Agency for the BRAVE Women programme in Nigeria. BRAVE aims to develop/ boost economic opportunities of female entrepreneurs, particularly those living in economically disadvantaged areas arising from conflicts and social unrest. The project provides specialised capacity building and finance to beneficiaries.
- Signed a Memorandum of Understanding for a ₦1 billion matching fund with an energy firm - All-On to support off-grid projects in the Niger Delta.

Development of Value Chain Financing

- In a bid to revamp and revive the Cotton, Textile and Garment (CTG) subsector, the Central Bank of Nigeria set up the Textile Revival Intervention Fund (TRIF). BOI has been appointed as the Fund Manager of this laudable initiative.
- Introduced a new product – Supplier and Distributor Financing programme – to provide working capital financing opportunities to local suppliers and distributors of Fast Moving Consumer Goods (FMCG) companies and supermarkets.

Supporting the Technology Ecosystem.

- In recognition of the growing role being played by the technology sector in providing job opportunities for Nigerians, especially the Youth, the Bank financed and launched the following technology hubs in the year: Ajah Vatebra technology hub, a co-working space and software development hub; Bayelsa technology hub and the technology hub at the University of Lagos.

Corporate Awards

- Financial Inclusion Award by African Banker Awards organised by the Africa Development Bank
- 2019 Global Leadership Award by the Leaders Magazine, Malaysia
- Desmond Tutu Fellowship Award for our TraderMoni Product
- African Banker of the Year Award by African Leadership Magazine, South Africa
- Banker of the Year and Best SME Partner by the European Global Banking and Finance Award, United Kingdom
- Best Development Bank in Nigeria by International Bankers Award, United Kingdom

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

Developmental

and Social Impact

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

2019 IMPACT AT A GLANCE

₦234.5bn disbursed to micro, small, medium and large enterprises

₦53bn MSME loans provided for equipment and working capital

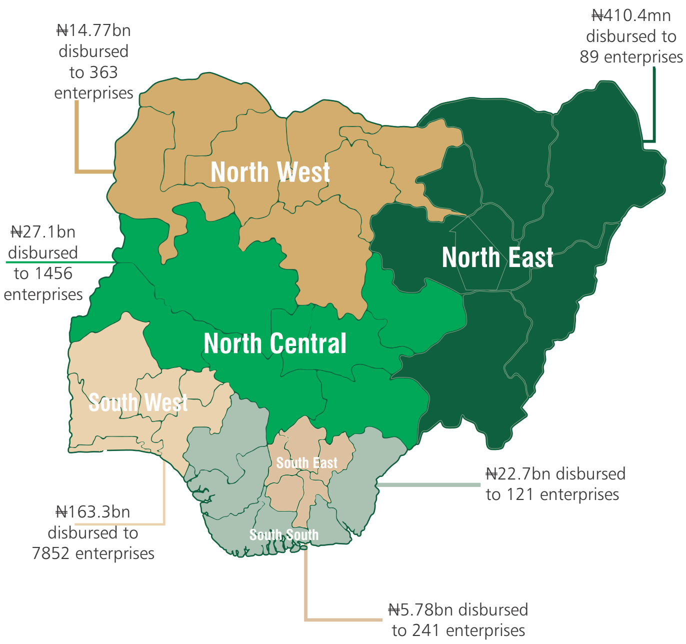
10,145 enterprises supported across various sectors of the economy

₦8.2bn disbursed to over 780,000 GEEP beneficiaries

1,043,733 jobs created through our support for enterprises

₦88.05m disbursed to Youth-led enterprises

REGIONAL DISTRIBUTION OF PROJECTS SUPPORTED IN 2019



2019 BOI SUPPORT FOR SUSTAINABLE AGRIBUSINESS

₦42.3bn in loan disbursement to support Agribusinesses

₦99.9m disbursements to smallholder farmers to support the Agriculture value-chain

188,050 new jobs facilitated in the sector

3,749 Agro & Food processing enterprises supported

The importance of Agriculture to the Nigerian economy cannot be over-emphasised. The sector contributes 25.2% to the country's GDP and 36.4% to employment according to the National Bureau of Statistics and the World Bank respectively.

According to the Nigerian Industrial Revolution Plan (NIRP), the agribusiness sector plays a key role in driving increased production/manufacturing activity in Nigeria. Additionally, due to its employment-elastic and labour-intensive nature, agribusiness has been identified as having the potential to become a huge employer of labour.

By virtue of its mandate to support industrialisation, BOI typically supports enterprises that are focused on the creation of secondary or intermediate products which have significantly more value.

BOI supports agribusiness development through the provision of funds to both agro-processing and food-processing enterprises that intend to produce secondary value-adding goods. The Bank does this through the provision of equipment finance (to acquire machinery), working capital (for raw material acquisition) or a combination of both.

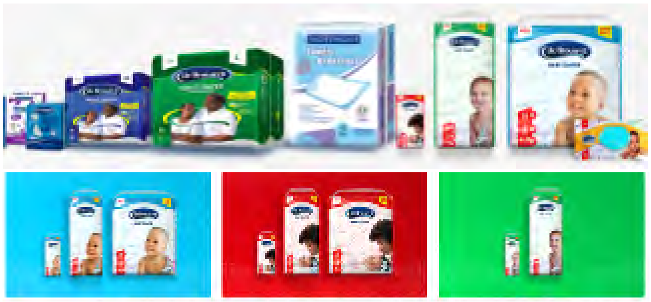
In 2019, the BOI expanded its play in the agribusiness space with the introduction of the Agriculture Value-chain Financing. This initiative aims to secure the provision of quality raw material inputs required by our customers by supporting smallholder farmers that provide inputs.

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 3,749 agro and food processing businesses with ₦42.3 billion in loans.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Agro-Processing Customer Testimonial: Wemy Industries Limited



Wemy Industries Limited is engaged in the production of sanitary towels, maternity pads, mattress underlay and wipes (secondary products of cotton). The company has four major categories of product lines: baby care, adult care, feminine care, and personal care.

During the course of business, the company began to experience some challenges which led to the company streamlining its activities, following which production was thereafter limited to sanitary towels and wipes. Wemy was experiencing challenges servicing its loans which also affected its ability to procure raw materials needed for production.

To address these challenges, Wemy Industries approached BOI in 2017, for assistance with resolving these challenges.

BOI supported Wemy Industries with a debt takeover facility which enabled the company reduce its financing cost. This type of loan was the first of its kind for the Bank. Wemy was granted equipment and working capital finance to the tune of ₦2.95 billion.

The Bank's support enabled Wemy Industries boost its capacity utilisation from 30% to 75%, and reset the company on a path of growth which has led to the creation of 70 new jobs since.

2019 BOI SUPPORT FOR THE SOLID MINERALS SECTOR

₦14.6bn in loan disbursement to support the Solid Minerals sector

64,970 new jobs facilitated in the sector

58 enterprises within the sector supported in the year

The Solid Mineral and Metals sector is an emerging sector that is expected to perform a key role in the growth and development of Nigeria. The sector currently contributes about 8.91% to the GDP.

An established and well-managed solid minerals sector will accelerate economic, social and political growth of Nigeria by provision of gainful employment and a rise in national income earnings far exceeding the petroleum sector. In addition, the sector should provide local raw materials for industries and bring vital infrastructure and wealth to rural areas. It is therefore vital that the country explores this latent potential that the sector possesses.

Despite the obvious potential of the Nigerian Solid Mineral Sector, it has remained largely underdeveloped, and is currently predominantly undertaken by small entrepreneurs and unlicensed unskilled individuals. The key reasons for this include limited infrastructure, low productivity, insufficient funding and weak institutional capacity amongst others. To address some of these challenges, BOI has collaborated with the Federal Ministry of Mines and Steel (FMM&S) to improve access to funding for entrepreneurs operating in the sector.

In 2019, the Bank was able to disburse ₦14.6billion in loans to 58 enterprises engaged in the sector. 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.

BOI is also represented on the Board of the Solid Minerals Development Fund (SMDF) whose mandate is principally to support development of capacity in the sector. Additionally, in partnership with the FMM&S, the Bank supports artisanal miners with funding and is actively involved in the developing the value-chain of the sector in collaboration with other key stakeholders.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Solid Minerals Industry Customer Testimonial: Kam Industries (Nigeria) Limited


Kam Industries (Nigeria) Limited (Kam) was formally incorporated in 1997. The company, which operates from Kwara state, manufactures nails and wire products including standard nails, copper nails, BRC/wire mesh, binding wires, etc.

Given increasing demand for its products, in 2001, Kam acquired additional land as part of a diversification programme. The company installed a galvanised Zinc roofing sheet plant, colour coating plant, and a corrugation (profiling) plant. However, the diversification programme required additional machinery to complete the factory operation.

Kam first approached BOI for a ₦1.71 billion loan in 2011 to enable the company acquire necessary machinery for a galvanising line, a cold rolled sheet plant and a transformer. The initial financial support received by Kam enabled the company increase its profiling and colour coating production capacity by 72,000 metric tonnes (MT) and 80,000 MT per annum respectively.

The company has since received additional financial support to further diversify its product lines and now owns a wire rod/re-bars factory as well as a dual conveyor shredder. It now operates from three locations within the State.

Today Kam Industries is an employer of over 4,000 people from a workforce size of 873 in 2011.

SUPPORTING THE CREATIVE INDUSTRY

₦31.8bn in loan disbursement to support the Creative Industry

141,420 new jobs facilitated in the sector

85 enterprises within the sector supported in the year

The Creative Industry is another emerging sector which has become a key component of Nigeria's drive towards economic diversification and major contributor to the nation's services sector export.

The Nigerian Creative Industry is fast growing and quickly gaining international recognition. It includes activities such as the strong Nollywood industry, internationally renowned fashion sector, entertainment, publishing, arts and crafts, amongst others.

Growth of the sector in the last decade has been phenomenal with contribution to GDP having doubled over the last 5 years. With an increasing youth population and the democratisation of technology, the potential of the sector to provide employment opportunities and spur growth is limitless.

Despite the sector's success and prospects, challenges to growth yet remain, particularly scarcity of capital. Banks and investors are often deterred by the inherent risk given the inadequacy of collateral that entrepreneurs are able to offer to secure their loans. Additionally, there is the added risk of investment valuation of what is mostly an intellectual product.

Since 2011 when the Bank began participation in this sector, BOI pioneered the use of non-traditional valuation and securitisation of lending in the industry. This has helped demystify the industry and accelerate growth.

In 2019, BOI provided ₦31.8 billion in loans to 85 enterprises in the sector, which enabled the creation of over 141,420 jobs directly and indirectly.

BOI's supports various spheres in the industry including cinemas, hotels and movies. Some of the renowned projects the Bank has supported through the years include funding Half of a Yellow Sun, The CEO, October 1st, Isoken, Queen Amina, Flower Girl, Three Wise Men, and Iroko TV.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Creative Industry Customer Testimonials: Filmhouse Cinemas Limited

Filmhouse limited was established in 2009. The company is involved in cinema exhibition in the entertainment sector of the economy, and was created on the back of the founders' recognition that there was an opportunity to become players in the burgeoning Nigerian cinema exhibition space.

Filmhouse limited first approached BOI for a ₦199.57 million loan in 2010, to finance the acquisition of its first sets of cinema equipment, ticket machines, and building lease in Lagos. The initial finance support was unique as the Bank granted the loan without the company providing a structured collateral. Rather, the support was secured against the domiciliation of the proceeds of the business, bill of sales of the assets funded on the items of plant and machinery, and irrevocable personal guarantees provided by the company directors.

The evaluation of this transaction largely comprised of the market potential of the business area, the reputation and experience of the business owners, and the urgent need to support development in the emerging cinema exhibition market.

Due to the success of the cinema, the company has since set up 11 more cinemas across the country; and is currently the only provider of IMAX, 3D and 4D cinema screens in the country.

Today, Filmhouse is the biggest cinema chain in Nigeria and employs over 300 people nationwide.

FACILITATING RENEWABLE ENERGY SOLUTIONS DEVELOPMENT AND DEPLOYMENT

₦1.3bn worth of financial support provided to renewable energy enterprises

5,900 jobs facilitated in the Renewable Energy space

4 Renewable Energy businesses were supported in 2019

Power is perhaps the most important, yet least available infrastructure needed for economic growth, progress and development of any nation.

Although Nigeria is endowed with large oil, gas, hydro and solar resources, and currently has the potential to generate 12,522 megawatts (MW) of electric power from existing plants, less than a third (~4,000 MW) is currently generated. In Nigeria today, about 81 million people (~45% of the population) have no access to electricity; and 40% of those with access to power are under-served.

Consequently, future economic growth in Nigeria is hinged on long-term availability of energy from affordable, accessible and environmentally sustainable sources. Today, there is growing focus on harnessing the opportunities that accompany renewable energy.

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 2019, BOI provided ₦1.3 billion in loans to support the emerging renewable energy industry in Nigeria. Through these loans, the Bank is able to support deployment of renewable energy solutions to both rural and urban areas,

Other key initiatives by the bank include:

— Established ₦6 billion Solar Energy fund to enable MSMEs acquire solar solutions.

— Setup ₦1 billion Matching Fund in collaboration with All-On Energy to support access-to-energy in the Niger-Delta region.

— Implementing agent for the Federal Government ₦300 billion Power and Airline Intervention Fund

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Renewable Energy Customer Testimonials: Auxano Solar Nigeria Limited

Auxano Solar Nigeria limited was incorporated in 2014 with a vision to provide affordable and reliable solar solutions for homes and business. The company is engaged in the sales, procurement, installation, assembly, maintenance and servicing of solar systems components for both grid, off-grid, homes, as well as streetlights.

Auxano assembled its first solar panels in 2016, and has since become one of the biggest suppliers to vendors at Alaba International market. With increasing demand, the company embarked on an expansion of its assembly plant and sought to automate some of its processes to enable it meet demand.

Auxano first approached BOI for a ₦26 million loan in 2017, to enable the company acquire an auto stringer machine, which would automatically string solar panels together rather than the manual processes they had.

The initial support provided by the Bank enabled the company increase its capacity utilisation from producing 300 solar panel units/month to 900 solar panel units/month. This also had an impact on the amount of waste that was produced by the company as the auto stringer machine helped reduce the frequency of waste. The support provided has helped the company increase its staff strength from 25 to 53 people in 2019.

PROMOTING GENDER PARTICIPATION TOWARDS ENSURING ECONOMIC DEVELOPMENT

₦37.95bn worth of loans to help support women-owned businesses in 2019

496 women-owned enterprises supported in 2019

168,000 jobs facilitated through support for women in 2019

According to the McKinsey Global Institute, as much as $28 trillion or 26% could be added to global annual GDP by 2025 if women participated in the labour force at the same rate as men.

In Nigeria, women account for about 49% of the population and therefore have the potential to play a significant role in the nation's socio-economic transformation.

Sustainable growth cannot be achieved without the full participation of women as vital economic links between agriculture, industry and trade. Societies with greater gender equality not only offer better socio-economic opportunities for women, but also tend to grow faster and more equitably.

Despite this importance and known returns, women still face many barriers in contributing to and benefiting from development. Currently, female workers make up about 20% of enterprises in the Nigerian formal sector; majority of the women tend to work in the informal sector. This has led to other challenges for the women such as restricted access to financial services (despite women known to pay back on loans), further impeding gender equality, business growth and development.

BOI promotes participation of women in business by providing explicit support (both financial and non-financial) to businesses that are promoted and run by women. The Bank also has a gender desk that provides tailored support to women-entrepreneurs.

In 2019, BOI disbursed ~₦38 billion in loans to 496 female-led businesses across the country. The Bank also partnered with international stakeholders to provide further support for

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

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— AfDB partnership for $300 million in Affirmative Finance Action for Women in Africa (AFAWA) Fund

— Partnership with the Islamic Development Bank (IsDB) for the Business Resilience Assistance for Value-adding Enterprises (BRAVE) Women Project

— Partnership with Alitheia Capital to invest $10m women owned businesses.

Gender support Customer Testimonials: Sevico Investment Limited

Eucharia Ihekwoaba established her company, Sevico Investment Limited, in 2001. Sevico is a major importer and distributor of household melamine as well as ordinary plastic products, supplying its products all over the country and even into ECOWAS market through distributors and traders.

As part of its expansion plans, the company, in 2016, embarked on a drive that would see it transition from trading in plastics and melamine products to the manufacture of the same products.

Sevico first approached BOI for a ₦1.249 billion loan in 2016, to enable the company acquire plant and machinery required for the production of melamine plates. This loan helped the company set up a production factory that had an installed capacity of 6240 MT per annum.

The factory has since commenced its operations in 2019 and

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 the 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 MEETING

The Board of the Bank of Industry Limited met seven (7) times in 2019. The record of attendance is provided below:

Name	Position	February 26	April 17	April 29	May 13	July 25	October 24	December 5
Mallam Aliyu Abdulrahman Dikko	Chairman (Independent Director)	✓	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	Managing Director/ Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	Executive Director (Micro-Enterprises)	✓	x	✓	✓	✓	x	✓
Mr. Jonathan Tobin	Executive Director (Corporate Services & Commercial)	✓	✓	✓	✓	✓	✓	x
Mr. Simon Aranonu	Executive Director (Large Enterprises)	✓	✓	✓	✓	✓	✓	✓
Mr. Shekarau D. Omar	Executive Director (Small and Medium Enterprises)	N/A	✓	✓	✓	✓	✓	✓
Dr. Mudashiru Olaitan	Non-Executive Director (representing Central Bank of Nigeria)	✓	✓	✓	✓	x	✓	✓
Mr. Olufemi Edun	Director (Representing Federal Ministry of Industry, Trade & Investment)	✓	✓	✓	✓	N/A	N/A	N/A
Dr. Bakari Wadinga	Director (Representing Federal Ministry of Finance Incorporated (MOFI)	✓	✓	✓	✓	N/A	N/A	N/A
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)	N/A	N/A	N/A	N/A	N/A	✓	×
Mr. Salisu Bala Kura	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	N/A	N/A	N/A	N/A	N/A	✓	✓

- *Mr. Shekarau D. Omar joined the Board of Directors of the Bank on March 5, 2019.*
- *Mr. Olufemi Edun retired from the Board of Directors of the Bank on May 14, 2019.*
- *Dr. Bakari Wadinga retired from the Board of Directors of the Bank on May 15, 2019.*
- *Mr. Alexander M. Adeyemi joined the Board of Directors of the Bank on May 16, 2019.*
- *Mr. Salisu Bala Kura joined the Board of Directors of the Bank on May 22, 2019.*

CORPORATE GOVERNANCE

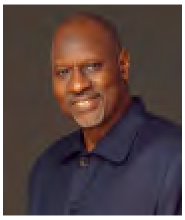
BOARD COMMITTEES:
Board and Committee Governance Structure

BOARD CREDIT INVESTMENT AND GOVERNANCE (BCIG) COMMITTEE

Membership

1. Mallam Mohammed M. Bintube - Chairman *(wef July, 2019)*
2. Engr. Chukwuemeka Nzewi - Member
3. Mr. Alexander M. Adeyemi - Member
4. Mr. Salisu Bala Kura - Member
5. Mr. Philip Yila Yusuf - Member *(wef February 20, 2020)*

· Mr. Olufemi Edun - Former Chairman (up till May 14, 2019)
· Dr. Bakari Wadinga - Former Member (up till May 15, 2019)



Alhaji. Mohammed Mustapha Bintube
Chairman (wef July, 2019)

Mr. Femi Edun
Former Chairman (up till May 14, 2019)

The Board Credit Investment and Governance Committee meets at least once every quarter. Additional meetings can be convened as may be necessary. The Board Credit Investment and Governance Committee held meetings twelve (12) times during the financial year ended December 31, 2019.

Attendance At The Board Credit Investment and Governance (BCIG) Committee Meetings in 2019

Name	Jan. 26	Feb. 4	March 25	June 21	July 27	Sept. 11	Oct. 20	Oct. 27	Nov. 3	Dec. 18	Dec. 23	Dec. 27
Mallam Mohammed M. Bintube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander M. Adeyemi	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓
Mr. Salisu Bala Kura	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓
Mr. Olufemi Edun	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Bakari Wadinga	✓	✓	×	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

· *Mr. Olufemi Edun ceased being a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on May 14, 2019.*
· *Dr. Bakari Wadinga ceased being a member of the Committee by virtue of retirement from the Board of Directors of the Bank on May 15, 2019.*
· *Mr. Alexander M. Adeyemi became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on May 16, 2019.*
· *Mr. Salisu Bala Kura became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on May 22, 2019.*
· *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.*

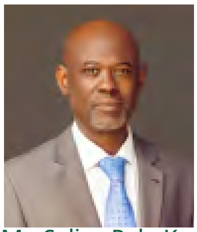
Key Responsibilities

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. Salisu Bala Kura
Chairman (wef February 20, 2020)

BOARD AUDIT AND RISK COMMITTEE

1	Mr. Salisu Bala Kura	-	Chairman *(wef February 20, 2020)*
2.	Mr. Alexander M. Adeyemi	-	Member
3.	Mr. Philip Yila Yusuf	-	Member *(wef February 20, 2020)*

Dr. Mudashiru Olaitan	–	Former Chairman *(up till January 26, 2020)*
Engr. Chukwuemeka Nzewi	-	Former Member *(up till February 20, 2020)*
Mallam Mohammed M. Bintube	–	Former Member *(up till July 2019)*

Dr. Mudashiru Olaitan
Former Chairman
(up till January 26, 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 as may be required. The Committee met seven (7) times during the year ended December 31, 2019.

Attendance At The Board Audit and Risk Committee (BARC) Meetings in 2019

Name	February 12	March 14	April 9	July 7	July 12	Oct. 17	Nov. 28
Dr. Mudashiru Olaitan	✓	✓	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Simon Aranonu	✓	✓	✓	N/A	N/A	N/A	N/A
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed M. Bintube	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Alexander M. Adeyemi	N/A	N/A	N/A	✓	✓	✓	✓
Mr. Salisu Bala Kura	N/A	N/A	N/A	✓	✓	✓	✓

- *Mrs. Toyin Adeniji, Mr. Simon Aranonu and Mallam Mohammed M. Bintube were re-assigned to the Board Strategy and Compliance Committee in July, 2019.*
- *Mr. Alexander M. Adeyemi became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on May 16, 2019.*
- *Mr. Salisu Bala Kura became a member of the Committee by virtue of his appointment to the Board of Directors of the Bank on May 22, 2019.*

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 and internal 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).

CORPORATE GOVERNANCE

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.
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), Head (Internal Audit & Investigation) and Head (Internal Control and Compliance) 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

Engr. Chukwuemeka Nzewi
Chairman

Membership

1. Engr. Chukwuemeka Nzewi – Chairman (wef July, 2019)
2. Dr. Mudashiru Olaitan - Member (up till January 26, 2020)
3. Mallam Mohammed M. Bintube - Member
4. Mr. Olukayode Pitan – Member
5. Mrs. Toyin Adeniji- Member
6. Mr. Simon Aranonu- Member

- Dr. Bakari Wadinga - Former Chairman (up till May 21, 2019)
- Mr. Olufemi Edun - Former Member (up till May 14, 2019)

Dr. Bakari Wadinga
Former 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 six (6) meetings during the year ended December 31, 2019.

Attendance At The Board Strategy and Compliance Committee Meetings in 2019

Name	April 1	April 2	July 10	October 17	November 28	December 3
Engr. Chukwuemeka Nzewi	N/A	N/A	✓	✓	✓	✓
Dr. Mudashiru Olaitan	✓	✓	✓	×	✓	✓
Mallam Mohammed M. Bintube	N/A	N/A	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	✓	×	×	✓	✓
Mrs. Toyin Adeniji	N/A	N/A	✓	✓	✓	✓
Mr. Simon Aranonu	N/A	N/A	✓	✓	✓	✓
Mr. Olufemi Edun	✓	✓	N/A	N/A	N/A	N/A
Dr. Bakari Wadinga	✓	✓	N/A	N/A	N/A	N/A

- *Engr. Chukwuemeka Nzewi, Mrs. Toyin Adeniji, Mr. Simon Aranonu and Mallam Mohammed M. Bintube were re-assigned to the Board Strategy and*

CORPORATE GOVERNANCE

Compliance Committee in July, 2019.

- *Mr. Olufemi Edun ceased being a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on May 14, 2019.*
- *Dr. Bakari Wadinga ceased being a member of the Committee by virtue of his retirement from the Board of Directors of the Bank on May 21, 2019.*

Key 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 make 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

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

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

The Committee met five (5) times during the year ended December 31, 2019.

Attendance At The Board Adhoc Committee on BOI and Group Properties Meetings in 2019

Name	February 5	April 16	July 10	Oct.16	November 28
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	×	✓	✓	✓
Mr. Jonathan Tobin	✓	✓	×	✓	✓
Mr. Shekarau Omar	N/A	✓	✓	✓	✓

- *Mr. Shekarau D. Omar joined the Board of Directors of the Bank on March 5, 2019.*

CORPORATE GOVERNANCE

Key Responsibilities

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

1. Overseeing the management of the Bank and Group's properties.
2. Reviewing and making recommendations to the Board regarding the acquisition and/or disposal of the Bank and 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 of 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. Assets and Liability Committee (ALCO).
3. Micro-Credit Committee (MiCC).
4. Information Technology (IT) Steering Committee.
5. Management Contract Committee (MCC).

THE COMPANY SECRETARY

The Company Secretary is responsible for advising the Board on all governance matters.

Key responsibilities of the Company Secretary include:

1. Maintenance of the Company's statutory books.
2. Facilitating all Board meetings, Board Committee meetings, most of the Management Standing Committee meetings, Annual General meetings etc.
3. Ensuring compliance with the Bank's Memorandum and Articles of Association as well as other laws and regulations.
4. Filing of Statutory Returns at the Corporate Affairs Commission.
5. Facilitating the induction of newly appointed Directors to the Bank's Board and ongoing training for the existing members of the Board of Directors.
6. Effectively liaising with the Bank's shareholders.

Internal Control
and Risk Management System

INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS

Bank of Industry's internal control and risk management systems are designed to ensure timely identification and correction of material errors or inconsistencies in the financial statements to promote reliability of financial reports and compliance with internal policies and relevant regulatory requirements.

In order to ensure compliance with global best practice, the Bank's internal control framework is modelled after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

COSO defines internal control as "a process, effected by an entity's Board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations"

The scope of internal control therefore covers all activities and functions that take place in the Bank. These include process for policy formulation, strategy development and implementation, project initiation, authorization and reporting, compliance, and other endeavors of all types at all levels of the Bank.

The Bank's internal control and risk management functions are designed to take proactive and preventive measures to forestall loses that could arise from the Bank's activities.

To facilitate the achievement of the Bank's mission, strategies and related business objectives, the Internal Control and Risk Management System has been designed and fashioned around the following five component areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment

Two Board Committees (Board Audit and Risk Committee, and Board Credit, Investment and Governance Committee) have oversight function on the Bank's Risk Management Processes. The Committees are responsible for setting risk Management policies that ensure material risks 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 fraud and material errors in financial reporting.

The Bank also has Executive Management Committee (EMC) responsible for implementing risk management policies set out by the Board. It is also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. It has responsibility to ensure proper books of accounts are kept and accounting policies are in conformity with: International Financial 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 requirements of the Companies and Allied Matters Act.

Risk Assessment

The Board and Senior Management regularly assess the risks the Bank is exposed to, including risks relating to financial reporting. Management committee meet on regular basis to assess the enterprise bank-wide risks the Bank is facing based on its operation. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process.

The Board also assesses the effectiveness of the Bank's internal control over financial reporting on an ongoing basis and specifically at mid-year and year end. The Management letter issued by the external auditors which contains the auditors' observations on the control environment in the Bank is discussed at the Audit Committee meetings.

Control Activities

Control activities are an integral part of the Bank's day to day operations. Senior Management has set up control structure to ensure control activities are defined at every business area.
Examples of the Bank's control activities include the following;

(i) Top Management Reviews
- Periodic Internal Audit Reports identifying control weaknesses and providing recommendation to improve and strengthen control points and processes to Management and Board Audit Committee.
- Daily Management review of financial statements.
- Monthly and quarterly profitability review, where the Bank's financial performance is reviewed and compared with set budgets.

INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS

- Quarterly reports of the Chief Risk Officer to the Board, eliciting the existing and potential risks facing the Bank and the mitigants deployed.

Activity Control
Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors is carried out by all posting units).

Physical Controls
There are policies guiding access to the Bank's physical and financial assets, including dual custody, use of overrides etc.

Compliance with Limits
The Bank sets internal limits guiding financial authorization, credit concentration limits, Fixed Asset Coverage for credit exposures etc. The limits are monitored and compliance enforced on a daily basis by an independent unit outside the business areas.

Approval and Authorisation Limits
There are segregation of duties; no officer can start and conclude transactions. Limits exist for credit and expense approvals. Transactions are approved at appropriate levels.

Verifications and Reconciliations
All internal ledgers are regularly proofed and reconciled; exception reports are generated.

Whistle Blowing
The Bank has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Bank.

Information and Communication/ Monitoring
The Bank's Management understands the need for a timely, reliable and accurate 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.

Information & Cyber
Security Report

INFORMATION & CYBER SECURITY REPORT

Cybersecurity is an evolving and dominant risk that most organizations are exposed to. In the last decade, the risk has taken centerstage and has become a key item on boards' agendas. To ensure that the Nigerian financial system is prepared to address cyber risk, the Central Bank of Nigeria developed and published the Risk-Based Cyber Security Framework and Guidelines for Deposit Money Banks and Payment Services Providers, effective January 2019.

In compliance with this framework, the Bank of Industry created the Information and Cyber Security (ICS) function in 2019 and appointed a Chief Information Security Officer to lead the team.

Since its creation, the Information & Cyber Security team working with other relevant functions in the bank has carried out the following:

- Developed a 3-Year Cyber Security Strategy for the Bank of Industry, the implementation of which is currently ongoing. The Strategy include among other things, putting in place policies, processes and standards to protect the Bank's information assets in line with confidentiality, integrity and availability requirements, as well as global best practices.
- Currently implement the framework to periodically carry out cybersecurity awareness programs to all stakeholders including personnel, customers, support and adhoc staff, vendors, etc.
- Engaged a world-class Managed Security Service Provider (MSSP) to provide 24x7 Security Operation Center (SOC) services which include incidence response management, infrastructure monitoring, and cyber threat intelligence.
- Developed and implemented data privacy and protection programs toward achieving compliance with the Nigeria Data Protection Regulation (NDPR) published by the National Information Technology Development Agency (NITDA) in January 2019. NDPR seeks to ensure that the Bank has put measures in place to protect the data privacy rights of individual citizens whose data have been captured by BOI. By this act, Bank of Industry has also ensured compliance with the European General Data Protection Regulation (EU's GDPR) which is regarded as the global regulation on data protection.

Financial
Highlights

FINANCIAL HIGHLIGHTS

NAIRA (NGN)	The Group		The Bank	
	2019	**2018**	2019	**2018**
MAJOR PROFIT OR LOSS ACCOUNT ITEMS	**₦'000**	₦'000	**₦'000**	₦'000
Interest income	**81,229,450**	67,719,337	**80,810,850**	65,208,827
Interest expense	**(25,384,814)**	(16,445,454)	**(25,822,536)**	(16,457,823)
Net fees and commission income	**3,728,724**	4,125,293	**3,450,283**	3,888,351
Other operating income	**7,251,725**	3,147,992	**6,047,160**	2,354,574
(Impairment charges)/write back	**3,984,407**	5,155,154	**4,003,964**	5,010,024
Operating expenses	**(31,474,320)**	(27,039,112)	**(31,086,632)**	(24,650,632)
Profit before tax	**39,335,172**	36,663,210	**37,403,089**	35,353,321
Taxation	**(3,834)**	(4,209,382)	**93,006**	(3,445,677)
Profit after tax	**39,331,338**	32,453,828	**37,496,095**	31,907,644
MAJOR BALANCE SHEET ITEMS				
Loans and advances	**740,032,638**	634,116,033	**739,420,096**	633,706,120
Borrowings	**598,199,128**	686,730,273	**596,363,052**	684,647,342
Share capital	**147,371,321**	147,371,321	**147,371,321**	147,371,321
Total Equity	**293,087,526**	258,239,464	**292,398,826**	259,332,789
Total assets	**1,040,185,024**	1,069,045,180	**1,038,112,156**	1,066,160,794
Basic earnings per shares (in kobo)	**53**	44	**51**	43
Diluted earnings per shares (in kobo)	**48**	40	**46**	39
Net assets per shares (in kobo)	**398**	350	**397**	352
Number of employees	**516**	485	**451**	420
Total ordinary shares	**73,685,660,619**	73,685,660,619	**73,685,660,619**	73,685,660,619

BOI in Action

BOI and All On partner to establish N1billion Niger Delta Off-Grid Energy Fund

Managing Director/CEO, Bank of Industry, Mr. Kayode Pitan (left) and the Managing Director, All-On Energy, Dr. Wiebe Boer (right) at the signing of the MoU establishing the N1billion Niger Delta Off-Grid Energy Fund at the Bank's head office in Marina

In line with Goal 7 of the Sustainable Development Goals (Affordable and Clean Energy), the Bank of Industry (BOI) and All On have launched the ₦1billion Niger Delta Off-Grid Energy Fund, aimed at providing local currency debt financing to support the deployment of energy solutions by access-to-energy companies in the Niger Delta at 10% interest rate per annum (with a one-year moratorium) and tenor of up to seven years. The objective of the fund is 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. Morocco and Kenya respectively currently lead in the use of clean energy in Africa, a feat which they have attained due to heavily targeted investments in the sector.

SMEs in this region has over time used expensive and inefficient sources of fuel which has overtime increased running costs and impacted negatively on profit. These same inefficient sources of fuel are used for different residential purposes and has over the year caused serious health concerns.

This partnership is coming of the heel of the success rate recorded by BOI in the earlier 2 million Dollars partnership with the United Nations development Programme (UNDP) Solar Power for Off Grid Communities across the six (6) Geo Political zones in Nigeria

During the Signing Ceremony the MD/CEO Bank of Industry said "the fund would provide local currency debt financing to facilitate the deployment of energy solutions by access-to-energy companies in the Niger Delta at 10 per cent interest rate per annum, with a one-year moratorium, and seven years tenor.

All On is an independent impact investing company, works with partners to increase access to commercial energy products and services spanning solar, wind, hydro, biomass and gas technologies for under-served and un-served off-grid energy markets in Nigeria with special focus on Niger Delta

Managing Director/CEO, Bank of Industry, Mr. Kayode Pitan (left) shakes hands with the Managing Director, All-On Energy, Dr. Wiebe Boer (right) at the signing of the MoU establishing the N1billion Niger Delta Off-Grid Energy Fund at the Bank's head office in Marina

Dr Wiebe Boer, Chief Executive Officer, All On, expressed his delight in partnering with the Bank of Industry which is Nigeria's Leading Development Finance Institution. "The partnership would encourage off grid energy companies to deploy in the Niger Delta and address the massive access to energy gap in the region. Boer said that the fund was provided equally by the two institutions, but would be operated by the Bank of Industry.

BOI in Action

Bank of Industry extends impact through ₦3bn loan to Jaiz Bank for MSMEs

The Bank of Industry extended the impact of its MSMEs' intervention through the provision of a N3bn financing facility to Jaiz Bank Plc for the development of the Micro, Small and Medium Enterprises sector of the economy. Jaiz Bank is a leading Islamic, non-interest lender, offering financial services to small and large businesses in Nigeria. The fund would be given as loans to small business operators to grow their

(L-R): Azuka Okofu, MD, BoI Microfinance Bank; Shekarau Omar, Executive Director, Small and Medium Enterprises, Bank of Industry (BOI); Hassan Usman, MD/CEO Jaiz Bank; Mahe Abubakar, Deputy Managing Director, Jaiz Bank; Hassan Osuwa, Legal Adviser, Bank of Industry (BOI) and others at the MoU signing extending a N3bn line of credit to Jaiz Bank at the Bank's corporate office in Abuja

businesses and create wealth for the economy, in recognition of the crucial roles MSMEs play development of any economy and the fact that they are not adequately funded in Nigeria.

The BOI's Executive Director, Shekarau Omar, said part of the reasons for providing the facility to Jaiz Bank was BOI's conviction that the funds would be disbursed to the target group. He said BOI understood the importance of MSMEs to the development of the economy, adding that this was why the drive to provide the sector with the much needed funding.

In line with the conviction of the management of BOI that the MSME sector held the key to economic development, the Bank was ready to work with financial institutions that are willing to support the sector to achieve its potential of job creation and poverty reduction. He said: "We are ready to partner with institutions that are ready to support and develop areas that needed support. We are comfortable that this ₦3bn will help Nigeria grow. Execute it and come for more."

He stated that BOI was already in the partnership with 16 different financial institutions and so far had disbursed ₦3.8bn.

Receiving the cheque from the BOI, Jaiz Bank's Managing Director, Hassan Usman, assured that the fund would be disbursed to the targeted beneficiaries. Hassan said, "Fundamental to the vision and mission of Jaiz Bank is to create wealth for MSMEs. I want to assure you that maximum benefits will be to the stakeholders.

"We have already started pilot financial inclusion drive. We are also going to use agency banking to reach those people in

Shekarau Omar, Executive Director, Small and Medium Enterprises, Bank of Industry (BOI) and Hassan Usman, MD/CEO Jaiz Bank after the the MoU signing extending a N3bn line of credit to Jaiz Bank at the Bank's corporate office in Abuja

Azuka Okofu, MD, BoI Microfinance Bank; Shekarau Omar, Executive Director, Small and Medium Enterprises, Bank of Industry (BOI); and Hassan Usman, MD/CEO Jaiz Bank at the press briefing to announce the MoU signing extending a N3bn line of credit to Jaiz Bank at the Bank's corporate office in Abuja

BOI in Action

TraderMoni to be extended to 5 million Nigerians

The Federal Government announced its plans to scale up the number of those that would benefit from the TraderMoni programme from 2.5 million to five million annually, even as it was revealed that the programme would now fall under the purview of the Ministry of Humanitarian Affairs and Disaster Management.

Chairman, Board of Directors, Bank of Industry, Alh. Abdulrahman Dikko and the Managing Director/CEO, Bank of Industry, Mr. Olukayode Pitan flank the Hon. Minister for Humanitarian Affairs, Disaster Management and Social Development, Hajia Sadiya Umar Farouk during the Hon. Minister's visit to the TraderMoni Command Centre in Abuja

The Minister of Humanitarian Affairs, Hajiya Sadiya Farouq said this when she visited the Command Centre of the programme located at the Bank of Industry Building in Abuja.

The TraderMoni Programme being implemented by the Bank of Industry advances an interest free loan of between ₦10,000 to ₦15,000 to each beneficiary under the scheme. The interest-free loan is part of the social intervention programmes under President Muhammadu Buhari-led administration.

Farouq described the implementation of the programme as a huge success adding that through it, the government would be able to achieve its objective of reducing the level of poverty in the country.

Data from the centre showed that about 4,260,701 traders have been enumerated and data taken, out of which 2,574,202 persons have verified through GPS coordinates, with disbursements exceeding ₦19bn to about 2 million Nigerians.

Chief Operating Officer, Government Enterprise and Empowerment Programme (GEEP), Mr. Uzoma Nwagba (left) briefs the Hon. Minister for Humanitarian Affairs, Disaster Management and Social Development, Hajia Sadiya Umar Farouk (middle) and the Executive Director, Micro Enterprises, Bank of Industry, Mrs. Toyin Adeniji (right) on the operations of the Centre

Executive Director, Micro Enterprises, Bank of Industry, Mrs. Toyin Adeniji (right) with the Hon. Minister for Humanitarian Affairs, Disaster Management and Social Development, Hajia Sadiya Umar Farouk (right) and the Chairman, Board of Directors, Bank of Industry, Alh. Abdulrahman Dikko (centre) during the Hon. Minister's visit to the TraderMoni Command Centre in Abuja

BOI in Action

Bank of Industry driving resilience and recovery in the North-East with ₦2.4bn loans

The Bank of Industry has unfolded plans to empower a total of 110,000 Micro, Small and Medium Enterprises in the North-Eastern part of the country with the sum of ₦2.4bn. There are six states that made up the North-East region of Nigeria. The states are Borno, Adamawa, Yobe, Bauchi, Gombe and Taraba.

The move is part of strategies to reduce the level of poverty in the region which has been badly affected by the negative impact of the activities of insurgents. Since 2009, nearly 15 million people have been affected by the Boko Haram conflict and the resulting military operations in North East Nigeria. According to the United Nations Office for the Coordination of Humanitarian Affairs, an estimated 27,000 lives have been lost and 1.8 million people displaced; of which nearly 80 per cent are women, children and youth.

Speaking at a BOI round-table on investment in communities affected by the conflict, the Chairman of the Bank, Aliyu Dikko said the impact of the crisis had made it imperative for the Bank to come up with a North-East rehabilitation fund. He described the BOI intervention fund as an innovative approach to supporting the sustainable development in the region. Dikko said through the intervention, the Bank would be able to transform the region by supporting businesses with easily accessible zero interest loans. He said the fund is tailored to the peculiar needs of the region as it was being fashioned under the framework of the TraderMoni initiative.

He described the human, social and economic losses of the conflict and the investments needed for recovery, peace building and reconstruction of the North East as overwhelming. For instance, he said damage to education and health facilities, markets and farms, infrastructure, loss of job opportunities and the psychological impact of the crisis have resulted in the region suffering an estimated output loss of ₦1.66trn, while also driving significant inflation. He said with the loss of markets, damage to trade infrastructure and the impact on agriculture and livelihoods, the North East will continue to feel the economic impact of the crisis for years to come.

He said, "Given our mandate to stimulate economic growth and sustainable industrial development, Bank of Industry has embarked on an economic revival plan for the North East region. "Our objective is to stem the spate of poverty and reduce the reliance of the indigenes on humanitarian aid. "In the last four years, the Bank has provided financial support amounting to ₦678bn to over two million enterprises in the country, creating over five million jobs. "A major part of these jobs were created using the TraderMoni model which is a Federal Government scheme targeted at micro-businesses particularly petty traders. "We would leverage this model to in the North Eastern states, specifically those sub-regions where the most impact can be made." He added, "We started with a plan to empower a hundred thousand micro small and medium entrepreneurs.

"BOI's commitment is all encompassing and recognise the need to invest in all states where the economic activities need to be revived." In her comments at the meeting, the Executive Director, Micro Enterprises, BoI, Mrs Toyin Adeniji said the North East has become a hotspot for conflict resolution and developmental interventions, which had reached almost six million people by 2018. However, she said most of this support is in form of social and humanitarian aid, which serves as a palliative measure for dealing with extreme poverty but does little to actually stimulate sustainable economic activity within the region.

She said, "The North East Fund was designed as a base for kick-starting local commerce by providing access to credit, thereby empowering and re-establishing internally displaced persons and helping them regain their means of livelihood. "Through this initiative, the Bank of Industry has committed ₦2.4bn worth of intervention funds to support.

Key stakeholders and Development Partners at the Summit (from left to right) – Rachid Benmessaoud, World Bank Country Director; Mr Simon Aranonu, Executive Director Large Enterprise; Mr Olukayode Pitan, Managing Director BOI; British High Commissioner Ms Catriona Laing; Dr. Ayoade Alakija, Managing Director, Emergency Coordination Centre; Mr Peter Maurer, President of the International Committee of the Red Cross; Alhaji Mustapha Bintube, Director BOI; Richard Danziger, IOM Regional Director; Mrs Toyin Adeniji, Executive Director, Micro Enterprises BOI; Mr Umar Shekarau, Executive Director Small and Medium Enterprises BOI

Honorable Minister of Finance, Budget and Planning, Hajiya Zainab Ahmed and Mr Peter Maurer, President of the International Committee of the Red Cross

NORTH EAST REHABILITATION FUND FACT SHEET

The BOI NORTH EAST REHABILITATION FUND (NERF) is a **non-interest** facility deployed to support the establishment and expansion of an estimated **150,000 Micro Small and Medium Enterprises (MSMEs),** across the six (6) states in Nigeria's North East region. The investment fund will enhance MSME business development, promote poverty alleviation and revive the region's economy.

NERF FEATURES

Loan Type	Loan Amount	Loan Tenure	Repayment Channel
Micro	₦10,000	6 Months	Voucher Cards
SME	₦500,000 - ₦10 Million	up to 3 years	Banks

NERF SCORE CARD

140, 212
Enrollees

68,943
Micro Loan Beneficiaries

68,943
Micro Wallets Created

6,000
Women & Youths Trained

TARGET MARKET

- Internally Displaced Persons (IDPs) and host communities.
- Petty traders and micro-service providers.
- Small businesses & cottage industries.

NEXT PHASE

- Higher loan disbursement to those that have repaid.
- Promote job creation (1:1).
- Crowd in key partners/stakeholders to expand implementation.

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

BOI in Action

Part of the delegation led by H.E President Muhammadu Buhari GCFR at the 7th Annual Tokyo International Conference on African Development 7 (TICAD), Yokohama, Japan

Africa Export-Import Bank 2019 Annual Meetings, Moscow, Russia

African Development Bank 2019 Annual Meetings, Malabo, Equatorial Guinea

Global Gender Summit, 2019, Kigali, Rwanda

BOI in Action

South Africa-Nigeria Business Forum, Tshwane, South Africa

BOI Annual General Meeting, 2019, Abuja

The Islamic Development Bank Group (IsDB) Annual Meetings 2019, Marrakech Morocco

BOI Side Event at the 63rd UN Commission on the Status of Women (UNCSW63), New York, USA

BOI in Action

Awards and Recognition

MSME Awards 2019, Abuja Partner of the Year presented by H.E Vice-President Yemi Osinbajo GCON

MSME Awards 2019, Abuja Partner of the Year presented by H.E Vice-President Yemi Osinbajo GCON

African Leadership Magazine Awards, Johannesburg, South Africa

International Banker Awards & Global Banking and Finance Awards, London, UK

Celebrating Achievements

At Bank of Industry, we are committed to supporting the growth of the Nigerian economy by providing access to finance for micro, small, medium and large enterprises across various sectors. We are grateful when we receive such outstanding ovation for working to fulfill our mandate. Thank you for supporting our progress as we strive to attain even more impactful results.

Presidential Award
for Partnership and Support
of the National MSME Clinics,
December, 2017

Best Performing DFI Award
from the Association of African
DFIs' (AADFI),
Busan, South Korea. May, 2018

U.S Consulate Commercial Services
US Commercial Services International
Partner Recognition Award
Lagos, Nigeria. August, 2018

BusinessDay Banking and
Financial Institutions (BAFI)
Awards 2018
Best Public Institution in SME
Financing and Financing Inclusion
Lagos, Nigeria. November, 2018

Nigerian-American Chamber
of Commerce 2018
Partner of Year Lagos,
Nigeria. December, 2018

African Leadership Magazine Awards 2019
African Banker of the Year
(Entrepreneurship Development Category)
Johannesburg, South Africa. March, 2019

The European Global Banking
and Finance Awards
Best SME Partner Award
London, UK. April, 2019

The European Global Banking
and Finance Awards
Banker of the Year Award
London, UK. April, 2019

Global Leadership Awards 2019
Kuala Lumpur, Malaysia.
April, 2019

International Banker
2019 Banking Awards
Best Development Bank, Nigeria
London, UK. May, 2019

Desmond Tutu Fellowship
For the Tradermoni Product 2019

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

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www.boi.ng

Fitch	Moody's	Agusto
National Long Term AA+	National Scale Issuer Rating Aa3.ng Issuer Rating – B2	Credit Rating Aa

Concept & Design by TIE COMM - 01-3427274

- Micro Enterprises
- Small and Medium Enterprises
- Large Enterprises

Business
Focus

MICRO ENTERPRISES DIRECTORATE

MICRO ENTERPRISES DIRECTORATE

INTRODUCTION

The Micro Enterprise Directorate remains committed to achieving its mandate to deepen BOI's engagement with the Micro Enterprise sector through innovative financial and non-financial products and services. In the course of 2019, the Directorate continued to deepen its use of technology to drive financial inclusion. It also expanded its network of strategic partnerships to deliver financial services to its target clients.

In particular, the Directorate provides low interest lending solutions to micro enterprises in the informal, semi-formal and formal sectors through the use of intermediary channels to ensure last mile delivery, reach and programme sustainability.

The Directorate's activities are executed along 5 strategic groups:

1. 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 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.

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).

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.

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 that are in clusters to help improve their production capacity and profitability.

GEEP Highlights from the Year 2019

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

Total number of beneficiaries

TraderMoni	MarketMoni	FarmerMoni
1,992,402	332,775	3,172

MICRO ENTERPRISES DIRECTORATE

Disbursements
- ₦37.1bn Disbursed
- 2.3m Beneficiaries

Financial Inclusion
- 1.99m Mobile Wall
- 319k Bank Accounts

Demography
- 54% Women
- 53% Youths

Collections
- N5.9 Billion

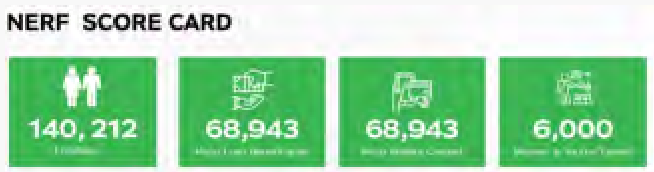
VOUCHER LOAN REPAYMENT CARDS

To further drive collections, the programme, in 2019, increased the number of repayment channels available to beneficiaries through the introduction of the voucher repayment initiative.

The voucher card channel is a platform that enables GEEP beneficiaries make repayments directly into their BOI loan accounts using prepaid voucher cards.

B. 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.



2. CLUSTER FINANCING

Cluster financing identifies and evaluates value chains strategic to the growth of the Nigerian economy. The Directorate's activities in this regard guarantees easy flow of activities across specific value chains taking into consideration the roles of stakeholders across the chain. 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. Agriculture Value Chain Financing

The Directorate deepened its lending activities through its agriculture value chain financing product. Under this product, manufacturers are guaranteed access to quality agricultural raw materials in sufficient quantities to guarantee constant production activities.

The benefit of this product is not limited to the manufacturers only but also to the farmers who are now able to enjoy increased income as a result of higher produce yields, access to mechanization and better farm education services.

In 2019, the Directorate commenced supporting rice mills in securing quality rice paddy in sufficient volumes. This complemented the Bank's continued support to processors who rely on maize as a raw material feedstock for their production activities.

HIGHLIGHTS OF AGRICULTURE VALUE CHAIN FINANCING

Globus Resources Limited:

Globus Resources Limited (GRL) commenced commercial farming and processing of broiler chickens in December 2006. Since then it has made continuous progress and now processes 9,000 MT of broiler chickens annually. The company operates from its 13 acre farm site located in Agbara, Ogun State, its 50 hectare breed farm in Iwo as well as its over 200 hectares property in Oluyole, Oyo State. All broiler birds produced are processed from GRL's

MICRO ENTERPRISES DIRECTORATE

automated processing facility which processes about 120,000 birds per day.

Through BOI, the company was able to finance over 2,000 farmers for the procurement of farm inputs to produce 4,400MT of maize. The maize volumes were utilized in the company's 80MTpd feedmill as feed for its broiler production activities.

Infinity Snacks & Beverages Limited

Infinity Snacks and Beverages began commercial production in January 2011 with its Cheese Ball product, a market leader in the ₦10 snack industry. In 2012, the company launched extruded breakfast cereals such as Coco Balls, Coco Rice, Rice Crispies, etc, making them the first producer of extruded cereals in West & East Africa. The company has continued to grow since then focusing more on its breakfast cereals.

BOI supported the company in financing 554 farmers towards the procurement of farm inputs to produce maize. The farmers were managed by AFEX Commodities Exchange Limited who facilitated the procurement of the farm inputs and also provided education to the farmers to ensure maximum yield. The harvested maize was utilized by the company as input into its extruded cereal production activities.

B. Aba Finished Leather Goods (FLG) Cluster Financing Programme

In 2018, the Bank entered into a strategic partnership with Ford Foundation and Fidelity Bank to execute the Aba FLG Cluster Financing Programme. This programme provides working capital financing as well as capacity development initiatives to qualified artisans recommended by the association's leadership. Loan disbursements activities ramped up in 2019.

Profile of a few of the Aba FLG programme beneficiaries:

Mrs Favour Deni Anthony – Beneficiary in the Belt Cluster

Before the BOI loan, it was difficult for her to access production raw materials which led to low and poor quality products. With

Mrs Favour Deni Anthony receiving the BOI loan for artisans of Aba cluster in 2018

the loan, Mrs Anthony was able to purchase raw materials in bulk for her production activities. She was also able to employ four additional workers bringing her total number of employees to eight. She fully repaid her loan in 2019 and has put in a request for another facility.

Mr Jasper Iwuanyanwu – Beneficiary in the Belt Cluster

Since receiving the loan in 2019, Mr Iwuanyanwu has been able

Mr Jasper Iwuanyanwu (standing) in his workshop alongside his workers

to pay outrightly for his raw materials. He has also increased his workforce by 3. He is looking forward to completing his loan repayment so he can access another facility from the Bank. In his words "My workshop is now filled with goods."

MICRO ENTERPRISES DIRECTORATE

C. Shoprite Supplier Financing Programme

The Directorate entered into a strategic partnership with Shoprite Holdings Limited to provide working capital and term loan facilities for its suppliers under the, 'Shoprite Supplier Financing Programme'. The objective of the programme is to increase the volume of products sold through the various Shoprite outlets by suppliers whose products are fast moving and in high demand in various Shoprite stores.

3. PARTNERSHIPS

This Group leverages financial institutions to provide indirect lending to micro and very small businesses who require loans of between ₦100,000 and ₦10 million. The Directorate collaborates with unit and state-level microfinance banks as well as non-bank microfinance institutions through tailored programs to reach beneficiaries in sectors that align with the priority sectors of the bank.

4. EQUITY FUNDS

The Directorate focuses on developing equity and debt products that will foster the development of micro and very small 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.

In addition, the Directorate is also championing the setup of a Technology Fund that will provide equity into technology / innovative businesses at the growth stages.

5. 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 platform to its target markets.

MICRO ENTERPRISES DIRECTORATE

GEEP 2019 Activities in Pictures

SMALL AND MEDIUM
ENTERPRISES DIRECTORATE

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

Introduction

The Small & Medium Enterprises (SME) Directorate is a Strategic Business Unit (SBU) of the Bank that is saddled with the responsibility of improving SMEs' access to finance through innovative and competitive financial products and advisory services. In line with the Federal Government's economic growth plan, the Directorate was established in Year 2015 to develop sustainable SME Business Models that will assist unlock the inherent potential of the SME sector in the areas of production, employment generation, exports, and import substitution.

Core Objective

The primary goal of the Directorate is to significantly improve the Bank's SME loan portfolio by deploying demand driven financial products and proactive support services that will catalyse SME growth and development in the country.

Strategy

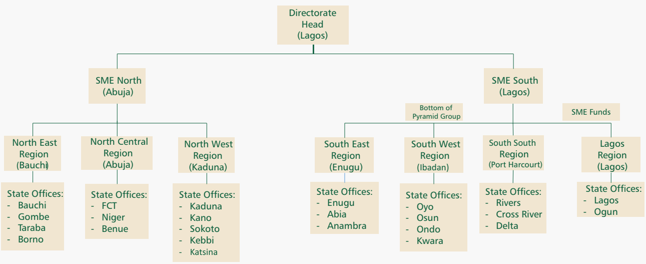
The Directorate's operational strategy is holistic. It provides the SME ecosystem with business advisory and lending services that improve SMEs contribution to national economic growth and poverty alleviation. This is centred on a two-prong approach – identify and nurture SMEs that are concentrated on value addition to local raw materials and export oriented; and develop capacity for business linkages between SMEs and Larges Enterprises (LEs) for increased market and trade.

In order to scale up economic activities of SMEs within predefined locality and/or business clusters, the Bank has developed an ingenious partnership with High Networth Individuals (HNIs) and State Governments for the generation of funds; namely, Matching or Managed Funds. An executed Memorandum of Understanding (MoU) usually guides the management of each fund and applicable programs to create growth and development.

Execution

The overall strategy of the Directorate is anchored on its operating structure. Its existing and prospective clients are served via the following service outlets:

Operating Structure



Business Advisory Services

The Directorate leverages its in-house talents, partnership with International Development Organisations (IDOs), national private sector-oriented SME support institutions and service-focused Ministries, Departments and Agencies (MDAs) in government, to provide cutting edge capacity building programmes in areas such as financial management, business planning, entrepreneurial development, value chain financing, agro processing methods, corporate governance and business linkages, to enhance the skill set of owners/managers of SMEs.

Lending Services

We take advantage of our knowledge of the business environment and footprint in the 24 State Offices, spread across the six geopolitical zones of the country, to offer SMEs loans with longer tenors than are generally available in the market with development friendly pricing.

Our lending products are tailored to meet the financing needs of SMEs in the short, medium to long term and come in four directions, namely; project based lending, cluster based product programmes, on-lending facility for bottom of the pyramid and special intervention funds.

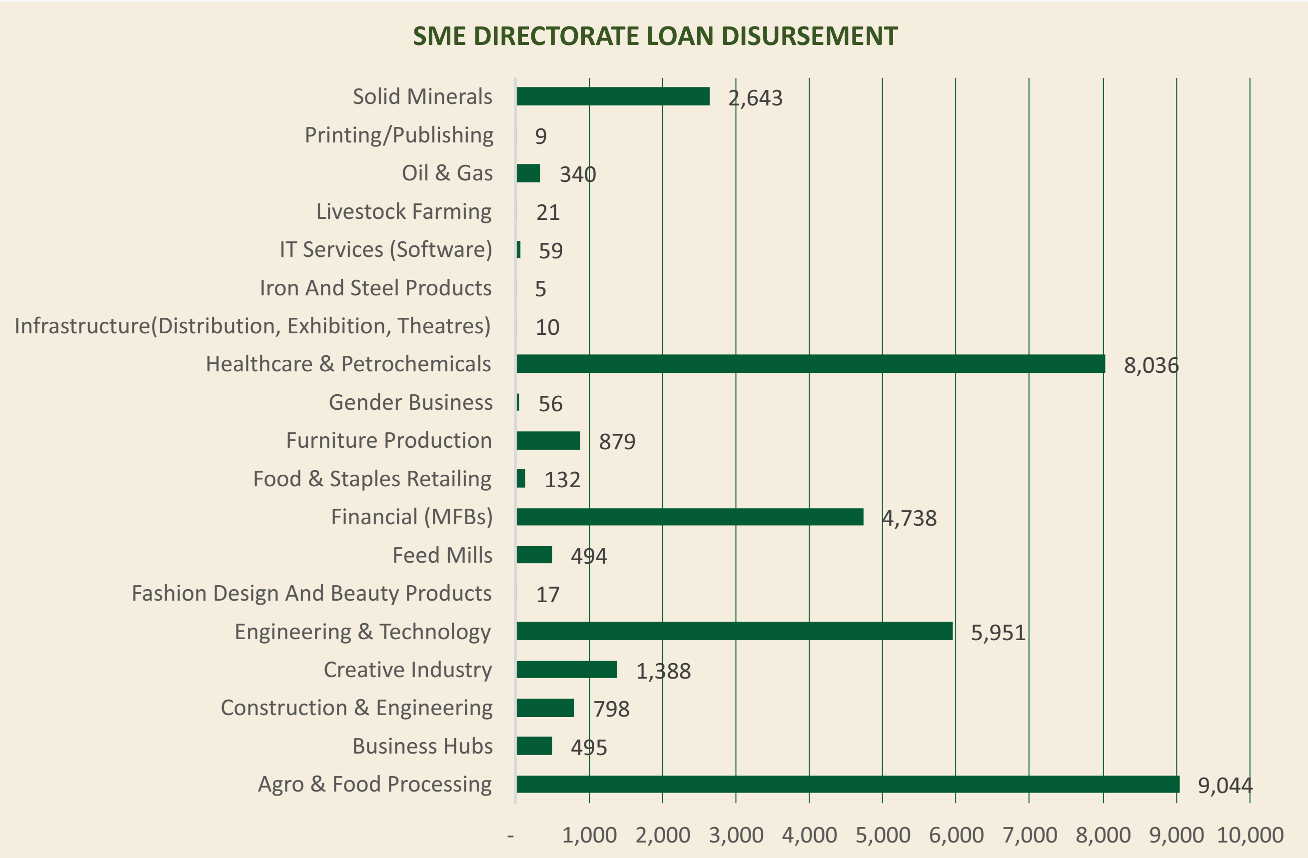
The State Offices serve as the primary contact centres for SMEs' diagnostics, implementation support, knowledge sharing and advocacy. As the baseline business hubs of the Directorate, their primary responsibilities are to identify, align request to suitable funding programmes/services, appraise, secure approvals and implement projects. Also, the Directorate, effectively communicate and engage stakeholders, leveraging the State Offices' competencies.

The economic active poor, at the bottom of the SME strata, are served by the Bank through on-lending programmes. This is a novel collaboration with Microfinance Banks (MFBs) that allows the Directorate increase impact in the SME community by channelling price and tenor competitive loans to SME related businesses, at the bottom of the economic pyramid.

Special Intervention Funds

These are efforts by the Bank, through the SME Directorate, aimed at addressing identified economic gaps in the country. Funds, such as Graduate Entrepreneurship Fund (GEF), Youth Entrepreneurship Support Programme (YES-P), and North-East Rehabilitation Fund, are specific interventions designed to address the challenges of entrepreneurship development, youth unemployment, business resuscitation and poverty alleviation.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE



Summary of Impact in 2019

Loan Disbursement

The Directorate disbursed N37.3 billion to finance 1,551 SME projects across 21 business clusters in the year. We focused on SME businesses in government priority sectors – SMEs in Agro & Food Processing secured 28% of total loan, followed by Healthcare & Petrochemicals, 23% and Engineering & Technology at 21%.

Employment Generation

Through these interventions, SMEs were able to retool their factories with modern plants and equipment, expand production capacity and rehabilitate their moribund businesses. As a result, the Directorate was able to create about 8.3 million direct and indirect jobs in the economy within the FY.

Customers Engagement

Each financial year (FY), the Directorate is galvanised into action by a mantra – in 2019 our mantra was "Make It Easy for all". It was a customer centric slogan that demand emphatic service delivery to internal and external customers. The Directorate was able to improve its loan portfolio by 21% YoY, through effective customer engagement, advocacy and advisory support.

Our Partners

We take advantage of the Bank's institutional competences to work generally with the SME community, public stakeholders, Federal and State Governments and their Agencies, multilateral and bilateral development organisations with related projects to support SME Finance development in the country.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

CEDARCREST (FCT)

Cedarcrest Hospitals Limited (formerly Cedarcrest Orthopaedic Clinics Ltd), was registered in January 2008 and is located in Apo District, Abuja. The company was initially a specialized orthopaedic hospital in Garki, Abuja and then relocated to an ultra-modern purpose built 90–bed hospital in Apo, with over 200 staff.

They offer specialist services in the areas of internal medicine, obstetrics and gynaecology, radiology, rheumatology, ENT (Ear Nose and Throat) surgery, dietetics, physiotherapy and general practice. The hospital works in liaison with medical centres in the United Kingdom and United States; including surgeons that frequently visit from foreign hospitals.

The hospital requested for a term loan facility in order to procure more equipment that would in turn improve the quality of medical services offered to patients especially in the area of bone density diagnosis, detection of heart disease, and improved imaging equipment.

G U EBECO INDUSTRIES LTD (FCT)

G. U. Ebeco Industries Limited has been engaged in the production of furniture for over six years. The company was registered in July 2006 to carry on the business of importation and exportation of furniture and building materials. In 2013, it ventured into furniture making, to take advantage of the Federal Government Policy on Import Substitution and the growing patronage of Made-in Nigeria furniture by the growing middle class.

The company owned and managed by Nigerians, in this short period, they have built a stable customer base, gaining unprecedented popularity among hotels and real estate developers after it won the award of best furniture company by the Nigerian Institute of Architects in 2014.

An additional was granted to the Company in 2019 for the procurement of a CNC router and a horizontal Beam Saw to boost their efficiency and operations.

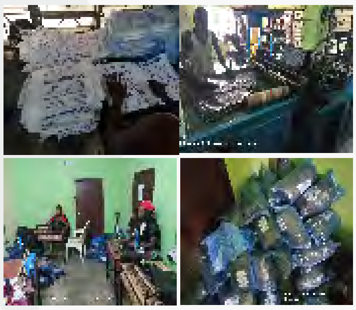
TRT ARREDO LTD (FCT)

TRT Arredo Limited was registered in 2012 with the aim of carrying out business of furniture production in its business location at Dei-Dei Light Industrial Area, Abuja, FCT.

The MD/CEO of the company, Jonathan Agwunobi, who holds a B.Eng. in Polymer and Textile Engineering from Federal University of Technology, Owerri, is an innovative entrepreneur with over 7 years' experience in the furniture sector.

BOI granted a loan to the company which was disbursed in November, 2019, towards the expansion and automation of its production process under the BOI Fund.

ELIPEE MULTI DIMENSION SERVICES LIMITED (Abia State)



Elipee Multi-Dimension Services Limited is a private limited liability company represented by Mr. Ezeife Oliver, who is the MD/CEO of the company. The company was incorporated in November 21, 2016 to engage in the production of nylon and printing on shopping bags. However, commencement of operations at the company was dependent on a term loan facility from BOI.

BOI granted the company a term loan facility of ₦5.9 million on September, 2019, for the procurement of items of equipment and raw materials to execute its intended production of nylon and printing on shopping bags.

The company operates from the city of Umuahia, in Abia State, and has evolved to become one of the indigenous nylon producers within the locality, producing branded nylon for some of the businesses within its locality such as bakeries, pharmacies and vendors of electronic products.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

GIFY GARMENTS (Abia State)

Gify Garments is a sole proprietorship business owned and managed by Mr. Iheanyi Ajah. The business commenced operations in July 2008, however, it was officially registered with the CAC on June 1, 2017 as an enterprise. The enterprise is engaged in the production of casual and corporate female apparel such as gowns, skirts and blouses. Gift Garments produces for major distributors at Onitsha, Jos and Lagos and operates from the city of Aba, in Abia State.

Due to the limited space available in the production facility, the company engaged in an expansion drive and invested heavily towards the construction of its permanent factory site/warehouse.

A term loan facility was received from BOI, for the procurement of additional industrial equipment and raw materials.

KORAMA CLOVER INDUSTRIES LIMITED (Abia State)

Korama Clover Industries Limited is a private limited liability company represented by Mr. Innocent Okoroama, who is the Chairman of the board of directors of the company. The company was incorporated on October 13, 1983 to engage in the production of various paints for industrial, automotive and household uses. Korama Clover currently has 43 different paint products in the market. The company operates from the city of Aba, in Abia State, which is where their factory site is situated.

As part of their efforts in the backward integration of the production of their major raw materials: alkyd resins and emulsion binder, the company approached the Bank of Industry Limited for a loan facility which was granted to the company in December, 2019.

Although the project is still under implementation, it is expected to significantly reduce cost and boost the company's profitability upon completion.

JUDDY BOLEMA INDUSTRIES LIMITED (Anambra State)

Juddy Bolema Industries Limited (JBIL) is a private limited liability company incorporated on August 19th, 2013. The company's factory is located at 41, New Market Road, Onitsha, Anambra State. The company currently recycles plastic waste and uses them to produce various types of household plastics wares.

The company commenced operation in 2014 with the establishment of a suitcase assembling plant, with the plastic component being produced in-house through recycling of Poly Vinyl Chloride (PVC) waste. With successes recorded in the recycling of PVC, the company ventured into the recycling of other plastic products such as polypropylene and polyethylene.

The company also has a waste collection and sorting center at Papalanto in Ogun State through which plastics waste is sourced from Lagos and Ogun States, sorted and transported to the factory site at Nkpor for processing. More recently the company started the production of 'take away' food packs and spoons, using virgin polypropylene.

In 2016, BOI granted Juddy-Bolema Industries Limited a term loan for the acquisition of machinery and equipment in support of the company's expansion plan.

DEMIKSONS NIGERIA LIMITED (Delta State)

Demiksons Nigeria Limited, was incorporated on 4th August, 1999 and is involved in palm processing i.e. palm kernel oil extraction, with palm kernel cake, and sludge as by-products (forward integration).

The company currently sells its products to off-takers within the South-South and South-East regions of Nigeria.

Demikson Nigeria Limited is currently enjoying its second facility from BOI for production of vegetable oil which it is servicing satisfactorily.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

SUNSET BAKERY AND EQUIPMENT LIMITED (Delta State)

Sunset Bakery and Equipment Limited is a limited liability company incorporated on the 5th of October, 2005. The registered Head Office is at 8, Mariam Babangida Way, Asaba, Delta State.

The company offers a wide range of bread products to distributors (wholesalers) and retailers within the south-south and south east regions.

Sunset Bakery and Equipment Limited has so far accessed two (2) facilities from BOI. The first was fully paid off and it was based on its satisfactory debt service record that the company was granted a second facility which it is servicing satisfactorily.

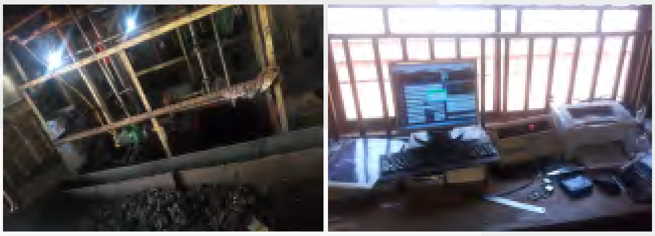
OBINO INDUSTRIAL COMPANY LIMITED (Delta State)

Obino Industrial Company Limited was incorporated in Nigeria on 20th September 2004. The company's registered address is No. 7, Obino Resources Lane, Oshigbo Land, Opp. MTN Office Asaba, Delta State.

The company is involved in the production of laundry soap. Its main market coverage includes wholesalers and large retailers within the south-east and south-south regions.

Obino Industrial Company Limited has so far accessed two (2) facilities from BOI.

SAN SAVANA OIL COMPANY LTD (Enugu State)



San Savana Oil Company Ltd is a Nigeria owned private limited liability company. It was incorporated in 1994 and is into processing of palm kernel oil and palm kernel cake. The company is strategically located at Akpuoga Nike in Enugu State. The MD/CEO, Elder Nwankwo Samuel, has managed the company from inception till date.

The Bank has been a strong financial partner to the company since 2006. Its first financial intervention was the sum of ₦54.5million for the acquisition of additional items of plant and machinery. This stimulated growth of Company's production capacity from 6,000ton/annum to 24,000tons/annum, grew staff strength from 34 to 95 workers and increased turnover from N900million to ₦2.3billion/annum. The Bank later provided additional funding of ₦50million for the purchase of raw material.

LOLITE ENERGY LIMITED (Enugu State)

Lolite Energy Limited was incorporated on May 13, 2013. The company is currently engaged in the trading and manufacturing of fasteners (studs, bolts, nuts and gaskets).

The company has a joint venture relationship with Rollfast/Kapil Enterprises India, which currently supervises production and trains the staff based in Nigeria. The company is 80% Nigerian owned and 20% Indian owned.

BOI provided financial support to enable the company start up its factory and additional funds were disbursed towards the procurement of a power generator to hedge power supply challenges.

With support from the Bank, the company's turnover has grown significantly and the firm has also been able to provide jobs to 76 professionals.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

ANDY YOUNG ALUMINIUM NIGERIA LIMITED (Enugu State)

Andy Young Aluminium Nigeria Limited was incorporated in the April 1997 as a private limited liability company. The company has been producing aluminium roofing sheets for twenty years. With the support of BOI, the company recently diversified its operations to include production of steel doors.

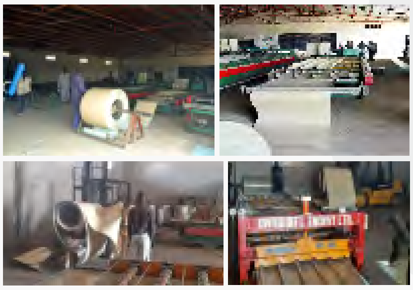
The company was also able to increase its staff strength from 37 staff to 62 staff and boosted its turnover.

CHRIS OSSY VENTURES LIMITED (Gombe State)

Chris Ossy Ventures Ltd was incorporated as a Limited Liability Company on September 23, 2004. The company is among the indigenous businesses that produce paint in Gombe State. The establishment of the company by the Chief Promoter was prompted by the need to boost paint production in the state with the aim of providing quality paints to meet local demand and further penetrate the markets with controlled pricing and capturing larger market share.

The company accessed facility to expand its paint production business due to the high demand for its products. Prior to the disbursement of the facility, the company was able to double its staff strength from 5 to 10 employees.

DIYYO INT'L ENERGY LTD. (Gombe State)



Diyyo Int'l Energy Ltd., is a limited liability company which was incorporated in 2017 with the aim of carrying out business of Long - Span Aluminum Zinc Roofing Sheets corrugation in its business location at Shongo Idrisa Opposite Yahaya Ahmed School, Bauchi Road, Gombe State. The company is one of the most preferred indigenous aluminium roofing sheet producers in Gombe due to its products affordability and after sell service that's if they're to roof your house.

In 2018 the company accessed facility for working capital and in 2019 received another facility for the procurement of plant and machinery.

Prior to the disbursement of the facilities accessed by the company, it has 6 employees and after the disbursement their staff strength increased to 15 employees.

GMICORD INTERBIZ LTD (Imo State)

Gmicord Interbiz Ltd was incorporated in September 1989. The company commenced commercial operations in 1999 with the manufacturing of nails and was the first company in Imo state to commence nail production at the time. Over the years it has diversified its production into binding wires, quarter rods, corrugated roofing sheets for construction purposes and currently steel doors.

The company currently produces modern and various designs of long span aluminium roofing sheets and embossment of steel doors. The company also has interests in petroleum product retailing, although this is basically for the supply of fuel and diesel for its factories operations.

The company's relationship with BOI began over a decade ago, and during this time it has enjoyed four loan offers from BOI and successfully serviced and liquidated the loans.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

VINAL ALUMINIUM PRODUCTS (Imo State)

Vinal Aluminium Products Limited was incorporated on May 13th, 1996. The factory and head office are located at KM 2, Owerri-Onitsha Road, Irette, Owerri, Imo State. The company is 100 percent Nigerian-owned and is one of the leading manufacturers of aluminium roofing sheet in the south-eastern part of the country.

BOI approved a term facility for Vinal Aluminium Product Limited to be utilized towards procurement of items of plant and machinery for the production of various aluminium roofing sheets, claddings and flashings. The project was fully implemented and is currently in full operation. The Bank also approved a term loan for the purchase of raw materials for long-span aluminium roofing sheets, claddings as well as flashings production.

CONVERTERS NIGERIA LIMITED (Kano State)

Converters Nigeria Limited was incorporated in 1983. The company currently manufactures soap paper, labels for drinks, twist wrapping papers for sweets and pharmaceuticals as well as specialized sachets, wrappers, cartons, cellophane-polypropylene and packaging materials. The company's customer base includes leading FMCGs and other large scale consumer goods distributors operating in the Nigerian market.

The Bank supported the company through a facility in 2019 to modernize its business with the acquisition of additional equipment's which has translated in to the creation of an additional 110 Direct and Indirect Jobs. Furthermore, the Bank's intervention has given the company a competitive edge with the acquisition of modern machinery.

VIK INDUSTRIES LIMITED (Kano State)

Vik Industries Limited was incorporated on 5th September, 1991. The company has an installed capacity of 10,100 MT per annum and over 1,000,000 pieces of various brush and plastic items per annum with a huge product range including variety of brushes and other daily household products. The company operates from its three (3) purpose-built factory locations in Challawa Industrial Area in Kano, Ajao Estate and Isolo in Lagos.

The Bank supported the company through a facility in 2019 to finance acquisition of items of plant and machinery as well as working capital to drive its expansion strategy at its factory in Kano which has translated in to the creation of an additional 1,075 Direct and Indirect Jobs. Furthermore, the intervention has positively impacted the plastic industry in Kano owing to the boosting of production competency with the acquisition of high precision state of the art machinery.

THE COURTYARD APPLE DINNER ENTERPRSES (Kaduna State)

The Courtyard Apple Dinner Enterprise was registered on 15th January, 2018. The enterprise was a green field business and strategically located in the heart of Kaduna.

The Bank's support was a term loan to fully equip the restaurant and working capital facility in order to commence operations as planned. Services rendered by this venture include chinese dishes and grills, local delicacies, pizza, ice-cream, shakes, fruit juice of different varieties and comfortable conference room for meetings.

BOI's timely intervention in 2019 has since placed the business among the top five (5) leading restaurant businesses in Kaduna.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

MARKPOINT MULTILINKS LTD (Kaduna State)

The company was incorporated on 28th of February, 2008. The company has since inception been engaged in the business of rice milling. The company's main raw material "paddy rice" and it is sourced locally from Rice Growing Communities within the North West Region. The company is one of the largest rice milling companies in the state with network of supplies covering North West and South East Regions.

RUFAIDAH DRINKS LTD. (Kebbi State)

Rufaidah Drinks Ltd was incorporated on 18th October, 2017. The company currently manufactures various yoghurt brands. The company has a good customer base within Kebbi and other states in the Northwest region of the country.

BOI supported the company through a facility in 2018 to finance working capital to drive Rufaidah's expansion strategy at its factory in Kebbi. This has translated into the creation of 100 direct and indirect jobs. Furthermore, the intervention has boosted the company's production capability leading to the opening of 16 branches across the country.

DIPSON PLASTICS AND RECYCLING LIMITED (Kwara State)

Dipson plastics and recycling limited is private limited liability company incorporate on 3rd February, 2003 with an authorized share capital of N2.0 million divided in 2,000,000 ordinary shares of ₦1.0 each. The share capital has since been increased to ₦10.0 million.

Dipson plastics and recycling plant limited has been in the business of flexible packaging materials manufacturing for the past seven years. Its existing balance sheet stood at about ₦650.0 million as at December, 2017.

In 2019, the Bank granted the sum of ₦249.895 million to procure of raw materials for the production of Dipson Plastics and Recycling Plant. The company has been servicing its facility as and when due. The company's current capacity utilization was 400 metric/tons of Low Density Polyethylene (LDPE) Lotrene in a month. With the additional facility of ₦249.0 million granted the company by the Bank in 2019, it has now increased its production output to 923 metric/tonnes per month.

The project has created 69 direct jobs thus contributing to poverty alleviation and economic development of Osun State and Nigeria. Dipson Plastics and Recycling plant has been one of the Best customer of BOI in Osun State .

EMMANUEL ADEBOWALE NIG LTD (Kwara State)

The company has been involved in the sale and distribution of Liquefied Petroleum Distribution (LPG) for over 27 years and is the foremost company to commence this business in Akure, Ondo State.

Over the years, it has successfully expanded its operations to Niger state and Federal Capital Territory, Abuja, which has increased its demand and a sizeable market share within Akure and its environs.

It has an existing facility in the sum of ₦33.4 million which was disbursed in 2019 for the expansion of its capacity from 150,000 litres to 300,000 litres of Gas plant.

The Chief Promoters -Mr Emmanuel and Mrs Oyewusi Adebowale have been committed with their time and financial resources in ensuring the company is a top-class organization while harnessing new technology in product delivery, thus meeting its customers' needs.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

GOODBAND NIGERIA LIMITED (Kwara State)

The Company is involved in Palm Kernel Oil Processing and produce merchandise (Cocoa Beans, Palm Kernel Nuts etc). The Chief Promoters are Mr Fatai And Mrs Abimbola Balogun and they have combined 20 years cognate experience as Cocoa And Palm Kernel Nuts Merchant, before venturing into processing of palm kernel nuts to oil and cake in 2012.

It obtained a term loan facility of ₦10.0 million in 2013, which was fully repaid in November, 2017. It currently has a performing facility in the sum of ₦17.060 million for the procurement of additional items of equipment and raw materials to expand the business.

The company has witnessed tremendous increase in its production capacity, which has grown from 2tons/day to 15 tons /day. This has given the company the opportunity to be major suppliers to reputable producers of refined vegetable oil such as First Maximum Point Industries Limited (Akure), Bola Oil Limited (Ore) Slabmark Industries (Ibadan), Rom Oil Nig Limited (Ibadan) and Pioneer Industry Limited (Lagos).

POLAR PETROCHEMICALS LIMITED (Kwara State)

Polar Petrochemicals Limited is a wholly indigenous fast growing oil and gas company in the sector downstream sector of the Nigerian economy. The company is a manufacturers and marketer of lubricants and specialty products with factory/head office located in Afon, Kwara State. It has distributors/agent offices located across the country.

The company has an installed blending capacity of 50 million litres of assorted lubricant products in different categories including: automotive lubricants, industrial lubricants, marine lubricants as well as greases and specialties

Polar Petrochemicals Limited has been certified for ISO 9001:2015 Quality Management System (QMS) through PECB/ISO Certification Board of Canada while its product range and brand have passed the quality standard for MANCAP certification of the Standard Organization of Nigeria (SON).

AMBER PRIME PLASTICS NIG. LTD. (Lagos State)

Amber Prime Plastics Ltd is a Limited Liability company incorporated in 2016. The mission of the company is to become the nation's indigenous market leader in design, production and distribution of plastic products with specialization in domestic and furniture.

The company commenced full operations in April 2017 with a machine and staff capacity of 3 and 23 respectively. Presently, company operates with a machine and staff capacity 15 and over 80 staff strength respectively.

The distribution outlets are spread across the 6 geo-political regions in Nigeria and the company's monthly market indicator shows a consistent demand outweighing supply of our products.

EVERIGHT DIAGNOSTIC & LABORATORY SERVICES LTD (Lagos State)

Everight Diagnostic & Laboratory Services Ltd is one of the leading radiology and pathology service providers in Nigeria, established in May, 2005. The company's registered office is located in Ojo, Lagos State, while its other branches are located in Owerri, Imo State.

The company's team of highly experienced consultant radiologists, consultant pathologists, consultant cardiologist, sonologists/sonographers, molecular scientists, medical laboratory scientists, medical radiographers and healthcare administrators deliver medical diagnostic services of international standards, using the state-of the-art technologies.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

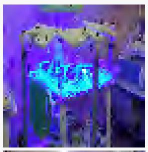
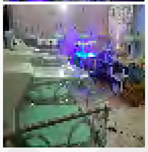
SOLADEM PRINTERS LIMITED
(Lagos State)




The company is a reputable printing business that has been recognised for its high quality printing within the Shololu/Yaba axis of Lagos. The company is engaged in printing of tertiary, secondary and primary school books as well as other print and publishing items like posters, bills, journals, calendars, flyers, invitation card, brochures etc. The company also handles Graphic designing of corporate logo, market advert layouts, printing of ledgers, magazines, catalogue, vouchers, receipts, deposit tellers etc.

The modern printing machine financed by the Bank was helpful in expanding the production capacity of the company to meet the increasing printing demand.

ISALU HOSPITAL
(Lagos State)


Isalu Hospital was incorporated in 2004 as a limited liability company. The hospital is a specialist healthcare provider located in the heart of Ogba, Ikeja area of Lagos State.

The hospital has grown over the years as a result of the commitments and dedication of its stakeholders, as well as the high level of reputation and goodwill enjoyed in the society. They are one of the leading hospitals in specialized medical services, advanced surgical intervention, data management and ICT infrastructures.

As part of its expansion plans, Isalu hospital approached BOI for financial support towards the procurement of equipment which include the following: central A/C heating & ventilation system, 400KVA Generators, ambulance, incubator laboratory and an infant radiant warmer.

BOI's intervention has helped to expand operation and create more jobs at the hospital.

ONWARD STATIONERY STORES LIMITED
(Lagos State)


Onward Stationery Stores Limited is a member of the Onward Group, one of Nigeria's leading paper suppliers.

The company specializes in the manufacturing of Grey paper boards which are made from recycled paper products and have a variety of uses and applications ranging from industrial and small scale packaging to furniture making in upholstery, to replace plastic and other flexible materials in the production of ring binders, hard cover backs for books, game boards, calendar, display boards, belts and shoes.

Bank of Industry's financing will enable backward Integration for the manufacture of paper and paper boards.

ASTORIA CATERERS LIMITED
(Lagos State)

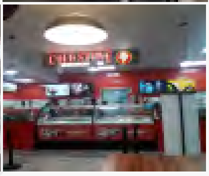


Astoria Caterers Limited was incorporated on the 26th of January 1988 as a private limited liability company. Astoria Caterers Limited is one of the leading catering and related support services companies in Nigeria.

Since receiving a loan from BOI, the company has the capacity to cater for between 7,500 and 10,000 guests per day and provided significant employment opportunities.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

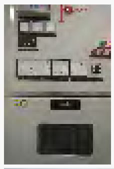
EAT'N'GO LTD. (Lagos State)

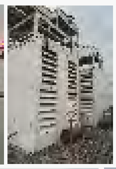


Eat 'N' Go Ltd is a restaurant group with 3 internationally recognised brands - Domino's Pizza, Cold Stone Creamery and Pinkberry Yoghurt. The company was incorporated in 2011 and is the master franchise holder for Domino's Pizza in Africa and Coldstone Creamery in Nigeria. The Pinkberry Yoghurt franchise is also owned by Eat 'N' Go for the production of healthy natural yoghurt.

The plants and machinery such as cooler and freezer rooms, ovens, computers and accessories, delivery motorcycles, generating sets, cooling unite etc, where used to expand the brands into 10 additional locations in Nigeria.

BU POWER LTD. (Ogun State)



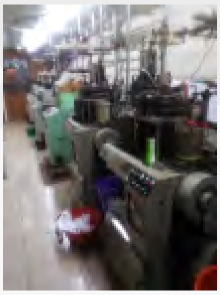


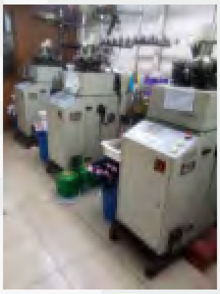
BU Power Limited is a specialized utility company established to carry on the business of electricity generation, transmission and provision of electrical related services to generation and distribution companies.

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.

The company obtained a credit facility disbursed in August 2019 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.

BA KHOLON NIGERIA LIMITED. (Ogun State)





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

The company produces textiles which are marketed both locally and internationally. 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.

WESCO CABLE LIMITED (Ogun State)

Flour Mills of Nigeria, a public limited liability company, is the leader in Nigeria's flour milling industry and has an installed flour milling capacity of approximately 2.9 million metric tonnes per annum. In the last decade, Flour Mills has made targeted investments in backward integration to secure its supply chain and mitigate the risks of exchange rate fluctuations.

Through the installation of the 4.5MW dual-fuel (gas and diesel) Wartsila generator, the company's installed capacity increased from 70MW to 74.5MW.

The Wartsila generator also provided the company with additional diesel-fired capacity, which is crucial in the event of gas supply shortages or outages. Therefore, the instalment of the Wartsila generator minimized the possibility of halting production due to fuel shortages, irrespective of the type of fuel.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

MC FELEY (Ogun State)

Mc Feley Development Associates Ltd. manufactures Mac Feley Premium Drinking Water that is produced with a state-of-the-art reverse osmosis technology which further increases purity. These are packaged with the company's in-house bottle-blowing equipment, shrink wrappers and water-bottling lines.

The raw water is sourced from boreholes installed at the company's factory in Owode-Ofada, Ogun State Nigeria. In spite of the high number of bottled water options currently in the market, the company has carved a sizable market share based on the quality of its water products.

The company obtained a credit facility of ₦50.15million for the acquisition of more equipment as well as provision of working capital; to help its expansion plans in a bid to meet customers' demand.

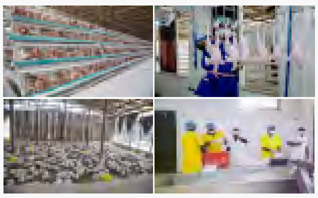
VONO FURNITURE PRODUCTS LIMITED (Ogun State)

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 include: Tubular bunk; hybrid bunk; flush door; school desk; packaged bed; divan bed; spring panel and mattresses. The 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 a credit facility (working capital). This credit facility has resulted in increased capacity for the company and employment of more staff.

KALASE FARMS LIMITED (Rivers State)

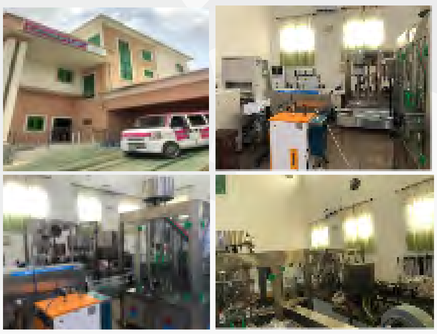


Kalase Farms Limited is a limited liability company incorporated in Nigeria on the 4th of May 2017. It operates a fully integrated farm that is composed of a fish farm section, a poultry section and other sections for crop production. The crop production section includes five acres of lettuce, yam and plantain plantations 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 in the hospitality industry located in both Port-Harcourt, Rivers State and Warri, Delta State.

The company has sales arrangements with major retail outlets and currently enjoys a multiple loan facility that enable the company acquire machinery and equipment as well as raw materials for poultry and fish processing and the production of animal feed.

VITAMIN FARMS AND RANCH LIMITED (Rivers State)



Vitamins Farms and Ranch Limited, was incorporated on December 4, 2017 (RC.1456541). The company currently produces of bottled and sachet water.

The company has so far enjoying a multiple loan facilties ranging from loans for the procurement of items of equipment and raw materials for bottled and sachet water production as well as working capital.

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's product lines include PVC pipes and profiles, 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.

LARGE ENTERPRISES DIRECTORATE

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 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.

Over the last three (3) years, the Large Enterprises Directorate has approved loans to over 757 large enterprises across all sectors of the economy to the tune of N624bn, creating an estimated 2,804,350 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:

1. 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, 2019, BOI loan facilities to agro-processing large corporates stood at N96.350 billion inclusive of the Cotton, Textile & Garment (CTG) sector.

The Bank has supported Over 100 projects and generated over 426,720 direct and indirect jobs.

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

SUNFLAG GROUP

CTG SUBSECTOR

DAHUA PAPER COMPANY LTD

PAPER SUBSECTOR

MASTER STROKE PACKAGING

PACKAGING

LARGE ENTERPRISES DIRECTORATE

BEL IMPEX LIMITED

PAPER SUBSECTOR

ORBIT WOOD & ALLIED INDUSTRIES LTD.

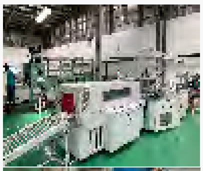
WOOD SUBSECTOR

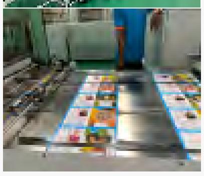
GATIMO LIMITED (RUFF 'N' TUMBLE)

CTG SUBSECTOR

AGRO PROCESSING GROUP CUSTOMER PROFILES

ABUJA BOOK COMPANY LIMITED





Abuja Book Company Limited (ABCL) was established on May 25, 2017 as ABC Limited is a new company under the Vista Africa Holdings Limited. The company was established to produce and sell exercise books with different dimensions to primarily the Customer Base in the Northern Region of the country.

ABC Limited is a start-up company financed by the bank to establish a factory to produce and sell high quality exercise books and other customized Printing books with an installed production capacity of 12,000 MT. The factory is located at Idu Idustrial District, Abuja, FCT.

The company is capitalizing on the Government's edict on the increase of local manufacturing which will give substantial advantage over imports at a reasonable price and also meet the demand of the Northern region.

The products will be primarily sold in the domestic market segment mostly to meet the demand in northern Region. ABCL will sell its products at affordable prices to give 'value for money' to its customers. The company plans to produce and sell the following variants of exercise books and other customized books in the market.

Exercise books:
- 40 leaves to 80 leaves
- Note books and higher education books
- Other customized books

JARO INDUSTRIES LIMITED

Jaro Industries Limited (JIL) was established on October 27, 2010 as Jaro Properties Limited and changed to Jaro Industries Limited on December 8, 2016. JIL is a new company under Deekay Group of Companies.

Jaro Industries Limited is a start-up company financed by the Bank to establish a corrugation production plant to provide a comprehensive range of high quality corrugated packaging materials. The factory is located at Makun City, Shagamu, Ogun State.

The company's product range from 3 ply to 5 ply cartons to fragmented packages for candy boxes, ice cream boxes, pizza boxes, corrugated paper rolls, duplex carton boxes, corrugated packaging sheets, etc.

The factory was commissioned October, 2019 with an installed capacity 500 tonnes. As at December, 2019, the factory has attained a capacity utilization of 272 Metric Tonnes and monthly sales of 275 Metric Tonnes.

LARGE ENTERPRISES DIRECTORATE

2. CREATIVE INDUSTRIES GROUP

The Creative Industries Group (CIG) supports 11 Sub-Segments of the creative sector.

The size of the industry sub-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.	Recreational 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.

GROUP KEY PERFORMANCE SCORECARD IN 2019 IS AS SUMMARIZED BELOW:

	Actual (NB)
Disbursements	29.7
New Acquisitions	13

LARGE ENTERPRISES DIRECTORATE

Developmental Impact Highlights:

- The Group's Cumulative Risk Assets from 55 Active Accounts as at March 26, 2020, stands at #46.06 billion.
- Estimated direct and indirect jobs generated from 2019 operations is 133,350. The Group hopes to double the number by creating additional risk assets.
- The Cumulative Number of Projects disbursed since inception of the Group is 71 and valued at #56.20 billion.
- Awards and Recognitions achieved from BOI's stellar performance in the Creative Sector includes, but not limited to the following,

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.

LARGE ENTERPRISES DIRECTORATE

3. ENGINEERING AND TECHNOLOGY GROUP

The Engineering and Technology Group is one out of BOI's Large Enterprise Directorate Groups, 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 a bias for technological solutions.

Our successful partnership has been with corporate organizations in the likes of Innoson Vehicle Manufacturing Company Limited, Mainone Cable Company Nigeria Limited, Nigerian Aluminium Extrusion Company Limited, Secure ID Limited, Allied Air Limited, Transport Services Limited etc.

Over the years the Group has remained focus to the object for which it was created, recording over N18.0 billion in disbursement to companies operating within the selected subsectors of the Engineering sector including about N7.0 billion to the emerging sub-sectors within the ICT space in 2019. BOI's support for industries through the ETG has led to the creation and sustainability of over 80,000 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 engage in Automotive assembly, Component Manufacturing, Automotive Research Development and Garages and Workshops that carry out repairs and maintenance.

ENGINEERING AND TECHNOLOGY GROUP CUSTOMER PROFILES

MAINONE

MainOne is a privately-owned company bridging the digital divide between West Africa and the rest of the world by delivering innovative infrastructure solutions to increase internet broadband penetration in West Africa. Backed by its high capacity, Open-access, 10 Tbps fibre optic cable, Main One offers reliable, world-class broadband access and services within West Africa to telecom operators, internet service providers, governments, large enterprises and SMEs.

Since MainOne's commercial launch in July 2010, the company has quickly gained the reputation of being the most reliable and the first choice for wholesale traffic for leading Nigerian and Ghanaian based telecom Operators and ISPs. The company has also extended its services to oth

er West African countries including Cameroon, Burkina Faso, and Cote D'Ivoire where it has continued to improve Internet Access and crash wholesale bandwidth prices. It continues to grow its footprint with major network interconnection facilities, extensive terrestrial fiber builds, regional Points of Presence, and currently delivers services into 10 West African countries including Senegal, Cameroun, Cote D'Ivoire, Burkina Faso, Togo, Benin, Chad and Niger.

MainOne also owns a data center subsidiary, MDXi which builds and operates Tier III data centers across West Africa. Our carrier neutral data centers located in Nigeria, Ghana and Cote d'Ivoire are certified to PCI-DSS, ISO27001 and ISO 9001 standards and differentiated by access to all leading internet exchanges, major network providers and ISPs in the region.

The company's critical facilities enable the broadband ecosystem across West Africa and are monitored 24 x 7 x 365 by highly trained and best in class technical and management teams to deliver high levels of availability.

MainOne has grown to become the leading provider of Wholesale and Enterprise connectivity and data center services across the West African region and the company has partnered with global companies including Orange Group and Facebook to extend its fiber optic network within Nigeria and across West Africa.

LARGE ENTERPRISES DIRECTORATE

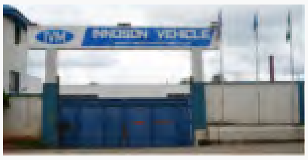
NIGERIAN ALUMINIUM EXTRUSIONS LIMITED

Nigerian Aluminum Extrusions (NIGALEX) Limited was established in 1973 with a work force of 250 employees and has since been contributing immensely to Nigeria's economic and industrial growth.

Backed with relevant modern cutting-edge technology, NIGALEX has over the years emerged as the leading producer of high quality aluminium profiles in West Africa.

With annual capacity of 5,000 tonnes and over 5,500 extrusions Dies, Nigalex produces aluminium profiles in press finish, wood finish, silver and bronze colour and modern powder-coated forms according to the RAL chart

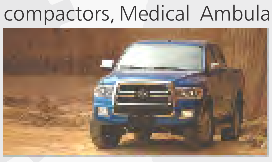
INNOSON VEHICLE MANUFACTURING COMPANY LIMITED



Innoson Vehicle Manufacturing Company Limited is a wholly indigenous and leading vehicle manufacturing company in Nigeria. The company's manufacturing and assembling plant is located in Nnewi, Anambra State and was commissioned in October 2009.

The company was conceived to produce truly Made in Nigeria vehicles, whereby a minimum of 60% of the content are made locally and providing employment for Nigerians. With a manpower strength of 1800 workforce and an installed capacity to produce over 10,000 units of vehicles per annum, the company's mission is to drastically reduce the prices of vehicles and cut down Nigeria's dependence on imported vehicles.

The company's product lines include; Pleasure cars, Sport Utility Vehicles, Commuter buses, Pick-up's, Military Vehicles, Garbage compactors, Medical Ambulance etc.



PINNACLE OIL & GAS LIMITED

Pinnacle Oil and Gas Limited is an indigenous Oil and Gas Company with foot print of over 10 years in the Nigerian Oil and Gas Sector.

The company's core areas of interest are Petroleum products Importation, Marketing and distribution, supply chain infrastructure Management, Marine logistics, offshore intake facilities (SPM/CBM) Haulage operations, and storage facilities.

The company's services include:

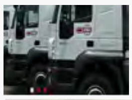
- Petroleum Product Marketing
- Tank Farm Facility
- Logistics Services
- Import and Export Facility

TRANSPORT SERVICES LIMITED

Founded in 2001, the company has established a solid reputation for proficiency in the secured transportation of goods and products from source to end users across Nigeria, covering over 2.5million kilometers safely every month.

TSL is led by a team of highly effective and dynamic individuals who have emerged in their various professions as enterprise Leaders who can lead authentically in a fast paced environment while driving clear and sustainable business impact. Our Leadership team act as key connectors across the organization and are critical enablers of our business strategy and operating model. The company alongside its logistics business provides Smith-certified and trained drivers under the tutelage of experienced trainers, this guarantees continuous and collaborative training of drivers with support from the Federal Road Safety Corps (FRSC).

TSL currently operates out of five (5) locations in the Western and Eastern regions of Nigeria providing regional logistics services to clients in the oil and gas, mining and construction, FMCG and agricultural sectors Technical competence is among the key strengths of TSL and one of the reasons that they are the foremost transport and logistics firm in Nigeria today. Over the years, they have made considerable investments in building a world-class maintenance and support facility to optimize their operational assets. Their fleet of over 750 vehicles are maintained by expert team of engineers and technicians drawn from several parts of the globe.



LARGE ENTERPRISES DIRECTORATE

SECURE ID LIMITED

SecureID Limited is Africa's industry leader in Card manufacturing personalization /fulfilment and digital solutions. It offers superior end to end identity management and digital security solutions to Public Sector, Private Sector, Finance, Telecoms and Retail Sectors. SecureID Limited is the first certified smartcard manufacturing plant in sub-Saharan Africa and is capable of manufacturing all kinds of smartcards, including highly complex Polycarbonate Cards. With a vision to be Africa's undisputed leading provider of world class digital solutions, best suited for the emerging markets. SecureID Limited provides turnkey solutions for the smartcard identity industry from project start, through design and personalization to final card packaging/fulfilment. SecureID Limited supports a wide range of card products such as EMV smartcards ,GSM SIM cards, Magnetic-stripe debit cards, Loyalty cards, Contactless dual interface chip cards , Multi-purpose secure identity cards and Mifare Cards.

SecureID Limited and its subsidiary SecureCard Manufacturing are certified by Visa international, MasterCard incorporated. Verve international, ISO 9001/2015 and Card Quality Management (CQM) for Smart Card Manufacturing and Personalization. The accreditation process includes a yearly strict audit of our plant processes and activities and all our operations are carried out under effective security controls to ensure the integrity of our products and services. Further to its state- of -art technology plant another factor that is instrumental to its remarkable efficiency and high performance is a team of dedicated, well-trained and qualified professionals with the requisite expertise to operate in the sector.

With the ever-evolving technology and continuous process innovation, SecureID remains a one-stop source for customers' identity management and digital solution services

4. FOOD PROCESSING

The Food Processing Group (FPG) was carved out of the Agro-Processing Group in 2015 to drive the Federal Government's agenda of achieving food sufficiency in Nigeria while growing the Bank's healthy risk assets.

- Beginning with a Risk Assets of ₦23 billion at inception, the Group has grown its Risk Asset numbers to about ₦100 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.

FPG's key focus areas include projects, operations and activities in the following sub-sectors; cocoa, breakfast cereals, seasonings, rice milling, flour milling, oil milling, food and beverages, biscuits, bakeries, confectioneries, animal feeds and meat processing, etc.

Some of the emerging subsectors the Group is focusing on include cold chain technology, industrial storage and drying facilities, ranching/processing facilities, cashew processing, etc

In 2019, the Group disbursed a total sum of ₦17.98 billion to 11 companies in various subsectors such as Feed Milling, Food and Beverages, Oil Milling, Biscuit and Confectioneries as well as Instant Noodles. The loans enabled the beneficiary companies to invest in acquisition of items of plant and machineries for the expansion of their existing operations, diversifications and establishment of new product lines. Approximately 80,000 jobs were created directly and indirectly from these efforts in 2019.

In 2020, the group plans to grow this employment generation figures by over 100% and lend over ₦40 billion to its target market. The Group will continue to focus on deepening its intervention in the existing sectors as well as penetrating the emerging markets to achieve the diversification of its portfolio as well as foster linkages with SMEs for national development.

LARGE ENTERPRISES DIRECTORATE

FOOD PROCESSING GROUP CUSTOMER PROFILES

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 and beef processing and sales of eggs on commercial basis.

The company is 100 percent Nigerian owned and it is situated along Ife Odan Road, Awe, Oyo State, containing 180,000 MT/annum feed mill. Amo Byng Nigeria Limited through the support of the Bank has grown it business over the years with branches in Abia, Plateau, Kaduna, Rivers and Oyo States with total installed capacity of 500,000 MT/annum feed mills, abattoirs, hatchery breeding and layers pen.

Its major brands such as "Amo Feeds", "Natnudo" frozen foods and table eggs are household names in the Nigerian market.

GRAND CEREALS LIMITED

Grand Cereals Limited is an integrated food company incorporated in April 1983. The company is located on a 16 acre site at Km 17, Zawan Roundabout, Bukuru, Jos, Plateau State and it has leading brands in cereals, vegetable oils, and animal feeds.

The company since inception employs the best technology and processes in the conversion of locally–sourced raw materials into brands of superior value products that are healthy and price competitive. Its products include maize flour, cleaned sorghum (from the cereal mill), groundnut oil, soya oil, cotton seed oil (from the oil milling units), as well as poultry feeds, pig and fish feeds from the animal feed plants.

The Bank of Industry intervention has helped to improve the capacity utilization of its 559,800 MT feed mill, 20,400 MT oil mill, 36,000 MT cereal production plant and 1,800 MT breakfast cereal production plant.

Other services being offered include technical and veterinary consultancy services to customers for business success.

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 16 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.

NORTHERN NOODLES LIMITED

Northern Noodles Limited was incorporated in September 2010 and commenced commercial operations in 2011, producing instant noodles.

The company has established a noodle manufacturing plant at Kachia Road, Kaduna State and its "Indomie" brand of instant noodles is a unique brand that is loved by both young and old all over Nigeria. It comes in variations such as the chicken flavor, onion flavor, pepper chicken and oriental fried noodles flavor, available in 70, 100, 120, 200 and 305 gram packets.

With the 84,000 MT/annum capacity and with over 80% of its raw materials sourced locally, Northern Noodles Limited has contributed significantly to the Nigerian market and continues to deploy effective strategies to expand its operations so as to meet the local market demand and export.


BANK OF INDUSTRY
...transforming Nigeria's industrial sector
Gender Business Group
More flexible terms & conditions
No hidden charges
Fixed interest rate
Longer loan tenor

LARGE ENTERPRISES DIRECTORATE

5. 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, 2019; the Bank had disbursed its own funds in the form of low cost and long term loans in excess of ₦37.9 Billion to over 496 women-led enterprises.
- In addition to financial support, the gender group also provides much needed business advisory and capacity building services, leveraging our strategic partnerships with over 300 Business Development Service Providers (BDSP) nationwide.

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 2019

- Foreign exchanging earning through import substitution, employment generation, enhancement of installed capacity utilization of project through technology and promotion of available local resources usage (comparative advantage).
- As at December, 2019; the bank had disbursed the total sum of its ₦37.9 Billion to over 496 women-led enterprises creating over 168,910 direct and indirect jobs nationwide.
- A total of six (6) loan facilities in the sum of ₦7,699,308,000 (Seven Billion, Six Hundred and Ninety-Nine Million, Three Thousand, Eight Hundred Naira only) were disbursed in 2019 through Gender Business Group.

Employment Generation And Projections

- BOI has budgeted the sum of N15billion to support Female Entrepreneurs in 2020.
- The existing partnering relationship between BOI and AfDB on Affirmative Finance Action for Women in Africa (AFAWA) is expected to unlock $3 Billion in private sector financing to empower female entrepreneurs through capacity building development. This is expected to be consummated this year.
- The Bank is partnering with IsDB (Islamic Development Bank) to implement the BRAVE Women Project, an initiative designed to assist SMEs and other private sector enterprises operating in Nigeria to enable them continue as going concerns during the current political and security crises in the country.
- The Management of BOI has approved and disbursed over ₦2 billion to Money Deposit Bank 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.
- 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. Increase accessibility to cheaper finance, longer loan tenor and favorable terms by female entrepreneurs.
2. Generate more businesses and employments
3. Enhance capacity building development
4. Promote more local resources usage.

GENDER BUSINESS GROUP CUSTOMER PROFILES

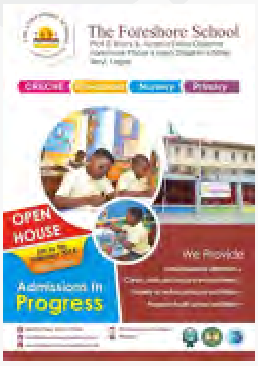
PAELON MEMORIAL CLINIC LIMITED

Paelon Memorial Clinic Limited ("Paelon") is a specialist boutique hospital incorporated on April 9, 2010 by Chief Promoter Dr Ngozi Onyia. Its resgistered office was initially located at 22 Musa Yar'adua Street Off Kofo Abayomi Street, however in April 2018, it was relocated to 1221, Ahmadu Bello Way, Victoria Island, Lagos. There is also a branch in Ikeja at No 9, Aajo Road, Off Adeniyi Jones, Ikeja Lagos .

Paelon is a guideline and protocol driven hospital and as a result provides evidence based, patient centered primary, secondary and tertiary health care services of the highest standard. The hospital is run primarily by seven partners, supported by a strong technical team of other specialist and non-specialist doctors, nurses, allied health care professionals and an equally strong administrative team.

Paelon offers a range of services including, Pediatrics, General Surgery, Intensive Care, Radiology, Laboratory, Physiotherapy, Obstetrics and Gynecology, Health Assessment and In-Vitro Fertilization (IVF) treatment.

FORESHORE SCHOOL



The Foreshore School ("TFS") was initially established in 2007, as Tenderloving Childcare, a crèche and pre-school, by Chief Promoter Mrs. Olubunmi. The name was changed to Tenderloving School in 2013 when it expanded its curriculum to include primary education. In 2016, the school added the British Curriculum to its activities and the name was changed to what it is today - The Foreshore School; and is located in Osborne Foreshore Estate Phase 2 Ikoyi Lagos. Over the years, TFS has grown and currently has 130 pupils.

TFS offers various extracurricular activities to enhance the children's skills in non-academic areas. Some of these activities are; swimming, football, lawn tennis, taekwondo, karate, music, ballet, languages (French and Mandarin), robotics, fashion designs, Boy Scouts and Girl Guides.

LARGE ENTERPRISES DIRECTORATE

6. HEALTHCARE AND PETROCHEMICAL GROUP

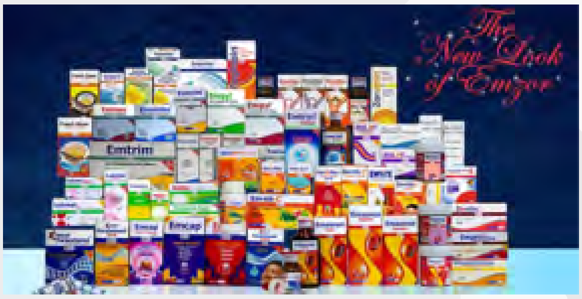
The Healthcare and Petrochemicals Group provides support and services to companies that fall under the Healthcare, Personal Care and Petrochemicals sector.

In 2019, the Group disbursed over ₦26 Billion to various projects, creating an estimated 115,570 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 2020 via outreach to emerging sub-sectors, as well as continued support and development of the healthcare industry.

HEALTHCARE AND PETROCHEMICALS GROUP CUSTOMER PROFILES

EMZOR PHARMACEUTICAL INDUSTRIES LIMITED



Emzor Pharmaceutical Industries Limited is a wholly private indigenous pharmaceutical manufacturing group founded in 1984 by Dr Stella C. Okoli, OON. The company is into the manufacture of high quality pharmaceutical products and medical consumables.

FRANEMM INDUSTRIES LIMITED

Since year 2000 after Franemm Industries Limited was incorporated, we have since grown into producing various kinds of cosmetics, hair and home care products, gaining a huge market share in the industry in the Republic of Benin, Ghana and Nigeria leading the pack where we have the largest distribution network. Franemm Industries Limited iniated a campaign to manage hospital linen in the very near future.

AFRIGLOBAL MEDICARE

Incorporated in 1988, Afriglobal Medicare Limited is a state-of-the-art diagnostic center with special attention to patient care. They are amongst the top three integrated chain of diagnostic centers in Nigeria where patient care comes first.

ROYAL FOAM PRODUCTS NIGERIA LIMITED

The company is a Nigerian company incorporated in 1964, located in Kano State. The company manufactures high quality foam products with an efficient and dedicated workforce of over 200 employees.

LARGE ENTERPRISES DIRECTORATE

7. INTERVENTION FUNDS GROUP

The Intervention Funds Group is responsible for managing the interventions in the Nigerian economy through the Central Bank of Nigeria (CBN) intervention fund for Restructuring and Refinance Facility to the SME, Manufacturing companies, Power and Airline Intervention sectors.

Impact:

- The Power & Airline Intervention Fund (PAIF) has funded a total of 1,432.3MW generation capacity, with 984.3 MW being new capacity.
- The Fund (PAIF) has re-financed part of the acquisition costs for 29 aircraft for 10 airline companies and provided working capital related facilities of ₦16.4 billion for 8 airline companies.
- The Fund (PAIF) has saved the airline industry in excess of ₦72 billion in interest expense over the last 9 years.
- The SME/RRF has helped in stabilizing the SME and manufacturing sectors by way of reduced interest burden and extended tenor.

INTERVENTION FUNDS GROUP CUSTOMER PROFILES

KANO HYDRO ENERGY DEVELOPMENT COMPANY

TIGA AND CHALLAWA GORGE DAMS HYDROPOWER PROJECTS RECIPIENTS OF THE POWER AND AIRLINE INTERVENTION FUND

The above-mentioned projects were initiated and awarded in 2012 as EPC contract to Messrs Skipper Nigeria Limited with total capacity of 35MW for both Tiga (1 x 2MW + 1 x 8MW) and Challawa Gorge (2 x 12.5MW) Power Plants for the purpose of generating power and evacuating it to supply steady electricity to water treatment plants in Tamburawa and Challawa. The excess power is to be supplied to industries based on a power purchase agreement.

These projects received the Power and Airline Intervention Fund (PAIF) which was established to fast-track the development of electric power projects. The securing of the PAIF loan has facilitated the completion of Tiga to a status of 99%, awaiting final connection to the main Penstock (Confluence works). While new Challawa, has achieved 90% for off-shore materials through LC raised and on-shore components status 10%. The Power Evacuation is at 60% as LC raised for the off-shore components.

FLOUR MILLS NIGERIA PLC/ GOLDEN SUGAR

Flour Mills of Nigeria, a public limited liability company, is the leader in Nigeria's flour milling industry and has an installed flour milling capacity of approximately 2.9 million metric tonnes per annum. In the last decade, Flour Mills has made targeted investments in backward integration to secure its supply chain and mitigate the risks of exchange rate fluctuations.

Through the installation of the 4.5MW dual-fuel (gas and diesel) Wartsila generator, the company's installed capacity increased from 70MW to 74.5MW.

The Wartsila generator also provided the company with additional diesel-fired capacity, which is crucial in the event of gas supply shortages or outages. Therefore, the instalment of the Wartsila generator minimized the possibility of halting production due to fuel shortages, irrespective of the type of fuel.

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**
- **Interest rate for credit facilities;**
  - *Loan for Manufacturing* - 8%
  - *Asset Acquisition* - 8%
  - *Contract finance* - 8%
  - *Community Contractors* - 5%
  - *Loan Refinancing* - 8%
- **Loan Tenor: maximum of 5 years**

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$5M @ 8% p.a; tenor up to 5 years.

Community Contract Financing:
maximum of ₦20M @ 5% p.a; tenor up to 5 years.

Loan Refinancing:
maximum of US$2M loans @ 8% p.a; tenor up to 5 years.

Applications can be submitted online at- **www.boi.ng/ncifund**

Terms and conditions apply

For more information please log into:

www.ncdmb.gov.ng | www.boi.ng/ncifund

LARGE ENTERPRISES DIRECTORATE

8. OIL AND GAS GROUP

The Oil & Gas Group provides financial support to the Oil & Gas sector of the Nigerian economy. A key 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 in the sector.

Following the establishment of the Nigerian Oil and Gas Content Development Act in 2010, which established the Nigerian Content Development & Monitoring Board to act as the sole agent of Government tasked with the responsibility of implementing Nigerian Content in the Oil and Gas industry, 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% to indigenous manufacturers, service providers and other key players in the oil and gas sector to meet their funding needs.

At BOI, we believe that an effective local content development policy seeks to engender inclusiveness and integration of 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. To date, over 90% of the fund has been disbursed, and negotiations are on-going for the funds to be replenished.

The Bank also provides its own funds to eligible indigenous players who meet its requirements in accessing loans to execute projects in the oil and gas sector.

The group's current portfolio cuts across, gas processing and distribution, upstream service and support, marine logistics and modular Refineries, amongst others.

The group has also made significant contributions in the financing of an expansion phase of a modular refinery to increase production from 1,000bpd to 10,000 bpd. The first phase of the expansion was recently concluded and the second phase is expected to be commissioned in 2020.

In line with the Bank's mission to transform Nigeria's industrial sector, the Bank 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 $500m USD. 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.

The group is currently working towards raising additional funds in excess of $200million to provide financial relief to indigenous players in the maritime sub-sector.

In 2019, the group disbursed a total of 19 projects with a total value of ₦44.5Bn creating approximately 4,000 direct and indirect jobs.

OIL AND GAS GROUP CUSTOMER PROFILES

HUDSON PACIFIC ENERGY

Hudson Pacific Energy Services Limited is one of the leading indigenous Offshore Marine Logistics and Support Services companies in Nigeria. The company provides offshore field security services to the International Oil companies include Exxon Mobil, Addax Petroleum Nigeria Limited and Folawiyo oil and Gas Limited.

Hudson Pacific Energy Services Limited is one of the beneficiaries of the Nigerian Content Intervention Fund being managed by Bank of Industry on behalf of the Nigerian Content Development and Monitoring Board.

The Company acquired two (2) security vessels fitted with ballistic protection, and electronic fuel monitoring systems for the one of the Oil majors.

PNG GAS LIMITED

PNG Gas Limited is the owner and operator of Egbaoma Gas Plant located at Ebedei, Delta State, Nigeria. The Company operates in the midstream sector of the oil and gas industry, processing 30 million standard cubic feet of Wet Gas daily. The Gas Plant offtakes Wet Gas from the Platform Petroleum/Newcross JV Flow Station to produce Liquefied Petroleum Gas (LPG), Propane, Lean Gas and Natural Gas Liquids (NGL).

LPG and Propane are supplied to the domestic market, while Lean Gas and NGL are supplied to the industrial sectors.

LARGE ENTERPRISES DIRECTORATE

TECHNO OIL

Techno Oil is an indigenous oil and gas company incorporated in 1995. The company's core focus is Storage, Marketing and Distribution of lubricants and LPG Cylinders.

Today, the company is a leading player in the downstream oil and gas sector.

Techno Oil Limited is one of the beneficiaries of the Nigerian Content Intervention Fund being managed by Bank of Industry on behalf of the Nigerian Content Development and Monitoring Board.

Techno Oil has built the first fully indigenous automated LPG cylinder manufacturing plant at Kajola, Lagos, Nigeria. The plant has a capacity to produce over 5 million pieces of high quality LPG cylinders annually. The cylinders are in different sizes of 3kg, 6kg, 12.5kg, and 50 kg. The project has since been commissioned, and the company is supplying cylinders to the indigenous market to meet the needs of the domestic market.

ND REFINERIES

In 2008, Niger Delta Exploration and Production Plc. (parent company), through its wholly owned subsidiary, Niger Delta Petroleum Resources Limited (NDPR) took the strategic decision to invest in a modular refinery located within its Ogbele oil and gas production facilities in order to enhance its operational efficiency, ensure availability of quality diesel oil supply and foster its vertical integration business strategy.

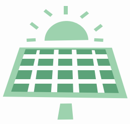
ND Refineries Limited, is in the process of expanding its refining capacity tenfold with an additional 10,000bpd which is being implemented in two phases. Upon completion, the Company will embark upon the implementation of the second phase which will involve, the installation and commissioning of an additional 5,000bpd capacity plant, together with a hydrotreater and reformer that will produce supplementary quantities of a suite of the same products with the addition of Premium Motor Spirit (PMS). The combined naphtha from both plants will allow the maximum utilization of the plant-installed capacity for additional production of PMS. All pre-commissioning activities on the Train 2 Phase of the Refinery Expansion have now been completed and ready for commissioning.

9. RENEWABLE ENERGY GROUP

₦2.0bn worth of financial support provided to renewable energy enterprises

5,900 jobs facilitated in the Renewable Energy space

Several Renewable Energy businesses were supported in 2019



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.

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 2019, BOI provided funding in excess of ₦2.0 billion in loans to support the emerging renewable energy industry in Nigeria.

Other key initiatives by the bank include:

- Established ₦6 billion Solar Energy fund to enable MSMEs acquire solar solutions.
- Setup ₦1 billion Matching Fund in collaboration with All-On Energy to support access-to-energy in the Niger-Delta region.
- Implementing agent for the Federal Government ₦300 billion Power and Airline Intervention Fund.

LARGE ENTERPRISES DIRECTORATE

RENEWABLE ENERGY GROUP CUSTOMER PROFILES

AUXANO SOLAR NIGERIA LIMITED

BOI's Funded Solar Auto Stringer Machine

Auxano Solar Nigeria limited was incorporated in 2014 with a vision to provide affordable and reliable solar solutions for homes and business. The company is engaged in the sales, procurement, installation, assembly, maintenance and servicing of solar systems components for both grid, off-grid, homes, as well as streetlights.

Auxano assembled its first solar panels in 2016, and has since become one of the biggest suppliers to vendors at Alaba International market. With increasing demand, the company embarked on an expansion of its assembly plant and sought to automate some of its processes to enable it meet demand.

Auxano first approached BOI for a ₦26 million loan in 2017, to enable the company acquire an auto stringer machine, which would automatically string solar panels together rather than the manual processes they had.

The initial support provided by the bank enabled the company increase its capacity utilisation from producing 300 solar panel units/month to 900 solar panel units/month. This also had an impact on the amount of waste that was produced by the company as the auto stringer machine helped reduce the frequency of waste. The support provided has helped the company increase its staff strength from 25 to 53 people in 2019.

STARSIGHT

StarSight is an independent energy efficiency company delivering sustainable solar power and cooling services. We are backed by Helios Investment Partners (US$3.2bn Funds Under Management) and African Infrastructure Investment Managers (US$2bn Funds Under Management).

Our solution is one of the leading SME/Commercial & Industrial Solar power-based solution in Nigeria (5kW – 20MW) and is currently widely deployed at several banks, schools, industries, FMCG, Gas stations with Hospitals and farms in the pipeline. We are also working on several projects in Ghana. Our Investors, are committed to expanding the StarSight footprint in Africa at large

Our objective is to achieve significant and measurable cost savings for our clients whilst being the catalyst to deliver a substantial reduction in Carbon Emissions. StarSight implements its solar power and battery solutions to displace diesel.

The company currently have installed capacity of 27 MW across 35 states in Nigeria and has saved 9.4 million Kg in carbon emissions. The BOI intervention played a key role in funding StarSight' 130% growth in 2019.

BLUE CAMEL ENERGY

Blue Camel Energy has established itself as a market leader in the renewable energy sector of Nigeria and is committed to providing Nigerians with uninterrupted, cost-effective and eco-friendly energy through innovative turnkey renewable energy solutions.

The company designs and integrates solutions that cut across all levels of energy demand, ranging from urban and rural solar home systems to industrial power back-up solutions, state of the art solar integrated streetlight equipment amongst several other ranges of solar systems.

Since accessing a facility with the Bank of Industry, the company has grown in valuation from $2 million in 2015 to a gross valuation of $9 million by 2019. The injection of this facility into the business has assisted the company in accessing equipment for its projects directly from OEMs (Original Equipment Manufacturers) thereby improving competitiveness in the market, improving the business profitability.

LARGE ENTERPRISES DIRECTORATE

10. SOLID MINERALS GROUP

Unit Focus
Financing of solid minerals and metals projects.

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 manufacturing companies, precious metals, Gem stones etc.

Summary of Impact in 2019
Installed capacities of projects were enhanced, numerous jobs created and foreign exchange saved through import substitution and backward integrations.

Number of Loans, Investments, etc.
A total of ₦12.5Billion loans were approved in 2019.

Employment Generation and Projections
Following BOI intervention in the Solid Minerals and Metals sector over twenty-five thousand (57,785) direct and indirect jobs are expected to be created in the coming years.

SOLID MINERALS GROUP CUSTOMER PROFILES

AFRICAN REFRACTORIES AND ALLIED PRODUCTS LTD. (ARAP)

African Refractory & Allied Products Ltd. (ARAP) is a manufacturer of Ramming Mass, Tundish board and Ball mill fines with an installed capacity of 57,600 Metric Tonne.

ARAP's products are mainly consumed by steel and ceramic industry. The Ramming Mass is used in steel manufacturing process for the inner lining of steel melting furnaces. Ball mill fines are used by the ceramic industry in manufacturing of tiles and sanitary-ware items. Tundish Board are used in the steel casters used to cast molten steel in steel billets.

The major raw materials used to produce the ramming mass, tundish board and ball mill fines, are the Quartz, abundantly available in Nigeria. Most of the consumables are also available in Nigeria, whereas some consumables and spare parts are being imported.

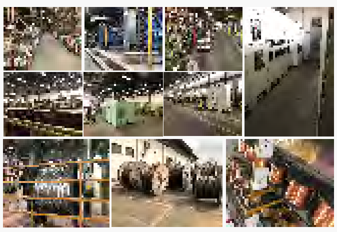
ARAP is a pioneer producer of its products and was being set up to use local raw material and local manpower to produce the products, which were being imported. All the products produced by ARAP are import substitution products and save a significant amount of foreign exchange for country. ARAP has strong workforce of more than 60 staff and is one of the major employers in the area.

CAPITAL COLD ROLLING STEEL MILLS LIMITED ("CCRM")

Capital Cold Rolling Steel Mills Limited ("CCRM") is a Cold Rolling plant with an installed capacity of 72,000 MTPA to produce cold rolled black annealed coils, cold rolled bright annealed coils & galvanized coils of various thickness. The plant site is located at Agbara, Ogun State, Nigeria.

The products produced by CCRM are import substitution products and are saving scarce foreign exchange for the country. CCRM project supports the Nigerian Government's initiative to diversify the economy from being mono-product (crude oil based) to multi-product economy with strong focus on manufacturing. This project is generating direct and indirect employment opportunities for more than 200 families in Nigeria.

KABELMETAL NIGERIA PLC



Kabelmetal Nigeria Plc has established itself as the leader and pioneer in the Nigerian cable market because of its drive for excellence in quality of products and passion for innovation.

Founded by Kabelmetal, Hannover, Germany, the company is now a subsidiary of Nexans S.A Paris, which is the worldwide expert in the cable industry. It is the largest manufacturer of power- and instrumentation cables in the West African sub region. Benefiting from the parent company's cable making expertise and from over 100 years local manufacturing experience, our Company provides the nerves and sinews of the Nigerian economy.

Today, Kabelmetal Nigeria Plc is the most advanced cable manufacturer in the West Africa Sub Saharan region. As an innovator in cable products in Nigeria, the company serves a wide range of industry groups, including oil and gas, manufacturing, process, business and residential construction and of course power utilities. Its product range covers low voltage power, instrumentation and control cables. Cables for power distribution and several special cables supplement our product portfolio

In 2019, Kabelmetal received substantial working capital funding from BOI and this has helped to achieve the following:

- Improve the supply chain process
- Optimize the production process
- Improve capacity utilization
- Increase productive staff strength

Financial Statements

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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 consolidated and separate annual financial statements of Bank of Industry Limited ("the Bank") and its subsidiaries (together, "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 116 - 221.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Bank and its subsidiaries as at 31 December, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash f lows 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, 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, relevant Central Bank of Nigeria (CBN)'s Regulatory and Supervisory Guidelines for Development Finance institutions in Nigeria and other relevant 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 Consolidated and Separate annual Financial Statements section of our report. We are independent of the Group and Bank in accordance w ith the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate 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 consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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methodology incorporates information about past events. current conditions and forecasts of future economic conditions 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 prices 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. 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 2019:

- 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 obligors 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 ife 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 as a result from defaults events within a year or defined default events over the life of the facilities.
- With the assistance of our Financial Risk Management specialists, we:
    - o 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;
    - o 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 D{:)fault (PD) used in the ECL calculations;
    - o 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;
    - o 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;
    - o tested the accuracy of the calculation of the Loss Given Default (LGD) used by the Group;
    - o reviewed the valuation of the collaterals used in the ECL model;
    - 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.

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 which comprises the Corporate Information, Directors' report, Corporate governance report, Statement of Directors' Responsibilities, Report of the Audit Committee, Value Added Statement, Five year financial summary, Additional Disclosure on Managed Fund but does not include the consolidated and separate financial statements and our audit report thereon.

Our opinion on the consolidated and separate annual 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 consolidated and separate annual financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual 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 consolidated and separate annual financial statements that give a true and fair view in accordance with IFRSs 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 and relevant Central Bank of Nigeria (CBN)'s Regulatory and Supervisory Guidelines for Development Finance institutions in Nigeria and other relevant Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual 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 consolidated and separate annual 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 consolidated and separate 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.
- 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

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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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate annual 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 consolidated and separate annual 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 public 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 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and 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.

Compliance with Section 27 (2) of the Banks and the other Financial Institutions Act Cap 83, Laws of the Federation of Nigeria, 2004 and Central Bank of Nigeria circular BSD/7/2004

i. The Bank and Group paid no penalties during the year ended 31 December 2019.
ii. Related party transactions and balances are disclosed in note 38 to the 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
09 March 2020
Lagos, Nigeria

Consolidated and Separate Statement of Profit or Loss
for the year ended 31 December. 2019

	Note	GROUP		BANK	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
Gross earnings		95,465,947	82,715,642	93,583,612	79,029,642
Interest income	5	81,229,450	67,719,337	80,810,850	65,208,827
Interest Expense	6	(25,384,814)	(16,445,454)	(25,822,536)	(16,457,823)
Net interest income		55,844,636	51,273,883	54,988,314	48,751,004
Fees and commission income	7	5,936,008	4,125,293	5,657,567	3,888,351
Fees and commission expense	7.2	(2,207,284)	-	(2,207,284)	-
Net fees and commission income		3,728,724	4,125,293	3,450,283	3,888,351
Net (loss)/gain from financial instruments measured at fair value	8	2,935,676	(2,567,866)	2,935,928	(2,567,866)
Gain on sale of financial assets at FVTPL	20.1	-	233,444	-	219,926
Loss on sale of financial assets at FVOCI	20.2	(33)		-	-
Other income	9	4,316,082	5,482,414	3,111,232	4,702,514
Other operating income		7,251,725	3,147,992	6,047,160	2,354,574
Total operating income		66,825,085	58,547,168	64,485,757	54,993,929
Impairment writeback	10	3,984,407	5,155,154	4,003,964	5,010,024
Net Operating Income		70,809,492	63,702,322	68,489,721	60,003,953
Staff cost	11	(13,997,851)	(12,183,454)	(13,655,825)	(11,793,588)
Depreciation and amortisation	12	(2,499,815)	(1,972,293)	(2,923,277)	(530,597)
Other operating expenses	13	(14,976,654)	(12,883,365)	(14,507,530)	(12,326,447)
Total operating expense		(31,474,320)	(27,039,112)	(31,086,632)	(24,650,632)
Profit before tax		39,335,172	36,663,210	37,403,089	35,353,321
Taxation	28.2	(3,834)	(4,209,382)	93,006	(3,445,677)
Profit for the year		39,331,338	32,453,828	37,496,095	31,907,644
Profit attributable to:					
Owners of the Bank		39,317,049	32,446,939	37,496,095	31,907,644
Non-controlling interest		14,289	6,889	-	-
		39,331,338	32,453,828	37,496,095	31,907,644
Basic earnings per share (kobo)	33	53	44	51	43
Diluted earnings per share (kobo)	33	48	40	46	39

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December. 2019

		Note	GROUP 31-Dec-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
			N'000	N'000	N'000	N'000
	Profit for the year		39,331,338	32,453,828	37,496,095	31,907,644
	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 gains/loss on equity instrument at FVOCI		(1,349,454)	(445,569)	(1,361,117)	(438,239)
	Remeasurement of defined benefit obligation	30.2(d)	(1,638,526)	(1,195,180)	(1,571,972)	(1,144,880)
	Taxes relating to components of OCI	28.6	504,704	363,565	503,031	366,362
			(2,483,277)	(1,277,184)	(2,430,058)	(1,216,757)
	Other comprehensive income for the year net of tax		(2,483,277)	(1,277,184)	(2,430,058)	(1,216,757)
	Total Comprehensive income for the year net of tax		36,848,061	31,176,644	35,066,037	30,690,887
	Total comprehensive income attributable to:					
	Owners of the Bank		36,835,297	31,170,264	35,066,037	30,690,887
	Non-controlling interest		12,765	6,380	-	-
			36,848,061	31,176,644	35,066,037	30,690,887

The notes on pages 122 to 221 form an integral part of these financial statements

Consolidated and Separate Statement of Financial Position

As at 31 December 2019

		GROUP		BANK	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	Note	N'000	N'000	N'000	N'000
ASSETS					
Cash and bank balances	14	9,872,038	18,193,868	9,408,307	17,877,630
Due from financial institutions	15	36,633,351	107,578,150	35,791,352	106,590,574
Derivative asset	16	2,935,928	–	2,935,928	–
Investment in debt securities	18	197,850,196	261,806,710	197,386,540	61,747,312
Advances under finance lease	17	226,539	131,052	–	–
Loans and advances	19	740,032,638	634,116,033	739,420,096	633,706,120
Equity securities	20	2,571,289	3,921,028	2,550,311	3,911,426
Investment in subsidiaries	21	–	–	3,545,720	3,545,720
Other assets	22	11,362,373	7,376,899	9,931,557	6,864,505
Intangible assets	23	499,937	177,855	499,937	177,856
Property and equipment	24	24,442,706	23,321,404	20,522,247	20,138,858
Investment property	25	11,427,807	11,746,299	11,286,521	11,600,793
Deferred tax asset	28.4	2,330,222	675,882	1,488,950	–
Right of use assets	26	–		3,344,690	–
TOTAL ASSETS		1,040,185,024	1,069,045,180	1,038,112,156	1,066,160,794
LIABILITIES					
Derivative liability	16	–	1,372,808	–	1,372,808
Tax payable	28.1	2,902,622	5,073,130	2,613,315	4,685,306
Deposit for shares	31	15,000,000	15,000,000	15,000,000	15,000,000
Borrowings	29	598,199,128	686,730,273	596,363,052	684,647,342
Employee benefits	30	3,603,563	1,331,491	3,177,635	1,010,279
Deferred tax liabilities	28.4	–	–	–	165,841
Other liabilities	27	127,392,185	101,298,014	128,559,328	99,946,429
TOTAL LIABILITIES		747,097,498	810,805,716	745,713,330	806,828,005
CAPITAL AND RESERVES					
Share capital	32	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	32	51,427,211	30,815,531	51,345,947	32,447,748
Statutory reserve	32	50,562,471	39,326,952	49,952,840	38,704,011
Non - distributable reserves	32	14,519,142	9,049,290	14,396,211	9,047,144
Actuarial reserve	32	27,006	1,159,305	211,106	1,280,047
SME reserve	32	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	32	(1,794,399)	(444,945)	(1,798,498)	(437,381)
Business combinations under common control	32	919,899	919,899	919,899	919,899
Total equity attributable to owners of the company		293,032,651	258,197,353	292,398,826	259,332,789
Non controlling interest		54,875	42,111	–	–
Total equity		293,087,526	258,239,464	292,398,826	259,332,789
TOTAL LIABILITIES AND EQUITY		1,040,185,024	1,069,045,180	1,038,112,156	1,066,160,794

The financial statements were approved by the Board of Directors on 9 March 2020 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 122 to 221 form an integral part of these financial statements

Consolidated Statement of Changes in Equity - Group
As at 31 December 2019

	Note	Share Capital	Retained Earnings	Regulatory Reserve: Statutory Reserves	Regulatory Reserve: Non-Distributable Reserves	Business combination under common control	Actuarial Reserve	SME Reserve	Fair Value Reserve	Total	Non Controlling Interest	Total equity
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January, 2018 (as previously reported)		147,371,321	11,616,273	29,396,863	20,274,739	919,899	1,990,411	30,000,000	171,992	241,741,498	35,731	241,777,229
IFRS 9 Transition Adjustments		-	(13,045,542)	-	-	-	-	-	(168,867)	(13,214,409)	-	(13,214,409)
Restated balance as at 1 January, 2018		147,371,321	(1,429,269)	29,396,863	20,274,739	919,899	1,990,411	30,000,000	3,125	228,527,089	35,731	228,562,820
Total Comprehensive Income												
Profit or loss for the year		-	32,446,939	-	-	-	-	-	-	32,446,939	6,889	32,453,828
Other Comprehensive Income												
Fair value gains/loss on equity instrument at FVOCI	20								(445,569)	(445,569)	-	(445,569)
Remeasurement of defined benefit	30.2(d)	-	-	-	-	-	(1,194,671)	-	-	(1,194,671)	(509)	(1,195,180)
Tax on other comprehensive income	28.4	-	-	-	-	-	363,565	-	-	363,565	-	363,565
Total other comprehensive income		-	-	-	-	-	(831,106)	-	(445,569)	(1,276,675)	(509)	(1,277,184)
Total comprehensive income		-	32,446,939	-	-	-	(831,106)	-	(445,569)	31,170,264	6,380	31,176,644
Transactions with owners of the Bank												
Contributions and Distributions												
Dividend to equity holders		-	(1,500,000)	-	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Realised gain on equity securities at FVOCI transferred to retained earnings		-	2,501	-	-	-	-	-	(2,501)	-	-	-
Transfer to statutory reserve		-	(9,930,089)	9,930,089	-	-	-	-	-	-	-	-
Transfer to non-distributable reserves		-	11,225,449	-	(11,225,449)	-	-	-	-	-	-	-
Total Contributions and Distributions		-	(202,139)	9,930,089	(11,225,449)	-	-	-	(2,501)	(1,500,000)	-	(1,500,000)
Balance as at 31 December, 2018		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
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			39,317,049							39,317,049	14,289	39,331,338
Other Comprehensive Income												
Fair value gains/loss on equity instrument at FVOCI	20	-	-	-	-	-	0	-	(1,349,454)	(1,349,454)	-	(1,349,454)
Remeasurement of defined benefit liability	30.2(d)	-	-	-	-	-	(1,637,002)	-		(1,637,002)	(1,524)	(1,638,526)
Tax on other comprehensive income	28.4	-	-	-	-	-	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)
Realised gain on equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve		-	(11,235,518)	11,235,518		-	-	-	-	-	-	-
Transfer to/(from) non-distributable reserve		-	(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 sheet as at December 31, 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

The notes on pages 122 to 221 form an integral part of these financial statements

Consolidated Statement of Changes in Equity - Bank

As at 31 December 2019

	Share Capital	Retained Earnings	Regulatory Reserves: Statutory Reserves	Regulatory Reserves: Non Distributable Reserves	Business combination under common control	SME Reserve	Fair Value Reserve	Actuarial Reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January, 2018 (as previously reported)	147,371,321	13,353,581	29,131,718	20,271,157	919,899	30,000,000	156,149	2,058,565	243,262,390
IFRS 9 Transition adjustment		(12,967,698)					(152,790)		(13,120,488)
Balance as at 1 January, 2018 (restated)	147,371,321	385,883	29,131,718	20,271,157	919,899	30,000,000	3,359	2,058,565	230,141,902
									-
Profit or loss	-	31,907,644	-	-	-	-	-	-	31,907,644
Other Comprehensive Income									
Net change in fair value	-	-	-	-	-	-	(438,239)	-	(438,239)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(1,144,880)	(1,144,880)
Tax on other comprehensive income								366,362	366,362
Total Other Comprehensive Income	-	-	-	-	-	-	-	(778,518)	(1,216,757)
Total Comprehensive Income	-	31,907,644	-	-	-	-	(438,239)	(778,518)	30,690,887
Transactions with owners of the Bank									
Contributions and distributions									
Dividend to equity holders	-	(1,500,000)	-	-	-	-	-	-	(1,500,000)
Realised gain on equity securities at FVOCI transferred to retained earnings		2,501	-	-	-	-	(2,501)	-	-
Transfer to statutory reserve	-	(9,572,293)	9,572,293	-	-	-	-	-	-
Transfer to/from non-distributable reserves	-	11,224,013	-	(11,224,013)	-	-	-	-	-
Total contributions and distributions	-	154,221	9,572,293	(11,224,013)	-	-	(2,501)	-	(1,500,000)
Balance as at 31 December, 2018	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
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)
Net change in fair value	-	-	-	-	-	-	(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)
Realised gain on equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	(11,248,829)	11,248,829	-	-	-	-	-	-
Transfer to non-distributable reserve	-	(5,349,067)	-	5,349,067	-	-	-	-	-
Total contributions and distributions	-	(18,597,896)	11,248,829	5,349,067	-	-	-	-	(2,000,000)
Balance sheet as at December 31, 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

The notes on pages 122 to 221 form an integral part of these financial statements

Consolidated and Separate Cash Flow Statement
As at 31 December 2019

		GROUP		BANK	
	Note	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
Operating activities					
Cash from operations	34	(47,026,367)	(56,815,800)	(47,962,061)	(60,040,838)
Income tax paid	28.1	(3,323,978)	(1,859,103)	(3,130,745)	(1,501,063)
Net cash (used in)/from operating activities		(50,350,345)	(58,674,903)	(51,092,806)	(61,541,901)
Investing activities					
Dividend from equity securities	9	1,619	15,672	594	7,808
Purchase of investment properties	25	-	(614,534)	-	-
Proceed from disposal of investment properties	9.1	828,751	2,779,613	828,750	2,772,000
Proceeds from disposal of equity at FVOCI	20.2	4,016	4,553	-	4,553
Purchase of property and equipment	24	(3,262,468)	(9,817,909)	(702,926)	(7,650,786)
Purchase of Intangible assets	23	(439,436)	(33,524)	(439,435)	(33,524)
Proceed from disposal of property and equipment		28,116	373,436	-	306,269
Proceeds from redemption of debt securities	35(b)	928,431,797	513,554,605	928,431,797	513,328,538
Purchase of debt securities	35(b)	(860,989,471)	(724,725,499)	(860,585,099)	(724,685,500)
Net cash generated/(used in) investing activities		64,602,924	(218,463,587)	67,533,681	(215,950,642)
Financing activities					
Proceeds on borrowing	29.3	3,760,498	326,339,081	3,760,498	324,339,081
Repayment on borrowing	29.3	(95,001,049)	(33,401,093)	(95,001,049)	(33,401,093)
Lease liability payment		-	-	(2,198,878)	-
Deposit for shares	31	-	15,000,000	-	15,000,000
Dividend payment		(2,000,000)	(1,500,000)	(2,000,000)	(1,500,000)
Net cash (used in)/generated financing activities		(93,240,551)	306,437,988	(95,439,429)	304,437,988
Net (decrease)/increase in cash and cash equivalents		(78,987,971)	29,299,498	(78,998,553)	26,945,445
Cash and cash equivalents at 1 January		125,773,766	96,474,268	124,469,952	97,524,507
Cash and cash equivalents at 31 December	35(a)	46,785,795	125,773,766	45,471,399	124,469,952

The notes on pages 122 to 221 form an integral part of these financial statements

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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. 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 2019 comprise the Bank and its subsidiaries together referred to as "the Group"

2.1 Basis of preparation

(a) Statement of compliance

The consolidated and separate 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 of Nigeria, the Financial Reporting Council of Nigeria Act, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars. Details of the Group and Bank's accounting policies, including changes during the year, are included in Notes 3 and 4 to the consolidated and separate financial statements. The consolidated and separate financial statements were authorised for issue on 9 March, 2020.

(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 2019

(d) Use of judgements 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.

Judgement

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

- Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. 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
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- **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 43(e) for details of how judgement is applied.

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- **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 3 for details of the characterics 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. Where the assessment shows that the Group controls the relevant activities of the fund under management, the fund's assets and liability are recognised as on-balance sheet item in the Bank's financial statements. Where based on the assessment, the Bank does not have control over the relevant activities of the fund under management, the fund's assets and liabilities are reported as off-balance sheet item.

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 2019 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 and debt securities measured at FVOCI 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 43 (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

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial instruments. Explanations of inputs, assumptions and estimation techniques used in determining fair values are further detailed in Note 20.4

- **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.

- **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 consolidated and separate 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 2019.

a. IFRS 16 Leases.

The Group has initially adopted IFRS 16, Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements. IFRS

Notes to the Consolidated and Separate Financial Statements
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16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied IFRS 16 using the modified retrospective approach, under which asset are measured at an amount equal to the liability at transition date adjusted for accruals and prepayments. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

The key changes to the Group's accounting policies resulting from its adoption of IFRS 16 are summarised below.

a. Definition of a Lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is , or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as single lease component.

b. As a lessee

The Group leases assets such as motor vehicles.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right of use assets and lease liabilities for most leases - i.e. these leases are on-balance sheet.

Right of use assets that do not meet the definition of investment property are presented separately on the Statement of Financial Position. Right of use assets that meet the definition of investment property are presented within investment property. The carrying amounts of right of use assets are as below.

	Motor Vehicle	
	Group	Bank
Balance at 1 January 2019 (note 26)	-	3,625,410
Balance at 31 December 2019 (note 26)	-	3,344,690

Notes to the Consolidated and Separate Financial Statements
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I. Transition

Previously, the Group classified vehicle leases as operating leases under IAS 17. These include Pool and Attached vehicles. The leases typically run for between 3 to 4 years. There is no option to renew the lease after the end of the non-cancellable period.

At transition, for leases classified as operating leases under IAS 17, lease liabilities are measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets 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.

At transition date, the right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

c. As a lessor

The Group leases out its investment property. The Group has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 leases in which it acts as a lessor.

d. Impacts on financial statements

i. Impacts on transition

On transition to IFRS 16, the Bank recognised right-of-use assets and lease liabilities presented as part of other liabilities. At the Group level, these entries were eliminated as the transaction are between the Bank and the subsidiary. The impact on transition is summarised below.

Notes to the Consolidated and Separate Financial Statements
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Bank

	IAS 17 carrying amount 31/12/2018 N'000	IFRS 16 Adjustment N'000	IFRS 16 carrying amount 01/01/2019 N'000
Right-of-use assets	-	3,625,410	3,625,410
Lease prepayments	314,129	(314,129)	-
Net impact on total assets		3,311,281	
Lease liabilities	-	3,311,281	3,311,281
Net impact on total liabilities		3,311,281	

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 19%.

	N'000
Operating lease commitment at 31 December 2018	4,251,038
Discounted using the incremental borrowing rate at 1 January 2019	(939,757)
Recognition exemption for leases of low-value assets	-
Recognition exemption for leases with less than 12 months of lease term at transition	-
Lease Liability as at 1 January, 2019	3,311,281

b) IFRIC 23 Uncertainty over income tax treatment

The amendment clarifies how to determine the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:
-determine whether uncertain tax positions are assessed separately or as a group; and
-assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Group has adopted IFRIC 23 effective 1 January 2019.

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 and IAS 8 *Definition of material*
- Amendments to IFRS 3 *Definition of a Business*
- IFRS 17 *Insurance Contracts*
- Amendments to IFRS 10 and IAS 28

(a) Amendments to IAS 1 and IAS 8 Definition of material

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework. The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all

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relate to a revised definition of 'material' which is quoted below from the final amendments "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

(b) Amendments to IFRS 3 Definition of a Business

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.

- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and

- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted. However, the board does not expect significant impact on the financial statements.

(c) Amendments to IFRS 10 and IAS 28

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted.

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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 improves.

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.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:
–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 lease receivables
Interest expense presented in the statement of profit or loss and OCI includes:
–financial liabilities measured at amortised cost;
–interest expense on lease liabilities.

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(b) Fees and commissions

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 commitment, arrangement and processing fees) and recorded in Interest income. Commitment fees, as well as related direct costs, for loan facilities where draw down 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 draw down 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 as the related services are performed.

- 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 the scope of IFRS 9 and then applies IFRS15 to the residual.

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). Incertain 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 Bank 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 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

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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 a group 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)

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.

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-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 FVTPL.

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

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 instrumets 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.

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.

- 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.

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- 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 intenton to settle on a net basis, or to realize the assets and settle the liability simultaenouslt. 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 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.

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(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 to manage its exposure to foreign exchange rate risks, such as foreign exchange forward contracts.

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.

(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.

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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 default occurring on the financial instrument as at the date of initial recognition. In making this ssessment, 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;

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- 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 afore going, 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 significant increase in credit risk before the amount becomes past due.

(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 following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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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 life time 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.

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

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:

- 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 financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- 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

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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 and financial guarantee contracts, 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.

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.

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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.

4.5 Property and equipment

(a) Recognition and measurement

Properties and equipment are stated at cost less any impairment losses and depreciation calculated on a straight-linebasis to write-off the assets over their useful lives.

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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. 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 Group depreciates it assets over the following period

	Year
Freehold Buildings	50
Freehold land	Not depreciated
Leasehold land	Not depreciated
Construction Work in progress	Not depreciated
Motor vehicles	3
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 bank 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 life.

© 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.

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 IAS16, and the portion that is held

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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-dayservicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost and accounted for in 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated 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

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.

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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 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.

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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 consolidated 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 consolidated statement of financial position less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

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 specified period of time (the vesting period).In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(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 undiscouned 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.

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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 year, 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.

(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 carry backs.

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.

4.14 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

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The Group as a Lessor
Policy before 1 January 2019

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.

Policy from 1 January 2019
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. 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

Policy before 1 January 2019

Leases under which the Group assumes substantially all the risks and rewards of ownership, are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are separated using the interest rate implicit in the lease to identify the finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Lease of assets are classified as operating leases if the lessor effectively retains all the risks and rewards of ownership. Payments made under operating leases, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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Policy from 1 January 2019
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.

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 optins, 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

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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

Remeasurement/modifications of lease liability
The Group remeasures the lease liability (and makes a corresponding adjustment to right-of-use asset) whenever:

-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 Group and 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 affects 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

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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 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 vale date at the acquisition date as measured in accordance with IFRS 9, ‘Financial Instruments’ and (b) allocating the remaining balance of the cot of purchasing the assets and liabilities to the individual assets and liabilities, other than the financial instruments, based on their relative fair value and their relative fair value 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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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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		Note	GROUP 31-Dec-19 N'000	GROUP 31-Dec-18 N'000	BANK 31-Dec-19 N'000	BANK 31-Dec-18 N'000
5	**Interest income**					
	Interest income on financial assets carried at amortised cost:					
	Loans and advances to customers		43,278,684	25,907,745	43,151,253	25,801,493
	Loans and advances to financial institutions		2,222,098	2,961,715	2,222,098	2,961,714
	Placements with financial institutions		3,833,737	14,911,601	3,691,694	14,284,829
	Investment in debt securities		31,746,901	22,160,791	31,745,805	22,160,791
	Total interest income calculated using EIR		81,081,420	65,941,852	80,810,850	65,208,827
	Other Interest income:					
	Lease Income		148,030	1,777,485	-	-
			81,229,450	67,719,337	80,810,850	65,208,827

		Note	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000
6	**Interest expense**					
	Borrowings	6.1	25,384,814	16,445,454	25,166,707	16,457,823
	Lease liabilities	6.2	-	-	655,829	-
			25,384,814	16,445,454	25,822,536	16,457,823

6.1 The 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	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000
7	**Fees and commission income**					
	Management fee on third party funds	7.1	2,951,932	1,898,593	2,951,932	1,898,593
	Credit related fees		2,941,508	2,166,215	2,673,387	1,929,273
	Commission on letter of credit		42,568	60,485	32,248	60,485
			5,936,008	4,125,293	5,657,567	3,888,351

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.

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000
8	**Net gain/(loss) from financial instruments measured at fair value**				
	Derivative gain/(loss)	2,936,739	(2,568,542)	2,935,928	(2,568,542)
	Unrealised fair value gain/(loss) on equity investments at FVTPL	(1,063)	676	-	6 76
		2,935,676	(2,567,866)	2,935,928	(2,567,866)

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		Note	GROUP 31-Dec-19 N'000	GROUP 31-Dec-18 N'000	BANK 31-Dec-19 N'000	BANK 31-Dec-18 N'000
9	Other income					
	Gain on disposal of Investment property	9.1	778,228	2,500,512	778,228	2,500,506
	Exchange gain		1,246,251	1,385,771	1,120,916	1,201,873
	Rental income	9.2	745,624	792,841	728,824	788,380
	LPO Finance income		493	484	-	-
	Loan recoveries		229,147	99,085	229,147	99,085
	Brokerage Income		74,054	83,766	-	-
	Provision no longer required		-	28,600	-	-
	Dividend from equity securities		1,619	15,672	594	7,808
	Gain on disposal of Property and Equipment		1,442	13,592	-	669
	Other miscellaneous income		1,239,224	562,091	253,523	104,193
			4,316,082	5,482,414	3,111,232	4,702,514

9.1 During the period, the Bank sold its properties located at Magbon Close Ikoyi with a net book value of N50.52m, for a net proceed of N828.75million resulting to gain of N778.2million. A capital gains tax of N82.8 million has been recognised as part of tax expense.

9.2 The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. All amount due on leases are received in lump sum at the start of the lease term, when this is received upfront, the Group recognises this as a unearned income and recognises the income on a straight line basis over the term of the lease.

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		Note	GROUP 31-Dec-19 N'000	GROUP 31-Dec-18 N'000	BANK 31-Dec-19 N'000	BANK 31-Dec-18 N'000
10	**Impairment charges/(write back)**					
	Cash Balances	43(e)(i)	46	(5,851)	46	(5,851)
	Due from Financial Institutions	43(e)(ii)	49,967	(136,428)	41,301	(136,428)
	Investment in debt securities	43(e)(iii)	(23,392)	21,516	(23,506)	21,516
	Loans and advances	43(e)(iv)	(4,007,535)	(5,116,180)	(4,015,478)	(5,122,753)
	Other assets	43(e)(v)	(6,327)	232,491	(6,327)	233,492
	Advances under finance lease	43(e)(vi)	2,834	(150,702)	–	–
			(3,984,407)	(5,155,154)	(4,003,964)	(5,010,024)
11	**Staff costs**					
	Salaries and wages		12,390,653	11,081,811	12,098,290	10,749,324
	Expenses related to post-employment defined benefit plan	30.2(e)	376,910	180,581	329,101	124,608
	Medical and welfare expenses		1,230,288	921,062	1,228,434	919,656
			13,997,851	12,183,454	13,655,825	11,793,588
12	**Depreciation and amortisation**					
	Amortisation of intangible asset	23	117,354	58,453	117,354	58,453
	Depreciation of property and equipment	24	2,114,492	1,717,524	319,537	280,048
	Depreciation of investment property	25	267,969	196,316	263,750	192,096
	Depreciation of right of use asset	26	–	–	2,222,636	–
			2,499,815	1,972,293	2,923,277	530,597
13	**Other operating expenses**					
	Rent and rates		371,217	357,647	357,748	345,212
	Directors' emoluments	37b	523,710	245,709	511,567	238,033
	Postages and telephones		128,170	135,584	124,022	130,023
	Entertainment		277,258	286,570	272,206	282,062
	Motor running/ Staff travelling expenses		1,878,615	2,436,479	1,857,727	2,414,971
	Advertisement expenses		356,999	377,505	350,512	374,206
	Professional service fees		1,679,429	1,049,039	1,632,151	942,530
	Corporate gifts		798,641	555,407	798,641	555,407
	Business Development expenses		2,055,156	1,635,885	2,055,156	1,635,885
	Training and conference, etc		2,031,859	1,301,398	2,021,842	1,287,394
	Bank charges		40,459	22,705	35,558	19,499
	Insurance		257,815	192,088	179,529	119,470
	Subscriptions		41,022	27,824	36,237	25,651
	Donations		9,700	2,337	9,700	2,337
	Repairs and Maintenance		688,737	751,573	684,257	742,953
	Sundry expenses		138,608	107,860	90,331	67,408
	Lease rental		–	2,112,792	–	2,112,792
	Office expenses		1,338,110	893,345	1,154,927	664,957
	Printing and stationery		164,770	164,959	160,740	161,898
	Other asset write off		2,106,399	155,759	2,106,399	155,759
	Audit fee		89,980	70,900	68,280	48,000
			14,976,654	12,883,365	14,507,530	12,326,447

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			GROUP 31-Dec-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
			N'000	N'000	**N'000**	N'000
14	**Cash and Bank Balances**					
	Cash in hand		4,371	187,360	1,250	869
	Cash balances with Local Banks		3,725,444	1,201,317	3,264,834	1,048,875
	Cash Balances with Foreign Banks		4,056,144	3,224,397	4,056,144	3,249,149
	Cash with CBN		2,087,873	13,582,542	2,087,873	13,580,486
			9,873,832	18,195,616	9,410,101	17,879,378
	Allowance for impairment	43(e)(i)	(1,794)	(1,748)	(1,794)	(1,748)
			9,872,038	18,193,868	9,408,307	17,877,630
15	**Due from Financial Institutions**					
	Fixed Deposit - Local		24,273,538	54,177,237	23,422,873	53,189,661
	Fixed Deposit - Foreign		12,638,425	53,629,558	12,638,425	53,629,558
			36,911,963	107,806,795	36,061,298	106,819,219
	Allowance for impairment	43(e)(ii)	(278,612)	(228,645)	(269,946)	(228,645)
			36,633,351	107,578,150	35,791,352	106,590,574

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
Bank

31 December 2019

	Notional contract Amount N'000	Derivative Asset N'000	Derivative Liability N'000
Foreign currency swap	20,475,000	2,935,928	–
	20,475,000	2,935,928	–

31 December 2018

	Notional contract Amount N'000	Derivative Asset N'000	Derivative Liability N'000
Foreign currency swap	20,271,668	–	1,372,808
	20,271,668	–	1,372,808

The Bank entered into foreign currency swap contracts with the Central Bank of Nigeria (CBN) in Dec 2019 to swap the sum of $63,000,000 (31 December 2018:$66,150,000). This contract was exchanged at initiation date at a notional amount of $60,000,000 and to be re-exchanged at a future date with a notional amount of $63,000,000. On reporting date, the Group estimates the fair value of derivatives transacted with the CBN using the discounted cashflow technique. All significant inputs into the valuation techniques are wholly observable (e.g with reference to similar transactions in the official CBN foreign exchange market.)

During the year, the derivative contracts entered into by the Group generated net gain of N2.9billion (31 December 2018 net loss of N2.568billion), which were recognized in the statement of profit or loss and other comprehensive income. See note 8.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Note	GROUP 31-Dec-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
		N'000	N'000	N'000	N'000
17 Advances under Finance Lease					
Gross Investment	17.1	236,846	1,092,758	–	–
Unearned Income	17.1	(6,557)	(18,064)	–	–
Present value of minimum lease payments	17.1	230,289	1,074,694	–	–
Allowance for uncollectible lease payments	17.1	(3,750)	(943,642)	–	–
		226,539	131,052	–	–
17.1 Advances under finance lease may be analysed as follows:					
Gross investment in finance leases					
- No later than 1 year		122,378	1,052,294	–	–
- Later than 1 year and no later than 5 years		67,327	40,464	–	–
- More than 5 years		47,141	–	–	–
		236,846	1 ,092,758	–	–
Unearned Income		(6,557)	(18,064)	–	–
Net Investment in finance lease		230,289	1,074,694	–	–
Less Impairment allowance		(3,750)	(943,642)		
		226,539	131,052	–	–
Net Investment in finance lease					
Less than one year		115,821	1,046,676	–	–
Betweeen one and five years		67,327	28,018	–	–
More than five years		47,141	–	–	–
		230,289	1,074,694	–	–

The disclosures for 2018 have been done using IAS 17
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-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
18 Investment in debt securities at amortised cost					
Treasury Bills		15,107,916	37,663,624	14,644,246	37,623,625
CBN Omo Bills	18.1	182,745,387	224,150,285	182,745,387	224,150,286
Corporate debt securities		-	1,003,775	-	-
		197,853,303	262,817,684	197,389,633	261,773,911
Impairment allowance		(3,107)	(1,010,974)	(3,093)	(26,599)
		197,850,196	261,806,710	197,386,540	261,747,312

18.1 This represents the carrying amount of the Bank's investment in CBN OMO Bills at an interest rate of 12.2% per annum maturing on the 3rd of January 2020

	Note	GROUP 31-Dec-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
		N'000	N'000	N'000	N'000
19 Loans and Advances					
Loans to customers		526,399,776	370,015,898	525,773,252	369,599,946
Loans to financial institutions		238,567,832	295,102,920	238,567,832	295,102,920
Gross loans and advances		764,967,608	665,118,818	764,341,084	664,702,866
Less ECL allowance	43(e)(iv)	(24,934,970)	(31,002,785)	(24,920,988)	(30,996,746)
Net loans and advances		740,032,638	634,116,033	739,420,096	633,706,120

Included in loan and advances to customers as at 31 December 2019 is the loan disbursed from the Nigerian Content Development and Monitoring Board (NCDMB) Fund amounting to N7.7 billion (31 December 2018: 7.7billion).

Loans to financial institutions represents the loans disbursed from the CBN Intervention fund amounting to N264.6 billion (31 December 2018: N295 billion).

20 Equity investment securities

	GROUP 31-Dec-19	GROUP 31-Dec-18	BANK 31-Dec-19	BANK 31-Dec-18
	N'000	N'000	N'000	N'000
Quoted equity investments at FVTPL	4,440	676	676	676
Quoted equity investments at FVOCI	9,850	7,898	8,142	7,898
Unquoted equity investments at FVOCI	2,556,999	3,912,454	2,541,493	3,902,852
Total equity investment securities	2,571,289	3,921,028	2,550,311	3,911,426

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 2019	N'000	N'000	N'000	N'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

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	Quoted equity investments at FVTPL	Available for sale quoted equity investments	Available for sale unquoted equity investments	Total
31 December 2018	N'000	N'000	N'000	N'000
Opening balance (as previously stated)	116,829	562,213	4,331,143	5,010,185
IFRS 9 transition adjustment reclassification	496,709	(496,709)	-	-
Balance as at 1 January 2018 (as previously stated)	613,538	65,504	4,331,143	5,010,185
Additions during the year	-	-	-	-
Disposal during the year	(613,538)	(1,341)	(29,385)	(644,264)
Gain/(loss) in fair value recognised in P&L	676	-	-	676
Gain/(loss) in fair value recognised in other comprehensive income	-	(56,265)	(389,304)	(445,569)
Balance as at 31 December 2018	676	7,898	3,912,454	3,921,028

Bank

	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
31 December 2019	N'000	N'000	N'000	N'000
Balance as at 1 January 2019	676	7,898	3 ,902,852	3,911,426
Additions during the year	-	-	-	-
Disposal during the year	-	-	-	-
Unrealised fair value gain/(loss) recognised in P&L	-	-	-	-
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

	Quoted equity investments at FVTPL	Available for sale quoted equity investments	Available for sale unquoted equity investments	Total
31 December 2018	N'000	N'000	N'000	N'000
Balance as at 1 January 2018 (as previously stated)	116,829	507,464	4,342,787	4,967,080
IFRS 9 transition adjustment reclassification	496,709	(496,709)	-	-
Balance as at 1 January 2018 (as previously stated)	613,538	10,755	4,342,787	4,967,080
Additions during the year	-	-	-	-
Disposal during the year	(613,538)	(1,341)	(3,212)	(618,091)
Unrealised fair value gain/(loss) recognised in P&L	676	-	-	676
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	(1,516)	(436,723)	(438,239
Balance as at 31 December 2018	676	7,898	3,902,852	3,911,426

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20.1 Realised gain/(loss) on disposal of equity investments at FVTPL during the year are analysed below:

	GROUP	GROUP	BANK	BANK
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Sales proceeds	-	846,982	-	833,464
Carrying amount of investment disposed	-	(613,538)	-	(613,538)
Gain on sale of equity investment securities recognised in statement of profit or loss	-	233,444	-	219,926

20.2 Realised gain/(loss) on disposal of equity investments at FVOCI during the year are analysed below:

	GROUP	GROUP	BANK	BANK
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Sales proceeds	4,016	4 ,553	-	4,553
Carrying amount of investment disposed	(4,049)	(4,553)	-	(4,553)
Loss on sale of equity investment securities	(33)	-	-	-

20.3 Details of the Group and Bank's equity investments are presented below:

	GROUP	GROUP	BANK	BANK
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
(a) Quoted equity investment securities measured at FVTPL				
Union Trading Company Plc	676	676	676	676
Other equity investments	3,764	-	-	-
	4,440	676	676	676
(b) Quoted equity securities held for trading				
GlaxoSmith Kline	309	734	309	734
I.P.W.A Plc	3,478	3,478	3,478	3,478
Thomas Wyatt Plc	429	259	429	259
Staco Insurance Plc	3,426	3,426	3,426	3,426
Gold Insurance	500	-	500	-
Other equity investments	1,708	-	-	-
	9,850	7,898	8,142	7,898

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	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000
(c) **Quoted 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	2,490,825	3,852,184	2,490,825	3,852,184
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	22,145	16,241	6,639	6,639
	2,556,999	3,912,454	2,541,493	3,902,852
Total	2,571,289	3,921,028	2,550,311	3,911,426

No dividend income was received on the unquoted equity investment measured at FVOCI during the year.

20.4 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 and discounted cash flow technique as at 31 December 2019.

The fair value measurement for the unquoted equity securities of N3.92 billion 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 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 Terminal Growth Rate – 3.97% Risk Free Rate: Average Yield on 10-Year US Treasury Notes – 1.92% Base premium for mature equity market – 5.2% Country Risk Premium – 5.43% Market premium (MRP) – 10.63% Equity Beta – 1.2 Cost of debt – 11% Discount rate – 14.14% Liquidity discount - 10%	The estimated fair value would increase (decrease) if the following key inputs increases or (decreases): i. discount rate ii. base premium for mature equity market and country risk premium, iii. equity beta and liquidity discount. While the estimated fair value would decrease (increase) if the expected net cash flow derived from the entity increases or (decreases)

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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 31-Dec-19	Carrying Amount 31-Dec-19 N'000	Carrying Amount 31-Dec-18 N'000
Lecon Financial Services Limited (LECON)	Leasing and Financing	Lagos, Nigeria	98.10%	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-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
22	**Other assets**		N'000	N'000	N'000	N'000
	Non financial assets					
	Prepayments		4,074,513	3,103,534	3,364,541	3,357,233
	WHT receivable		1,645,620	924,576	1,426,182	765,819
	Other debit balances		13,326	475,762	6,550	475,762
	Net other non-financial assets		5,733,459	4,503,872	4,797,273	4,598,814
	Other financial assets					
	Estate and rental debtors		940,992	1,005,794	500,197	567,749
	UNDP receivable		37,249	37,249	37,249	37,249
	Due from fund holders		95,883	52,947	95,883	52,946
	Other account receivable	22.1	2,450,019	1,369,034	2,412,013	767,940
	Accrued income		265,295	202,324	265,295	202,324
	Late fee receivable		841,161	598,299	841,161	598,298
	Loan fee receivable		779,853	577,507	779,853	577,507
	Due from related companies		-	-	12,043	7,917
	Management fees receivable	22.2	1,357,625	765,623	1,310,429	701,771
	LC fees and commission receivable		89,638	93,971	89,638	89,638
	Gross other financial assets		6,857,715	4,702,748	6,343,761	3,603,339
	Less: Impairment allowance	43 (e)	(1,228,801)	(1,829,721)	(1,209,477)	(1,337,648)
	Net Other financial assets		5,628,914	2,873,027	5,134,284	2,265,691
	Total other assets		11,362,373	7,376,899	9,931,557	6,864,505

22.1 Other receivable majorly consist of receivable of N1.869 billion from Ministry of finance in respect of payment made on its behalf to ex-employees of defunct Nigeria Bank for Commerce and Industry (NBCI).

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-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
23	**Intangible assets**				
	Cost	**N'000**	N'000	**N'000**	N'000
	Opening Balance	322,344	288,820	321,574	288,050
	Acquired during the year	439,436	33,524	439,435	33,524
	Disposal	(771)	-	-	
	Closing balance	761,009	322,344	761,009	321,574
	Accumulated Depreciation				
	Opening Balance	144,489	86,036	143,718	85,265
	Charge	117,354	58,453	117,354	58,453
	Disposal	(771)	-	-	-
	Closing balance	261,072	144,489	261,072	143,718
	Opening net book value	177,855	202,784	177,856	202,785
	Closing net book value	499,937	177,855	499,937	177,856

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 year.

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24. Property and Equipment

Group

	Freehold Land N'000	Building N'000	Motor Vehicles N'000	Furniture, Fittings and equipment N'000	Construction work in progress N'000	Total N'000
Cost						
At 1 January 2018	12,025	270,750	5,295,614	2,404,644	12,213,156	20,196,189
Additions during the year	-	-	1,959,701	488,586	7,369,623	9,817,909
Reclassification	(113)	(7,500)	-	-	-	(7,613)
Disposal	-	-	(669,250)	(31,670)	(305,600)	(1,006,520)
At 31 December 2018	11,912	263,250	6,586,065	2,861,560	19,277,179	28,999,965
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
Reclassification	-	-	-	-	-	-
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**
Accumulated Depreciation						
At 1 January 2018	-	102,772	2,803,941	1,705,645	-	4,612,358
Charge for the year	761	5,404	1,385,640	325,719	-	1,717,524
Reclassification	(7)	(4,631)	-	-	-	(4,638)
Disposal	-	-	(615,271)	(31,412)	-	(646,683)
At 31 December 2018	754	103,545	3,574,310	1,999,952	-	5,678,561
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
Reclassification	-	-	-	-	-	-
Disposal	-	-	(868,759)	(4,788)	-	(873,547)
At 31 December 2019	**-**	**108,811**	**4,443,643**	**2,367,052**	**-**	**6,919,506**
Net Book Value						
At 31 December 2019	**11,912**	**154,439**	**3,441,132**	**1,155,477**	**19,679,746**	**24,442,706**
At 31 December 2018	11,158	159,705	3,011,755	861,608	19,277,179	23,321,404

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24. Property and Equipment (contd.)

Bank

	Freehold Land N'000	Building N'000	Motor Vehicles N'000	Furniture, Fittings and equipment N'000	Construction work in progress N'000	Total N'000
Cost						
At 1 January 2018	12,025	270,417	16,284	1,664,753	12,213,156	14,176,634
Additions during the year	-	-	-	281,163	7,369,623	7,650,786
Reclassification	(113)	(7,500)	-	-	-	(7,613)
Disposal	-	-	(16,016)	(305,600)	(321,616)	
At 31 December 2018	11,912	262,917	16,284	1,929,900	19,277,179	21,498,192
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**
Accumulated Depreciation						
At 1 January 2018	-	102,644	16,259	981,030	-	1,099,933
Charge for the year	761	5,395	25	273,867	-	280,048
Reclassification	(7)	(4,631)	-	-	-	(4,638)
Disposal	-	-	-	(16,009)	-	(16,009)
At 31 December 2018	754	103,408	16,284	1,238,888	-	1,359,334
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**
Net Book Value						
At 31 December 2019	11,912	154,250	415	675,924	19,679,746	20,522,247
At 31 December 2018	11,158	159,509	-	691,012	19,277,179	20,138,858

(I) There were no impairment losses on any class of property and equipment during the year (31 December 2018: 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 year ended 31 December 2019 (31 December 2018: 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 year ended (2018: NIL)
(vi) Land has been assessed to have unlimited useful life. Hence, the reversal of depreciation on land.

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26 Investment Property

		Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
		N'000	N'000	N'000	N'000
Cost					
At 1 January		13,422,802	13,129,664	13,229,341	13,550,737
Additions	-	614,534	-	-	
Reclassification		-	7,613	-	7,613
Disposal		(71,740)	(329,009)	(71,739)	(329,009)
At 31 December		13,351,062	13,422,802	13,157,602	13,229,341
Accumulated Depreciation					
At 1 January		1,676,503	1,533,070	1,628,548	1,489,335
Charge		267,969	196,316	263,750	192,096
Reclassification	-	4,638	-	4,638	
Disposal		(21,217)	(57,521)	(21,217)	(57,521)
At 31 December		1,923,255	1,676,503	1,871,081	1,628,548
Net Book Value: 1 January		11,746,299	11,596,594	11,600,793	12,061,402
Net Book Value:31 December		11,427,807	11,746,299	11,286,521	11,600,793

(a) Investment property comprises a number of properties that are leased out to third parties for rental income. Rental income from investment property of N745million (2018: N792million) has been recognised in other income

(b) The open market value of investment properties as at 31 December 2019 is N51.739 billion (31 December 2018: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 (decrease), influx of people and/or business to the area increases (decreases).

26 Right of use asset

	Group 31-Dec-19 N'000	Bank 31-Dec-18 N'000
Cost		
IFRS 16 adjustment	-	3,625,410
At 1 January 2019	-	3,625,410
Additions during the year	-	1,941,917
At 31 December 2019	-	5,567,327
Accumulated Depreciation		
At 1 January 2019	-	-
Charge for the year	-	2,222,636
At 31 December 2019	-	2,222,636
Net Carrying amount: At 1 January 2019	-	3,625,410
Net Carrying amount: At 31 December 2019	-	3,344,690

The Bank as permitted by IFRS 16 elected not to restate its comparative Financial statement. Therefore comparability would not be achieved by the fact that the comparative financial information has been prepared on IAS 17 basis. Refer to note 3 for more details on the adoption of IFRS 16.

Notes to the Consolidated and Separate Financial Statements
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27 Other 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
Accruals and deferred income	27.1	4,891,077	4,067,393	4,413,838	3,506,792
LC payable	27.2	1,682,192	2,869,667	1,682,192	2,894,072
Amount Due to Debt Management Office	27.3	1,716,976	1,717,309	1,717,153	1,717,153
Due to Fund holders	27.4	110,626,185	89,614,630	110,603,176	89,441,342
Deposits from customers		780,723	543,820	-	-
Lease Liability	27.6	-	-	3,356,422	-
Other creditors		7,695,032	2,485,195	6,786,547	2,387,070
		127,392,185	101,298,014	128,559,328	99,946,429

27.1 Accruals and deferred income

Accruals and deferred income comprises of:

		Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
Accrued expenses		2,649,252	2,024,270	2,610,057	1,885,218
Deferred income		438,044	438,044	-	-
Provision for litigation	40a	150,000	150,000	150,000	150,000
Advance deposit for legal expenses		1,509,331	1,326,577	1,509,331	1,343,072
Rental creditors		143,718	127,745	143,718 1	27,745
Dividend payable	27.5	732	757	732	757
		4,891,077	4,067,393	4,413,838	3,506,792

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)	19,914,953	17,698,158	19,914,953	17,698,158
Textile intervention fund	4,104,960	9,027,055	4,104,960	9,027,055
Nigerian Content Development and Monitoring Board (see note b below)	65,200,203	61,782,432	65,200,203	61,782,432
Sugar Development fund	59,174	71,138	59,174	71,138
GEEP	158,642	-	158,642	-
Textile revival fund	19,670,092	-	19,670,092	-
State matching funds	55,429	120,472	55,429	120,473
Other managed funds	1,462,732	915,375	1,439,723	742,086
	110,626,185	89,614,630	110,603,176	89,441,342

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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 The Board of Directors, pursuant to the powers vested in it by the provisions of section 379 of the Companies and Allied Matters Act (CAMA) of Nigeria, approved a final dividend of N0.027143 per share (2018 dividend of N0.02036 per share).

27.6 Lease Liabilities

	Note	Group 31-Dec-19 N'000	Bank 31-Dec-19 N'000
Maturity Analysis - contractual			
Less than one year		–	1,758,818
One to five years		–	2,570,269
Total undiscounted lease		–	4,329,087
Lease liabilities included in the statement of financial position at 31 December 2019		–	3,356,422
Current		–	1,601,902
Non-current		–	1,754,520
Amount recognised in profit or loss			
Interest on lease liabilities	6	–	655,829
Expenses relating to short lease	13	371,217	357,748
Amount recognised in statement of cash flows			
Lease liability payment		–	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	Group	Bank	Bank
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
At 1 January					
Current tax liability					
At 1 January		5,073,130	3,093,019	4,685,306	2,750,358
Charge for the year					
Income tax	28.2	1,070,617	3,594,915	975,901	3,191,712
Capital gains tax	28.2(a)	82,853	244,299	82,853	244,299
Paid during the year		(3,323,978)	(1,859,103)	(3,130,745)	(1,501,063)
At year ended		2,902,622	5,073,130	2,613,315	4,685,306

The Group has assessed that the new Finance act signed on the 13th of February 2020 will be effective for accounting period ending before the signed date. In view of this, the accounting tax position reflected in this financials is consistent with the provisions of the newly signed finance act of 13th January 2020. This is the planned position the Group plans to use in filings its income tax.

28.2 Income Tax Recognised in statement of profit or loss

		Group	Group	Bank	Bank
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
Current Tax					
Company Income tax		696,716	2,760,192	600,000	2,639,202
Education Tax		4 40	198,976	-	198,976
Information technology levy		374,031	388,914	374,031	353,534
Nigerian policy trust fund levy		1,870		1,870	
Tax (over)/under provision		(2,440)	246,833		-
		1,070,617	3,594,915	975,901	3,191,712
Capital gain tax (see note(a) below)		82,853	244,299	82,853	244,299
Tax expense		1,153,470	3,839,214	1,058,754	3,436,011
Deferred tax recognised in	28.4	(1,149,636)	370,168	(1,151,760)	9,666
Total income tax recognised in statement of profit or loss		3,834	4,209,382	(93,006)	3,445,677

(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).

Notes to the Consolidated and Separate Financial Statements
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28.3 Income Tax Reconciliation

	Group				Bank			
	%	31-Dec-19 N'000	%	31-Dec-18 N'000	%	31-Dec-19 N'000	%	31-Dec-18 N'000
Profit before Tax		39,335,172		36,663,210		37,403,089		35,353,321
Income tax expense calculated at 30% of PBT (2018: 30%)	30.00%	11,800,552	30.00%	10,998,963	30.00%	11,220,927	30.00%	10,605,996
Effect of income that is exempt from taxation	(30.92%)	(12,162,466)	(25.34%)	(9,291,313)	(32.52%)	(12,162,466)	(26.28%)	(9,291,313)
Effect of expense that are not deductible in determining taxable profit	1.01%	398,706	3.74%	1,371,829	1.07%	398,706	3.63%	1,283,304
Effect of information technology levy	0.95%	374,031	1.06%	388,914	1.00%	374,031	1.00%	353,534
Effect of Nigeria Police Trust fund levy	0.00%	1 ,870	0.00%		0.00%	1 ,870	0.00%	
Effect of minimum tax	0.00%	-	0.00%	-	0.00%		0.00%	-
Effect of education tax	0.00%	-	0.54%	198,976	0.00%	-	0.56%	198,976
Effect of capital gain tax	0.21%	82,853	0.67%	244,299	0.22%	82,853	0.69%	244,299
Effect of change in tax rate	(0.41%)	(161,928)	0.00%	-	(0.43%)	(161,928)	0.00%	-
Effect of tax incentive	(0.01%)	(4,119)	(0.01%)	(5,153)	(0.01%)	(4,119)	(0.01%)	(5,153)
Over/(Under) provision relating to prior years	0.00%	-	0.67%	246,833	0.00%	-	0.00%	-
Others	(0.83%)	(325,674)	0.15%	56,034	0.42% 1	57,120	0.16%	56,034
Income tax expense recognised in profit or loss	0.01%	3,825	11.48%	4,209,382	(0.25%)	(93,006)	9.75%	3,445,677

Notes to the Consolidated and Separate Financial Statements
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28.4 Deferred tax assets/(liabilities)

	Notes	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
		N'000	N'000	N'000	N'000
At 1 January		675,882	682,485	(165,841)	(522,537)
Charge to profit or loss	28.2	1,149,636	(370,168)	1,151,760	(9,666)
Charge to other comprehensive income	28.6	504,704	363,565	503,031	366,362
At end of the year		2,330,222	675,882	1,488,950	(165,841)

28.5 Deferred Tax Balances

	Notes	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
		N'000	N'000	N'000	N'000
Deferred Tax assets		5,249,189	3,312,758	4,698,183	2,763,386
Deferred Tax Liabilities		(2,918,967)	(2,636,876)	(3,209,233)	(2,929,227)
		2,330,222	675,882	1,488,950	(165,841)

28.6 Component of deferred tax

Components and movement in deferred tax balances are presented as follows:

Group

31 December 2019

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	N'000	N'000	N'000	N'000
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
Other liabilities	-		-	-
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

31 December 2018

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(1,719,141)	(414,491)	-	(2,133,632)
Trading properties	923,740	(923,740)		-
Employee benefit	13,847	(15,150)	363,565	362,262
Loans & advances	2,559,671	(50,438)	-	2,509,233
Other liabilities	(89,288)	89,288	-	-
Exchange differences	(1,106,305)	603,061	-	(503,244)
Tax losses	99,961	341,302	-	441,263
	682,485	(370,168)	363,565	675,882

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28.6 Component of deferred tax
Components and movement in deferred tax balances are presented as follows:

Bank

31 December 2019	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	N'000	N'000	N'000	N'000
Deferred tax (liabilities)/assets in relation to:				
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
31 December 2018				
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(1,711,359)	(833,269)	-	(2,544,628)
Employee benefit	17,908	(112,892)	366,362	271,378
Loans & advances	2 ,277,219	214,789	-	2,492,008
Exchange differences	(1,106,305)	721,706	-	(384,599)
	(522,537)	(9,666)	366,362	(165,841)

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	N'000	N'000	N'000	N'000
29 Borrowings				
CBN Intervention fund (Note 29.1 (i))	288,863,441	330,912,240	288,863,441	330,912,240
AFDB Borrowing fund(Note 29.1 (ii))	21,949,409	25,330,318	21,949,409	25,330,318
CBN Industrial fund Borrowing (Note 29.1 (iii))	101,049,315	101,293,151	101,049,315	101,293,151
Afrexim Borrowing (Note 29.1 (iv))	184,500,887	227,111,633	184,500,887	227,111,633
Other borrowing	1,836,076	2,082,931	-	-
	598,199,128	686,720,273	596,363,052	684,647,342

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29.1 Summary of borrowing arrangements

i) CBN Intervention Fund
The Central Bank of Nigeria (CBN) in 2010 invested N500 billions in a zero coupon debenture instruments 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 N200billion to the SME subsectors. An additional amount of N35billion 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) Borrowings from Afrexim
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 is 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 360 days.

iv) CBN Industrial Fund Borrowing
In 2017, the Central Bank of Nigeria (CBN) provided to the bank a N50bn facility. This facility was introduced to stimulate the failing industrial sector of the country. The activities to be covered under this facility are manufacturing activities. Subsequent to provision of the first tranche of N50bn, a second facility of N50bn has been added, thereby bringing the total sum to N100bn. The facility holds a tenure of 8 years and interest rate of 2% per annum.

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 2019 N'000	Financing Cash flow Net principal proceed and Repayments 2019 N'000	Interest accrual as at 31 December 2019 N'000	Balance as at 31 December 2019 N'0000
CBN Intervention fund Borrowing	330,912,240	(42,048,799)	-	288,863,441
AFDB Borrowing	25,330,318	(3,243,867)	(137,042)	21,949,409
CBN Industrial Fund Borrowing	101,293,151	-	(243,836)	101,049,315
Afrexim Borrowing Fund	227,111,633	(45,947,884)	3,337,138	184,500,887
Other borrowing	2,082,931	-	(246,855)	1,836,076
	686,730,273	(91,240,550)	2,709,405	598,199,128

Bank

	Balance as at 1January 2019 N'000	Financing Cash flow Net principal proceed and Repayments 2019 N'000	Interest accrual as at 31 December 2019 N'000	Balance as at 31 December 2019 N'0000
CBN Intervention fund Borrowing	330,912,240	(42,048,799)	-	288,863,441
AFDB Borrowing	25,330,318	(3,243,867)	(137,042)	21,949,409
CBN Industrial Fund Borrowing	101,293,151	-	(243,836)	101,049,315
Afrexim Borrowing Fund	227,111,633	(45,947,884)	3,337,138	184,500,887
	684,647,342	(91,240,550)	2,956,260	596,363,052

30 Employee benefit obligations

	Group		Bank	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Defined Pension Contribution (see note (30.1) below)	151,679	294,853	10,016	162,223
Defined benefits (see note (30.2) below)	3,451,884	1,036,638	3,167,619	848,056
	3,603,563	1,331,491	3,177,634	1,010,279

30.1 Defined pension contribution

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
At 1 January	294,853	184,644	162,223	48,149
Arising during the year	1,015,694	962,029	961,754	898,609
Remittance during the year	(1,158,868)	(851,820)	(1,113,961)	(784,535)
At year ended	151,679	294,853	10,016	162,223

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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 his service. The retirement age is either the date on which the employee attains the age of 60 or had spent 35 years in service. 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 Messrs. 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-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
The principal assumptions used for the purposes of the actuarial valuations are as follows:				
Discount Rate	11.8%	16.5%	11.8%	16.5%
Expected Rates of Salary Increase	5%	13%	5%	13%
Rate of inflation	11.34%	12%	11.34%	12%
The details of the defined plans are as below:				
Present Value of defined benefit obligation	4,983,056	2,769,407	4,609,084	2,480,741
Fair Value of planned assets	(1,531,172)	(1,732,769)	(1,441,465)	(1,632,685)
Net Liability arising from defined benefit obligation	3,451,884	1,036,638	3,167,619	848,056

30.2(a) Movements in the present value of the defined benefit obligation in the current year as follows

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
At 1 January	2,769,407	2,118,460	2,480,741	1,779,929
Current Service Cost	204,687	131,364	188,735	114,759
Interest Cost	459,196	349,576	411,307	293,688
Actuarial losses/(gains) (note 30.2d)	1,613,511	1,140,311	1,552,121	1,094,602
Benefits Paid	(63,745)	(970,304)	(23,820)	(802,237)
At 31 December	4,983,056	2,769,407	4,609,084	2,480,741

30.2(b) Planned Asset

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
Opening Fair value	1,732,769	1,820,354	1,632,685	1,720,235
Expected return on plan asset	286,973	300,359	270,941	283,839
Employer contribution	18,680	637,229	-	481,126
Actuarial gain/(loss) (note 30.2d)	(25,015)	(54,869)	(19,851)	(50,278)
Benefit paid	(482,235)	(970,304)	(442,310)	(802,237)
	1,531,172	1,732,769	1,441,465	1,632,685

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	Group		Bank	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
30.2(c) Planned asset comprise of the following				
FGN Bonds	289,239	398,121	289,239	398,121
Corporate Bonds	24,553	50,727	24,553	50,727
Treasury Bills	948,457	832,637	948,457	832,637
Commercial Papers	-	292,557	-	292,557
Cash and cash equivalent	268,924	158,727	179,216	58,643
	1,531,173	1,732,769	1,441,465	1,632,685

	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	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)	(1,613,511)	(1,140,311)	(1,552,121)	(1,094,602)
Planned asset (note 30.2b)	(25,015)	(54,869)	(19,851)	(50,278)
	(1,638,526)	(1,195,180)	(1,571,972)	(1,144,880)

30.2(e) Amounts recognised in profit or loss in respect of these defined benefit obligations

	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Current Service Cost	204,687	131,364	188,735	114,759
Interest on obligation	459,196	349,576	411,307	293,688
Expected Return on planned assets	(286,973)	(300,359)	(270,941)	(283,839)
	376,910	180,581	329,101	124,608

31 Deposit for shares

	Group	Group	Bank	Bank
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Deposit for shares	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.

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32 Share Capital and Reserves

32(a) Share Capital

	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	N'000	N'000	N'000	N'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 2019 -73,685,660,619; (31 December 2018 -73,685,660,619) Ordinary shares of N2 each:	147,371,321	147,371,321	147,371,321	147,371,321

There was no additional capital during the current year.

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 16(1) of the Bank and Other Financial Institutions Act of 1991 (amended), 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

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	N'000	N'000	N'000	N'000
Profit for the year attributable to shareholders	39,331,338	32,453,828	37,496,095	31,907,644
Weighted average number of ordinary shares in issue as at year end (unit) '000'	73,685,661	73,685,661	73,685,661	73,685,661
Earning per share - basic (kobo)	53	44	51	43

32.2 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-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	N'000	N'000	N'000	N'000
Profit for the year attributable to shareholders	39,331,338	32,453,828	37,496,095	31,907,644
Weighted average number of ordinary shares in issue as at year end (unit) '000'	73,685,661	73,685,661	73,685,661	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	81,185,661	81,185,661	81,185,661	81,185,661
Earning per share - Diluted (kobo)	48	40	46	39

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		Note	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
			N'000	N'000	N'000	N'000
34	**Reconciliation of profit after tax to cash generated from operation**					
	Profit for the year		39,331,338	32,453,828	37,496,095	31,907,644
	Income tax expense recognised in profit or loss		3,834	4,209,382	(93,006)	3,445,677
			39,335,172	36,663,210	37,403,089	35,353,321
	Adjustment for non-cash items					
	Writeback on loans and advances	10	(4,007,535)	(5,116,180)	(4,015,478)	(5,122,753)
	Other asset write off	13	2,106,399	155,759	2,106,399	155,759
	Impairment charge/(Write back) on leases	10	2,834	(150,702)	-	-
	(Writeback)/Impairment charge for prepayment and other assets	10	(6,327)	232,491	(6,327)	233,492
	(Writeback)/Impairment on debt securities	10	(23,392)	(136,428)	(23,506)	21,516
	Impairment/(writeback) on cash Balances	10	46	(5,851)	46	(5,851)
	Impairment/(writeback) on due from financial institutions	10	49,967	21,516	41,301	(136,428)
	Amortisation - Intangible assets	12	117,354	58,453	117,354	58,453
	Depreciation charge- Investment properties	12	267,969	196,316	263,750	192,096
	Depreciation - Property and equipment	12	2,114,492	1,717,524	319,537	280,048
	Depreciation - Right of use assets	12	-		2,222,636	
	Gain on disposal of Investment property	9	(778,228)	(2,500,512)	(778,228)	(2,500,506)
	Loss/(gain) on disposal of equity	20.2	33	-	-	-
	Gain from disposal of property and equipment	9	(1,442)	(13,592)	-	(669)
	Dividend from equity securities	9	(1,619)	(15,672)	(594)	(7,808)
			39,175,723	31,106,333	37,649,979	30,629,964
	Changes in operating assets and liabilities					
	Increase in traded equity instruments		(3,764)	116,153	-	116,153
	(Increase)/Decrease in derivative instruments		(4,308,736)	2,109,294	(4,308,736)	-
	(Increase)/Decrease in advances under lease		(98,322)	281,435	-	-
	(Increase)/Decrease in loans and advances		(101,909,070)	(115,927,410)	(101,698,498)	(115,966,738)
	Increase in prepayment, accrued income and other assets		(9,547,967)	(1,784,445)	(8,629,544)	(2,174,237)
	Increase in right-of-use assets		-	-	(5,567,327)	-
	Increase in staff gratuity		633,546	(346,438)	595,384	(242,445)
	Increase in other liabilities		29,032,223	27,629,279	33,996,680	27,596,465
			(47,026,367)	(56,815,800)	(47,962,061)	(60,040,838)

		Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
35(a)	**Cash and cash equivalents**	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
	Cash and bank balances	9,873,832	18,195,616	9,410,101	17,879,378
	Due from financial institution	36,911,963	107,578,150	36,061,298	106,590,574
		46,785,795	125,773,766	45,471,399	124,469,952

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	Note	Group 31-Dec-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
35(b) Reconciliation of gross investment in debt securities					
Opening balance of debt securities		262,817,684	51,646,790	261,773,911	50,416,949
Purchase of debt securities		860,989,471	724,725,499	860,585,099	724,685,500
Redemption of debt securities		(928,431,797)	(513,554,605)	(928,431,797)	(513,328,538)
Write off		(984,475)	-	-	-
Interest accrued and receipts		3,462,420	-	3,462,420	-
		197,853,303	262,817,684	197,389,633	261,773,911
36) Statement of prudential adjustment					
Provision per prudential guidelines		39,346,602	40,052,075	39,317,198	40,043,891
Impairment per IFRS	19	(24,934,970)	(31,002,785)	(24,920,988)	(30,996,747)
Non distributable reserves		14,411,632	9,049,290	14,396,210	9,047,145

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 2019, the sum of N5.35 billion was transferred from Bank's retained earnings to loan impairment reserve while N5.46 billion was transferred from the Group's retained earnings to loan impairment 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-19	Group 31-Dec-18	Bank 31-Dec-19	Bank 31-Dec-18
	Number	Number	Number	Number
Managing Director	1	1	1	1
Executive Directors	5	6	4	4
Management	48	40	32	26
Non-management	462	438	414	389
	516	485	451	420

Notes to the Consolidated and Separate Financial Statements
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37 Employees and Directors (cont'd)

Compensation for the above staff is set out below

		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
Wages and salaries		12,605,247	11,040,843	12,364,970	10,770,371
Pension cost:					
Defined contribution	30.1	1,015,694	962,029	961,754	898,609
Defined benefits	30.2(e)	376,910	180,581	329,101	124,608
		13,997,851	12,183,453	13,655,825	11,793,588

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-19	31-Dec-18	31-Dec-19	31-Dec-18
	Number	Number	Number	Number
N300,001 - N2,000,000	27	20	2	-
N2,000,001 - N2,800,000	6	6	2	2
N2,800,000 - N3,500,000	2	4	-	3
N3,500,001 - N4,000,000	4	1	-	-
N4,000,001 - N5,500,000	13	81	-	64
N5,500,001 - N6,500,000	73	6	67	-
N6,500,001 - N7,800,000	78	63	75	63
N7,800,001 - N9,000,000	78	75	73	72
N9,000,001 - and above	235	229	232	216

b Directors

Remuneration paid to the directors was:				
Fees and sitting allowances	83,960	103,679	83,960	103,679
Other directors expenses and benefits	439,750	142,030	427,607	134,354
	523,710	245,709	511,567	238,033
Fees and other emoluments disclosed above include amount paid to:				
The Chairman	24,835	23,367	24,835	23,367

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Bank		Group	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	Number	Number	Number	Number
Below N1,000,000	13	15	-	-
N1,000,000 - N2,000,000	5	2	-	-
N2,000,001 - N3,000,000	-	-	-	-
N5,500,001 - and above	7	5	7	5

Notes to the Consolidated and Separate Financial Statements
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38 Related party transactions:
a Parent:
Bank of Industry Limited (BOI) is the ultimate parent company and its subsidiaries are as listed in note 38(b) below.

b Subsidiaries:
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-19 Effective holding %	31-Dec-19 Nominal share capital held N'000	31-Dec-18 Effective holding %	31-Dec-18 Nominal share capital held N'000
BOI Investment and Trust Company Limited	**100.0%**	**110,000**	100.0%	110,000
LECON	**98.1%**	**3,270,038**	98.1%	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 2019	Balance as at 31 December 2018
Central Bank of Nigeria	Shareholder	Investment in OMO Bills	**182,745,387**	235,289,209
		Borrowings	**(389,912,756)**	(432,205,391)
Ministry of Finance Incorporated	Shareholder	Receivable from MOFI	**1,869,448**	790,579
LECON	Subsidiary	Lease of assets:		
		Right of Use assets	**3,344,690**	-
		Lease liability	**3,356,422**	-

c 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.

d Key management compensation
The remuneration of directors and other members of key management personnel during the year was as follows:

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Bank 31-Dec-19 N'000	Bank 31-Dec-18 N'000
Salaries and other short-term benefits	**1,861,099**	1,654,821	**1,861,099**	1,654,821
Post Employment Benefits	**231,658**	143,151	**231,658**	143,151

e 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. Mortgage loans amounting to N2.129billion as at 31 December 2019 (31 December 2018: N1.317billion) are secured by the underlying assets.

Notes to the Consolidated and Separate Financial Statements
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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 42 cases (31 December 2018: 80 cases) as a defendant and 3 cases (31 December 2018: 4 cases) as a plaintiff, in its ordinary course of business. The total amount claimed in the 3 cases (31 December 2018: 4 cases) instituted by the Bank is estimated at N1.208 billion (31 December 2018: N916.94million), while the total amount claimed in the 42 cases (31 December 2018: 80 cases) instituted against the Bank is N177.73billion (31 December 2018: N179.24billion) for which provisions amounting to N150 million have been made. In addition, the total amount counter-claim by the bank from cases instituted against it is estimated at N5.143billion (31 December 2018: N1.452billion).

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 judgments. The FHC ordered the defendants to pay an estimated sum of N2.1 billion, the Bank has filed for appeal and this is currently pending before the Appeal Court.

The Directors believe that the appeal filed before the Court of Appeal has a high chance of success.

The Directors are currently contesting other litigations against the Bank and are of the view that a high level of success is expected.

Accordingly, the Directors believe there will be no material adverse effect to the financial statements.

b Capital commitments

At the reporting date, the Group had no capital commitments as at 31 December 2019 (31 December 2018: 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 2019 and its operating results for the period then ended which have not been adequately provided for or disclosed in these financial statements.

42 Fund under management

This relates to balances of the various funds managed by the bank on behalf of the Federal Government, State Governments of Nigeria and other government agencies as at 31 December 2019.

Funds under management are not assets of the Bank and are not recognised in the statement of financial position.

As at year end, the net assets of funds under management by the Bank was N113.149 billion (2018: N96.8 billion)

The Bank earned a total fee of N2.95 billion (31 December 2018: N1.89 billion) from the management of third party funds during the year. Additional disclosures on managed funds are included as part of Other National Disclosures.

Notes to the Consolidated and Separate Financial Statements
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43 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), contingent 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.

Principal credit objectives
The Bank's principal credit objective is to manage risks in order that ts 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 2019

43 Financial risk management (contd.)

The Group also have an Executive Management Committee charged with the responsibility of:

i) Review 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 have the Risk Management Division(RMD). RMD has the primary responsibility of monitoring compliance with the Group's credit policies and processes. It has four groups: Credit Risk Management (credit Administration Department, Credit Control Department, Credit Monitoring Department), Loan Recovery, Compliance Risk and Other Enterprise Risk Management. The division's primary responsibilities are to:

i) Ensure the maintenance of effective risk management environment in the Bank.
ii) Develop credit analysis guidelines for the Group and recommend credit approval limits in line with 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.

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43 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:

43a) Authority level Approval limit

Chief Risk Officer and General Manager	Above N1m and up to N5m
Chief Risk Officer and Line Executive Directors	Above N5m and up to N10m
Micro Credit Committee (MICC)	Above N10m and up to N50m
MICC, Executive Director & MD/CEO	Above N50m and up to N100m
Executive Management Committee	Above N100m and up to N3bn
Board Credit and Investment Committee	Above N3bn and up to N5bn
Board of Directors	Above N5bn

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:

43b) 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 all loans.

Notes to the Consolidated and Separate Financial Statements
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43 Financial risk management (contd.)

Group

	31 December 2019		31 December 2018	
	Total Exposure	Value of Collateral	Total Exposure	Value of Collateral
	N'm	N'm	N'm	N'm
Secured against Bank Guarantees	437,724,921	445,628,789	305,518,526	413,028,759
Secured against Cash Collaterals, lien over fixed & Floating assets	9,396,422	13,807,420	7,338,167	36,880,534
Secured against Federal Government Bond	261,138,456	241,253,498	299,015,684	299,503,480
Secured against Trust Deed	465,952	6,272,737	1,618,692	131,513,077
Secured against Real Estate	49,528,802	80,980,598	48,811,677	146,494,782
Secured against Personal Guarantee	6,713,055	6,918,738	2,816,072	5,640,508
Unsecured	-	-	-	-
	764,967,608	794,861,780	665,118,818	1,033,061,140

Bank

	31 December 2019		31 December 2018	
	Total Exposure	Value of Collateral	Total Exposure	Value of Collateral
	N'm	N'm	N'm	N'm
Secured against Bank Guarantees	437,724,921	445,628,789	305,518,526	413,028,759
Secured against Cash Collaterals, lien over fixed & Floating assets	9,396,422	13,807,420	7,338,167	36,880,534
Secured against Federal Government Bond	261,138,456	241,253,498	299,015,684	299,503,480
Secured against Trust Deed	465,952	6,272,737	1,618,692	131,513,077
Secured against Real Estate	48,902,206	80,980,598	48,811,677	146,494,782
Secured against Personal Guarantee	6,713,127	6,918,738	2,400,120	5,188,556
Unsecured	-	-	-	-
	764,341,084	794,861,780	664,702,866	1,032,609,188

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

43(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 2019	31 December 2018
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	57,208,850	47,812,223
Creative Industry	55,383,386	18,709,476
Engineering & Technology	45,540,771	29,295,701
Food processing	112,793,777	108,538,547
Gas & Petrochemicals	99,854,648	105,953,963
Solar & Energy	-	637,657
Solid Minerals	123,134,380	44,926,993
Gender Business	5,436,341	6,022,613
Financial Institutions	259,873,425	299,073,722
Others	5,742,031	4,147,923
	764,967,608	665,118,818

	Bank Loans and advances to customers	
	31 December 2019	31 December 2018
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	57,208,850	47,812,223
Creative Industry	55,383,386	18,709,476
Engineering & Technology	45,540,771	29,295,701
Food processing	112,793,777	108,538,547
Gas & Petrochemicals	99,854,648	105,953,963
Solar & Energy	-	637,657
Solid Minerals	123,134,380	44,926,993
Gender Business	5,436,341	6,022,613
Financial Institutions	259,873,425	299,073,722
Others	5,115,506	3,731,971
	764,341,084	664,702,866

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For the year ended 31 December 2019

43 Financial risk management (contd.)

43(d) Exposure to credit risk

The tables below detail the Bank's maximum exposure to credit risk of financial assets.

Group

31-Dec-19	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'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

31-Dec-18	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'000
Cash and bank balances	14	18,195,616	(1,748)	18,193,868
Due from financial institutions	15	107,806,795	(228,645)	107,578,150
Investment in debt securities	18	262,817,684	(1,010,974)	261,806,710
Loans and advances	19	665,118,818	(31,002,785)	634,116,033
Advances under lease	17	1,074,694	(943,642)	131,052
Other assets	22	4,702,748	(1,849,721)	2,853,027
		1,059,716,355	(35,037,515)	1,024,678,840

Bank

31-Dec-19	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'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

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

43(d) Exposure to credit risk

31-Dec-18	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'000
Cash and bank balances	14	17,879,378	(1,748)	17,877,630
Due from financial institutions	15	106,819,219	(228,645)	106,590,574
Investment in debt securities	18	261,773,911	(26,599)	261,747,312
Loans and advances	19	664,702,866	(30,996,746)	633,706,120
Other assets	22	3,603,339	(1,337,648)	2,265,691
		1,054,778,713	(32,591,386)	1,022,187,327

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 30 days	12month ECL
Watchlist	Amount is greater than 29 days past due but less than 90 days or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Substandard/Impaired	Amount is greater 89 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired

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For the year ended 31 December 2019

43 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 44(e)

Group		Note	31 December 2019				31 December 2018			
			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1	Cash and Bank Balances		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
	Performing		9,873,832	-	-	9,873,832	18,195,616	-	-	18,195,616
	Gross amount		9,873,832	-	-	9,873,832	18,195,616	-	-	18,195,616
	Loss allowance	43(e)(I)	(1,794)	-	-	(1,794)	(1,748)	-	-	(1,748)
	Carrying amount		9,872,038	-	-	9,872,038	18,193,868	-	-	18,193,868
2	Due from Financial Institutions									
	Performing		36,750,000	-	161,963	36,911,963	107,806,795	-	-	107,806,795
	Gross amount		36,750,000	-	161,963	36,911,963	107,806,795	-	-	107,806,795
	Loss allowance	43(e)(ii)	(116,649)	-	(161,963)	(278,612)	(228,645)	-	-	(228,645)
	Carrying Amount		36,633,351	-	-	36,633,351	107,578,150	-	-	107,578,150
3	Investment in debt securities									
	Performing		197,853,303	-	-	197,853,303	261,813,909	-	-	261,813,909
	Watchlist		-	-	-	-	-	1,003,775	-	1,003,775
	Gross amount		197,853,303	-	-	197,853,303	261,813,909	1,003,775	-	262,817,684
	Loss allowance	43(e)(iii)	(3,107)	-	-	(3,107)	(26,599)	(984,375)	-	(1,010,974)
	Carrying Amount		197,850,196	-	-	197,850,196	261,787,310	19,400	-	261,806,710
4	Loans and advances measured at amortised cost									
	Performing		708,736,241	-	-	708,736,241	462,131,673	-	-	462,131,673
	Watchlist		-	21,334,545	-	21,334,545	-	165,966,961	-	165,966,961
	Substandard -Impaired		-	-	34,896,822	34,896,822	-	-	37,020,184	37,020,184
	Gross amount		708,736,241	21,334,545	34,896,822	764,967,608	462,131,673	165,966,961	37,020,184	665,118,818
	Loss allowance	43(e)(iv)	(3,348,322)	(2,208,946)	(19,377,702)	(24,934,970)	(2,410,176)	(5,067,988)	(23,524,620)	(31,002,785)
	Carrying Amount		705,387,919	19,125,599	15,519,120	740,032,638	459,721,497	160,898,973	13,495,563	634,116,033

Notes to the Consolidated and Separate Financial Statements
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43 Financial risk management (contd.)

Group

	Note	31 December 2019 Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	31 December 2018 Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
5 Other assets									
Performing		-	-	-	-	-	-	-	
Watchlist		-	6,857,715	-	6,857,715	-	4,702,748	-	4,702,748
Gross amount		-	6,857,715	-	6,857,715	-	4,702,748	-	4,702,748
Loss allowance	43(e)(vi)	-	(1,228,801)	-	(1,829,721)	-	(1,829,721)		
Carrying Amount		-	5,628,914	-	5,628,914	-	2,873,027	-	2,873,027
6 Derivative asset									
Performing		2,935,928	-	-	2,935,928	-	-	-	-
Gross amount		2,935,928	-	-	2,935,928	-	-	-	-
Loss allowance		-	-	-		-	-	-	-
Carrying Amount		2,935,928	-	-	2,935,928	-	-	-	-
7 Advances under finance lease									
Performing		230,289	-	-	230,289	120,525	-	-	120,525
Substandard -Impaired		-	-	-	-	-	-	954,169	954,169
Gross amount		230,289	-	-	230,289	120,525	-	954,169	1,074,694
Loss allowance	43(e)(vi)	(3,750)	-	-	(3,750)	-	-	(943,642)	(943,642)
Carrying Amount		226,539	-	-	226,539	-	-	10,527	131,052

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 2019 Notional Amount	Fair value	31 December 2018 Notional Amount	Fair value
Derivative assets	20,475,000	2,935,928	-	-
Derivative liabilities	-	-	20,271,668	(1,372,808)
	20,475,000	2,935,928	20,271,668	(1,372,808)

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43 Financial risk management (contd.)

Bank

	Note	31 December 2019 Stage 1 12 month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000	31 December 2018 Stage 1 12 month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
1 Cash and Bank Balances									
Performing		9,410,101	-	-	9,410,101	17,879,378	-	-	17,879,378
Watchlist		-	-	-	-	-	-	-	-
Substandard - Impaired		-	-	-	-	-	-	-	-
Gross amount		9,410,101	-	-	9,410,101	17,879,378	-	-	17,879,378
Loss allowance	43(e)(I)	(1,794)	-	-	(1,794)	(1,748)	-	-	(1,748)
Carrying amount		9,408,307	-	-	9,408,307	17,877,630	-	-	17,877,630
2 Due from Financial Institutions									
Performing		35,899,335	-	161,963	36,061,298	106,819,219	-	-	106,819,219
Watchlist		-	-	-	-	-	-	-	-
Substandard -Impaired		-	-	-	-	-	-	-	-
Gross amount		35,899,335	-	161,963	36,061,298	106,819,219	-	-	106,819,219
Loss allowance	43(e)(ii)	(107,982)	-	(161,963)	(269,945)	(228,645)	-	-	(228,645)
Carrying Amount		35,791,353	-	-	35,791,353	106,590,574	-	-	106,590,574
3 Investment in debt securities									
Performing		197,389,633	-	-	197,389,633	261,773,911	-	-	261,773,911
Watchlist		-	-	-	-	-	-	-	-
Substandard -Impaired		-	-	-	-	-	-	-	-
Gross amount		197,389,633	-	-	197,389,633	261,773,911	-	-	261,773,911
Loss allowance	43(e)(iii)	(3,092)	-	-	(3,092)	(26,599)	-	-	(26,599)
Carrying Amount		197,386,541	-	-	197,386,541	261,747,312	-	-	261,747,312
4 Loans and advances measured at amortised cost									
Performing		708,109,716	-	-	708,109,716	461,716,160	-	-	461,716,160
Watchlist		-	21,334,545	-	21,334,545	-	165,966,931	-	165,966,931
Substandard -Impaired		-	-	34,896,822	34,896,822	-	-	37,019,775	37,019,775
Gross amount		708,109,716	21,334,545	34,896,822	764,341,083	461,716,160	165,966,931	37,019,775	664,702,866
Loss allowance	43(e)(iv)	(3,342,722)	(2,208,916)	(19,369,350)	(24,920,988)	(2,404,576)	(5,067,958)	(23,524,212)	(30,996,746)
Carrying Amount		704,766,995	19,125,629	15,527,472	739,420,096	459,311,584	160,898,973	13,495,563	633,706,120

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43 Financial risk management (contd.)

Group

	Note	31 December 2019 Stage 1 12 month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000	31 December 2018 Stage 1 12 month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
5 Other assets									
Performing		–	–	–	–	–	–	–	–
Watchlist		-	6,343,761	-	6,343,761	–	3,603,339	–	3,603,339
Substandard -Impaired		–	–	–	–	–	–	–	–
Gross amount		–	6,343,761	–	6,343,761	–	3,603,339	–	3,603,339
Loss allowance	43(e)(vi)	–	(1,209,477)	–	(1,209,477)	–	(1,337,648)	–	(1,337,648)
Carrying Amount		–	5,134,284	–	5,134,284	–	2,265,691	–	2,265,691
6 Derivative asset									
Performing		2,935,928	–	–	2,935,928	–	–	–	–
Gross amount		2,935,928	–	–	2,935,928	–	–	–	–
Loss allowance		–	–	–	–	–	–	–	–
Carrying 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 Group are generally fully collateralised by cash.

	31 December 2019 Notional Amount	Fair value	31 December 2018 Notional Amount	Fair value
Derivative assets	20,475,000	2,935,928	–	–
Derivative liabilities	–	–	20,271,668	(1,372,808)
	20,475,000	2,935,928	20,271,668	(1,372,808)

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43 Financial risk management (contd.)

43(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.

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43 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
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43 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 2019 for the years 2020 to 2022, for Nigeria which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

	2020	2021	2022
Inflation			
• Base scenario	13.22%	14.31%	13.23%
• Range of upside scenarios	12.56%	13.60%	12.57%
• Range of downside scenarios	13.89%	15.03%	13.89%
Crude Oil Prices			
• Base scenario	60.22	58.94	58.52
• Range of upside scenarios	63.23	61.88	61.45
• Range of downside scenarios	57.21	55.99	55.59

Predicted relationships between the key indicators and default and loss rates on various portfolios of
With a positive change in FLI of 5% will result in a movement in ECL by 1.01% while negative change in FLI by -5% will result in a change in ECL by -1.03%

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.

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43 Financial risk management (contd.)

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:

- instrument type;
- 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.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

43 (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.

Group	Note	31 December 2019				31 December 2018			
43(e)(I) Cash and bank balance		12 month ECL	Lifetime ECL not credit	Lifetime ECL credit impaired	Total impaired	12 month ECL	Lifetime ECL not credit	Lifetime ECL credit impaired	Total impaired
In thousands of Naira		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January under IAS 39		–	–	–	–	–	–	–	–
Adjustment on initial application of IFRS 9		–	–	–	–	7,599	–	–	7,599
Balance at 1 January under IFRS 9		1,748	–	–	1,748	7,599	–	–	7,599
Net remeasurement of loss allowance	10	46	–	–	46	(5,851)	–	–	(5,851)
Balance as 31 December		1,794	–	–	1,794	1,748	–	–	1,748

43(e)(ii) Due from financial institutions	Note	12 month ECL	Lifetime ECL not credit	Lifetime ECL credit impaired	Total impaired	12 month ECL	Lifetime ECL not credit	Lifetime ECL credit impaired	Total impaired
In thousands of Naira		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January under IAS 39		–	–	–	–	155,292	–	–	155,292
Adjustment on initial application of IFRS 9		–	–	–	–	209,781	–	–	209,781
Balance at 1 January under IFRS 9		228,645	–	–	228,645	365,073	–	–	365,073
Net remeasurement of loss allowance	10	49,967	–	–	49,967	(136,428)	–	–	(136,428)
Write off		–	–	–	–	–	–	–	–
Balance as 31 December		278,612	–	–	278,612	228,645	–	–	228,645

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43 Financial risk management (contd.)

Group

43(e)(iii) Investment in debt securities

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000	31 December 2018 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000
Balance as at 1 January under IAS 39		–	–	–	–	–	984,375	–	984,375
Adjustment on initial application of IFRS 9		–	–	–	–	5,083	–	–	5,083
Balance at 1 January under IFRS 9		26,599	984,375	–	1,010,974	5,083	984,375	–	989,458
Remeasurement of loss allowance		(23,492)	100	–	(23,392)	21,516	–	–	21,516
Transfer to Lifetime ECL - credit impaired		–	(984,475)	984,475	-	–	–	–	–
Net remeasurement of loss allowance	10	(23,492)	(984,375)	984,475	(23,392)	21,516	-	-	21,516
Write off		–	–	(984,475)	(984,475)	–	–	–	–
Balance as 31 December		3,107	–	–	3,107	26,599	984,375	–	1,010,974

43(e)(iv) Loan and advances

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000	31 December 2018 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000
Balance as at 1 January under IAS 39		–	–	–	–	–	–	–	25,302,564
Adjustment on initial application of IFRS 9					-				16,978,659
Balance at 1 January under IFRS 9		2,823,724	4,969,430	23,209,631	31,002,785	2,243,072	2,550,928	37,487,223	42,281,223
Remeasurement of loss allowance		(3,594,648)	(2,709,040)	839,947	(5,463,741)	(930,820)	(2,464,564)	5,309,721	1,914,337
Transfer to 12 month ECL		3,579,179	(3,311,100)	(268,079)	–	(862,868)	538,547	324,321	–
Transfer to Lifetime ECL - not credit impaired		(191,717)	3,878,485	(3,686,768)	–	564,373	(1,130,096)	565,723	–
Transfer to Lifetime ECL - credit impaired		(265,174)	(820,828)	1,086,002	–	42,291	1,843,514	(1,885,805)	–
Loans repaid		(71,837)	(41,500)	(96,908)	(210,245)	(344,113)	(306,576)	(12,853,472)	(13,504,161)
New loans acquired		1,068,795	243,499	354,157	1,666,451	2,111,789	3,937,677	424,178	6,473,644
Net remeasurement of loss allowance	10	524,598	(2,760,484)	(1,771,649)	(4,007,535)	580,652	2,418,502	(8,115,334)	(5,116,180)
Write off		–	–	(2,060,280)	(2,060,280)	–	–	(6,162,258)	(6,162,258)
Balance as 31 December		3,348,322	2,208,946	19,377,702	24,934,970	2,823,724	4,969,430	23,209,631	31,002,785

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

Group

43(e)(v) Other assets

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000	31 December 2018 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000
Balance as at 1 January under IAS 39		-	-	-	-	-	1,315,048	-	1,315,048
Adjustment on initial application of IFRS 9		-	-	-	-	-	282,182	-	282,182
Balance at 1 January under IFRS 9		-	1,829,721	-	1,829,721	-	1,597,230	-	1,597,230
Remeasurement of loss allowance		-	(6,327)	-	(6,327)	-	261,222	-	261,222
Transfer to Lifetime ECL - not credit impaired		-			-				
Transfer to Lifetime ECL - credit impaired		-	(594,594)	594,594	-				
Financial asset derecognised		-	-	-	-	-	(28,731)	-	(28,731)
Net remeasurement of loss allowance	10	-	(600,921)	594,594	(6,327)	-	232,491	-	232,491
Write off		-	-	(594,594)	(594,594)	-	-	-	-
Balance as 31 December		-	1,228,800	-	1,228,800	-	1,829,721	-	1,829,721

43(e)(vi) Advances under finance lease

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000	31 December 2018 12 month ECL N'000	Lifetime ECL not credit N'000	Lifetime ECL credit impaired N'000	Total impaired N'000
Balance as at 1 January under IAS 39		-	-	-	-	-	-	1,017,364	1,017,364
Adjustment on initial application of IFRS 9		-	-	-	-	-	-	99,990	99,990
Balance at 1 January under IFRS 9		-	-	943,642	943,642	-	-	1,117,354	1,117,354
Remeasurement of loss allowance		-	-	2,834	2,834	-	-	(118,252)	(118,252)
Leases repaid		-	-	-	-	-	-	(32,450)	(32,450)
Net remeasurement of loss allowance	10	-	-	2,834	2,834	-	-	(150,702)	(150,702)
Write off		-	-	(942,726)	(942,726)	-	-	(23,010)	(23,010)
Balance as 31 December		-	-	3,750	3,750	-	-	943,642	943,642

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

Bank

43(e)(i) Cash and bank balances

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	31 December 2019 Lifetime ECL not credit N'000	31 December 2019 Lifetime ECL credit impaired N'000	31 December 2019 Total impaired N'000	31 December 2018 12 month ECL N'000	31 December 2018 Lifetime ECL not credit N'000	31 December 2018 Lifetime ECL credit impaired N'000	31 December 2018 Total impaired N'000
Balance as at 1 January under IAS 39		-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 9		-	-	-	-	7,599	-	-	7,599
Balance at 1 January under IFRS 9		1,748	-	-	1,748	7,599	-	-	7,599
Net remeasurement of loss allowance	10	46	-	-	46	(5,851)	-	-	(5,851)
Balance as 31 December		1,794	-	-	1,794	1,748	-	-	1,748

43(e)(ii) Due from Financial Institutions

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	31 December 2019 Lifetime ECL not credit N'000	31 December 2019 Lifetime ECL credit impaired N'000	31 December 2019 Total impaired N'000	31 December 2018 12 month ECL N'000	31 December 2018 Lifetime ECL not credit N'000	31 December 2018 Lifetime ECL credit impaired N'000	31 December 2018 Total impaired N'000
Balance as at 1 January under IAS 39		-	-	-	-		-	-	155,292
Adjustment on initial application of IFRS 9		-	-	-		-	-	-	209,781
Balance at 1 January under IFRS 9		228,645	-	-	228,645	365,073	-	-	365,073
Net remeasurement of loss allowance	10	41,301	-	-	41,301	(136,428)	-	-	(136,428)
Write off		-	-	-	-	-	-	-	-
Balance as 31 December		269,946	-	-	269,946	228,645	-	-	228,645

43(e)(iii) Investment in debt securities

In thousands of Naira	Note	31 December 2019 12 month ECL N'000	31 December 2019 Lifetime ECL not credit N'000	31 December 2019 Lifetime ECL credit impaired N'000	31 December 2019 Total impaired N'000	31 December 2018 12 month ECL N'000	31 December 2018 Lifetime ECL not credit N'000	31 December 2018 Lifetime ECL credit impaired N'000	31 December 2018 Total impaired N'000
Balance as at 1 January under IAS 39		-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 9		-	-	-	-	5,083	-	-	5,083
Balance at 1 January under IFRS 9		26,599	- -		26,599	5,083	-	-	5,083
Net remeasurement of loss allowance	10	(23,506)	-	-	(23,506)	21,516	-	-	21,516
Balance as 31 December		3,093	-	-	3,093	26,599	-	-	26,599

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43 Financial risk management (contd.)

Group

43(e)(iv) Loan and advances	Note	31 December 2019 12 month ECL	31 December 2019 Lifetime ECL not credit impaired	31 December 2019 Lifetime ECL credit impaired	31 December 2019 Total	31 December 2018 12 month ECL	31 December 2018 Lifetime ECL not credit impaired	31 December 2018 Lifetime ECL credit impaired	31 December 2018 Total
In thousands of Naira		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January under IAS 39									25,293,652
Adjustment on initial application of IFRS 9									16,984,726
Balance at 1 January under IFRS 9		2,818,124	4,969,400	23,209,222	30,996,746	2,240,265	2,550,915	37,487,198	42,278,378
Remeasurement of loss allowance		(3,594,648)	(2,709,040)	832,004	(5,471,684)	(933,541)	(2,464,586)	5,306,069	1,907,942
Transfer to 12 month ECL		3,579,179	(3,311,100)	(268,079)	-	(862,868)	538,547	324,321	-
Transfer to Lifetime ECL - not credit impaired		(191,717)	3,878,485	(3,686,768)	-	564,373	(1,130,096)	565,723	-
Transfer to Lifetime ECL - credit impaired		(265,174)	(820,828)	1,086,002	-	42,291	1,843,514	(1,885,805)	-
Loans repaid		(71,837)	(41,500)	(96,908)	(210,245)	(342,430)	(306,563)	(12,853,448)	(13,502,441)
New loans acquired		1,068,795	243,499	354,157	1,666,451	2,110,034	3,937,669	424,043	6,471,746
Net remeasurement of loss allowance	10	524,598	(2,760,484)	(1,779,592)	(4,015,478)	577,859	2,418,485	(8,119,097)	(5,122,753)
Write off		-	-	(2,060,280)	(2,060,280)	-	-	(6,158,879)	(6,158,879)
Balance as 31 December		3,342,722	2,208,916	19,369,350	24,920,988	2,818,124	4,969,400	23,209,222	30,996,746

43(e)(v) Other assets	Note	31 December 2019 12 month ECL	31 December 2019 Lifetime ECL not credit impaired	31 December 2019 Lifetime ECL credit impaired	31 December 2019 Total	31 December 2018 12 month ECL	31 December 2018 Lifetime ECL not credit impaired	31 December 2018 Lifetime ECL credit impaired	31 December 2018 Total
In thousands of Naira		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January under IAS 39		-	-	-		-	-	-	821,974
Adjustment on initial application of IFRS 9		-	-	-		-	-	-	282,182
Balance at 1 January under IFRS 9		-	1,337,648	-	1,337,648	-	1,104,156	-	1,104,156
Remeasurement of loss allowance		-	(6,327)	-	(6,327)	-	262,223	-	262,223
Transfer to Lifetime ECL - not credit impaired		-	-	-	-	-	-	-	-
Transfer to Lifetime ECL - credit impaired		-	(121,844)	121,844	-	-	-	-	-
Financial asset derecognised		-	-	-	-	-	(28,731)	-	(28,731)
Net remeasurement of loss allowance	10	-	(128,171)	121,844	(6,327)	-	233,492	-	233,492
Write off		-	-	(121,844)	(121,844)	-	-	-	-
Balance as 31 December		-	1,209,477	-	1,209,477	-	1,337,648	-	1,337,648

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43 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 Group 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 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.

43 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 institution	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	68,929,277
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	68,929,277
Derivative assets									
Risk management:	15	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	68,929,277
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
		725,591,313	754,014,534	382,402,187	120,345,76	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)			402,261,784	122,943,023	84,313,713	109,750,663	82,775,198	61,202,092	(58,722,906)
Cumulative liquidity gap				122,943,023	207,256,736	317,007,399	399,782,597	460,984,689	402,261,784

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43 Financial risk management (contd.)

Liquidity risk (contd.)

Group

Residual contractual maturities of financial assets and liabilities

31 December 2018 *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	18,193,868	18,193,868	18,193,868	-	-	-	-	-
Due from financial institutions	15	107,578,150	106,930,330	106,930,330	-	-	-	-	-
Investment in debt securities	18	261,806,710	277,034,505	277,034,505		-	-	-	-
Loans and advances	19	634,116,033	767,417,241	196,307,543	159,150,838	131,073,949	98,345,589	84,318,135	98,221,186
Other assets	22	2,873,027	2,873,027	2,873,027	-	-	-	-	-
		1,024,567,788	1,172,448,971	601,339,273	159,150,838	131,073,949	98,345,589	84,318,135	98,221,186
Non-derivative liabilities									
Other Liabilities	27	101,298,014	101,298,014	101,298,014	-	-	-	-	-
Borrowings	29	686,730,273	741,223,969	189,676,431	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
		788,028,287	842,521,98	290,974,445	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
Derivative liabilities									
Risk management:	16	1,372,808	-	-	-	-	-	-	
Inflow		-	20,271,667	20,271,667	-	-	-	-	-
Outflow		-	21,908,250	21,908,250	-	-	-	-	-
		1,636,583	1,636,583	-	-	-	-	-	-
Total financial liabilities		789,401,095	844,158,566	292,611,028	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
Gap (asset - liabilities)			328,290,405	308,728,245	(31,884,706)	16,846,580	57,463,021	44,743,874	(67,606,609)
Cumulative liquidity gap				308,728,245	276,843,539	293,690,119	351,153,140	395,897,014	328,290,405

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.

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43 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 institution	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)	-	-	-	-	-
Total financial assets		990,076,507	1,153,014,087	502,472,978	204,659,473	156,307,699	125,843,608	95,191,051	68,929,277
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	84,313,714	109,750,664	82,775,198	61,202,092	(58,722,905)
Cumulative liquidity gap				120,349,724	204,663,438	314,414,101	397,189,299	458,391,391	399,668,486

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43 Financial risk management (contd.)

Liquidity risk (contd.)

Bank

Residual contractual maturities of financial assets and liabilities

31 December 2018 *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	17,877,630	17,877,630	17,877,630	-	-	-	-	-
Due from financial institutions	15	106,590,574	106,590,574	106,590,574	-	-	-	-	-
Investment in debt securities	18	261,747,312	277,034,505	277,034,505	-	-	-	-	-
Loans and advances	19	633,706,120	767,005,269	195,895,571	159,150,838	131,073,949	98,345,589	84,318,135	98,221,186
Other assets	22	2,265,691	2,285,284	2,285,284	-	-	-	-	-
		1,022,187,327	1,170,793,262	599,683,565	159,150,838	131,073,949	98,345,589	84,318,135	98,221,186
Non-derivative liabilities									
Other Liabilities	27	99,946,429	99,946,429	99,946,429	-	-	-	-	-
Borrowings	29	684,647,342	739,141,039	187,593,501	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
		784,593,771	839,087,468	287,539,930	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
Derivative liabilities									
Risk management:	16	1,372,808	-	-	-	-	-	-	-
Inflow		-	20,271,667	20,271,667	-	-	-	-	-
Outflow		-	21,908,250	21,908,250	-	-	-	-	-
		1,636,583	1,636,583	-	-	-	-	-	-
Total financial liabilities		785,966,579	840,724,051	289,176,513	191,035,544	114,227,369	40,882,569	39,574,261	165,827,795
Gap (asset - liabilities)			330,069,211	310,507,052	(31,884,706)	16,846,580	57,463,021	44,743,874	(67,606,609)
Cumulative liquidity gap				310,507,052	278,622,346	295,468,926	352,931,946	397,675,820	330,069,211

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.

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43 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 year is very minimal with a total market value exposure of N8.8 million (31 Dec. 2018: N8.5 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 and Bank as at year end.

Group

		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	4,612,169	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

In thousand of Naira		31 December 2018				
	Note	EUR	GBP	USD	NGN	Grand Total
Cash and bank balances	14	845	388	3,400,369	14,792,265	18,193,868
Due from financial institutions	15	506,447	533,900	52,551,135	53,986,667	107,578,150
Derivative assets	16	-	-	-	-	-
Other receivable	22	-	-	178,418	2,694,609	2,873,027
Loans and advances	19	-	-	22,818,647	611,297,386	634,116,033
Total assets		507,292	534,288	78,948,570	682,770,928	762,761,078
Borrowings	29	-	-	(252,337,978)	(434,392,295)	(686,730,273)
Other liabilities	27	(18,940)	(14,020)	(65,181,302)	(36,083,751)	(101,298,014)
Derivative liability	16	-	-	(1,372,808)	-	(1,372,808)
Total liabilities		(18,940)	(14,020)	(318,892,089)	(470,476,045)	(789,401,095)
Net on-balance sheet financial position		488,352	520,268	(239,943,519)	212,294,882	(26,640,017)

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43 Financial risk management (contd.)

Bank

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 receivable	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

31 December 2018

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	845	388	3,359,910	14,516,486	17,877,630
Due from Financial Institutions	15	506,447	533,900	52,551,135	52,999,091	106,590,574
Derivative assets	16	-	-	-	-	-
Other receivable	22	-	-	178,418	2,087,273	2,265,691
Loans and advances	19	-	-	22,818,647	610,887,473	633,706,120
Total assets		507,292	534,288	78,908,111	680,490,324	760,440,015
Borrowings	29	-	-	(252,337,978)	(432,309,364)	(684,647,342)
Other liabilities	27	(18,940)	(14,020)	(65,181,302)	(34,732,166)	(99,946,429)
Derivative liability	16	-	-	(1,372,808)	-	(1,372,808)
Total liabilities		(18,940)	(14,020)	(318,892,088)	(467,041,530)	(785,966,579)
Net on-balance sheet financial position		488,352	520,268	(239,983,978)	213,448,794	(25,526,564)

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 Financial risk management (contd.)

Foreign Currency Exchange Risk (continued)

The following table details the Bank's sensitivity to a increase and decrease in Naira against the US dollars, pounds and Euro. Management believes 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 2019	Group N'000	Bank 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*

31 December 2018	Group N'000	Bank N'000
Naira strengthens by 1% against the US dollar		
Profit / (loss)	2,386,112	2,386,112
Naira weakens by 1% against the US dollar		
Profit / (loss)	(2,386,112	(2,386,112)
Naira strengthens by 1% against the Pounds		
Profit / (loss)	(5,203)	(5,203)
Naira weakens by 1% against the Pounds		
Profit / (loss)	5,203	5,203
Naira strengthens by 1% against the Euro		
Profit / (loss)	(4,884)	(4,884)
Naira weakens by 1% against the Euro		
Profit / (loss)	4,884	4,884

Notes to the Consolidated and Separate Financial Statements
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43 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

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 2019				
Variable-rate instruments	(2,064,503)	2,064,503	-	-
Cash flow sensitivity (net)	(2,064,503)	2,064,503	-	-
31 December 2018				
Variable-rate instruments	(2,524,420)	2,524,420	-	-
Cash flow sensitivity (net)	(2,524,420)	2,524,420	-	-

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 2019				
Variable-rate instruments	(2,064,503)	2,064,503	-	-
Cash flow sensitivity (net)	(2,064,503)	2,064,503	-	-
31 December 2018				
Variable-rate instruments	(2,524,420)	2,524,420	-	-
Cash flow sensitivity (net)	(2,524,420)	2,524,420	-	-

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

43 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 N100 billion while Retail Development Finance Institutions (RDFIs) are to maintain a minimum capital base of N10 billion.

In addition to maintaining the prescribed minimum capital requirements, the Central Bank of Nigeria (CBN)'s regulatory and supervisory guidelines for development finance institutions in Nigeria also stipulates the prudential requirements for capital adequacy as follows:

(i) A DFI shall maintain at all times a Capital Adequacy Ratio (CAR) of not less than 10 percent
(ii) A DFI shall maintain at all times a minimum ratio of Tier I capital to total assets (Tier I leverage ratio) of not less than 5 percent.
(iii) Tier I, includes only permanent shareholders' equity and disclosed reserves.
(iv) Tier II capital which comprises the DFI's qualifying loan capital shall NOT exceed 100% of Tier I capital.
(v) All asset risk weights used for this computation shall be as prescribed by the CBN for licensed banks.

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 2018 was N264 billion (31 December 2017: N243 billion).

Capital adequacy ratio
The capital adequacy ratio is the quotient of the capital base of the Group and the Group's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained. The capital adequacy ratios are computed as follows:

	Bank	Bank
In thousands of naira	31 Dec 2019	31 Dec 2018
Tier 1 capital		
Ordinary share capital	147,371,321	147,371,321
Retained earnings	51,345,947	32,447,748
Statutory reserves	49,952,840	38,704,011
Other reserves	29,332,507	40,809,709
	278,002,615	259,332,789
Less:		
Deferred tax	(1,904,267)	(165,841)
Investment in capital of financial subsidiaries	(1,772,860)	-
Intangible assets	(499,937)	(177,856)
Total Tier 1 Capital (A)	273,825,551	258,989,092

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For the year ended 31 December 2019

43 Financial risk management (contd.)

In thousands of naira	Bank 31 Dec 2019	Bank 31 Dec 2018
Tier 2 capital		
Borrowings	101,049,315	129,764,031
Collective impairment	-	9,067,174
Other comprehensive income	(2,430,058)	-
Tier 2 before deduction of investment	98,619,257	138,831,205
Tier 2 limit	91,866,137	138,831,205
Less:		
Investment in capital of financial subsidiaries	(1,772,860)	-
Net Total Tier 2 Capital (B)	90,093,277	138,831,205
Total regulatory capital (A+B)	363,918,828	397,820,297
Risk-weighted assets	703,492,341	730,792,135
Capital ratios		
Total minimum regulatory required capital expressed as a percentage of total risk-weighted assets	10.00%	10.00%
Total tier 1 capital expressed as a percentage of total risk-weighted assets	38.92%	35.44%
Total capital expressed as a percentage of total risk-weighted assets	51.73%	54.44%

Notes to the Consolidated and Separate Financial Statements
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44 Financial assets and liabilities

44.1 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.

Group

	31 December 2019					
	Mandatorily at FVIPL	FVOCI	Amortised maturity	carrying cost	Fair value amount	Fair value hierarchy
In thousands of Naira						
Cash and bank balances	-	-	9,872,038	9,872,038	9,872,038	2
Due from financial institution	-	-	36,633,351	36,633,351	36,904,041	2
Derivative assets	2,935,928				2,935,928	2
Investment in debt securities	-	-	197,850,196	197,850,196	203,883,951	2
Equity investment securities:	-	-	-	-	-	
- Equity securities at FVTPL	4,440	-	-	4,440	4,440	1
- Quoted equities at FVOCI	-	9,850	-	9,850	9,850	1
- Unquoted equities at FVOCI		2,556,999	-	2,556,999	2,556,999	3
Loans and advances			740,032,638	740,032,638	740,032,638	2
Other assets			5,628,914	5,628,914	5,628,914	2
Total financial assets	2,940,368	2,566,849	990,017,137	992,588,426	1,001,828,798	
Other liabilities			127,392,185	127,392,185	127,392,185	2
Borrowings			598,199,128	598,199,128	551,837,841	2
Total financial liabilities	-	-	725,591,313	725,591,313	679,230,026	

In thousands of Naira	31 December 2018					
	Mandatorily at FVIPL	FVOCI	Amortised cost	Total carrying amount	Fair value hierarchy	Fair value
Cash and bank balances	-	-	18,193,868	18,193,868	18,193,868	2
Due from financial institution	-	-	107,578,149	107,578,149	107,578,149	2
Investment in debt securities	-	-	261,806,710	261,806,710	242,734,038	2
Equity investment securities						
- Equity securities at FVTPL	676	-	-	676	676	1
- Quoted equities at FVOCI	-	7,898	-	7,898	7,898	1
- Unquoted equities at FVOCI	-	3,912,454	-	3,912,454	3,912,454	3
Loans and advances	-	-	634,116,033	634,116,033	634,116,033	2
Other assets	-	-	2,873,025	2,873,025	2,873,025	2
Total financial assets	676	3,920,352	1,024,567,786	1,028,488,813	1,009,416,141	
Derivative liability	1,372,808	-	-	1,372,808	1,372,808	2
Other liabilities	-	-	101,298,015	101,298,015	101,298,015	2
Borrowings	-	-	686,730,273	686,730,273	557,240,235	2
Total financial liabilities	1,372,808	-	788,028,288	765,401,096	659,911,059	

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For the year ended 31 December 2019

44 Financial assets and liabilities

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.

Bank

31 December 2019 *In thousands of Naira*	Mandatorily at FVIPL	FVOCI	Amortised maturity	carrying cost	Fair value amount	Fair value hierarchy
Cash and bank balances	-	-	9,408,307	9,408,307	9,408,307	2
Due from financial institution	-	-	35,791,352	35,791,352	36,057,708	2
Derivative assets	2,935,928	-			2,935,928	2
Investment in debt securities	-	-	197,386,540	197,386,540	203,420,281	2
Equity investment securities:						
- Equity securities at FVTPL	676	-	-	676	676	1
- Quoted equities at FVOCI	-	8,142	-	8,142	8,142	1
- Unquoted equities at FVOCI	-	2,541,493	-	2,541,493	2,541,493	3
Loans and advances	-	-	739,420,096	739,420,096	739,420,096	2
Other assets	-	-	5,134,284	5,134,284	5,134,284	2
Total financial assets	2,936,604	2,549,635	987,140,579	989,690,890	998,926,915	
Other liabilities	-	-	128,559,328	128,559,328	128,559,328	2
Borrowings	-	-	596,363,052	596,363,052	550,001,765	2
Total financial liabilities	-	-	724,922,380	724,922,380	678,561,093	

31 December 2018 *In thousands of Naira*	Mandatorily at FVIPL	FVOCI	Amortised cost	Total carrying amount	Fair value hierarchy	Fair value
Cash and bank balances	-	-	17,877,630	17,877,630	17,877,630	2
Due from financial institution	-	-	106,590,574	106,590,574	106,590,574	2
Investment in debt securities	-	-	261,747,310	261,747,310	242,714,638	2
Equity investment securities:						
- Equity securities at FVTPL	676	-	-	676	676	1
- Quoted equities at FVOCI	-	7,898	-	7,898	7,898	1
- Unquoted equities at FVOCI	-	3,902,852	-	3,902,852	3,902,852	3
Loans and advances	-	-	633,704,061	633,704,061	633,704,061	2
Other assets	-	-	2,285,284	2,285,284	2,285,284	2
Total financial assets	676	3,910,750	1,022,204,859	1,026,116,284	1,007,083,613	
Derivative liability	1,372,808	-	-	1,372,808	1,372,808	2
Other liabilities	-	-	99,941,614	99,941,614	99,941,614	2
Borrowings	-	-	684,647,342	684,647,342	555,157,305	2
Total financial liabilities	1,372,808	-	784,588,957	785,961,765	656,471,728	

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44 Financial assets and liabilities

44.2 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.

Financial instruments measured at fair value - Fair value hierarchy
The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Group				
31-Dec-19	Level 1	Level 2	Level 3	Total
In thousands of Naira				
Equity investment securities	4,440	9,850	2,556,999	2,571,289
Derivative asset	-	2,935,928	-	2,935,928
	4,440	2,945,778	2,556,999	5,507,217
31-Dec-18				
In thousands of Naira				
Equity investment securities	8,574	-	3 ,912,454	3,921,028
Derivative liability	-	(1,372,808)	-	(1,372,808)
	8,574	(1,372,808)	3,912,454	2,548,220

Bank				
31-Dec-19	Level 1	Level 2	Level 3	Total
In thousands of Naira				
Equity investment securities	676	8,142	2,541,493	2,550,311
Derivative asset	-	2,935,928	-	2,935,928
	676	2,944,070	2,541,493	5,486,239
31-Dec-18				
In thousands of Naira				
Equity investment securities	8,574	-	3,902,852	3,911,852
Derivative liabilities	-	(1,372,808)	-	(1,372,808)
	8,574	(1,372,808)	3,902,852	2,538,618

There were no transfers between Level 1 and 2 during the current or prior year.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

44 Financial assets and liabilities (cont'd)

Reconciliation of Level 3 fair value measurements of financial instruments

	Equity investment - unquoted	
	Group	Bank
	N'000	N'000
Balance at 1 January 2019	3,912,454	3,902,852
Total Gains or losses:		
in profit or loss	–	–
in other comprehensive income	(1,351,406)	(1,361,359)
Disposal	(4,049)	-
Balance at 31 December 2019	2,556,999	2,541,493

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 2019 in measuring the unquoted equity securities categorised as Level 3 in the fair value hierarchy are included in Note 20.4(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 45.1 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. 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 2019

44 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 2019

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 2019

	Group			Bank		
	Carrying Amount N'000	Current N'000	Non-current N'000	Carrying Amount N'000	Current N'000	Non-current N'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
Deferred tax liabilities	-	-	-	-	-	-
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

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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 2018

	Group			Bank		
	Carrying Amount N'000	Current N'000	Non-current N'000	Carrying Amount N'000	Current N'000	Non-current N'000
ASSETS						
Cash and bank balances	18,193,868	18,193,868	-	17,877,630	17,877,630	
Due from financial institutions	107,578,150	107,578,150	-	106,590,574	106,590,574	-
Investment in debt securities	261,806,710	261,806,710	-	261,747,312	261,747,312	-
Advances under lease	131,052	131,052	-	-	-	-
Loans and advances	634,116,033	108,729,863	525,386,170	633,706,120	215,293,387	418,412,733
Equity investment securities	3,921,028	3,921,028	-	3,911,426	3,911,426	-
Investment in subsidiaries	-	-	-	3,545,720	3,545,720	-
Other assets	7,376,899	7,376,899	-	6,864,505	6,864,505	-
Intangible assets	177,855	-	177,855	177,856	-	177,856
Property and equipment	23,321,404	-	23,321,404	20,138,858	-	20,138,858
Investment property	11,746,299	-	11,746,299	11,600,793	-	11,600,793
Deferred tax asset	675,882	-	675,882	-	-	-
TOTAL ASSETS	1,069,045,180	507,827,570	561,307,610	1,066,160,794	615,830,554	450,330,240
LIABILITIES						
Derivative liability	1,372,808	1,372,808	-	1,372,808	1,372,808	-
Tax payable	5,073,130	5,073,130	-	4,685,306	4,685,306	-
Deposit for shares	15,000,000	-	15,000,000	15,000,000	-	15,000,000
Borrowings	686,730,273	172,933,591	513,796,682	684,647,342	170,850,661	513,796,681
Employee benefits	1,331,491	-	1,331,491	1,010,279	-	1,010,279
Deferred Tax benefits	-	-	-	165,841	-	165,841
Other liabilities	101,298,014	101,298,014	-	99,946,429	99,946,429	-
TOTAL LIABILITIES	810,805,716	280,677,543	530,128,173	806,828,005	276,855,204	529,972,801

Other Information
Value Added Statement

	Group				Bank			
	31-Dec-19		31-Dec-18		31-Dec-19		31-Dec-18	
	N'000	%	N'000	%	N'000	%	N'000	%
Gross income	95,465,947		82,715,642		93,583,612		79,029,642	
Interest paid	(25,384,814)		(16,445,454)		(25,822,536)		(16,457,823)	
Fees paid	(2,207,284)		-		(2,207,284)		-	
	67,873,849		66,270,188		65,553,792		62,571,819	
Net loss from financial instruments measured at fair value	2,935,676		(2,567,866)		2,935,928		(2,567,866)	
(Loss)/gain on sale of financial assets at FVOCI	(33)		-		-			
Administrative overheads	(14,976,654)		(12,883,365)		(14,507,530)		(12,326,447)	
Value Added	55,832,838	100	50,818,957	100	53,982,190	100	47,677,506	100
Applied as follows:								
To pay employees:								
- Salaries and wages	13,997,851	25	12,183,454	24	13,655,825	25	11,793,588	25
To pay government								
- Taxation	3,834	-	4,209,382	8	(93,006)	-	3,445,677	7
Retained for future replacement of assets and expansion of business:								
- Depreciation and amortisation	2,499,815	4	1,972,293	4	2,923,277	5	530,597	1
- Profit retained in the business	39,331,338	71	32,453,828	64	37,496,095	70	31,907,644	67
	55,832,838	100	50,818,957	100	53,982,190	100	47,677,506	100

Other Information
Financial Summary - Group

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
ASSETS					
Cash and bank balances	**9,872,038**	18,193,868	15,413,153	9,918,212	6,769,860
Due from financial institution	**36,633,351**	107,578,150	81,061,115	76,707,031	49,451,660
Derivative asset	**2,935,928**	-	736,486	-	-
Investment in debt securities	**197,850,196**	261,806,710	50,662,415	40,449,831	39,729,757
Advances under finance lease	**226,539**	131,052	361,776	706,273	1,157,110
Loans and advances	**740,032,638**	634,116,033	525,837,976	517,910,285	545,657,495
Equity securities	**2,571,289**	3,921,028	5,010,185	4,965,679	5,232,263
Investment in subsidiaries	**-**	-	-	-	-
Other assets	**11,362,373**	7,376,899	6,107,124	5,933,114	4,307,021
Trading properties	**-**	-	-	2,192,389	2,192,389
Intangible assets	**499,937**	177,855	202,784	178,617	106,081
Property and equipment	**24,442,706**	23,321,404	15,583,831	13,678,423	14,280,729
Investment property	**11,427,807**	11,746,299	11,596,594	8,422,336	8,413,619
Deferred tax asset	**2,330,222**	675,882	682,485	1,910,874	2,569,583
	1,040,185,024	1,069,045,180	713,255,924	682,973,064	679,867,568
Derivative liability	**-**	1,372,808	-	-	-
Tax payable	**2,902,622**	5,073,130	3,093,018	2,199,233	2,173,401
Deposit for shares	**15,000,000**	15,000,000	-	-	-
Borrowings	**598,199,128**	686,730,273	389,450,139	422,203,976	453,336,299
Employee benefits	**3,603,563**	1,331,491	482,749	106,483	362,865
Deferred tax liabilities	**-**	-	-	-	-
Other liabilities	**127,392,185**	101,298,014	78,452,787	38,558,214	17,447,679
TOTAL LIABILITIES	**747,097,498**	810,805,716	471,478,693	463,067,906	473,320,244
CAPITAL AND RESERVES					
Ordinary share capital	**147,371,321**	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	**51,427,211**	30,815,531	11,616,275	830,734	2,578,687
Statutory reserve	**50,562,471**	39,326,952	29,396,863	23,511,669	19,313,502
Non - distributable reserves	**14,519,142**	9,049,290	20,274,739	15,052,521	4,162,896
Actuarial reserve	**27,006**	1,159,305	1,990,411	2,082,012	1,717,534
SME reserve	**(1,794,399)**	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	**919,899**	(444,945)	171,992	158,265	538,290
Business combinations under common control	**-**	9 19,899	919,899	919,899	919,899
Total equity attributable to owners of the company	**293,032,651**	258,197,353	241,741,500	219,926,421	206,602,129
Non controlling interest	**54,875**	42,111	35,731	(21,263)	(54,805)
Total equity	**293,087,526**	258,239,464	241,777,231	219,905,158	206,547,324
TOTAL LIABILITIES AND EQUITY	**1,040,185,024**	1,069,045,180	713,255,924	682,973,064	679,867,568

Other Information
Financial Summary (contd.) - Bank

	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and bank balances	9,408,307	17,877,630	14,925,793	9,609,117	6,406,037
Due from financial institution	35,791,352	106,590,574	82,598,714	82,545,829	55,660,828
Derivative asset	2,935,928	-	736,486	-	-
Debt securities	197,386,540	261,747,312	50,416,949	40,428,831	39,638,164
Advances under lease	-		-	-	
Loans and advances	739,420,096	633,706,120	525,386,170	517,730,409	545,538,545
Equity securities	2,550,311	3 ,911,426	4,967,080	8,937,831	9,181,533
Investment in subsidiaries	3,545,720	3,545,720	3,545,720	545,720	545,720
Other assets	9,931,557	6,864,505	5,225,534	5,059,456	3,302,647
Intangible assets	499,937	177,856	202,785	177,846	105,311
Property and equipment	20,522,247	20,138,858	13,076,702	12,072,401	12,104,239
Investment property	11,286,521	11,600,793	12,061,402	8,250,313	8,259,399
Employee benefit	-	-	-	50,848	-
Deferred tax asset	1,488,950	-	-	613,474	2,456,559
Right of use assets	3,344,690	-	-	-	-
	1,038,112,156	1,066,160,794	713,143,335	686,022,075	683,198,982
Derivative liability	-	1,372,808			
Tax payable	2,613,315	4,685,306	2,750,358	1,791,406	1,986,816
Deposit for shares	15,000,000	15,000,000	-	-	-
Borrowings	596,363,052	684,647,342	389,450,139	422,013,520	453,041,147
Employee benefit	3,177,634	1,010,279	107,843	-	176,535
Deferred tax liabilities	-	165,841	522,537	-	
Other liabilities	128,559,328	99,946,429	77,050,068	37,277,173	15,667,958
TOTAL LIABILITIES	745,713,330	806,828,005	469,880,945	461,082,099	470,872,456
CAPITAL AND RESERVES					
Ordinary share capital	147,371,321	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	51,345,947	32,447,748	13,353,581	6,057,460	8,462,227
Statutory reserve	49,952,840	38,704,011	29,131,717	23,255,284	19,107,819
Non-distributable reserve	14,396,211	9,047,144	20,271,157	15,050,316	4,162,866
Actuarial reserve	211,106	1,280,047	2,058,565	2,124,382	1,758,856
SME reserve	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Available for sale reserve	(1,798,498)	(437,381)	156,149	161,314	543,538
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Total equity attributable to owners of the company	292,398,826	259,332,789	243,262,390	224,939,976	212,326,526
Total equity	292,398,826	259,332,789	243,262,390	224,939,976	212,326,526
TOTAL LIABILITIES AND EQUITY	1,038,112,156	1,066,160,794	713,143,335	686,022,075	683,198,982

Other Information
Financial Summary (contd.) - Group

	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-17 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Interest income	81,229,450	67,719,337	34,966,778	28,054,718	26,722,355
Interest Expense	(25,384,814)	(16,445,454)	(528,375)	(367,281)	(198,514)
Net Interest Income	55,844,636	51,273,883	34,438,403	27,687,437	26,523,842
Net fees and commission income	3,728,724	4,125,293	3,273,396	1,944,705	1,740,789
Net (loss)/gain from financial instruments measured at fair value	2,935,676	(2,567,866)	845,105	24,641	(120,388)
Gain on sale of financial assets at FVTPL	-	233,444	9,289	1,148	37,452,580
Loss on sale of financial assets at FVOCI	(33)	-	-	-	-
Other income	4,316,082	5,482,414	3,686,859	5,919,008	5,168,923
Total Operating income	66,825,085	58,547,168	42,253,052	35,576,939	70,765,745
Impairment writeback/(charges)	3,984,407	5,155,154	3,403,814	(1,792,051)	(11,295,451)
Net Operating Income	70,809,492	63,702,322	45,656,867	33,784,888	59,470,295
Staff cost	(13,997,851)	(12,183,454)	(8,020,477)	(7,058,409)	(5,559,310)
Depreciation and amortisation	(2,499,815)	(1,972,293)	(1,357,246)	(1,280,381)	(1,345,058)
Other operating expenses	(14,976,654)	(12,883,365)	(9,915,823)	(8,508,669)	(5,335,233)
Total operating expense	(31,474,320)	(27,039,112)	(19,293,546)	(16,847,460)	(12,239,601)
Profit before tax	39,335,172	36,663,210	26,363,320	16,937,429	47,230,694
Taxation	(3,834)	(4,209,382)	(3,203,771)	(2,370,503)	(2,533,858)
Profit for the year	39,331,338	32,453,828	23,159,550	14,566,926	44,696,836
Profit attributable to:					
Owners of the company	39,317,049	32,446,939	23,151,908	14,534,574	44,603,879
Non-Controlling Interest	14,289	6,889	7,642	32,352	92,956
	39,331,338	32,453,828	23,159,550	14,566,926	44,696,835

Other Information
Financial Summary (contd.) - Bank

	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-17 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Interest income	80,810,850	65,208,827	33,820,364	27,277,475	26,064,689
Interest Expense	(25,822,536)	(16,457,823)	(619,850)	(197,784)	(31,022)
Net Interest Income	54,988,314	48,751,004	33,200,514	27,079,691	26,033,666
Net fees and commission income	3,450,283	3,888,351	3,134,624	1,832,573	1,699,279
Net (loss)/gain from financial instruments measured at fair value	2,935,928	(2,567,866)	845,105	24,641	(108,490)
Gain on sale of financial assets at FVTPL	–	219,926			
Loss on sale of financial assets at FVOCI	–	-	9,289	1 ,148	37,452,580
Other income	3,111,232	4,702,514	1,531,428	4 ,911,000	4,716,790
Total Operating income	64,485,757	54,993,929	38,720,960	33,849,053	69,793,825
Impairment writeback/(charges)	4,003,964	5,010,024	1,651,447	(1,676,611)	(9,608,782)
Net Operating Income	68,489,721	60,003,953	40,372,407	32,172,442	60,185,043
Staff cost	(13,655,825)	(11,793,588)	(7,750,858)	(6,792,894)	(5,472,857)
Depreciation and amortisation	(2,923,277)	(530,597)	(435,930)	(382,571)	(332,909)
Other operating expenses	(14,507,530)	(12,326,447)	(9,447,940)	(8,023,473)	(4,979,338)
Total operating expense	(31,086,632)	(24,650,632)	(17,634,728)	(15,198,938)	(10,785,103)
Profit before tax	37,403,089	35,353,321	22,737,679	16,973,504	49,399,939
Taxation	93,006	(3,445,677)	(3,149,567)	(3,148,619)	(2,516,652)
Profit for the year	37,496,095	31,907,644	19,588,112	13,824,885	46,883,288

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 2019.

		2019 N'000	2018 N'000
1	Government Enterprise and Empowerment Programme (GEEP)	43,400,779	24,663,985
2	CBN Textile Intervention Funds	29,996,399	38,262,780
3	Cassava Bread Support Fund	3,097,634	3,116,902
4	National Automotive Council Fund	2,806,779	2,848,017
5	Anambra State Fund	670,035	628,706
6	Kebbi state Fund	989,506	-
7	Niger State Funds	174,563	93,389
8	Kogi State Funds	91,657	94,359
9	Osun State Funds	207,397	195,542
10	Edo State Funds	188,028	176,440
11	Delta State Funds	501,640	324,180
12	Kaduna State Fund	436,770	487,015
13	Taraba State Fund	434,940	406,739
14	Kano State Fund	58,830	81,181
15	Kwara State Fund 1	1,887	-
16	Kwara State Fund 2	162,971	165,969
17	Ekiti State Fund	8,331	7,719
18	SMEDAN Fund - Osun	10,701	8,409
19	Ondo State Fund	132,515	126,089
20	Ogun State Fund	369,393	352,533
21	Dangote Fund	5,139,908	4,544,340
22	Gombe Fund	59,253	52,469
23	Oyo State Fund	483,174	534,049
24	Enugu State Fund	196,611	177,877
25	Cross River State Fund	211,678	209,890
26	Business Development Fund for Women (BUDFOW)	39,135	37,338
27	National Sugar Industrial Development fund	10,190,059	8,119,757
28	Sugar Levy Fund	2,318,813	1,342,406
29	SMEDAN Fund - Oyo	53,338	51,554
30	Benue State Fund	1,276,873	1,114,613
31	Ebonyi State Fund	4,734	49,679
32	Rice Processing Fund	1,993,480	1,801,545
33	National Programme for Food Security (NPAFS) Fund	670,258	942,353
34	Federal Department of Agriculture (FDA) Cottage Fund	2,445,481	2,133,906
35	Sokoto State Fund	558,505	514,983
36	Bayelsa State Fund	10,273	279,302
37	Nigeria Artisanal & Small Scale Miners Financial Support Fund (ASM)	3,198,188	2,897,813
38	Nigeria Industrial Policy & Competitiveness Advisory Council (NIPCAC) Fund	234,432	-
39	MTN Foundation (MTNF) Youth Enterprises	108,058	-
40	Delta state Government Healthcare	216,917	-
		113,149,921	96,843,828

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

	2019 N'000	2018 N'000
Opening Accumulated Fund	24,663,985	27,660,303
Net Fund Generated/(Utilised)	(2,529,712)	(2,996,318)
Withdrawal from Fund	21,266,506	-
Closing Accumulated Fund	43,400,779	24,663,985
Represented by:	3,357,808	4,416,749
Bank Balances	12,171,805	5,960,305
Investment in Money Market	24,765,123	13,694,862
Loan Debtors	3,984,663	1,120,062
Other Receivables	(878,621)	(527,993)
Less Liabilities	43,400,779	24,663,985

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

	2018 N'000	2017 N'000
Opening Accumulated Fund	38,262,780	50,332,475
Net Fund Generated/(Utilized)	(8,266,381	(12,069,695)
Prior Year Adjustment	-	-
Closing Accumulated Fund	29,996,399	38,262,780
Represented by:		
Bank Balances	141,271	944
Investment in Money Market		-
Loan Debtors	25,469,875	27,893,143
Other Receivable	4,385,252	10,368,693
Less Liabilities	-	-
	29,996,399	38,262,780

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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	3,116,902	2,297,669
Net Fund Generated/(Utilized)	(19,268)	819,233
Prior Year Adjustment	-	-
Closing Accumulated Fund	3,097,634	3,116,902
Represented by:		
Bank Balances	9,444	25,982
Investment in Money Market	1,847,700	1,509,701
Loan Debtors	(109,400)	84,420
Other Receivable	1,363,328	1,508,403
Less Liabilities	(13,439)	(11,604)
	3,097,634	3,116,902

NATIONAL AUTOMOTIVE COUNCIL (NAC) FUND

The NAC 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 atN18.09 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 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 at7.5% and 10% per annum on term loan and working capital loan respectively.

NAC Auto Technicians Support Scheme (NAC-ATSS):- This represents the sum of N1.00 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) 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. N2,500,000.00 (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

Other Information
Additional Disclosure on Managed Funds

Summary of Fund

	2019	2018
	N'000	N'000
Opening Accumulated Fund	2,848,017	3,009,417
Net Fund Generated/(Utilized)	(41,238)	39,497
Prior Year Adjustment	–	(200,897)
Closing Accumulated Fund	2,806,779	2,848,017
Represented by:		
Bank Balances	1,407	55,019
Investment in Money Market	1,125,090	1,851,137
Loan Debtors	(983,144)	(364,378)
Other Receivable	2,663,427	1,306,239
Less Liabilities		-
	2,806,779	2,848,017

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 N500.0 million with the first and second tranches of the N500.0 million Funds received on17th August, 2007 and 11th December, 2009 respectively in the sum of N250.0million 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	628,706	451,182
Net Fund Generated/(Utilised)	41,329	177,524
Closing Accumulated Fund	670,035	628,706
Represented by:		
Bank Balances	496	4,841
Investment in Money Market	422,749	298,469
Loan Debtors	130,252	236,434
Other Receivable	125,076	92,162
Less Liabilities	(8,538)	(3,200)
	670,035	628,706

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 N1 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	1,000,000	-
Net Fund Generated/(Utilised)	(10,494)	-
Closing Accumulated Fund	989,506	-
Represented by:		
Bank Balances	-	-
Investment in Money Market	116,828	-
Loan Debtors	864,547	-
Other Receivable	17,924	-
Less Liabilities	(9,793)	-
	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 50:50Counterpart 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 N500.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	324,180	330,231
Net Fund Generated/(Utilised)	177,460	(6,051)
Closing Accumulated Fund	501,640	324,180
Represented by:		
Bank Balances	116	945
Investment in Money Market	52,741	-
Loan Debtors	(46,897)	(48,133)
Sundry Debtors	503,155	384,322
Less Liabilities	(7,475)	(12,954)
	501,640	324,180

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 50:50Counter-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 N500.0 million to the scheme, which has been fully released. Interest rate of 5% per annum and 6.25% per annum is attributable to the Termloan 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.

	2019	2018
	N'000	N'000
Opening Accumulated Fund	**487,015**	560,095
Net Fund Generated/(Utilised)	**(50,245)**	(73,080)
Closing Accumulated Fund	**436,770**	487,015
Represented by:		
Bank Balances	**484**	694
Investment in Money Market	**363,723**	366,144
Loan Debtors	**77,277**	138,303
Other Receivables	**1,862**	(9,524)
Less Liabilities	**(6,576)**	(8,602)
	436,770	487,015

TARABA STATE MANAGED FUND

Taraba State MSMEs Fund (also referred to as TRSG-BOI MSME Fund) represents Taraba state Government's share of the50:50 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 N350.0 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

	2018	2017
	N'000	N'000
Opening Accumulated Fund	406,739	407,084
Additional fund contributed	-	-
Net Fund Generated/(Utilised)	28,201	(345)
Closing Accumulated Fund	434,940	406,739
Represented by:		
Bank Balances	172	6,893
Investment in Money Market	432,305	382,927
Loan Debtors	2,250	9,066
Sundry Debtors	7,967	10,369
Less Liabilities	(7,754)	(2,516)
	434,940	406,739

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 50:50Counter-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 with in 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 N500.0 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 inline 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	81,181	106,250
Net Fund Generated/(Utilised)	(22,351)	(25,069)
Closing Accumulated Fund	58,830	81,181
Represented by:		
Bank Balances	7,593	3,064
Investment in Money Market	10,000	-
Loan Debtors	15,407	52,253
Other Receivables	27,345	33,484
Less Liabilities	(1,515)	(7,620)
	58,830	81,181

NIGER STATE MANAGED FUND

Niger State MSME Fund (also referred to as NGSG-BOI MSME Fund) represents Niger state Government's (NGSG) shareof the 50:50 Counter-part Fund by both the NGSG and BOI to address the dearthof funding support to small businessowners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) withproduction capacities within the State would have access to the Fund by wayof Funding equipment supply and requisiteworking capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) andSMEs 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 N1.0 billion to the scheme.However, only the sum of N300.0 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 bythe Bank is 3% on the outstanding balance per annum of the Fund payable quarterly.

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Additional Disclosure on Managed Funds

Summary of Fund

	2019	2018
	N'000	N'000
Opening Accumulated Fund	93,389	95,575
Net Fund Generated/(Utilised)	81,174	(2,186)
Closing Accumulated Fund	174,563	93,389
Represented by:		
Bank Balances	85,311	398
Investment in Money Market	92,428	93,248
Loan Debtors	318	(0)
Other Receivables	-	434
Less Liabilities	(3,494)	(691)
	174,563	93,389

KOGI STATE MANAGED FUND

Kogi State MSME Fund (also referred to as KGSG-BOI MSME Fund) represents Kogi state Government's share of the50:50 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 N1.0 Billion to the scheme. However, only the sum of N250.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	94,359	96,436
Reclassification	-	-
Net Fund Generated/(Utilised)	(2,702)	(2,077)
Closing Accumulated Fund	91,657	94,359
Represented by:		
Bank Balances	(46)	621
Investment in Money Market	-	-
Loan Debtors	4,331	4,330
Other Receivables	106,469	112,419
Less Current Liabilities	(19,097)	(23,011)
	91,657	94,359

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

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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 N1.0 billion to the scheme. However, only thesum of N250.0 million has since been released by OSSG. Interest rate of 10% per annum and 12.5% per annum is attributable to theTerm loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3% on outstanding balance of theFund payable quarterly.

Summary of Fund

	2019	2018
	N'000	N'000
Opening Accumulated Fund	195,542	212,356
Net Fund Generated/(Utilised)	11,855	(16,814)
Closing Accumulated Fund	207,397	195,542
Represented by:		
Bank Balances	13,020	26,714
Investment in Money Market	163,790	114,012
Loan Debtors	(24,059)	12,767
Other Receivables	59,414	43,495
Less Liabilities	(4,768)	(1,446)
	207,397	195,542

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 N250.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	176,440	166,767
Net Fund Generated/(Utilised)	11,588	9,673
Closing Accumulated Fund	188,028	176,440
Represented by:		
Bank Balances	3,707	2,559
Investment in Money Market	156,622	138,449
Loan Debtors	11,252	14,999
Other Receivables	19,780	22,309
Less Liabilities	(3,333)	(1,876)
	188,028	176,440

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 N1.0 billion to the scheme. However, only the sum of N500.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	126,089	128,353
Net Fund Generated/(Utilised)	6,426	(2,264)
Closing Accumulated Fund	132,515	126,089
Represented by:		
Bank Balances	13,135	13,462
Investment in Money Market	73,340	48,233
Loan Debtors (Net)	(5,950)	26,242
Other Asset	59,416	44,739
Less Current Liabilities	(7,426)	(6,588)
	132,515	126,089

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 N500.0 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

	2018	2017
	N'000	N'000
Opening Accumulated Fund	352,533	334,540
Net Fund Generated/(Utilised)	16,860	17,993
Closing Accumulated Fund	369,393	352,533
Represented by:		
Bank Balances	6,004	5,406
Investment in Money Market	378,190	349,442
Loan Debtors	(18,561)	(11,579)
Other Receivables	23,884	20,047
Less Liabilities	(20,124)	(10,783)
	369,393	352,533

Other Information
Additional Disclosure on Managed Funds

DANGOTE MANAGED FUND

Dangote Fund(also referred to as DF-BOIMSME 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 N2.5billion 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	4,544,340	4,086,120
Net Fund Generated/(Utilised)	595,568	458,220
Closing Accumulated Fund	5,139,908	4,544,340
Represented by:		
Bank Balances	3,394	29,452
Investment in Money Market	4,948,532	4,204,350
Loan Debtors	158,976	322,600
Other Receivables	51,116	26,079
Less Liabilities	(22,110)	(38,141)
	5,139,908	4,544,340

GOMBE STATE MANAGED FUND

Gombe State MSME Fund (also referred to as GSG-BOI MSME Fund) represents Gombe state Government's share of the 50:50Counter-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 N500.0 million to the scheme. However, only the sum of N250.0 million has since been released by GSG. The interest rate attributable on the Term loan is 5% per annum and6.25% 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	52,469	48,583
Net Fund Generated/(Utilised)	6,784	3,886
Closing Accumulated Fund	59,253	52,469
Represented by:		
Bank Balances	664	597
Investment in Money Market	56,554	51,194
Loan Debtors	2,324	624
Other Receivables	407	379
Less Liabilities	(696)	(325)
	59,253	52,469

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 N250.0 million to the scheme, which has been fully released. The interest rate attributable on the Term loan is 10% per annum and12.5% 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 kick start Kwara State 2Managed Fund.

Summary of Fund

	2019 N'000	2018 N'000
Opening Accumulated Fund	(220)	26,348
Net Fund Generated/(Utilised)	2,107	(26,568)
Closing Accumulated Fund	1,887	(220)
Represented by:		
Bank Balances	(2,384)	1,188
Investment in Money Market	-	0
Loan Debtors	(84,226)	(68,675)
Other Receivables	86,746	72,826
Less Liabilities	1,751	(5,559)
	1,887	(220)

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. 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	165,969	168,017
Net Fund Generated/(Utilised)	(2,998)	(2,048)
Closing Accumulated Fund	162,971	165,969
Represented by:		
Bank Balances	-	-
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	169,057	169,057
Less Liabilities	(6,086)	(3,088)
	162,971	165,969

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 Counterpart 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 N500.0 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	534,049	528,236
Net Fund Generated/(Utilised)	(50,875)	5,813
Closing Accumulated Fund	483,174	534,049
Represented by:		
Bank Balances	1 ,694	6,054
Investment in Money Market	283,023	293,923
Loan Debtors	187,770	223,945
Other Receivables	2 1,743	15,930
Less Liabilities	(11,056)	(5,803)
	483,174	534,049

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 Counterpart 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 N500.0 million to the scheme, of which only N141.8 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	177,877	192,277
Additional Contribution	-	-
Net Fund Generated/(Utilised)	18,734	(14,400)
Closing Accumulated Fund	196,611	177,877
Represented by:		
Bank Balances	13,883	2,989
Investment in Money Market	139,094	144,179
Loan Debtors	45,400	41,618
Other Receivables	1,219	1,021
Less current liabilities	(2,985)	(11,930)
	196,611	177,877

Other Information
Additional Disclosure on Managed Funds

EKITI STATE MANAGED FUND

Ekiti State MSMEs Fund (also referred to as EKSG-BOI MSME Fund) representsEkiti 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. Interestrate 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	7,719	12,956
Prior year closing journals	757	-
Net Fund Generated/(Utilised)	(145)	(5,237)
Closing Accumulated Fund	8,331	7,719
Represented by:		
Bank Balances	1,238	1,419
Investment in Money Market	20,059	18,165
Loan Debtors	(63,142)	(53,742)
Other Receivables	54,290	53,828
Less Liabilities	(4,114)	(11,952)
	8,331	7,719

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 andthe Management Fee to be earned by the Bank is also 5%perannum on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2018 N'000	2017 N'000
Opening Accumulated Fund	8,409	9,377
Contribution Received	-	-
Net Fund Generated/(Utilised)	2,292	(968)
Closing Accumulated Fund	10,701	8,409
Represented by:		
Bank Balances	8	110
Investment in Money Market	10,877	9,988
Loan Debtors	(12,016)	(10,127)
Other Receivables	12,066	8,540
Less Liabilities	(234)	(102)
	10,701	8,409

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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	209,890	162,573
Net Fund Generated/(Utilised)	1,788	47,317
Closing Accumulated Fund	211,678	209,890
Represented by:		
Bank Balances	9,691	16,286
Investment in Money Market	196,300	170,645
Loan Debtors	8,061	25,636
Other Receivables	6,372	4,973
Less Liabilities	(8,746)	(7,650)
	211,678	209,890

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 N89, 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	37,338	31,536
Net Fund Generated/(Utilised)	1,797	5,802
Closing Accumulated Fund	39,135	37,338
Represented by:		
Bank Balances	1,245	1,072
Investment in Money Market	29,027	35,936
Loan Debtors	(7,178)	(11,441)
Other Receivables	17,512	13,878
Less Liabilities	(1,471)	(2,107)
	39,135	37,338

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 N200 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 N200 Million and N600 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	8,119,757	6,176,794
Contribution Received	1,000,000	1,000,000
Net Fund Generated/(Utilised)	1,070,302	942,963
Closing Accumulated Fund	10,190,059	8,119,757
Represented by:		
Bank Balances	11,085	2,991
Investment in Money Market	9,811,239	7,593,594
Loan Debtors	284,795	438,169
Other Receivables	107,024	100,798
Less Liabilities	(24,084)	(15,795)
	10,190,059	8,119,757

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 subsector 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	1,342,406	2,249,601
Contribution Received	8,488,380	8,201,640
Withdrawal from Fund	(8,062,443)	(9,502,469)
Net Fund Generated/(Utilised)	550,471	393,634
Closing Accumulated Fund	2,318,814	1,342,406
Represented by:		
Bank Balances	3,985	2,188
Investment in Money Market	2,298,116	1,316,878
Loan Debtors	-	-
Other Receivables	17,552	23,340
Less Liabilities	(840)	-
	2,318,813	1,342,406

Other Information
Additional Disclosure on Managed Funds

SMEDAN MANAGED FUND OYO

The SMEDAN-Oyo Fund is a sum of N40.00 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 N30.00 million for onward disbursements to micro, small and medium scale enterprises that are members of registered trade associations or co-operative societies and N10.00 million for the training of potential loan beneficiaries.

The fund does not attract any interest. 5% of the net asset of the Fund payable quaterly to BOI as management fee payable .

Summary of Fund

	2019 N'000	2018 N'000
Opening Accumulated Fund	51,554	51,205
Net Fund Generated/(Utilised)	1,784	349
Closing Accumulated Fund	53,338	51,554
Represented by:		
Bank Balances	3,485	1,025
Investment in Money Market	50,982	45,727
Loan Debtors	(183)	3,056
Other Receivables	942	2,993
Less Liabilities	(1,888)	(1,247)
	53,338	51,554

BENUE STATE FUND

The BNSG State MSME Fund (also reffered to as BNSG-BOI MSME) represents Benue State Government's share of the 50:50 Counterpart 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 N1.00 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	1,114,613	1,008,410
Net Fund Generated/(Utilised)	162,260	106,203
Closing Accumulated Fund	1,276,873	1,114,613
Represented by:		
Bank Balances	18,037	366
Investment in Money Market	1,035,061	1,120,924
Loan Debtors	251,513	-
Other Receivables	3,085	1,566
Less Liabilities	(30,823)	(8,243)
	1,276,873	1,114,613

Other Information
Additional Disclosure on Managed Funds

EBONYI STATE FUND

The Ebonyi State MSME Fund (also reffered 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 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 EBSG committed total of N4.00 billion which was received in four transches of N1.00 billion each. The first tranche of N1 billion was received in August, 2017. Two more tranches of N1.00billion 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 CivilServant Scheme. Each of the funds was funded to the tune of N2B. However, the Fund Owners pulled out of the Scheme in 2018. A few loans had been disbursed before the ceasation of the program.

Summary of Fund

	2019 N'000	2018 N'000
Opening Accumulated Fund	49,679	3,110,485
Contribution Received	-	1,000,000
Withdrawal from Fund	-	(4,175,837)
Net Fund Generated/(Utilised)	(44,945)	115,032
Closing Accumulated Fund	4,734	49,679
Represented by:		
Bank Balances	8,347	25,567
Investment in Money Market	-	-
Loan Debtors	11,944	37,220
Other Receivables	20,467	500
Less Liabilities	(36,024)	(13,608)
	4,734	49,679

RICE PROCESSING INTERVENTION FUND

The Federal Executive Council (FEC) formally approved the setting up of a N10 Billion Rice Processing Intervention Fund in May 2009. The Fund was designed as a credit scheme to ten initially pre-qualifiedcompanies to set up 17 Model Rice Processing Mills in the country. The estimated cost of each mill is N1.4billion, 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 the4% 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

	2018 N'000	2017 N'000
Opening Accumulated Fund	1,801,545	3,029,243
Net Fund Generated/(Utilised)	191,935	(1,227,698)
Closing Accumulated Fund	1,993,480	1,801,545
Represented by:		
Bank Balances	7,061	623
Investment in Money Market	772,498	571,773
Loan Debtors	939,531	1,000,560
Other Receivables	288,584	240,324
Less Liabilities	(14,194)	(11,735)
	1,993,480	1,801,545

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 N1, 155,021,085.00. The scope was laterad justed to N800 million vide a letter from the Ministry in September, 2010. Beneficiaries are screened and pre-selectedby 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	942,353	945,094
Refund to Fund Owners	(380,693)	
Net Fund Generated/(Utilised)	108,598	(2,741)
Closing Accumulated Fund	670,258	942,353
Represented by:		
Bank Balances	(369)	
Investment in Money Market	627,465	894,773
Loan Debtors	-	
Other Receivables	47,632	52,265
Less Liabilities	(4,470)	(4,685)
	670,258	942,353

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 N1,100,000,000.00. 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%perannum.The interest income from the investment is added to the Fund.

Summary of Fund

	2019 N'000	2018 N'000
Opening Accumulated Fund	**2,133,906**	1,890,323
Net Fund Generated/(Utilised)	**311,575**	243,583
Closing Accumulated Fund	**2,445,481**	2,133,906
Represented by:		
Bank Balances	**4,802**	4,371
Investment in Money Market	**2,405,254**	2,117,375
Loan Debtors	**4,954**	-
Other Receivables	**64,082**	48,452
Less Liabilities	**(33,611)**	(36,292)
	2,445,481	2,133,906

SOKOTO STATE FUND

The Sokoto State MSME Fund (also reffered to as SOSG-BOI MSME) represents Sokoto Government's share of the 50:50 Counter-partFund 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 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 SOSG committed a sum of N1.00 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	514,983	1,108,100
Net Fund Generated/(Utilised)	58,503	138,998
Withdrawal from Fund	(14,981)	(732,115)
Closing Accumulated Fund	558,505	514,983
Represented by:		
Bank Balances	2	2
Investment in Money Market	562,684	517,345
Loan Debtors	-	-
Other Receivables	2,490	822
Less Liabilities	(6,671)	(3,186)
	558,505	514,983

BAYELSA STATE FUND

Bayelsa State MSME Fund (also referred to as BYSG-BOI MSME Fund) represents Bayelsa state Government's share of the 50:50Counter-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 N1.0 Billion to the scheme. However, the sum of N250.0 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	279,302	251,319
Refund to Fund Owners	(300,000)	-
Net Fund Generated/(Utilised)	30,971	27,983
Closing Accumulated Fund	10,273	279,302
Represented by:		
Bank Balances	7,846	1,369
Investment in Money Market	4,318	279,358
Loan Debtors	-	-
Other Receivables	18	302
Less Liabilities	(1,909)	(1,728)
	10,273	279,302

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 ASMFund) 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 loans 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 N100,000.00 to N10,000,000.00; and b) Small Scale Miners - from N10million to N100 million

The Federal Ministry of Mining and Solid Minerals (FMMSD) signed the MOU with BOI on 29thAugust 2017 and committed a sum of N2.50 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	2,897,813	2,644,243
Net Fund Generated/(Utilised)	300,375	253,570
Closing Accumulated Fund	3,198,188	2,897,813
Represented by:		
Bank Balances	13,652 259	
Investment in Money Market	3,135,411	2,915,657
Loan Debtors	94,114	95,741
Other Receivables	23,943	10,219
Less Liabilities	(68,932)	(124,063)
	3,198,188	2,897,813

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 N50.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	(25,848)	199,497
Net Fund Generated/(Utilised)	(39,720)	(255,345)
Additional Contribution	300,000	30,000
Closing Accumulated Fund	234,432	(25,848)
Represented by:		
Bank Balances	234,432	(25,848)
	234,432	(25,848)

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 assitance 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 N200.0 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

	2019	2018
	N'000	N'000
Opening Accumulated Fund	-	-
Net Fund Generated/(Utilised)	16,917	-
Additional Contribution	200,000	-
Closing Accumulated Fund	216,917	-
Represented by:		
Investment in Money Market	186,510	-
Loan Debtors	29,340	-
Other Receivables	1,655	-
Less Liabilities	(587)	-
	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 agrred to provided the loan beneficiaries satisfy BOI's Risk Acceptance Criteria.

The Agreement between MTNF and BOI shall commence on the dtate 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 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 N113.0 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

	2019 N'000	2018 N'000
Opening Accumulated Fund	–	–
Net Fund Generated/(Utilised)	(5,697)	–
Additional Contribution	113,755	–
Closing Accumulated Fund	108,058	–
Represented by:		
Bank Balances	2,157	–
Investment in Money Market	107,554	–
Other Receivables	490	–
Less Liabilities	(2,143)	–
	108,058	–

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