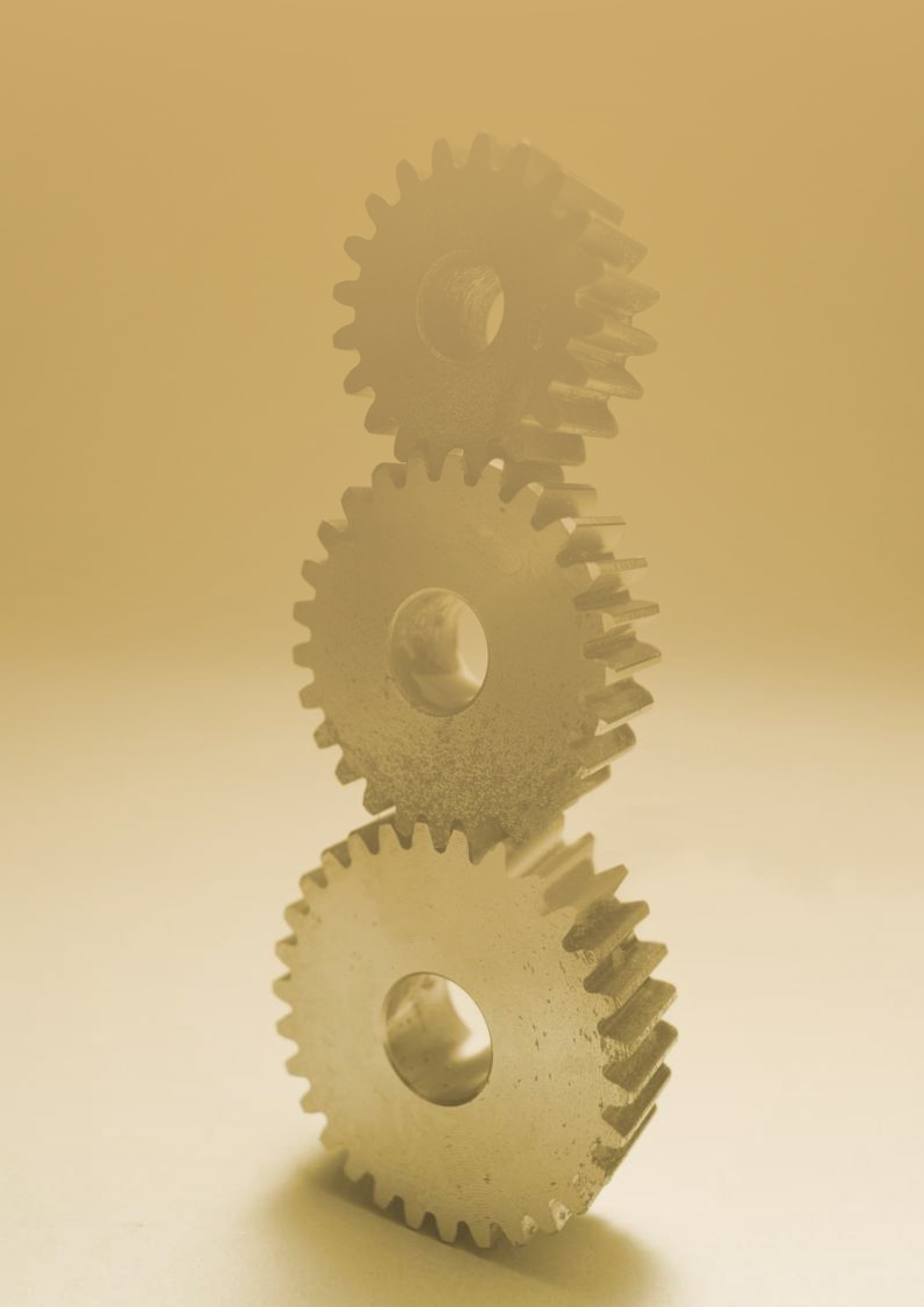
Driving Development, **Promoting Enterprise**

Annual Report & Accounts 2021

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



Driving Development, **Promoting Enterprise**

At the Bank of industry, we are committed to transforming the industrial sector responsibly through best-in-class sustainable business practices. This commitment has continuously driven us to develop innovative strategies, interventions and solutions that are propelling the Nigerian economy towards sustained growth.

Our drive for developmental impact is far-reaching, cutting across vital industrial sectors, geopolitical zones and multilateral stakeholders. We remain devoted to our transformative mission of providing financial and business support services to micro, small, medium and large enterprises across the nation whilst also promoting social responsibility, protecting our environment and reducing inequalities. In doing so, we are focused on nurturing and expanding the emerging sectors of our economy, whilst supporting established segments for increased global impact.

The execution of our business strategy continues to earn us the confidence of our stakeholders and the respect of the international community as we rise as a pillar for sustainable industrial growth in Nigeria.

Contents

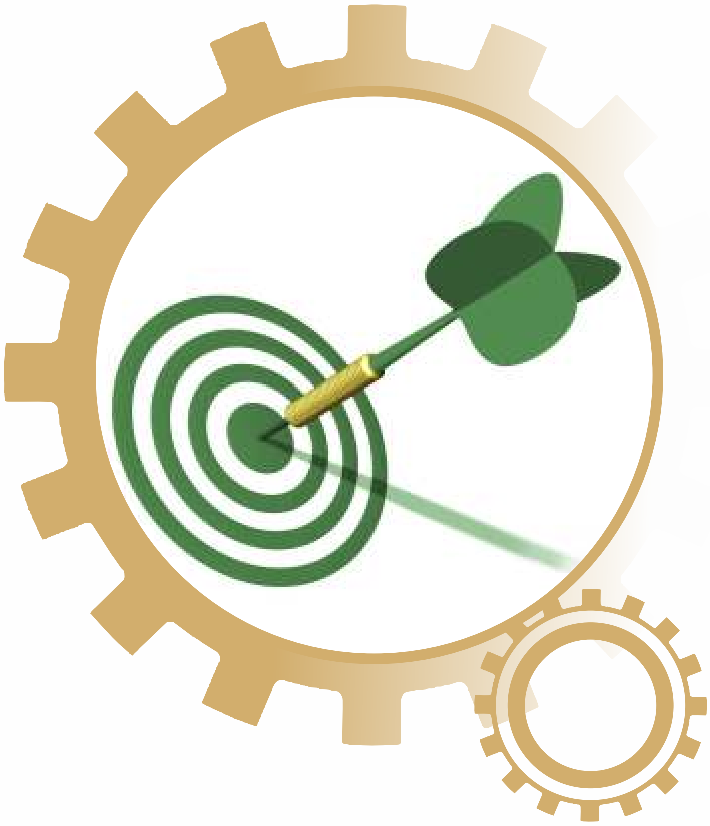
Corporate Information

DIRECTORS:		
Mallam Aliyu AbdulRahman Dikko	-	Chairman, Board of Directors (Independent Director)
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
Engr. Chukwuemeka Nzewi	-	Non-Executive Director
Mallam Mohammed Mustapha Bintube	-	Non-Executive Director (Independent Director)
Mr. Alexander Adeyemi, mni	-	Non-Executive Director
Mr. Philip Yila Yusuf	-	Non-Executive Director
Mr. Adewale R. Bakare	-	Non-Executive Director
KEY MANAGEMENT PERSONNEL		
Mr. Olukayode A. Pitan	-	Managing Director/Chief Executive Officer
Mrs. Toyin Adeniji	-	Executive Director, Micro-Enterprises
Mr. Jonathan Tobin	-	Executive Director, Corporate Services and Commercial
Mr. Simon Aranonu	-	Executive Director, Large Enterprises
Mr. Shekarau D. Omar	-	Executive Director, Small and Medium Enterprises
Mr. Akeem Adesina	-	General Manager/Chief Financial Officer
Dr. Ezekiel J. Oseni	-	General Manager/Chief Risk Officer
Mr. Leonard Maxwell Kange	-	General Manager/Divisional Head (Large Enterprises - I)
Mr. Muhammad Rislanudeen	-	General Manager/Divisional Head (SME - North)
Ms. Mabel Ndagi	-	General Manager/ Divisional Head (Communications & External Relations)
Mr. Ayo Bajomo	-	Deputy General Manager/Divisional Head (Treasury & Financial Institutions)
Mrs. Yemi Ogunfeyimi	-	Deputy General Manager/Chief Audit Executive
Mr. Taiye Emagha	-	Deputy General Manager/Divisional Head (Management Services)
Mr. Taiwo Kolawole	-	Deputy General Manager/Chief Compliance Officer
Mrs. Ebehiriere Ehi-Omoike	-	Deputy General Manager/Divisional Head (Large Enterprises - II)
Mr. Mohammed H. Osuwa	-	Deputy General Manager/Legal Adviser
Mrs. Adebisi Ajayi	-	Deputy General Manager/Group Head (Gender Business)
Mrs. Cynthia Uche Nwuka	-	Deputy General Manager/Group Head (Creative Industry)
Mrs. Olufunlola O. Salami	-	Deputy General Manager/Company Secretary
Mr. Gbolahan Olutomiwa	-	Deputy General Manager/Divisional Head (Operations & Technology)
Mr. Obaro M. Osah	-	Deputy General Manager/Divisional Head (SME - South)
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
Us

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

Our Vision



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

Our **Mission**

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

Our Mandate

Service
Professionalism
Passion
Integrity
Resourcefulness
Innovation
Team Spirit

Our Core Values

Otunba Richard Adeniyi Adebayo, CON

Honourable Minister, Federal Ministry of Industry, Trade & Investment

Ambassador Mariam Katagum

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

Dr. Evelyn N. Ngige

Permanent Secretary, Federal Ministry of Industry, Trade & Investment

Foreword by The Honourable Minister of Industry Trade and Investment

It gives me great pleasure to write a foreword for the 2021 annual report of the Bank of Industry (BOI) group. I am delighted that the bank continues to consolidate its developmental impact, despite the continued challenges presented by the COVID-19 pandemic and the ever changing operating environment.

This annual report details the invaluable contributions that BOI has made towards supporting industrialisation and entrepreneurship in Nigeria in the year 2021.

Similar to most countries around the world, the Nigerian economy experienced a rebound in 2021 following the COVID-19-induced recession of 2020, which presented challenges such as increased inflation, currency devaluation, and heightened insecurity. The focus of the bank in the year was therefore centred on supporting its customers to stabilise, as well as increasing its financial interventions nationwide as part of efforts to reflate the economy.

Consistent with this, BOI retained the 2% reduction of interest rate on BOI-funded projects that it introduced in 2020, by another year to 31st March 2022 to support their customers, because a lot of enterprises are still grappling with the adverse impact of the pandemic. In the same vein, the bank continues to provide business-specific support to its customers in terms of tenor review and moratorium extensions on their credit facilities.

I heartily congratulate the board and management of the bank for the successful outcome of its maiden €750 million Eurobond transaction in February 2022. Many blue chip international investors were part of this transaction, which was also supported by the sovereign guarantee of the Federal Government of Nigeria. This is the first of its kind that has been achieved by any national Development Finance Institution in Africa.

Being a long standing strategic partner to the Federal Government, its agencies and several multilateral agencies, BOI has been involved as implementing and executing partner of various laudable projects in the year in support of Nigerian enterprises and the economy at large.

In 2021, BOI signed a Custodian Fund Agreement with the Nigerian Export Promotion Council (NEPC) for a ₦50 billion Export Expansion Facility Fund. This fund was set up to provide financial support to organisations in the non-oil export value chain, especially those adversely affected by the COVID-19 pandemic. As at end of February 2022, a total of ₦41.9 billion had been disbursed.

The Federal Government also appointed BOI as the fund management partner for its ₦75 billion MSME Survival Fund – a fund that was set up as part of the Nigerian Economic Sustainability Plan in 2020, to provide a conditional grant to support vulnerable businesses on account of COVID-19. As at end of February 2022, a total of 1,159,684 beneficiaries has been supported following the disbursement of ₦61.8 billion

I commend the bank for expanding their partnerships with State governments in the execution of its mandate. One of such collaborations is the State Empowerment Enterprise Program (SEEP), which is a ₦2 billion Microcredit initiative to empower micro-entrepreneurs in participating states. The bank also commissioned new offices in Edo, Lagos and Ekiti States in the year, in their continued quest to bring their business offerings closer to MSMEs.

BOI was appointed the implementing agency for the World Bank's $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (NCARES) Intervention Programme (a collaborative effort between the following Nigerian Federal Ministries; Finance, Budget, and National Planning; Agriculture and Rural Development; and Industry, Trade and Investment, as well as the Nigerian Governor's Forum). 25 Nigerian state governments have executed MOUs with BOI to leverage the bank's Growth Platform infrastructure as their preferred delivery platform for implementing the MSME component of the programme.

In 2021, BOI was also appointed to serve as executing agency of the Investment in Digital and Creative Enterprise (i-DICE) Programme, a collaboration between the African Development Bank (AfDB) and the Nigerian Federal Government. This project is designed to address the increasing youth population by providing more inclusive and sustainable jobs.

All these initiatives, amongst many others are key to the social and economic development of our great nation. I am assured that in the coming years, we would see many laudable projects linked to BOI towards supporting the growth and development of Nigeria's industrial and entrepreneurial ecosystem. As I have said many times in the past, BOI has the total backing and unflinching support of the Federal Ministry of Industry, Trade and Investment through this journey, as it continues to achieve giant strides towards transforming Nigeria's Industrial sector.

I would like to extend my appreciation to all other stakeholders and strategic partners (private, public multilateral institutions) of the bank for their various contributions and support for another successful year. I also thank the Board, Management, and Staff of the bank for their hard work, diligence, and commitment towards keeping the bank a model institution for others to emulate.

Finally, I congratulate both the Chairman, Alhaji Abdulrahman Dikko and the MD/CEO Mr Olukayode Pitan on the renewal of their appointments by President Muhammadu Buhari, the Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria. I wish both of them the very best in the coming years.

Thank you.

Otunba Niyi Adebayo

Honourable Minister
Federal Ministry of Industry, Trade & Investment

BOARD OF DIRECTORS

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors

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

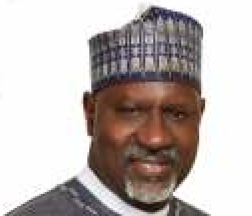
Mrs. Toyin Adeniji
Executive Director,
Micro-Enterprises

Mr. Jonathan Tobin
Executive Director,
Corporate Services and Commercial

Mr. Simon Aranonu
Executive Director,
Large Enterprises

Mr. Shekarau D. Omar
Executive Director, SME

Engr. Chukwuemeka Nzewi
Non Executive Director



Mallam Mohammed Mustapha Bintube
Non Executive Director

Mr. Alexander Adeyemi, mni
Non Executive Director

Mr. Philip Yila Yusuf
Non Executive Director

Mr. Adewale R. Bakare
Non Executive Director

BOARD OF DIRECTORS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-second Annual General Meeting of the Bank will be held at the Transcorp Hilton Hotel, Abuja, on Thursday, May 19, 2022 at 11.00 a.m. precisely to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Accounts of the Company for the financial year ended 31st December, 2021 together with the Reports of the Directors, Auditors and Board Appraisers thereon.

2. To declare Dividend.

3. To appoint/re-appoint Directors.

4. To re-appoint the Auditors of the Company until the conclusion of the next General Meeting of the Company, at which the Accounts are laid before the members and to authorize the Directors to fix their remuneration.

SPECIAL BUSINESS

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

Dated this 19th day of April, 2022

BY ORDER OF THE BOARD

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

Registered Office
BOI House
23, Marina
Lagos

NOTES:

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

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

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

4. *The Proxy Form should be filled and sent via email to osalami@boi.ng or deposited at the registered office of the Company,* **Bank of Industry Limited, 23 Marina, Lagos – ATTENTION: THE COMPANY SECRETARY. This should be received not later than 10.00 a.m. on Tuesday, May 17, 2022.**

Mallam Aliyu AbdulRahman Dikko
Chairman, Board of Directors

CHAIRMAN'S STATEMENT

Distinguished Ladies and Gentlemen,

I welcome you all to the 62nd Annual General Meeting of the Bank of Industry with great delight. It is with pleasure and gratitude to God that I present the BOI group annual report for the financial year ended December 31st, 2021.

GLOBAL ECONOMIC OVERVIEW

The year 2021 began on a promising note, with global economic recovery expected following the recession experienced by most economies in 2020. Global growth of 5.9% was projected for the year, driven primarily by; the relaxation of lockdown protocols, administration of COVID-19 vaccines, strong consumer demand, and accommodative monetary and fiscal policies in most economies.

Indeed, the global economy recovered in the first half of 2021, however, momentum slowed in the second half of the year as global manufacturing PMI declined from 54.95 to 54.38 between the first and second half of 2021 respectively. Consumer inflation in the USA and Eurozone accelerated to 6.8% and 5.0% respectively, above the 2% threshold set by their central banks. This was largely due to supply chain disruptions, higher energy prices, rising inflation, as well as renewed lockdown concerns due to the emergence of different variants of COVID-19. The weakened growth experienced in the second half was however, not without its positive developments, as food commodity prices began to stabilise, remittances also registered a robust recovery, and global trade improved.

The US economy grew by 5.7% in 2021 due to a combination of monetary and fiscal stimulus, as well as improved consumer spending. Albeit, economic recovery continued, the country struggled with tightening labour markets (due to mass resignations), supply-side constraints and the rapid spread of both the Omicron and Delta variants of COVID-19.

China's economy expanded by 12.7 % (one of its highest on record) in the first half of 2021, fuelled by robust exports and increased demand. Despite the global disruption to supply chains in 2020, China's trade surplus rose to $676.4 billion in 2021— up from $524 billion in 2020. Growth then slowed in the second half of the year due to the deleveraging campaign as the Government clamped down on the real estate sector, which is traditionally a key contributor to economic growth. Despite this, the economy grew by 8.1% in 2021, as industrial production rose steadily throughout the year, even as retail sales declined. There are concerns that the slowing growth towards the end of 2021 may signal challenges going into 2022.

The Eurozone economy is projected to grow at 5.2% in 2021, a significant rebound from 2020 when the economy collapsed by 6.4%, its severest recession since the inception of the single currency and the birth of the European Union. The turnaround came on account of: lifting of strict lockdowns, improvements in supply bottlenecks, increased household spending and improved labour market.

Sub Saharan Africa also emerged from the 2020 recession with projected full year growth of 3.7% for the year 2021 by the International Monetary Fund supported by rising commodity prices and improving global trade. Sustained growth, however remains uncertain due to mounting fiscal pressures, rising sovereign debt levels, imminent adverse impact of climate change, as well as low COVID-19 vaccination rate, which was identified as fundamental towards saving lives and strengthening Africa's economic recovery.

NIGERIA'S MACROECONOMIC REVIEW

The Nigerian economy rebounded in 2021 upon recovering from the recession in 2020 which manifested as a negative GDP growth of -1.92%. This recession marked the second in five years, as well as the worst in the last four decades on account of COVID-19. GDP growth rates of 0.51%, 5.01% and 4.03% were thereafter achieved in the first three quarters of 2021. The improved performance was driven by resumption of local commercial and production activities as digitalisation of operations accounted for growth in key sectors such as Trade, Manufacturing, Information and Communications Technology, Financial Services, Logistics and others.

Revenue from oil exports declined, despite increase in global crude oil prices, because production levels fell short of the 1.86 million barrels per day target of 2021 budget due to incessant pipeline vandalisation. External reserves also fell below the $40 billion mark to $35.37 billion, due to inadequate foreign exchange supply to meet rising demand.

Inflation rate peaked at 18.17% in March 2021, moderated for the rest of the year and averaged 16.98% for the entire year. Key drivers of the relatively high inflation rate in Nigeria are insecurity, infrastructural deficit, exchange rate depreciation, supply chain disruptions due to logistic challenges, and rising costs of energy.

In a bid to revitalise the economy and improve the business environment, the Federal Government implemented several reforms, one of which is the Finance Act of 2020 to support the 2021 Budget which has seen the improvement in non-oil revenue increase above the budgeted target of 18%. Another is the adoption of the Investors' and Exporters' (I&E) Window exchange rate in May 2021 as the Central Bank of Nigeria further intensified its efforts to harmonise the foreign exchange market by adopting the I&E Window rate as the official exchange rate.

President Muhammadu Buhari signed the Petroleum Industry Bill into law in August 2021. The law serves to rekindle the potential of Nigeria's Oil and Gas industry by removing constraints to increasing petroleum output and export while also ensuring an increased level of transparency and accountability in the sector.

In October 2021, the Central Bank launched the first digital currency in Africa - the e-Naira to increase financial inclusion and facilitate seamless foreign remittances from the diaspora.

Another significant event that shaped the economy in 2021 was the stellar performance of Nigerian start-ups in raising funds from the private equity market attracting the largest chunk of funding (US$1.37 billion out of the $4 billion) that came to Africa across Education, Health, Information and Communication sectors. By creating an enabling environment for the growth of start-ups, the Federal Government also approved a Start-up bill to encourage Nigerian enterprises by unlocking digital potential, providing incentives, removing regulatory constraints and developing an ecosystem for Start-ups to thrive.

NIGERIAN BANKING INDUSTRY

The banking industry remained resilient as banks delivered 15.6% and 6.8% growth in total assets and profits respectively in the first half of 2021. This happened in spite of the relatively tough business environment on account of COVID-19. The industry was supported by swift policy responses from the Central Bank of Nigeria by way of stimulus packages to critical sectors with significant loan exposures, reduced interest rate on intervention facilities (from 9.0% to 5.0%) and forbearance to banks to restructure loan facilities in 2020, initially for one year. This has been extended by another year until February 2022.

Total lending to the private sector increased by 18.5% (₦5.58 trillion) year-on-year to ₦35.73 trillion in December 2021, up from ₦30.15 trillion in 2020. The increase in private sector lending was supported by the growth of business activities of Fintech and tech-based companies. The Fintech ecosystem in Nigeria has grown significantly in recent years delivering innovative digital financial solutions such as electronic payments, block chain, digital currency, foreign exchange and emittance transactions.

NIGERIAN MANUFACTURING INDUSTRY

Though growth was recorded in Manufacturing Purchasing Manager's Index (PMI) in 2021, with 3.40%, 3.49% and 4.29%, growths achieved in quarters 1, 2 and 3 respectively, the actual PMI remained below the 50 index point for the entire year, except in November and December with 50.8 and 52 index points respectively.

The Monetary Policy Committee of the Central Bank of Nigeria noted that the growth achieved was reflective of the continuing economic recovery and that the expansion was driven largely by increasing business activities in the economy, leading to increase in new orders and uptrend in employment and production levels. The Non-Manufacturing PMI, however, declined marginally to 48.0 index points in December 2021 from 48.6 points in November, largely reflecting a decline in services.

2021 GROUP PERFORMANCE ASSESSMENT

I am pleased to announce that the 2021 group's financial statements of Bank of Industry remain robust and remarkable, despite the rather tough and uncertain operating environment.

Group Total Assets reduced from ₦1.86 trillion in 2020 to ₦1.71 trillion in the year under review. This decline was largely as a result of the reduction of our investment in debt securities and cash balances at the Central Bank of Nigeria as repayments of our syndicated debt continued.

The group's Total Equity remained healthy and increased by 14.4% to ₦384.85 billion from ₦336.48 billion in 2020. Loans and Advances grew by 4.1% in 2021 to ₦780.48 billion from 749.84 billion in 2020.

Group Profit Before Tax grew significantly by 75.2% from ₦35.54 billion in 2020 to ₦62.28 billion in 2021. The growth in interest of over 50% between the years was a key contributor to this achievement.

BOI has continued to work with key stakeholders towards effectively meeting its strategic goals and mandate.

In line with its strategic objectives to continually support its customers through the post COVID-19 recovery phase, the bank extended the 2% reduction of interest rate on all its funded projects and extensions on moratorium and tenor, by another year until 31st March 2022.

OUTLOOK FOR 2022

According to the International Monetary Fund (IMF), the pace of global economic recovery is likely to decelerate with projected growth of 4.4% expected in 2022, compared to 5.9% in 2021. This expectation is attributed to rising cost of energy, lingering supply chain disruptions, and persistent inflationary pressures across the globe.

As the pandemic continues to linger, equitable distribution of vaccines across the globe, especially in Africa, is necessary for a sustained global economic recovery to materialise. There is also a need for global co-operation on strengthening monetary and fiscal policies, prioritising health and social spending, and investing in climate policies.

While Africa remains vulnerable to threats from the global market, there are projections of a mixed recovery in 2022, as growth rates are expected to rise to 3.8%, according to the International Monetary Fund. This shall be driven by rising commodity prices and recovery in global trade fuelled by the easing of social and travel restrictions. Implementation of the AFCFTA agreement remains a big win for Africa, though the pandemic has thrown a spanner in the works and slowed the progress envisaged for 2021.

Despite existing constraints which limit our ability to take full advantage of intra-African trade opportunities, Africa must continue to look inwards by establishing its supply and value chains to enable a faster recover following the pandemic. Other challenges that may slow down economic recovery on the continent include low rates of vaccination, unsustainable fiscal deficit, rising inequality and security challenges and accelerated pace of climate change, which is threatening food security, businesses and livelihoods across the continent.

In Nigeria, the year 2022 is critical as it precedes the upcoming 2023 Presidential elections. It is expected that increased Government and political expenditure will fuel excess liquidity in the system which may adversely impact the inflation rate. In the same vein, the lingering global supply shortage may also impact inflation by weighing on the supply of imported raw materials, thereby affecting output levels.

The International Monetary Fund (IMF) has revised upward its growth forecast for the Nigerian economy in 2022 to 3.4% from its earlier projection of 2.7%, citing increasing oil prices as a key factor. Growth is expected from the following sectors: Information Communications and Technology, Financial Services, Manufacturing, Trade and Construction sectors. Travel, Entertainment and Hospitality sub-sectors are also expected to experience appreciable growth in the year.

As for us in Bank of Industry, we shall begin the implementation of our 2022-2024 medium-term corporate strategy titled "Sustaining Purposeful Growth". This strategy was developed in line with the priorities set by the Federal Government's National Development Plan (2021-2025), which aims to promote rapid multi-sectoral growth and development of the Nigerian economy.

Before concluding, kindly allow me to congratulate my colleagues on the Board, the management and staff of the Bank, including all our stakeholders – the Central Bank of Nigeria, customers, government agencies and other strategic partners for all the great milestones we have been able to collectively achieve over time; notable amongst them is the successful closing of our maiden €750 million Eurobond transaction in February 2022. The transaction was launched at the €500 million benchmark but was oversubscribed by 50%, with over 50 high quality buy-and-hold international investors.

I especially thank the Federal Government of Nigeria and the National Assembly for approving the sovereign guarantee, which gave this transaction a very strong backing and also the Governor and Board of Governors of the Central Bank of Nigeria that agreed to go into a swap arrangement with us thus effectively managing the foreign exchange risk.

In conclusion, I would like to congratulate the MD/CEO – Mr. Olukayode Pitan for the renewal of his term by President Muhammadu Buhari, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria for another five years. And also thank the President for renewing my term as Board Chair for the same period. This is a true testament that all of the great work and achievements that we have collectively recorded in the last five years did not go unnoticed.

I 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 62nd Annual General Meeting of the Bank of Industry (BOI) Limited. I give all praise and glory to Almighty God for keeping us alive and bringing us together once again.

2021 was a year of recovery for most organisations and economies following the tumultuous operating environment of 2020. While we continue to deal with the impact of the COVID-19 pandemic, I am happy to report that Bank of Industry was able to successfully scale up its developmental impact in the year under review compared to the previous year. This improved performance is indicative of the commitment of our Board, management and staff towards achieving our corporate objectives as we continually adapt to the ever changing business environment.

In truth, while the events of the past 2 years caught most of the world unawares, I believe we all gained valuable lessons. At BOI, we have since taken measures to ensure that our systems, processes and people are continuously equipped to meet the evolving business environment. Today, we are a more agile and adaptive institution, able to provide the necessary developmental support for Nigeria's real sector in an ever-changing economy.

Our commitment to building a resilient organisation that can respond to the needs of our customers and operating challenges is unwavering. We strongly believe that we can achieve this with the continuous support of all our stakeholders.

RESPONSE TO COVID-19 PANDEMIC

Recall that in 2020 at the peak of the pandemic, the Bank took steps to support customers with a 2% reduction in interest rates for a year, alongside extension of loan tenors and moratoriums. Although the operating environment improved in 2021, the Bank decided to extend these incentives by another year until 31st March 2022. Additionally, all on-going projects were reviewed to assess emerging risks and opportunities and additional support was provided as applicable, particularly to those in sectors that were more adversely impacted by the pandemic.

We continue to introduce various business continuity measures to safeguard the health and safety of our staff such as introducing a hybrid work initiative, scheduling COVID-19 tests as well as arranging vaccinations.

DEVELOPMENTAL IMPACT ASSESSMENT

In the year under review the Bank disbursed a total of ₦213.63 billion to 30,406 Nigerian enterprises through both direct and indirect methods. This represents a 47.3% increase over disbursements in 2020. 2021 disbursement includes ₦2.99 billion to 22,120 farmers through our Smallholder Farmers on-lending product; and ₦1 billion to 4,000 micro-retailers through our MSME Distributor Finance Programme. Through these interventions, an estimated 950,640 direct and indirect jobs were created in 2021.

As the implementation partner of the Federal Government's ₦75 billion MSME Survival Fund – a fund that was set up as part of the Nigerian Economic Sustainability Plan in 2020, to provide a conditional grant to support vulnerable businesses on account of COVID-19, BOI facilitated the disbursement of ₦58.68 billion to 881,748 beneficiaries.

REVIEW OF FINANCIAL PERFORMANCE

Total Assets reduced from ₦1.86 trillion in 2020 to ₦1.71 trillion in the year under review. The 8.2% decline was as a result of the reduction in debt securities and cash balances at the Central Bank of Nigeria as repayments of our syndicated loans continued.

Loans and advances improved by 4.1% to ₦779.3 billion from ₦748.96 billion in 2020, due to the increased interventions and support to enterprises. Total Equity also grew by 14.2% to ₦382.52 billion from ₦334.96 billion in 2020.

Interest Income improved significantly by 50.4% in 2021 to ₦175.51 billion from ₦116.67 billion in the previous year driven by increased loan disbursements and improved income from investments. Interest expense also increased by about 67.6% from ₦34.98 billion in 2020 to ₦58.61 billion in 2021, primarily due to our additional borrowings in the previous year.

Profit before Tax increased significantly by 75% to ₦61.15 billion in the year, from ₦34.35 billion reported in 2020. Significant growth in Interest Income alongside reduction in impairment charges enabled the achievement of this outstanding result.

ENABLERS OF OUR CORPORATE OBJECTIVES AND STRATEGY

Consistent with our mission to re-invigorate growth in the industrial sector in light of recent challenges, the Bank implemented a number of key initiatives to position itself to better meet the needs of Nigerian enterprises. Some of these initiatives include:

- BOI Maiden Eurobond: 2021 was quite a busy year for us, with continual engagements with our international financial partners and the Federal Government of Nigeria towards concluding our maiden €750 million Eurobond capital raising transaction.

  The transaction was supported by a sovereign guarantee, which was approved by the Federal Executive Council in 2019, and subsequently also approved by the National Assembly. The approval obtained was launched at the benchmark value of €500 million, with an opportunity to upsize by up to 50% (€750 million) in the event of over-subscription. We successfully concluded this transaction in February 2022 with a total size of €750 million.

African Export-Import Bank, Africa Finance Corporation (AFC), CitiGroup and Rand Merchant Bank acted as Joint Global Coordinators and Joint Bookrunners, while Mashreq Bank and Sumitomo Mitsui Banking Corporation were Joint Lead Managers and Joint Bookrunners. Investors include the aforementioned Lead Arrangers, alongside 50 other high quality buy-and-hold international investors. This transaction marked the first successful transaction of its kind by any national Development Finance Institution in Africa.

- €100 million line of credit from AFD: We were granted approval in December 2021 by the Board of French Development Agency (AFD) to access a €100 million line of credit under their Transforming Financial Systems for Climate (TFSC) programme (a co-financing multi-country arrangement between AFD and the Green Climate Fund (GCF)). Along with the line of credit came a €2.5 million technical assistance grant to ensure that the Bank builds the capacity to utilize the funds for climate finance mitigation and adaptation.

  5 key areas that the technical assistance shall cover include the following:

  - Support the identification and development of eligible and bankable climate projects;
  - Support the definition and implementation of a climate finance strategy;
  - Assistance in the management of environmental and social risks;
  - Support in the definition and implementation of a professional gender equality policy;
  - Support for marketing and communication activities.

- World Bank's $750 million COVID-19 Action Recovery and Economic Stimulus (CARES): Following the appointment of the Bank as the implementing partner for the World Bank's $750 million COVID-19 Action Recovery and Economic Stimulus (CARES) Intervention Programme, a pilot was conducted in Delta State where ₦344.5 million has been disbursed to 1,818 beneficiaries.

  25 state governments (including Delta) have executed MOUs with BOI to leverage the Bank's Growth Platform infrastructure as their preferred delivery platform for implementing the MSME component of the programme.

  We have already prepared 20 partner states for program execution, with agent networks setup and activated. Beneficiary targeting and nominations are ongoing in 18 states, while 6 states are in the process of committing funds to implement quick win pilots.

- Business Resilience Assistance for Value-Adding Services for Women (BRAVE) program: We have also made significant progress acting as the local execution agency for the Business Resilience Assistance for Value-Adding Services for Women (BRAVE) program (an initiative of the Islamic Development Bank) in Nigeria. Over 550 businesses have started receiving capacity-building support across the three pilot states - Kano, Gombe and Edo. These businesses shall be eligible to apply for the grant-matching portion of the scheme in 2022.

- State Empowerment Enterprise Programme (SEEP): Our continuous engagement with State Governments has seen us enter an agreement with them to run the State Empowerment Enterprise Programme (SEEP). This is a ₦2 billion micro-credit initiative to empower micro and small businesses in participating states. The programme pilot kicked off in Osun State, where ₦47.25 million has been disbursed to 827 beneficiaries.

- Edo State Government ₦2 billion matching fund: The Bank also partnered with the Edo State Government to launch a ₦2 billion matching fund to support enterprises in the state. The Bank's new office in Benin City, Edo was also commissioned by the Executive Governor of Edo State at the event.

- Tertiary Institutions Entrepreneurship Scheme (TIES): As part of efforts to enhance youth entrepreneurship in the country, the Central Bank of Nigeria appointed BOI as the implementing partner for its Tertiary Institutions Entrepreneurship Scheme (TIES). This entrepreneurship scheme aims to address youth unemployment and under-employment by providing loan facilities to graduates and undergraduates of Nigerian polytechnics and universities; thus offering them an opportunity to be employers of labour, rather than employees. 5,366 applications have been received and disbursements have begun in earnest.

- Nigerian Export Promotion Council (NEPC) for a ₦50 billion Export Expansion Facility Fund: BOI signed a Custodian Fund Agreement with the Nigerian Export Promotion Council (NEPC) for a ₦50 billion Export Expansion Facility Fund. The fund was set up to provide financial support to organisations in the non-oil export value chain, especially those adversely affected by the COVID-19 pandemic. As at end of February 2022, a total of ₦41.9 billion had been disbursed to beneficiaries.

- Investment in Digital and Creative Enterprise (i-DICE) programme: The Bank was appointed as the executing agency for the Investment in Digital and Creative Enterprise (i-DICE) programme, a Federal Government of Nigeria programme to promote investment in Information and Communications Technology (ICT) and Creative Industries. This programme is part of efforts by the Federal Government to create sustainable jobs during and post-COVID-19 pandemic.

CORPORATE STRATEGY REVIEW AND DEVELOPMENT

2021 marked the final year of the Bank's outgoing 2019-2021 Medium-term Strategic Plan. I dare say that the Bank was able to achieve most of the objectives it set for the period. This performance was achieved despite the emergence of COVID-19. Some notable achievements during the period include:

- The successful conclusion of both $1billion and €1 billion syndicated loans in 2020, from the international financial capital market towards strengthening our funding capacity to support Nigerian enterprises.
- Introduction of tailored intervention products and programmes such as N-Tech Fund, North East Rehabilitation Fund, Agriculture Value Chain Fund, and MSME Distributor Finance Programme to meet the specific financing needs of microenterprises, including women and youth.
- Significant investment in our Information Technology infrastructure and operations covering automation, cyber security, data governance, process re-engineering, etc.
- Our credit ratings were upgraded by both Fitch Ratings and Agusto Ratings with stable outlook, while Moody's reaffirmed our credit rating also with stable outlook.

We worked with PwC Consulting in the development of our new 3 year medium term strategy for the 2022-2024 period. This culminated in a management retreat, which took place in July 2021. This plan, which is titled 'Sustaining Purposeful Growth', is guided by four core themes:

- Operational Excellence: Deploying our resources for best performance;
- Financial Growth and Sustainability: Attracting the right funds to improve our business decision-making process;
- Superior Customer Experience: Exceeding customer expectations at every touch-point;
- Developmental Banking Experience: Serving as a catalyst to achieving development impact across various sectors of the economy.

The Board of the Bank approved the new corporate strategy of the Bank at its meeting of December 2021.

CREDIT RATINGS

During the year, Fitch ratings upgraded the Bank's National Long-Term rating to 'AAA (nga)' from 'AA+ (nga)' and affirmed the Long-Term Issuer Default Rating of 'B' with a stable outlook.
Moody's re-affirmed the Bank's Long-Term Issuer Default Rating of 'B2' with a stable outlook.
Agusto & Co upgraded the Bank's credit rating to 'Aaa' from 'Aa' with a stable outlook.

These positive reviews were largely hinged upon the effective management of the Bank's risk management framework, effective corporate governance and sustainability structures, as well as the strong support given to the Bank by both the Federal Government and Central Bank of Nigeria through the credit guarantees and currency swap arrangements.

ISO CERTIFICATIONS

The Bank successfully underwent surveillance audits of its ISO certifications during the year namely:

- ISO 9001-2015 Quality Management System (QMS);
- ISO/IEC 27001-2013 Information Security Management System (ISMS); and
- ISO 22301: Business Continuity Management System (BCMS) certification.

These certifications have been invaluable in ensuring that we continually improve in our business processes, business continuity as well as data and information security management; all of which have become more fundamental in today's business world, given recent volatility in the operating environment.

AWARDS AND RECOGNITION

In recognition of the Bank's developmental strides, we received a number of awards in the year:

- Award for 'Innovation in Financial Services' at the 2021 African Banker Awards organised by the African Development Bank.
- 'Best Company in Financial Inclusion' and 'Best New Entry' at the SERAS CSR Awards 2021.
- Award of Honour by the Manufacturers Association of Nigeria (MAN)
- 2021 Icon of Youth Empowerment award by the Skills acquisition and Entrepreneurship Department (SEAD), National Youth Service Corps.

The Bank also became the first DFI in Nigeria to be an official signatory to the United Nations Environment Programme-Finance Initiative (UNEP-FI) Principles for Responsible Banking. This further reinforces our commitment to transforming Nigeria's Industrial Sector by implementing global best practices standards and adhering to sustainability standards in its activities.

CORPORATE SOCIAL RESPONSIBILITY

Consistent with our focus and support for the technology sector and youth entrepreneurship, the Bank wholly funded the establishment of technology hubs across the country. So far, we have established seven technology hubs, across five states in Nigeria, with plans to expand into more states in the coming years. The Hubs include: University of Lagos Innovation Hub, BOI-UNILAG Incubation Centre; Ajah BOI-Vatebra Technology Hub; Bayelsa Technology Hub; BOI-UAT Incubation Centre; Kebbi State Technology Hub; and Kaduna State Technology Hub.

In addition, we also funded the completion of ICT and Science labs in Delta, Ogun, Yobe, and Lagos states, and rehabilitated a number of secondary schools alongside several other projects in the year.

BUSINESS PROCESS RE-ENGINEERING AND INFORMATION SECURITY MANAGEMENT

Along with ongoing re-engineering and automation of our core processes, the Bank has developed and is currently implementing a new data governance and cloud strategy.

We have also commenced the implementation of both our information security strategy and cyber-incidence response plan to ensure that we are adequately prepared, able to detect, respond to, and recover from potential information security breaches.

EXPANSION OF OUR BUSINESS OFFICES

Towards creating convenient and seamless opportunities for enterprises, especially MSMEs to access our products and services, we commissioned new offices in Edo, Lagos and Ekiti States in the year, thus bringing our total number of offices to 30 in 29 states of the Nigerian federation.

I am also pleased to report that we have now completed the Tower 2 project of BOI Corporate Office in Abuja. The building was commissioned by President Muhammadu Buhari on 31st March 2022.

OUTLOOK FOR 2022

Looking ahead, the Bank's priorities for 2022 shall focus on completing the implementation of on-going projects and initiatives. In no particular order, activities that will be of priority include:

- Deployment of the proceeds of the just concluded €750 million Eurobond to finance bankable projects; as well as concluding other fund/capital raising transactions towards enhancing our capacity to keep supporting Nigeria's industrial sector;
- Effective and efficient execution of our 2022-2024 medium-term corporate strategy;
- Completion of various business enhancement projects; currently at various stages of implementation towards strengthening our operations and service delivery capabilities, and protecting the Bank from external threats;
- Continued deployment of innovative products and services to various segments and sectors of the Nigerian economy towards enhancing national growth and development.

On behalf of the Board, management and staff of the Bank, I express our gratitude and appreciation to His Excellency, President Muhammadu Buhari and our principals: The Federal Government, the National Assembly, Federal Ministry of Industry, Trade and Investment, Federal Ministry of Finance as well as the Central Bank of Nigeria for the unflinching support we have continued to receive as we strive to achieve our mandate. A fundamental support is the provision of credit enhancements to our international debt capital transactions of up to $4bn in the past few years.

We also sincerely appreciate our Board for their exceptional leadership and guidance through the years.

Finally, I want to recognise our staff for their support in driving the implementation of the Bank's corporate objectives. In recognition of their hard work, the Bank recently promoted up to 60% of its workforce. The management of the Bank is committed to continually providing a competitive reward system and work-life balance for its work force.

Thank you and God bless you all.

Olukayode Pitan
Managing Director/Chief Executive Officer

THE ISSUER

BANK OF INDUSTRY

...transforming Nigeria's industrial sector

€ 750,000,000 @ 7.5%
DEBUT SENIOR NOTE PARTICIPATION NOTES DUE 2027

Under Reg S/144a with the Rating of B2 by Moody's and B by Fitch

issued by, but with limited recourse to

BOI FINANCE B.V.

(incorporated with limited liability in the Netherlands)

for the sole purpose of financing the purchase of a **Senior Note** issued by

BANK OF INDUSTRY LIMITED

@ 100% Issue price and the Senior Notes are unconditionally and irrevocably guaranteed by

THE FEDERAL GOVERNMENT OF NIGERIA

FEDERAL GOVERNMENT OF
NIGERIA

THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

AFREXIMBANK
African Export Import Bank

AFC
Africa Finance Corporation

citi
Citigroup

RMB
Rand Merchant Bank

THE JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS

mashreq المشرق
Mashreqbank psc

SMBC SMBC NIKKO
SMBC Nikko

THE LEGAL ADVISERS

Counsel to the Issuer International & Nigeria

WHITE & CASE
English law and USA law

BANWO & IGHODALO
Nigerian Law

Counsel to the Bookrunners International & Nigeria

ALLEN & OVERY
English law and USA law

OLANIWUN AJAYI
Nigerian Law

THE TRUSTEE

LawDebenture
Law Debenture Trust Corporation p.l.c

THE COUNSEL TO THE TRUSTEE

大成 DENTONS
Dentons UK and Middle East LLP (English Law)

This Notice is not an advertisement or a solicitation to the public, neither is it intended to call attention to the purchase of the Notes and the Senior Notes and may not be utilised in connection with any offering to the public within Nigeria. The Notes and the Senior Notes referenced herein have not been registered with or approved by the Nigerian Securities and Exchange Commission pursuant to the Nigerian Investments and Securities Act No 29 of 2007(as amended) (the "ISA"). Accordingly, the Notes and the Senior Notes have not been made available for subscription by the public in Nigeria, other than to select investors to whom the prospectus may have been addressed as a private sale, or domestic concern, within the exemption and meaning of Section 69(2) of the ISA.

The Notes, the Senior Note and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered, sold or delivered: (a) in the United States only to qualified institutional buyers (as defined in Rule144A ("Rule 144A") under the Securities Act) in reliance on, and in compliance with, Rule 144A who are also qualified purchasers ("QPs") (within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940,as amended); and (b) to Persons (other than U.S. Persons) (each as defined in Regulation S under the Securities Act ("Regulation S")) outside the United States in reliance on Regulation S.

FEBRUARY 2022

Financial
Highlights

FINANCIAL HIGHLIGHTS

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
MAJOR PROFIT OR LOSS ACCOUNT ITEMS	**₦'000**	₦'000	**₦'000**	₦'000
Interest income	**175,830,860**	116,906,211	**175,511,056**	116,671,135
Interest expense	**(57,866,159)**	(34,117,130)	**(58,611,570)**	(34,975,683)
Other operating loss	**(13,497,046)**	(8,645,759)	**(13,930,876)**	(9,202,562)
Net fees and commission income	**578,123**	2,060,504	**166,713**	1,690,733
Impairment charges	**(9,095,180)**	(12,847,174)	**(9,074,738)**	(12,805,416)
Total operating expenses	**(33,670,449)**	(27,814,636)	**(32,912,394)**	(27,029,606)
Profit before tax	**62,280,150**	35,542,017	**61,148,191**	34,348,601
Taxation	**(8,863,336)**	(3,944,159)	**(8,539,821)**	(3,545,031)
Profit after tax	**53,416,814**	31,597,858	**52,608,370**	30,803,570
MAJOR BALANCE SHEET ITEMS				
Loans and advances	**780,477,268**	749,838,732	**779,297,001**	748,957,244
Borrowings	**1,125,303,560**	1,302,479,259	**1,124,761,517**	1,300,972,636
Share capital	**147,371,321**	147,371,321	**147,371,321**	147,371,321
Total Equity	**384,846,310**	336,483,093	**382,519,218**	334,964,547
Total assets	**1,712,020,571**	1,863,752,628	**1,709,806,430**	1,861,994,022
Earnings per share (in kobo)	**72**	43	**71**	42
Earning per share - Diluted (kobo)	**66**	20	**65**	19
Net assets (in kobo)	**522**	457	**519**	455
Number of employees	**616**	505	**540**	445
Total ordinary shares	**73,685,660,619**	73,685,660,619	**73,685,660,619**	73,685,660,619

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, 2021.

1. Legal Form

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 N50.0 billion and in the wake of NIDB's reconstruction into BOI in 2001, it was increased to N250.0 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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
	₦'000	₦'000	₦'000	₦'000
Gross earnings	**184,554,648**	131,843,084	**183,390,927**	130,681,251
Profit before tax	**62,280,150**	35,542,017	**61,148,191**	34,348,601
Taxation	**(8,863,336)**	(3,944,159)	**(8,539,821)**	(3,545,031)
Profit for the period	**53,416,814**	31,597,858	**52,608,370**	30,803,570
Other comprehensive income	**(433,064)**	(602,291)	**(433,163)**	(637,849)
Total comprehensive income for the period	**52,983,750**	30,995,567	**52,175,207**	30,165,721

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 the Company during the year.

5. Business Review

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

6. Directors

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

Mallam Aliyu AbdulRahman Dikko	-	Chairman, Board of Directors
Mr. Olukayode A. Pitan	-	Managing Director/Chief Executive Officer
Mrs. Toyin Adeniji	-	Executive Director, Micro-Enterprises
Mr. Jonathan Tobin	-	Executive Director, Corporate Services and Commercial
Mr. Simon Aranonu	-	Executive Director, Large Enterprises
Mr. Shekarau D. Omar	-	Executive Director, Small and Medium Enterprises
Engr. Chukwuemeka Nzewi	-	Non-Executive Director
Mallam Mohammed Mustapha Bintube	-	Non-Executive Director
Mr. Alexander Adeyemi, mni	-	Non-Executive Director
Mr. Philip Yila Yusuf	-	Non-Executive Director
Mr. Adewale R. Bakare	-	Non-Executive Director

REPORT OF THE DIRECTORS (cont'd)

7. Record of Attendance of Directors

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

8 Interest of Directors

No Director has direct or indirect interest in the share capital of the Company (31st December, 2021: Nil)

9. Analysis of Shareholding

As at the end of 2021, 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 (Individuals)	605,000	negligible

10. Substantial Interest in Shares (10% and above)

The above analysis shows that one (1) 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 the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Company was involved as at 31st December, 2020.

12 Property and equipment

Movements in property and equipment during the year are shown in note 24. In the opinion of the Directors, the market value of the Group's properties is not less than the value shown in the Financial Statements.

13 Employment and Employees

13.1 Employment of Physically Challenged Persons

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

14 Donations and charitable gifts

The Bank made contributions to charitable and non-political organisations of N35.5million (December 2020: N11.29 million) during the period.

15 Auditors

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

BY ORDER OF THE BOARD

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

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

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

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

Going Concern

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

Olukayode Pitan	**Aliyu AbdulRahman Dikko**
Managing Director/CEO	Chairman Board of Directors
FRC/2018/IODN/00000017947	FRC/2013/IODN/000000002375

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Further to the provisions of Section 405 of the Companies and Allied Matters Act, 2020, we, the Managing Director/CEO and the Chief Financial Officer, hereby certify the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2021 as follows:

a) That we have reviewed the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2021.

b) That the Audited Consolidated and Separate Financial Statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the Audited Consolidated and Separate Financial Statements and all other financial information included in the Statements fairly present, in all material respects, the financial condition and results of the operation of the company as of and for, the year ended 31 December 2021.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Bank and its subsidiaries is made known to the Officer by other Officers of the companies, during the period end in which the Audited Financial Statement Report is being prepared.

e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of the Audited Consolidated and Separate Financial Statements, and certify that the Bank's internal controls are effective as of that date.

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

g) That we have disclosed the following information to the Bank's Auditors and Audit Committee:

   (i) There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarise and report financial data, and have identified for the company's Auditors any material weaknesses in internal controls, and

   (ii) There is no fraud that involves Management or other employees who have a significant role in the company's internal control.

Mr. Olukayode A. Pitan
Managing Director/CEO
FRC/2018/IODN/00000017947

Akeem Olatunji Adesina
Chief Financial Officer
FRC/2013/ICAN/00000004532

REPORT OF THE AUDIT COMMITTEE

TO THE MEMBERS OF BANK OF INDUSTRY LIMITED

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020 ["CAMA"] and the Central Bank of Nigeria (CBN)'s Regulatory and Supervisory Guidelines for Development Finance Institutions in Nigeria we have reviewed the Consolidated and Separate Financial Statements of the Bank of Industry Limited and its subsidiaries for the year ended 31 December 2021 and the reports thereon and confirm as follows:

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

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

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

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

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

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

Members of the Audit Committee
Mr. Alexander M. Adeyemi - Chairman
Mr. Philip Yila Yusuf
Mr. Adewale Bakare

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju
P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 8090381864
info@ dcsl.com.ng
www.dcsl.com.ng

Abuja Office:
1st Floor, The Statement Hotel
Plot 1002, 1st Avenue, Off
Shehu Shagari Way,
Central Business District
By Abia House and
Federal High Court Abuja

RC NO. 352393

22nd March 2022

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF BANK OF INDUSTRY LIMITED FOR THE YEAR-ENDED DECEMBER 31, 2021.

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 CCG for DFIs"), and Principle 14.1 of the Nigerian Code of Corporate Governance (NCCG), 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, 2021. The appraisal involved the benchmarking of the performance of the Board against the provisions of the CBN CCG for DFIs, as well as NCCG and entailed a review of the BOI's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us. We also administered questionnaires and conducted interviews with Directors and some members of the Executive Management team. To ascertain the extent of compliance with relevant corporate governance principles, and the performance of the Board in general, we benchmarked the Bank's corporate governance structures, policies, and processes against the provisions of the CBN CCG and NCCG as well as global Best Practices using 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.

Following the review of the policies and processes operating in the Bank, we confirm that the Board of Directors is committed to enthroning the highest standards of corporate governance practices and ensuring adherence to the principles enshrined in the CBN CCG for DFIs and the NCCG, as well as globally accepted Corporate Governance practices. Furthermore, we confirm that Board is committed to setting the pace for the observance of highest ethical standards and transparency in the conduct of the Bank's business.

Details of our key findings and recommendations are contained in our Report.

Please accept the assurances of our highest regards and esteem.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

EXECUTIVE MANAGEMENT

Mr. Olukayode A. Pitan

Managing Director/Chief Executive Officer

Mr. Olukayode Pitan is the Managing Director and Chief Executive Officer of Bank of Industry Ltd, Nigeria's oldest and largest development finance institution. He draws from significant experience gained across various financial services sectors including banking and capital markets, during his over 30-year career.

Mr. Pitan has pioneered several innovative transactions in the Nigerian capital market and the international financial market towards the economic development of Nigeria. To date, he has led the Bank of Industry to successfully raise about $4 billion from the international market through syndications and most recently, through the bond market.

Prior to his current role, he served as MD/CEO of First Interstate Bank PLC; Executive Director at Unity Bank PLC; Executive Director at FSB International Bank PLC; and the pioneer MD/CEO of ENSEC - a specialised banking unit of FSB International Bank PLC that focused on the energy Sector in Nigeria.

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

He is a Fellow of several prestigious organisations including the following: Chartered Institute of Bankers of Nigeria (FCIB), Chartered Institute of Stockbrokers (FCS), Institute of Credit Administration of Nigeria (FICA), Nigeria Economic Society (FNES) and a member of the Institute of Directors of Nigeria (MIoD). He is also an alumnus of the Lagos Business School; the London Business School; the Haggai Institute, Singapore; and the Galilee International Management Institute, Israel. He is also a merit award recipient of Institute of Chartered Accountants of Nigeria (ICAN).

Mr. Pitan is the Chairman of the Association of Nigerian Development Finance Institutions (ANDFI). He was recently appointed to the Board of the Association of African Development Finance Institutions as a director representing West Africa. He also serves as Chairman, Board of Trustees of the Redeemer's University, Ede.

In addition, he has held several board and executive positions, which include:

- 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.
- Technical Chairman that brokered the formation of FUG Pensions Ltd, consolidating the interests of Futureview Financial Services Ltd, Unity Bank Plc and Glanvill Enthoven & Co Ltd to form a viable and significant player in the Pensions management industry, subsequently holding the position of Chairman of FUG Pensions Ltd.
- Alternate Director of Kakawa Discount House Ltd,
- Director of Newdevco Investments & Securities co. Ltd and Director of Banque International Du Benin.
- Chairman of BOI-ITC Ltd and LECON Financial Services Ltd, which are subsidiaries of BOI Ltd.
- Chairman of Habitation of Hope, an NGO set up to salvage, transform and empower the abandoned, hopeless and homeless street boys and girls living in Nigeria.

EXECUTIVE MANAGEMENT

Mrs. Toyin Adeniji

Executive Director - Micro-Enterprises

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

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

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

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

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

Mr. Jonathan Tobin

Executive Director - Corporate Services and Commercial

Mr. Jonathan 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 supervision of the operations of the Management Services Division, Human Resources, Security and Administration Departments and the Bank's subsidiaries.

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

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

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

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

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, a Fellow of the Institute of Credit Administration and a member of the Institute of Directors of Nigeria and Chairman, BOI Micro Finance Bank.

EXECUTIVE MANAGEMENT

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.

Mr. Aranonu's banking career began in 1987 when he joined Chase Merchant Bank, later becoming Continental Merchant Bank, where he spent three (3) years in various middle management positions. 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 also worked at various times for Liberty Merchant Bank as an Assistant General Manager and also at Manufacturers Merchant Bank as an Assistant Manager.

Mr. Aranonu holds a Bachelor of Science Degree from University of Nigeria, Nsukka 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 (ICAN) and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN).

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 and Mellon Bank, Philadelphia. Mr. Aranonu has also been trained at the Kellogg School of Management, Chicago, Illinois and Wharton Business School, Pennsylvania both in the United States. In the spring of 2000, Mr. Aranonu became a beneficiary of the USAID-sponsored Best and Brightest African Bankers training programme in the USA.

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

Mr. Shekarau D. Omar

Executive Director - Small and Medium Enterprises (Sadaukin Katagum)

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

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

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

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

EXECUTIVE MANAGEMENT

Dr. Ezekiel Oseni
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. Degree in Business and Applied Economics from Olabisi Onabanjo University in 2012.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate of the Chartered Institute of Stockbrokers (ACS), a Certified Risk Manager (CRM) and a Certified Information Systems Auditor (CISA). He is currently the President of Risk Management Association of Nigeria (RIMAN).

He joined BOI Ltd in 2005 as a Senior Manager and pioneer Head of the then 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 Olatunji Adesina
Chief Financial Officer

Mr. Akeem Olatunji Adesina has over three decades cognate Development Banking experience. He has worked in all the sections of the Finance Division of Bank of Industry (BOI) and rose through the ranks to the position of Divisional Head.

He became the Chief Financial Officer of the Bank in 2005 during its reconstruction from Nigerian Industrial Development Bank Ltd to Bank of Industry Ltd. He held this position till February 2015 when he was deployed to oversee the set up and proper running of the newly created Operations and Technology (O&T) Division. As the Divisional Head (O&T), he supervised the migration of the Bank to a new Core Banking Application (CBA), establishment of the Bank's Disaster Recovery Site, connectivity between the Head Office and the State Offices, revamping of the Bank's Intranet and Websites and the loan portals. It was also during his tenure that the Bank first obtained its ISO 27001 Certification and kick-started ISO 22301 Certification, amongst other projects implemented that fast tracked the automation of the Bank's processes, while also ensuring maximum cyber security of the Bank's data and other critical IT assets.

He was later redeployed to oversee the Finance Division as the Chief Financial Officer again on October 2, 2019 a position he holds till date.

Akeem holds a Bachelor of Science Degree in Accounting from the University of Lagos and a Master of Business Administration (MBA) Degree from Obafemi Awolowo University, Ile-Ife.

Akeem is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and an Associate Member of the Chartered Institute of Taxation of Nigeria (CITN).

EXECUTIVE MANAGEMENT

Mr. Leonard Kange

Divisional Head - Large Enterprises – I

Mr. Leonard Kange is an accomplished Business Leader with over 29 years of domestic and international experience in the Financial Services Industry. His experience in the Industry spans Relationship Management, Strategy, Investment Banking, Treasury, Information Technology, Corporate Banking, Commercial Banking, Financial Advisory Services and Insurance.

Leonard joined Bank of Industry in 2017 as General Manager, Large Enterprises and is currently responsible for leading, directing and overseeing business development, operations and financial health of the Food Processing, Creative Industry, Solid Minerals, Gender and Special Intervention Funds (for power, Aviation, Manufacturers Refinancing and Restructuring) Business Groups. He is also a leading member of the team responsible for sourcing financing from local and international institutions to support the Bank's lending activities. Leonard also chairs the Information Security Steering Committee (ISSC) and the Information Technology Steering Committee (ITSC) respectively.

Leonard holds a B.Sc Degree in Sociology from Ahmadu Bello University, Zaria (1986) (Accredited by University of Toronto). He also earned the Professional Financial Planner (PFP) designation in 2007 and the Project Management Professional (PMP) designation in 2008.

Leonard has also attended several professional development training programmes at a number of renowned institutions including: the Wharton Business School, USA; RBC Royal Bank of Canada; University of Florida, USA; CitiBank, USA; Cambridge Academy of Transport, UK and Galilee International Management Institute, Israel. Leonard is a certified member of the Project Management Institute (PMI).

Dr. Rislanudeen Muhammad

Divisional Head - Small and Medium Enterprises – North

Dr. Rislanudeen Muhammad holds a B.Sc Degree (1985) in Economics from Bayero University, Kano. He holds an M.Sc Degree in Economics from Ahmadu Bello University, Zaria. He also holds a Ph.D (2019) in Economics from Bayero University, Kano.

He is a Fellow of the Chartered Institute of Loans and Risk Management, a Fellow of the Institute of Corporate Administration, Fellow of the Association of Enterprise Risk Management Professionals, a Fellow of the Nigerian Institute of Fiscal Studies, a Fellow of the Nigerian Institute of Management Consultants, a Life member of the Nigerian Economic Society and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN).

He has over 33 years' experience in Budget and Economic Planning, Corporate Banking, Credit and Operations, Retail and Commercial Banking, Risk Management, Investment Advisory Services, Real Estate Management, Staff recruitment, Training and Placement.

He joined BOI Ltd in 2018 as the Divisional Head (SME-North).

EXECUTIVE MANAGEMENT

Ms. Mabel Ndagi

Divisional Head - Communications and External Relations Division

Ms. Mabel Ndagi holds a Bachelor of Laws Degree from Ahmadu Bello University, Zaria and was called to Bar in 1987. Mabel has worked in various banking and financial institutions including the erstwhile International Merchant Bank (IMB), a former local affiliate of First National Bank of Chicago.

She currently leads the Communications and External Relations Division at the Bank of Industry Ltd. as Divisional Head. Prior to this, Mabel served as the Group Head of the Gas and Petrochemicals Group where she managed diverse portfolios in Pharmaceuticals, Personal Care, Petrochemicals and Plastics as well as Oil and Gas within the Bank's Large Enterprises' Directorate.

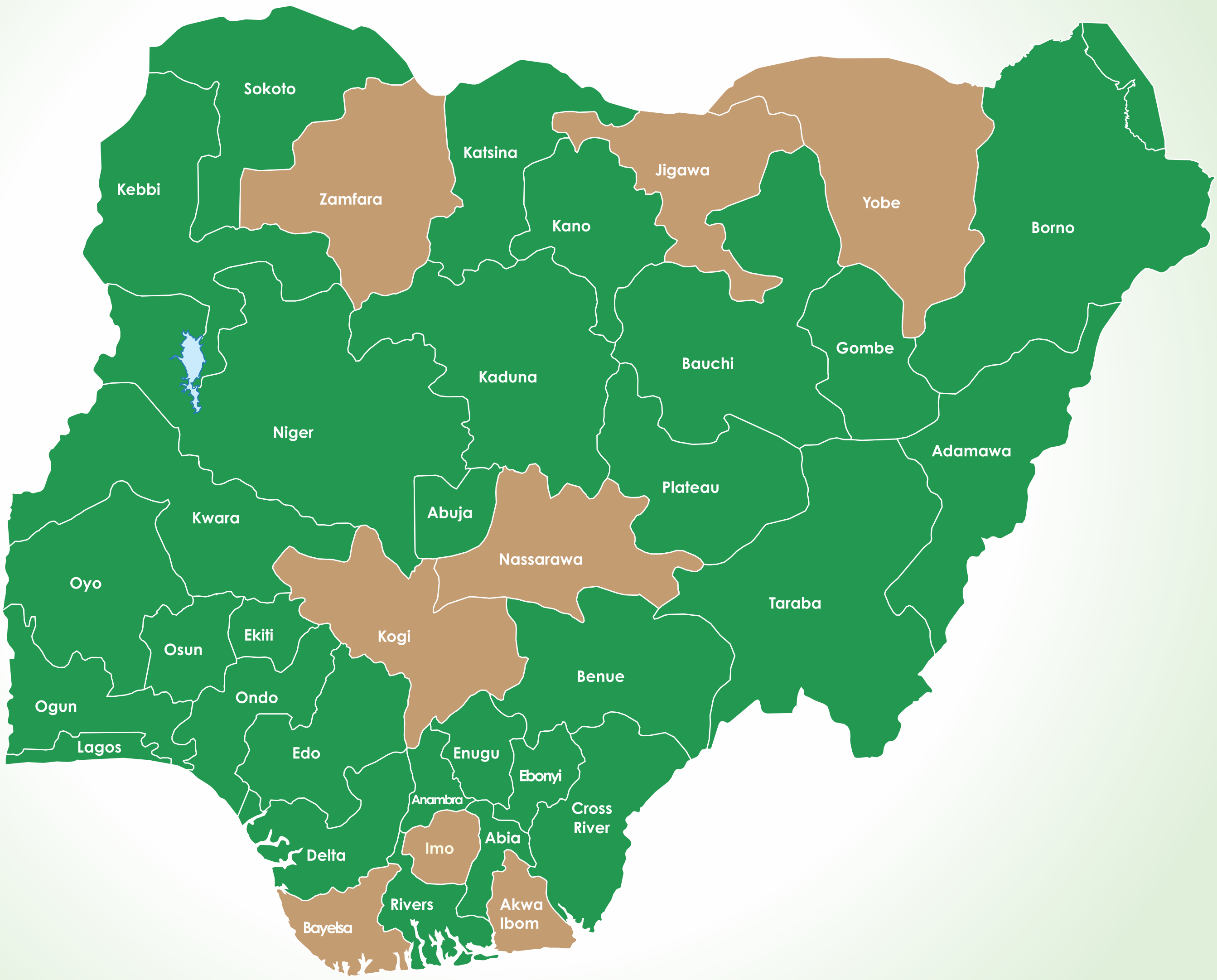
Ms. Ndagi pioneered BOI's Gender Business Desk and has also led other groups within the Bank such as the Public and Multilateral Desk and the Monitoring and Supervision Group of the Central Bank Intervention Funds Desk.

Her areas of core competence include Treasury Management, Corporate Finance, Project Finance, Integrated Marketing Communication, Special Products Management and Strategic Alliances.

Ms. Ndagi has attended various professional and leadership trainings in the New York Institute of Finance, the Centre for Finance Strategy, Cambridge Massachusetts, both in the United States. She also trained at the City University Business School, London and the Institute de Francaise, France.

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

BOI is Present in 29 States Across Nigeria



States Bank of Industry is present in.

visit: **www.boi.ng**

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

call: **0700-CALL-BOI | 0700 225 5264**
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BANK OF INDUSTRY
...transforming Nigeria's industrial sector

Our Offices Across Nigeria

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

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

Abia
No. 25B Adelabu Street
Adelabu Housing Estate,
opp. Abia State Universal
Basic Education Board,
Umahia, Abia State.

Adamawa
Galadima Aminu Way,
(Bank Road)
opp. Lamido Cinema,
Jimeta, Yola.

Anambra
37, Zik Avenue,
Akwa,
Anambra State.

Bauchi
BOI House,
Maiduguri Road,
PMB 245,
Bauchi.

Benue
No. 17, Jonah Jang Road,
Hudco Headquarters,
Makurdi,
Benue State.

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

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

Delta
1st Floor, Karlyle Towers,
No. 10, DBS Road,
opp. Deputy Governor's Office,
GRA, Asaba,
Delta State.

Ebonyi
25, Ezza Road,
FMBN Compound,
Abakaliki,
Ebonyi State.

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

Ekiti
Former CBN Office,
Along Secretariat Road, off
Bank Road (New Inyin Road),
Ado-Ekiti, Ekiti State.

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

Gombe
Muhammad Aliyu Plaza,
Gombe-Bauchi Expressway,
Gombe State.

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

Kano
Guda Abdullahi Road,
City Center (Farm Center),
Nassarawa, Kano.

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

Kebbi
Plot 1A,
Sultan Abubakar Rd,
GRA, Birnin Kebbi,
Kebbi.

Kwara
1st Floor,
Adama Bola Sa'ad House,
by Mat-Rite Supermarket,
10, Ahmadu Bello Way,
GRA, Ilorin.

Lagos - Ikeja
3 Ashabi Cole Street,
off Agidingbi Road,
CBD, Alausa,
Lagos.

Lagos -Lekki
3rd Floor, Standard Alliance
Building, Plot 1, Block 94,
Providence Street,
Lekki Phase 1, Lagos.

Niger
Adjacent to Sharman Plaza,
opp. Murtala Park,
Bosso Rd,
Minna, Niger state.

Ogun
2nd Floor, Oluwatoyin House,
Lalubu Road, opp. Zenith Bank,
Oke-Ilewo, Abeokuta,
Ogun State.

Ondo
BOI House,
Owo Road,
Alagbaka,
Akure, Ondo State.

Osun
10 Obafemi Awolowo way,
Igbona, Osogbo,
Osun State.

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

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

Rivers
1st Floor, Fleet House,
105 Olu Obasanjo Rd,
Port-Harcourt.

Sokoto
6 Ahmadu Bello way,
Sokoto.

Taraba
72 Hammaruwa Way,
opposite GTBank,
Jalingo, Taraba.

Corporate
Profile

CORPORATE PROFILE

Bank of Industry Limited is Nigeria's foremost Development Finance 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 Bank of Industry Ltd (BOI Ltd.) 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, and rehabilitation of ailing ones; BOI also aims to drive expansion, diversification and modernisation of existing enterprises. The Bank's 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; all of which would have significant positive effects on the socio-economic condition of Nigerians.

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

VISION, MISSION AND MANDATE

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

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

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

CORPORATE PROFILE

Brief History & Developmental Milestones

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

CORPORATE PROFILE

Brief History & Developmental Milestones

2019	• Appointed executing agency for the Islamic Development Bank's Business Resilience Assistance for Value-adding Enterprise (BRAVE) for Women project • Created a ₦2.4 billion North East Rehabilitation Fund to support the rejuvenation of enterprises and business activities in the region • Signed MoU with AfDB to execute Affirmative Finance Action for Women in Africa (AFAWA) • Secured sovereign guarantee from the Federal Executive Council to access €750 million from the international debt market • Financed the establishment of 3 technology hubs in Lagos and Bayelsa States • Increased SME Consultants to 300 • Obtained ISO 27001 Information Security Management System (ISMS) Certification • Expanded from 24 to 26 state offices
2020	• Raised €1 billion CBN Guaranteed Facility. The loan was initially for €750 million but was over-subscribed and thereafter up-sized • Re-financing of US$750 million AFREXIM loan. The deal was oversubscribed and up-sized to US$1 billion marking the Bank's third major international debt raising activity within the last 3 years • Partnered with the World Bank and State Governments to deploy the World Bank's $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (N-CARES) Programme • The Nigerian Content Development & Monitoring Board (NCDMB) approved the expansion of the Nigeria Content Intervention (NCI) fund from $200 million to $300 million • BOI was appointed by the Federal Government to manage the ₦75 billion MSME Survival Fund • Partnered with State Governments on the State Enterprise and Empowerment Program (SEEP), a ₦2 billion Microcredit initiative • Appointed as the implementation agency for the ₦500 billion National Liquefied Petroleum Gas (LPG) Energy Fund • Participated in the Private Sector Coalition Against Covid-19 (CACOVID) initiative with a contribution of ₦700 million • Obtained the ISO 9001:2015 Quality Management System (QMS) Re-certification • Expanded from 26 to 28 state offices

2021 - Key Achievements

Developmental Impact

- Disbursed ₦272.3 billion to 912,154 beneficiaries through BOI loans and various Federal Government interventions. BOI leverages both direct and indirect lending models to reach beneficiaries at various levels of the entrepreneurial value-chain. Some of these include the following:
  - o **Agriculture Value Chain Financing** (AVCF) utilises experienced aggregators to provide both financial support and a steady market to smallholder farmers. Through the program, 22,120 smallholder farmers benefitted from the disbursement of ₦2.99 billion.
  - o **MSME Distributor Finance** programme through which over 4,000 micro-retailers received ₦1 billion in financial support.
  - o **World Bank COVID-19 Action Recovery and Economic Stimulus** (NG-CARES) program facilitated ₦334.5 million in support to 1,818 MSMEs.
  - o **State Enterprise and Empowerment Program** (SEEP), a microcredit initiative has disbursed ₦47.25m to 827 beneficiaries.
  - o **₦75 billion MSME Survival Fund Scheme** under the FG Nigerian Economic Sustainability Plan (NESP) provided financial support in excess of ₦58.7 billion to 881,748 beneficiaries.

2021 Bank Financial Performance Summary

- PBT of ₦61.15 billion in 2021, an increase of 78% from prior year's ₦34.35 billion
- LAD grew by 4% from ₦748.96 billion in 2020 to ₦779.30 billion in 2021
- Interest income improved by 50% from ₦116.67 billion in 2020 to ₦175.51 billion in 2021
- Total Equity also improved by 14% from ₦334.94 billion to ₦382.52 billion between 2020 and 2021
- Total Assets declined over the 12-month period by 8% from ₦1.86 trillion to ₦1.71 trillion

BOI Corporate Strategy

- In light of the new normal and current economic challenges brought on by the COVID-19 pandemic, BOI developed a new Corporate Strategy for the period 2022-2024 guided by four core themes namely:
  - (i) Operational Excellence - Deploying our resources for best performance
  - (ii) Financial Growth and Sustainability - Attracting the right funds to make our business funding decisions
  - (iii) Superior Customer Experience - Exceeding customer expectations at every touch point
  - (iv) Developmental Banking Effectiveness: Achieving development impact through sectors
- The implementation of this strategy commenced in January 2022.

CORPORATE PROFILE

Other Achievement and Ongoing Projects

Funding

- Following the approval of the Federal Government and subsequent endorsement by the National Assembly, BOI recently closed its €750 Million Eurobond. The conclusion of this transaction represents a historic achievement by the bank, being its first transaction of this type.
- BOI has been appointed by the Federal Government of Nigeria to serve as the Executing Agency for the AfDB US$500 million Nigeria Innovation Programme (NIP). The programme aims to attract funding from both private and public institutions to set up Investment in Digital and Creative Enterprise (i-DICE) Programme.
- BOI signed agreement with the French Development Agency (AFD) to access a €100 million line of credit under its Transforming Financial Systems for Climate (TFSC) programme. The Bank will also receive a €2.5 million grant to finance a tailor-made technical assistance programme.
- BOI signed a Custodian Fund Agreement with the Nigerian Export Promotion Council (NEPC) for a ₦50 billion Export Expansion Facility Fund. This fund aims to provide financial support to organisations in the non-oil export value chain, particularly those that were adversely impacted by the pandemic.
- BOI partnered with the Edo State Government to launch a ₦2 billion matching fund to support enterprises.
- The Bank was appointed as the Implementing Partner of CBN's Tertiary Institutions Entrepreneurship Scheme (TIES). The scheme is aimed at addressing rising youth unemployment in the country through the provision of loan facilities to graduates and undergraduates.

Others

- **AFREXIM Medical Centre of Excellence:** BOI made a $10m equity investment into this project, which aims to provide world class healthcare and offer a full spectrum of medical services, as well as other essential services including academic, residential, hospitality and retail.
- **United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking:** BOI became official signatory to the UN Principles for Responsible Banking; a validation of the bank's commitment to transforming Nigeria's industrial sector by implementing global best practices and adhering to sustainability standards in our activities
- **Commissioning 2 new State Offices:** In addition to the existing customer touchpoint (2 corporate offices, 28 state offices, BOI website, Twitter, Instagram, YouTube), the Bank opened 2 new offices in Ekiti and Lagos (Lekki) States respectively. This brings the total State Offices to 30 across 29 states of the Federation.

Credit Ratings

- **Agusto & Co.:** Credit rating upgrade from Aa to Aaa with a Stable Outlook
- **Fitch:** National Long-Term rating upgrade to 'AAA (nga)' from 'AA+ (nga); Long-Term Issuer Default Rating at 'B' with a Stable Outlook affirmed.
- **Moody's:** Long-Term Issuer Default rating affirmed at B2 with a Stable Outlook.

ISO Certifications

- **ISO 9001:2015 Quality Management System** (QMS) certification, a demonstration of continuous and consistent improvements in the Bank's business structures, processes, and operations.
- **ISO/IEC 27001-2013 Information Security Management** System certification, highlighting the Bank's preparedness for any possible cyber-attacks.
- **ISO 22301: Business Continuity Management Systems** certification, demonstrating the Bank's preparedness in the event of unforeseen disruptions to business operations.

Awards & Recognitions

- **African Banker Awards 2021:** "Innovation in Financial Services Award"
- **Skills Acquisition & Entrepreneurship Department (SAED) NYSC:** "Icon of Youth Empowerment Award 2021"
- **Manufacturers Association of Nigeria:** Award of Honour 2021
- **SERAS CSR Awards 2021:** "Best Company in Financial Inclusion" and "Best New Entry". These awards are in recognition of BOI's efforts to provide financial services to unbanked/ underbanked groups and the Bank's overall achievements as a first-time nominee of the award, respectively

Corporate Social Responsibility

- Consistent with its focus and support for the technology sector given its critical role in providing job opportunities for young Nigerians, BOI funded the completion of ICT and Science laboratories in Delta, Ogun, Yobe and Lagos States in 2021. In total, the Bank has established seven of these Hubs across Nigeria, with plans to do even more in future.

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

Winning Together

We are honored to be recognized for our efforts towards transforming Nigeria's industrial sector.

International Syndicated Loan Deal of The Year
March, 2022

Best Company in Financial Inclusion 2021 by the Sustainability, Enterprise and Responsibility Awards (SERAS)
December, 2021

Best New Entry 2021 by the Sustainability, Enterprise and Responsibility Awards (SERAS)
December, 2021

FITC
Product Innovation Award
Award for Excellence
December 2021

National Youth Service Corps
Icon of Youth Empowerment in recognition of Outstanding Contribution to the Development of NYSC
December, 2021

Manufacturers Association of Nigeria
Appreciation Award
for contribution towards the success of the AGM
October, 2021

Lekki Development Ventures
Excellence in CSR, Job Creation, MSMEs
October 2021

African Banker Awards
Award for Innovation in Financial Services
June, 2021

Institute of Chartered Secretaries of Nigeria (ICSAN)
Award For Excellence
In Corporate Governance
November, 2020

African Banker Awards 2020
for SME Bank of The Year,
August, 2020

African Banker Awards 2020
for Deal of The Year
- Debt,
August, 2020

National Information Technology Development Agency (NITDA)
Award of The Best Data Localisation Compliant Institution 2019
August, 2020

Federal Ministry of Industry, Trade & Investment
Extra Mile Award for Outstanding Performance
During the Covid - 19 Pandemic
July, 2020

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

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, shareholders, 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. Its roles include:

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

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

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

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

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

Responsibilities of the Board

1. The Board is collectively responsible for the long-term success of the Bank. It achieves this by setting out strategies and monitoring its implementation.
2. The Board is responsible for overseeing the management of the business and affairs of the Bank and other oversight functions, as may be determined by it from time to time.
3. The Board has also delegated to Management, the power to take decisions as may be necessary to transact the day-to-day business of the Bank efficiently.
4. The roles of Chairman of the Board and the 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, a suitable induction process, and ongoing training for its existing members.

ATTENDANCE AT BOARD MEETINGS

The Board of Directors of Bank of Industry Limited held twelve (12) meetings in 2021 (physical, virtual and via circularization). The record of attendance is provided in Table I:

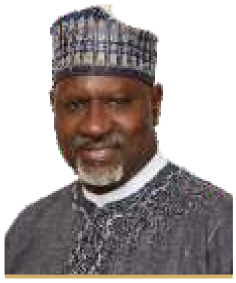
TABLE I (JANUARY – DECEMBER, 2021)

Name	Position	Jan 4	Jan 27	Feb 24	Mar 18	May 19	Jul 14	Jul 27	Aug 27	Sep 20	Sep 27	Oct 21	Dec 16
Mallam Aliyu Abdulrahman Dikko	Chairman (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	Managing Director/ Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Toyin Adeniji	Executive Director (Micro-Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jonathan Tobin	Executive Director (Corporate Services & Commercial)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Simon Aranonu	Executive Director (Large Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shekarau D. Omar	Executive Director (Small and Medium Enterprises)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
Engr. Chukwuemeka Nzewi	Non-Executive Director (Representing Manufacturers Association of Nigeria (MAN)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed Mustapha Bintube	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
Mr. Alexander Adeyemi, mni	Non-Executive Director (Representing Ministry of Finance Incorporated (MoFI)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Philip Yila Yusuf	Non-Executive Director (representing Central Bank of Nigeria)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Adewale R. Bakare	Non-Executive Director (Representing Federal Ministry, Trade and Investment)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

X – On official assignment

BOARD COMMITTEES:
Board and Committee Governance Structure

Board Credit, Investment and Governance (BCIG) Committee



Mallam Mohammed M. Bintube
Chairman

Membership
1. Mallam Mohammed M. Bintube - Chairman
2. Engr. Chukwuemeka Nzewi - Member
3. Mr. Alexander M. Adeyemi, mni - Member
4. Mr. Philip Yila Yusuf - Member
5. Mr. Adewale R. Bakare - Member

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

The Board Credit Investment and Governance Committee held thirteen (13) meetings (physical, virtual and via circularization) during the financial year ended December 31, 2021.

Name	Jan 4	Jan 11	Jan 27	Feb 18	Mar 9	May 11	May 18	Jun 30	Aug 19	Sep 17	Oct 8	Dec 6	Dec 14
Mallam Mohammed Mustapha Bintube	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander M. Adeyemi, mni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Philip Yila Yusuf	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	X	✓
Mr. Adewale R. Bakare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

X – On official assignment.

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.
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.

Board Audit and Risk Committee

1. Mr. Alexander M. Adeyemi, mni - Chairman
2. Mr. Philip Yila Yusuf - Member
3. Mr. Adewale R. Bakare - Member

Mr. Alexander M. Adeyemi, mni
Chairman

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 nine (9) times (physically, virtually and via circularization) during the year ended December 31, 2021.

Attendance At The Board Audit and Risk Committee (BARC) Meetings in 2021

Name	Jan 1	Mar 4	Mar 17	May 14	Jun 29	Jul 9	Sep 17	Oct 5	Dec 8
Mr. Alexander M. Adeyemi, mni	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Phillip Yila Yusuf	✓	X	✓	✓	✓	✓	✓	✓	X
Mr. Adewale R. Bakare	✓	✓	✓	✓	✓	✓	✓	✓	✓

X – On official assignment.

Key Responsibilities

The key responsibilities of the Board Audit and Risk Committee include, inter alia, the following:

1. Monitoring and assessing the overall integrity of the Financial Statements and disclosures of the financial condition and results of the Bank's operations.
2. Assisting the Board of Directors in fulfilling its oversight responsibilities with regard to the Bank's Risk Management, Internal Audit and Internal Control Framework.
3. Discharging the Board's Risk management responsibilities as defined in the Bank's risk policies and in compliance with regulations, laws and statutes applicable to Development Finance Institutions (DFIs).
4. Monitoring Management's responsibilities to ensure that an effective system of financial and internal controls are in place.
5. Reviewing and assessing the integrity and adequacy of the overall Risk Management function of the Bank.
6. Monitoring and evaluating on a regular basis, the qualifications, independence and performance of the Internal Audit & Investigation Division and the Internal Control and Compliance Division 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. Considering and approving specific matters presented by the Executive Management Committee (EMC) or the Executive Management Risk Committee (EMRC) and recommending same for Board approval.
10. Handling any other issues as may be referred to it by the Board.

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

BOARD STRATEGY AND COMPLIANCE COMMITTEE

Engr. Chukwuemeka Nzewi
Chairman

Membership

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

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 eight (8) meetings during the year ended December 31, 2021.

Attendance At The Board Strategy and Compliance Committee Meetings in 2021

Name	Feb. 24	May 5	May 18	Jul 1	Jul 12	Oct 6	Oct 11	Dec 7
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓	✓
Mallam Mohammed M. Bintube	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	✓	✓	✓	✓	X	✓	X
Mrs. Toyin Adeniji	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Simon Aranonu	✓	✓	✓	✓	✓	✓	✓	✓

X – On official assignment.

Responsibilities

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

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

BOARD ADHOC COMMITTEE ON BOI AND GROUP PROPERTIES

Engr. Chukwuemeka Nzewi
Chairman

Membership

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

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

The Committee meets at least once a quarter or as often as may be required.
The Committee met five (5) times during the year ended December 31, 2021.

Attendance At The Board Adhoc Committee on BOI and the Group Properties Meetings in 2021

Name	Feb 24	May 5	July 1	Oct 6	Dec 7
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓
Mr. Olukayode Pitan	✓	✓	✓	✓	✓
Mr. Jonathan Tobin	X	✓	✓	✓	✓
Mr. Shekarau Omar	✓	✓	✓	✓	✓

X - On official assignment

Key Responsibilities

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

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

MANAGEMENT COMMITTEES

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

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

They include the following:

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

THE COMPANY SECRETARY

The key responsibilities of the Company Secretary include the following:

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

Developmental
and Social Impact Report

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

2021 IMPACT AT A GLANCE

*₦ 213.6bn disbursed to micro, small, medium and large enterprises nationwide**

*₦27bn to micro, small and medium enterprises nationwide**

*30,406 beneficiaries supported across various sectors of the economy**

₦58.7bn disbursed to over 881,748m GEEP beneficiaries since inception

1,840,968 jobs created through our support for enterprises

*Excludes MSME Survival Fund

2021 BOI SUPPORT FOR SUSTAINABLE AGRIBUSINESS

*₦59.4bn in loan disbursement to support the Agribusinesses sector**

Additional ₦3.0bn disbursements to 22,120 smallholder farmers

*About 49 Agro & Food processing enterprises supported**

Estimated 286,561 new jobs facilitated in the sector

Excluding Smallholder Farmers

Agriculture is an important sector of the economy with high potential for employment generation, food security and poverty reduction.

Although the sector was largely dominated by subsistence farming, with improved seedlings, modern farming methods and better weather forecasting, agricultural yields have continued to grow.

Nigeria has an arable land area of 34 million hectares: 6.5 million hectares for permanent crops, and 28.6 million hectares on meadows and pastures. The country has historically been a leading producer of palm oil, cocoa beans, pineapple, and sorghum.

The sector's contribution to GDP in FY'21 was 25.88%, second to the service sector and affirming its position as a key sector in the Nigerian economy.

With the increasing population, estimated to reach 400 million by 2050, enhancing productivity in agriculture through adaptation of new technologies and innovations is necessary to ensure food security and good nutrition.

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

In 2021, BOI disbursed ₦3.0 billion to 22,120 smallholder farmers through the Agriculture Value Chain Financing (AVCF) programme. This initiative has improved the output of smallholder farmers, and enabled them provide quality raw material inputs required by our customers.

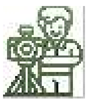
Additionally, the bank also funded 49 agro and food processing businesses with ₦59.4 billion in loans.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

These interventions aim to create a sustainable and competitive agricultural sector, able to meet domestic demand, as well as compete favourably on the international market.

SUPPORTING THE CREATIVE INDUSTRY

₦32.8bn in loan disbursement to support the Creative Industry



146,126 new jobs facilitated in the sector

16 enterprises within the sector supported in the year

The creative industry is one of the fastest growing sectors in Nigeria. Today, the Nigerian film industry is rated second place globally in the number of videos produced each year, and provides more jobs in the country than any private sector employer except agriculture.

The entertainment and media market is dominated by internet access revenue and is estimated to reach $10.8 billion by 2023 - Nigeria is one of the world's fastest growing internet advertising markets.

In the movie segment, the cinema industry is projected to experience increase in box office revenue, reaching $18 million in 2023[3] from $12 million in 2018, equating to 50% growth over the period.

The interplay of creativity and technology presents an opportunity for massive job creation, revenue growth and export earnings when all the potentials are appropriately harnessed. The youth population in particular would benefit from opportunities presented by a well-oiled Nigerian Creative Industry in Nigeria, given that the United Nations estivate that 62% of the country's population are below age 25 years.

As a result, BOI has provided financial and business advisory support for the creative industry through the various sub-sectors such as cinemas, movies, music, production equipment, outdoor advertisement, hotels, theme parks, etc.

The funding ensures that they are able to generate higher income, secure better partnerships and tax incentives, create more impact and reach a larger audience.

In 2021, BOI provided ₦32.8 billion in loans to 16 enterprises in the sector, which enabled the creation of an estimated 145,960 jobs directly and indirectly.

Creative Industry Customer Testimonial: Mac Folly Hospitality Limited

Mac Folly Hospitality Limited, the owners of Marriott Hotels, Ikeja recently diversified into the hospitality business to provide world class service in the industry. To ensure the highest level of hospitality services and excellent customer service, the company partnered with Global Hospitality Licensing SARL, the brand owners of Marriott Hotels through a franchise agreement.

The franchise agreement birthed the construction of the 251 Bedroom 5-Star Marriott Hotel at Ikeja, Lagos to provide hospitality services in line with global best standard. The 251-bedroom hotel consists of 208 standard rooms, 30 junior suites, 10 VIP suites, 2 executive suites and 1 presidential suite.

It also has food and beverage restaurants, lobby lounge and bar, sports bar, pool bar and grill. Business facilities include 1 ballroom, 12 meeting rooms, business centre and board room. In addition, it has leisure and crew lounge, outdoor swimming pool, fitness centre / spa, and retail / mini mart.

It has a surface and two-layer basement parking. It also has a dedicated, well-trained and highly motivated workforce in the facility.

BOI granted a term loan to the company. Despite the initial COVID-19 challenges, the hotel is now functional creating employment opportunities.

Through the loan, the company was able to generate revenue of about ₦5 billion between May and December, 2021 when it commenced business. In addition, the company employed 375 direct workers and over 2,000 indirect workers.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

2021 BOI SUPPORT FOR THE SOLID MINERALS SECTOR

₦14.3bn in loan disbursement to support the Solid Minerals sector

Estimated 63,568 new jobs facilitated in the sector

7 enterprises within the sector supported in the year

The Solid Mineral sector is also a critical backbone of the industrialised value chain, being an essential source of input materials for significant sectors, such as manufacturing, power, infrastructure, agriculture, etc.

Nigeria is well endowed with metallic minerals, but it is at the nascent stage of exploitation due to limited infrastructure for extracting, processing and transporting these minerals.

The sector contributed 5.50% to GDP in the fourth quarter of 2021, a decrease from 7.66% recorded in the third quarter of 2021.

Nigeria has a diverse mining sector made up of high value commodities, with over 44 minerals deposited in over 500 locations across the 36 states including the Federal Capital Territory.

In some countries, certain minerals have been prioritised to drive the growth of the mining sector and the economy as a whole. The Federal Government has identified seven strategic minerals namely; coal, bitumen, limestone, iron ore, barites, gold and lead-zinc – for priority development in a bid to revive the mining sector, unlock its potential and diversify the economy.

In 2021, the bank was able to disburse ₦14.3 billion in loans to 7 enterprises engaged in the sector. The bank also supports artisanal miners with funding and is actively involved in developing the value-chain of the sector in collaboration with other key stakeholders.

In addition, BOI is a strong advocate for the solid minerals sector and has participated in activities aimed at establishing necessary reforms and infrastructure to spur growth. The bank also sponsors technical training and offers business advisory support to participants in the sector.

RENEWABLE ENERGY SOLUTIONS

₦852.2m worth of financial support provided to renewable energy enterprises

Estimated 3,792 jobs facilitated in the Renewable Energy space

7 Renewable Energy businesses were supported in 2020

Energy plays a crucial role in the growth and development of any economy, as it fuels all productive activities such as manufacturing, agriculture, commerce, etc. In today's world, the standard of living of a country can be directly related to the per capita energy consumption.

Renewable energy has considerable potential in Nigeria, and could bridge the major energy gaps especially in off-grid areas. Nigeria is blessed with abundant renewable energy resources such as solar, wind, biomass, and small hydropower potentials. As such, increased penetration of renewables into the energy mix is key to achieving adequate and stable power supply. Additionally additional opportunities present themselves annually as new grid technologies emerge.

However, the high initial capital outlay for renewable energy remains an issue because the majority of costs for years of use are incurred at installation. As a result, appropriate financing models are required to make it more affordable and accessible to Nigerians.

In addition, there is need for energy efficiency awareness to encourage more participation, promotion and attraction of sustainable investment in the renewable energy sector. Energy efficiency also leads to important social benefits, such as reducing the energy bills for poor households.

In 2021, BOI provided ₦852 million in loans to support 6 emerging renewable energy players in Nigeria and which has enabled the creation of an estimated 3,791 jobs directly and indirectly.

This initiative will help promote the spread of renewable energy solutions across the country.

PROMOTING GENDER PARTICIPATION TOWARDS ENSURING ECONOMIC DEVELOPMENT

₦5.3bn worth of loans to help support women-owned businesses in 2021

8 women-owned enterprises supported in 2020

Over 23,408 jobs facilitated through support for women in 2020

The United Nation's Sustainable Development Goals (SDGs) aim to address inequality as a global challenge – whether it is between countries or within countries. It is pertinent to note that social development is as important as economic development and growth.

Gender equality is about equal access to power, resources, opportunities and human dignity. For Nigeria, addressing the inter-sectional gender imbalances may be the master key to unlocking the myriad of opportunities that the country possesses.

Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes. Pricewater House Coopers (PwC) reports that Nigerian women account for 41% ownership of micro-businesses in Nigeria, equivalent to 23 million female entrepreneurs. Enabling growth in these businesses would certainly add to the National GDP.

The great thing is, Nigerian girls and women are already excelling in all areas, demonstrating how they can be the springboard Nigeria needs to fulfil its socioeconomic potential. Women are also at the forefront of health and social care initiatives in the country, starting and running more care-focused NGOs than men. They are also gradually dominating the entrepreneurial space.

All that is required now is a society that is more supportive and less discriminatory in how it treats and caters to women's wellbeing, goals and aspirations. This would take a sustained focus and commitment from both the public and private sectors to make it happen.

BOI continues to support women entrepreneurs through a dedicated Gender Desk where loans and partnerships that empower and improve the wellbeing of women are coordinated. In 2021, BOI disbursed ₦5.3 billion to 8 female-led businesses with the potential to generate over 20,000 direct and indirect jobs.

Gender Support Testimonial: BRAVE Women Project

In 2019, the Islamic Development Bank Group (IsDBG) appointed Bank of Industry (BOI) as the local execution agency for the $14.27 million Business Resilience Assistance for Value-adding Enterprises (BRAVE) for Women in Nigeria Project to be implemented in Edo, Kano and Gombe States. It is part of a broader initiative by the Women Entrepreneurs Finance Initiative (We-Fi) funded through the IsDB.

The project is targeted at training an estimated 600 women-led or owned SMEs (WSMEs) and 40 lead firms and business associations on how to assess risks and determine their business priority by preparing a Business Continuity Plan (BCP).

Additionally, the project will also provide grant-matching for about 500 WSMEs, in pre-selected value chains, on a cost-sharing procurement of capital goods and services to support business recovery and growth. Business Associations and Lead firms will also access grants and use the funds to improve value chain performance.

Overall, the project is expected to create an estimated 1000 new jobs across all three focal states.

Enterprises that access grant are expected to demonstrate resilience and generate improved financial results, reach more customers, employ female workers, increase wages or employees, introduce innovations and new products into the market. The value chains prioritised for support on the program include Agribusiness, Education, Energy, Fashion and Textiles, and Healthcare.

In 2021, the BRAVE Women Project was able to achieve the following: Rapid Market Assessment study of WSMEs, selection of Business Associations and Lead Firms in three project states; awareness strategy implementation; engaged nine Business Development Service Organisations; developed training curriculum; trained 44 people under the train-the-trainers programme; trained over 600 businesses on risk assessment and Business Continuity Plan; and coordinated business clinic sessions in all three project states.

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

SUPPORT FOR ENGINEERING & TECHNOLOGY SECTOR

About a ₦22.3bn worth of loans to help support technology businesses in 2021

172 engineering & technology projects supported

Over 99,235 jobs facilitated in the sector

The Engineering and Technology sector is a key driver of growth as they bring about inventions and innovations that are capable of transforming other sectors of the economy. As a result, countries that have invested heavily in the sector enjoy favorable and sustainable development.

A nation's capability for research and development, technology production and innovation are determinants for a globally competitive industrial economy. It is key to sustaining real industrial growth, employment generation and wealth creation.

Through the telecoms sector, there have been remarkable growth in internet penetration in Nigeria leading to easier banking services, better access to healthcare and e-learning platforms. Some of the key trends that would shape the telecoms industry include the development and adoption of 5G network, rise of internet of things (IoT), evolution of the content ecosystem and the transformative power of artificial intelligence (AI).

According to a PwC report, data consumption in Nigeria will experience rapid growth moving from about 2 billion Gigabyte in 2018 to 12 billion Gigabyte in 2023. The increased investment by telecommunications companies to improve internet access has supported the huge growth of mobile internet subscribers.

Growth in the sector is expected to power the digital economy, improve connectivity and drive globalisation. As such, BOI continues to provide funding for businesses in the sector to ensure they optimise their potentials and actively support Nigeria's growth and development.

In 2021, BOI disbursed ₦9.8 billion to 7 businesses in the engineering and technology sector with the potential to generate 43,610 direct and indirect jobs. Sectoral disbursement covers engineering businesses such as automotive, cabling, printing, metal construction, aluminium works, etc.

SUPPORT FOR HEALTHCARE & PETROCHEMICAL SECTOR

About a ₦24.6bn worth of loans to help support healthcare sector in 2021

142 healthcare sector projects supported

Estimated 109,470 jobs facilitated in the sector

According to Oxford Business Group, a wide variety of opportunities exist for growth across all levels of the Nigerian healthcare sector given the country's large and young population, gaps in primary and specialty healthcare, and the Federal Government's support for healthcare investment.

Private sector contribution to the Nigerian healthcare industry is increasing. Given rising levels of disposable income among some segments of society and the limited supply of public hospitals that are overstretched and under-funded, there is growing demand for private coverage.

The influx of private sector players and health maintenance organisations (HMOs) is gradually making healthcare affordable and accessible coupled with improved service delivery. Increasing technology adoption will also spur growth and development in the industry.

The Covid-19 pandemic also highlighted the importance of upscaling the level of healthcare and increasing investments in the sector; thus creating opportunities for development of new testing/ laboratory centres, medical diagnosis and therapy equipment, medical consumables, personal protective equipment (PPE), telemedicine, etc.

To support the Federal Government drive to encourage healthcare development in Nigeria, BOI invested in the AFREXIM Medical Centre of Excellence (AMCE), a world class healthcare centre with King's College Hospital, London (KCH) as the official clinical partner. The centre will offer a full spectrum of medical services as well as other essential services including academic, residential, hospitality and retail.

Considering that a lot of investment is still required, the bank continues to provide long term funding for healthcare investment professionals in the sector.

In 2021, BOI disbursed ₦24.6 billion to 14 businesses in the sector with the potential to generate 109,470 direct and indirect jobs. Disbursement to the sector also covers petrochemical industries that manufacture plastics and plastic products, foam products, polyethylene, soap, paints, sacks, etc

DEVELOPMENTAL AND SOCIAL IMPACT REPORT

Healthcare & Petrochemical support Testimonial: FAS Agro Industrial Company Limited

FAS Agro Industrial Company Limited was incorporated in Nigeria as a private limited liability company on April 23, 1986. It is an industrial firm specialising in the production of woven polypropylene packaging.

The company is one of the top players in the conversion / packaging industry in Nigeria with a clientele that cuts across reputable multinationals / manufacturing companies in Nigeria and other West African countries such as Benin, Niger and Cote d'Ivoire.

It produces agro sacks, shopping bags, valve bags and polytwine. Currently, they have two loans with BOI totalling ₦5 billion while the third loan has been liquidated. The loans were used to acquire equipment and working capital for expansion of its production.

The project expansion has enabled the company increase production lines from 11 to 16 while the number of products has increased from 5 to 7. The turnover has almost doubled from ₦13.5 billion to ₦24.6 billion following the expansion project.

In addition, the capacity utilisation improved from 20,000 metric tonnes to 26,000 metric tonnes while the number of direct and indirect employees increased from 1,750 to 2,250. The company waste is 100% recycled.

SUPPORT FOR OIL AND GAS SECTOR

About a ₦36.9bn worth of loans to help support oil & gas businesses in 2021

24 oil & gas projects supported

Over 164,069 jobs facilitated in this sector

Nigeria has the largest oil and gas reserves in Africa with around 37 million barrels of crude oil and over 200 trillion cubic feet of natural gas. The oil and gas market is segmented into upstream (exploration), midstream (crude transportation), and downstream (refining).

Increasing demand for natural gas has led to growing investments in natural gas infrastructure which is expected to drive the country's oil and gas market. For instance, Nigeria is investing heavily in Liquefied Natural Gas (LNG) facilities, gas processing facilities, and gas pipeline projects through expansion of the Bonny LNG plant by introducing the train 7 project. This is expected to add 35% more LNG capacity, potentially making Nigeria the 3rd largest exporter of gas in the world after Qatar and Australia.

During the year 2021, the Federal Government signed the Petroleum Industry Act into law to provide legal, governance, regulatory and fiscal framework for the oil and gas sector. This will encourage private sector participation in the petroleum industry and develop host communities.

The upcoming Dangote refinery and other modular refineries currently being set up to refine petroleum products locally are also expected to position Nigeria as a regional refining hub in the coming years, create more employment opportunities and contribute significantly to GDP.

BOI has been at the forefront of providing long term funding for modular refineries, offshore /onshore support and marine services, LPG distribution, fabrication and maintenance, etc. across the downstream segment of the petroleum industry. In 2021, BOI disbursed ₦36.9 billion to 24 oil and gas projects with the potential to generate an estimated 164,205 direct and indirect jobs.

Additionally, the Bank also manages the $300 million Nigerian Content Intervention Fund (NCIF) on behalf of the Nigerian Content Development and Monitoring Board (NCDMB). The board also has a $50 million fund for Research and Development (R&D), which both parties are discussing the possibility of being managed by BOI.

Oil & Gas support Testimonial: Petro-Pride Subsea Limited


Petro-Pride Subsea Limited (PPSL) is a wholly owned indigenous Nigerian company established and incorporated in February, 2008. PPSL focuses on subsea services and marine solutions, project management and execution, fabrication, asset integrity management, construction and inspection services to support onshore / offshore projects and maintenance campaigns.

BOI funding enabled PPSL to modernise, expand and develop the PPSL offices, storage facility, fabrication workshops and offshore support base located in Eket, Akwa-Ibom State.

Through the Nigerian Content Intervention Fund, the company was able to create a "One Stop Shop" for its clients to provide salvage and decommissioning services using latest decommissioning best practices and solutions, greenfield and brownfield engineering design, surveys, 3D modelling and dimensional controls, civil engineering solutions and access to overseas supply chains.

The project expansion has increased the number of services provided by the company from 113 to over 250 while turnover has almost doubled from ₦4.1 billion to ₦7 billion.

In addition, number of employees has increased from 160 direct and indirect workers to over 300. The company currently operating in Rivers, Akwa-Ibom and Lagos is now better positioned to offer its services across West Africa.

Sustainability
Report

SUSTAINABILITY REPORT

Our Approach to Sustainability

As a truly responsible Development Finance Institution transforming the Nigerian industrial sector through sustainable finance, the Bank of Industry is committed to embedding sustainability in its business practices to drive strategic social, economic and environmental impact in the communities we serve and in the world at large.

By the very structure of our business and the objectives of our corporate strategy, we are positioned to be a force for global sustainable development driving economic impact by leveraging sustainable finance to alleviate poverty, reduce inequalities, and drive industry, innovation and infrastructural development, whilst promoting decent work and economic growth.

Over the years, we have embedded Sustainability into our business practices by developing and implementing strategies and interventions aimed at helping us improve our social, economic and environmental footprints whilst reducing the negative impact of our business operations. Our corporate business strategy and business model is one designed to drive sustainable development through financing projects with potential developmental impact.

The implementation of sustainability in our corporate strategy helps us create long-term value through an integrated approach to social, environmental and economic development across our business operations and practices. This serves as the key guiding principle for the Bank's strategic efforts towards sustainable development. It is our mission to transform lives and enterprise responsibly through sustained interventions in economic development, environmental protection, social impact, ethics, governance and partnerships; improving the world for generations to come.

As a leading Development Finance Institution (DFI) driving sustainable development through our business execution, we align our sustainability strategy with relevant national, regional and international frameworks. These frameworks help us identify the most pressing societal, environmental and economic needs relevant to our stakeholders. These guidelines are also underpinned by a series of specific targets and programme areas where we can make substantial contributions and, by doing so, align ourselves clearly with the needs of society, our clients and customers.

In the execution of our sustainability strategy, we operate in accordance with leading frameworks to ensure continuous high performance, including: the Nigerian Sustainable Banking Principles (NSBPs), the Paris Climate Agreement, the UN Sustainable Development Goals (SDGs), United Nations Global Compact, United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEPFI PRBs), World Economic Forum amongst others. In doing so, we focus our strategy on the SDGs that are most relevant to our Bank's operating context. This may sometimes require us to focus on specific targets and indicators underlying those SDGs. These frameworks are clearly outlined within the sustainability-focused policies of the Bank including our Environmental, Social and Governance (ESG) Policy which guides the Bank's activities around managing the ESG risks within our institution and the businesses we finance; and the Corporate Social Responsibility (CSR) Policy which directs our efforts towards giving back to the communities we serve through interventions that improve our social, economic and environmental footprints.

We integrate these guidelines and frameworks explicitly into our business strategy and key business decisions, including our product development and capital allocation decisions.

As a responsible DFI, we seek to develop communities and improve the lives of the people around us. We want to build a world where everyone has access to good health and quality education. A world with less poverty, gender equality, decent work and reduced inequality. This informs our social impact strategy which enables us improve our social footprints.

Ensuring Diversity and Inclusion in Our Workforce: we strive to create a workforce that is inclusive and diverse, employing people from different backgrounds, all races, religions, and cultural heritages.

Promoting Work-Life Balance and an Ethical Work Culture: we ensure our work environment is safe and healthy for all employees, adopting local and international best practices, whilst executing strategic initiatives to improve work-life balance for our employees; promoting a healthy and responsible culture across the bank.

Driving Gender Equality and Women Empowerment: we promote gender equality and female empowerment within and outside our organization by building capacity for female employees, whilst making strategic efforts to attract and retain female talent as an equal opportunity employer, ensuring equal pay, paid maternity leave, amongst other opportunities for women within our workforce. Externally, we make strategic investments to drive female economic empowerment through our Gender Business Group created to provide women-focused financing designed for women, women-owned and women-led businesses and initiatives targeted at women. Through this division, the Bank also provides more economic empowerment opportunities for women including capacity building, skills development, networking, mentorships amongst others. Through these strategic internal and external efforts, we are able to contribute to local and global efforts towards gender equality and female empowerment.

Promoting Good Health and Wellbeing: We work to ensure communities around us have easy and affordable access to healthcare and health solutions through our strategic investments and interventions. Our efforts in financing the healthcare industry enables us provide funding for businesses developing healthcare solutions to address key health issues locally. In addition to that, we continue to collaborate with local and international organizations dedicated to creating strategic health interventions tackling issues like Malaria, HIV/AIDS, maternal health and the global COVID-19 pandemic. Through these partnerships, we are able to join the global community to ensure proper healthcare solutions are accessible to all.

Making Strategic Investments in Communities: In line with our Corporate Social Responsibility policy, we make strategic investments in our communities across our focus areas of: Social Welfare, Education and Enterprise, Health, Environment and Arts. This is aligned with the Bank's overall strategy for driving sustainable development.

Our CSR Approach:

Corporate Social Responsibility at the Bank of Industry refers to our commitment to recognizing and managing our impact in society by achieving a balance of economic, environmental and social imperatives (the triple-bottom-line approach), while at the same time addressing the expectations of shareholders and stakeholders. This is achieved through transparent and ethical behavior that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders and the needs of customers, suppliers, shareholders and employees; and is integrated throughout the organization and practiced in our relationships.

Our CSR focus areas are determined by what resonates most with the Bank's purpose and are based on the premise that people and organizations are socially responsible if they behave ethically and with sensitivity toward social, cultural, economic and environmental issues. In order to achieve optimal impact, the following areas of focus have been identified for the Bank.

- Social Welfare (Youth, Financial Inclusion and Women Empowerment)
- Education & Enterprise
- Art (Performing, Literary and Creative Arts)
- Environmental Preservation and Management
- Health

Our CSR Activities in 2021:

In the year 2021, the Bank continued to deliver on its strategy of partnering with local and international stakeholders executing programmes to drive the achievement of the Sustainable Development Goals. To this end, we sponsored and financed the execution of over 40 projects within our focus areas of Social Welfare, Education and Enterprise, Environment, Arts and Health. These projects impacted the lives of over 1,000,000 Nigerians directly and indirectly helping the Bank address issues like gender inequality and female empowerment, poverty eradication, youth empowerment, financial inclusion and financial literacy amongst other salient issues in society. Below is an overview of some of these projects and their areas of impact:

The WASHMATA "Water for All" Program

The United Nations General Assembly Resolution 69/292 recognizes water and sanitation as a human right, and the basis of the realization of all other human rights/SDG goals for health, nutrition, education, poverty reduction and environmental protection. Though "Water is Life" in Nigeria, it is a vehicle of disease, death and contributor to poverty to the 57 million Nigerians who lack access to a basic level of drinking water (JMP 2019).

Though the Federal and State Water supply MDAs are providing water services in response to the presidential declaration of a state of emergency in the WASH sector, the principle of sustainability is not sufficiently addressed by stakeholder and, in many cases, ignored. Most loans and grants do not include sustainability principles such as community level operation and maintenance.

The Bank partnered with the WASH MATA initiative on the **'Water for All'** program, an initiative aimed at ensuring sustainability and cost effectiveness in water supply provision in Nigeria. This initiative is designed to demonstrate a model for sustainability of water supply to the most vulnerable populations in selected project ward. Through this initiative the total population of selected project areas will access improved drinking water source and sufficient water to wash their hands; and the sector would have evidence for implementing sustainability in the sector.

This programme which kicked-off in the last quarter of 2021 will:

- Provide water supply systems for vulnerable communities in Northern Nigeria
- Rehabilitate over 40 water systems
- Provide operation and maintenance tools to community-based youth artisans
- Build capacity of youth including females to operate and maintain water supply systems
- Conduct operational research to generate evidence-based findings about community level operation and maintenance.

This initiative is implemented in partnership with WASH MATA initiative, Network of Female Professionals in WASH in Nigeria, FCT COVID-19 Response Task Team, Federal Ministry of Water Resources and the state RUWASSA. As this project unfolds, it would demonstrate an evidence-based model of rehabilitation of water supplies integrated with operational research to provide evidence-based learning for the sector.

Walk For Cancer with Medicaid

The Bank partnered with Medicaid Cancer Foundation on the Annual Walkaway Cancer event 2021, an initiative aimed at awareness creation, advocacy and fund-raising to join global efforts in fighting cancer and its impact in society. The COVID-19 pandemic shed more light on the plight of cancer patients in low-middle income countries, the already scarce healthcare facilities dragged thin with strong presences of inflation and increased cost of chemotherapy. In the last couple of years, more cancer warriors were lost to struggling times, now more than ever, cancer patients require support to strive and thrive.

Under the theme - **"Crush Cancer"**, this week-long programme executed activities geared towards pushing the

narrative and supporting patient treatment. The walk aimed to raise funds to provide support to cancer patients with their treatments, over 5,000 patients have benefitted so far. The fund-raising target from donations were directed towards cancer patients with financial limitations for treatments including: medication, chemotherapy, surgery and palliative support. Major activities for the year included:

- The #Walk2CrushCancer reaching over 100,000 people with awareness creation on cancer mortality
- The Master class: on Cancer coverage aimed at improving cancer stories coverage and reporting reaching over 50 beneficiaries
- Patient support: reaching over 150 cancer patients with financial aid to access cancer healthcare including: radiotherapy, chemotherapy, surgery and palliatives.

Promoting Enterprise with the Fashion Souk

The Bank partnered with Eventful on The Fashion Souk initiative aimed at creating a unique platform for Nigerian

fashion entrepreneurs and enthusiasts to showcase their indigenous products and services to a global market, promoting trade, commerce and industry. The initiative brought together over 140 fashion entrepreneurs from across the country, showcasing over 1,000 home-grown fashion products and services to a global audience of over 1,000 individuals physically and virtually. A special fashion show was also executed with 6 designers gaining access to brand visibility and positioning for their designs to a global market of buyers and retailers. The Fashion Souk Business Pitch Competition also saw 3 winners access seed-funding of a cumulative sum of N1,500,000 to scale up their business productivity and revenue.

The FinLit Nigeria Initiative

The Bank partnered on the Financial Literacy Initiative, a program organized with Halfinance aimed at raising awareness on the importance of the financial culture, motivating targeted groups to practice sound financial habits and making smart financial decisions, especially in

areas such as: setting financial goals, financial planning, monthly budgeting, saving, wealth expansion, diversifying investments, avoiding fraud and money laundering. The initiative included activities such as: **The Bootcamp** – which reached over 100 youths and was designed to enhance financial intelligence across areas such as: personal and business finance, family finance and interactions with financial services.

The Hackathon was an exclusive opportunity for participants to bring their creativity and innovative thinking to design practical solutions that will help boost financial literacy within the Nigerian populace and promote smart financial habits. Through this initiative, more young Nigerians were educated and empowered on issues around debt relief, financial decision-making and financial literacy contributing to achieving the goals of the SDGs related to the financial inclusion, savings and quality of life.

Rehabilitation of Displaced Youths with Habitation of Hope NGO

The Bank partnered with Habitation of Hope - a non-governmental organization dedicated to creating interventions to support and rehabilitate disadvantaged, vulnerable and displaced young boys across Nigeria through the provision of training, education and financial empowerment to increase productivity whilst empowering youths. This partnership was aimed at providing shelter, care and sustenance for disadvantaged youths in the youth shelter, with the overall objective of rehabilitating and transforming the lives of the disadvantaged youths in society.

The initiative was in alignment with the Bank's Corporate Social Responsibility strategy in the focus area of social welfare, driving poverty eradication and youth empowerment. Over 2,500 boys have advanced through the program's system of rehabilitation and education (formal and informal). Over 850 boys have been reconciled with their families and over 1,200 educated and trained in vocational skills in Baking, Tailoring, Photography, Leather Works, Computer Engineering, Welding and Iron Fabrication, Bag-making and more, to drive youth empowerment.

Empowering Youths with HOFOWEM

The Bank partnered with the Hope for Women in Nigeria initiative (HOFOWEM), a non-governmental organization established to champion the cause of vulnerable members of society, on the 'Hope of the Youth' programme targeted at youth in the society by equipping them with skills that will enable them to contribute meaningfully to the economy as well as to live financially independent lives. Through this initiative, HOFOWEM was able to address the needs of disadvantaged youth through scholarships, vocational trainings, empowerment and mentorship programmes. This initiative has reached over 240,000 beneficiaries across the region.

The 'At Risk Children's Programme' (ARC-P)

The Bank partnered with the Office of the Vice President of the Federal Republic of Nigeria with direct oversight by the Office of the Special Adviser on Social Investments, on the 'At Risk Children's Programme' (ARC-P) which seeks to address the menace of out-of-school children across Nigeria, with sufficient flexibility aligned to the peculiarities of each State and jurisdiction. The programme seeks to deliver similar outcomes, albeit targeting the underserved and most vulnerable in the society, being marginalized youth and children.

The programme is anchored on the 7 pillars of: basic literacy and numeracy, health and nutrition; entrepreneurship, financial literacy and vocational skills; creativity and digital skills; agriculture, environment and climate change; security, sports and life skills; and incentivization interventions. In 2021, in partnership with developmental agencies like UNICEF, UNDP, UNODC, the programme was able to host multiple stakeholder sensitization workshops and private sector engagements across Nigeria.

The initiative was successfully launched in Gombe State with a 3-week intensive training of 500 facilitators across all the pillars. Through our partnership, the initiative also held a series of 6 private sector engagements in Lagos to raise support for the sector. In partnership with UNODC, ARC-P delivered the Line Up Live Up Sports with Life Skills out-of-School children's programme, training 20 coaches from 4 states and the FCT in August 2021, on the LULU methodology amongst other impactful implementation activities through the year reaching millions of underserved and vulnerable children with education, empowerment and skills development.

Tech Hub Facilities

In 2021, the Bank expanded its partnership and sponsorship programs for the startup and innovation ecosystem with the funding of two tech hubs at **Obafemi Awolowo University Ile-Ife** and **Osun State University Osogbo,** located in Osun State. Both facilities will provide 300+ desk spaces for the student and youth communities to develop and incubate their ideas and innovations into successful businesses. In addition, the facilities will provide a framework to identify latent research ideas within the university communities and put them on the path to commercialization.

Since the Bank commenced the Tech Hub Program in 2019, a total of nine (9) tech hub facilities have been setup across the country in the following states: Lagos, Kebbi, Bayelsa, Kaduna and Osun. Several events business startup events, hackathon, incubation programs and capacity building activities have been held at the tech hubs. Some of the impact, programs and partnerships created include:

- 6 startups have completed the incubation program at the Lagos hub while additional 20 are in the pipeline.
- 180+ entrepreneurs/startups have accessed the co-work and office facilities at the Lagos, Bayelsa and Kaduna hubs.
- The BOI-UNILAG Incubation Center organized a business pitching competition where 329 student-led businesses contested for 3 top positions and total grant funding of ₦4.25m grant donated by a philanthropist.
- Over 3200 youths have been trained in tech and entrepreneurial skills. The areas covered include: high tech (robotics, block chain, data science), digital skills (web design, online marketing, social media), start-up programs, knowledge-sharing sessions, hackathons, tech events & meetups, etc.
- Over 250 women have been impacted in Kebbi and Bayelsa with entrepreneur training, mentorship, and market linkages.
- Science Technology Engineering and Mathematics (STEM) trainings for 450 pupils aged 5-15 in Bayelsa, Kebbi and Kaduna in the areas of coding, games, robotics, and drone programing.

Select partnerships & collaborations with the tech hubs include:

- Lagos State Employment Trust Fund – pays for work-spaces of selected startups under the Lagos State Government Start-ups Support Program by LSETF.
- IncubateIND – collaboration with the Lagos hub who was the Nigeria partner for a global online hackathon to provide solutions to COVID-19 using tech. Nigeria startups came 3rd and 5th globally in the competition held simultaneously in USA, Turkey, India and 11 other countries.
- Lagos Hub collaboration with the Embassy of Finland on startup exchange program between Nigeria and Finland.
- Partnership between the hubs and the Major League Hacking to organize hackathons for startups in Nigeria.
- Partnership with Paradigm Initiative to offer free digital skills trainings to SMEs and startups at the Kebbi Innovation Hub.

Legacy (CSR) Program

The Bank initiated the Legacy CSR Program to fund community infrastructure projects in honour of public officials who have contributed to the growth of development finance sector in Nigeria. The projects which align with the Bank's CSR policy will cover areas such as social & welfare, education & enterprise, creative culture & arts, environment & preservation, and health. Three (3) projects were approved for implementation in 2021 as follow:

1. Donation of ICT Lab and Repair/Furnishing of Classrooms, Examination Hall, Library & Admin Block at Ihu-Iyase Secondary School, Agbor Nta, Ika South LGA, Delta State.
2. Completion of ICT Hall & Cafeteria Hall at Ijebu-Ode Grammar School, Ijebu-Ode LGA, Ogun State.
3. Renovation & Equipping of Science Laboratories and Toilets at selected science secondary schools in Yobe State affected by the insurgency:

- Government Girls Secondary School, Potiskum, Yobe State
- Government Girls Secondary School, Ngelzarma, Yobe State
- Government Boys Secondary School, Gashua, Yobe State.

PROTECTING THE ENVIRONMENT

We understand that our activities impact the environment in which we operate, through our consumption of energy and resources as well as through the waste we produce. We also recognize that the financial services we provide present both risks and opportunities relating to environmental protection. Thus, we will work to be a driving force for good in the natural environment in which we operate by finding ways to avoid, minimise or offset the negative impact whilst innovating new means to achieve positive gains.

Climate change and Greenhouse Gas emissions reduction: The Bank ensures energy efficiency by promoting or utilizing renewable power generation and adopting green standards and practices for operating and maintaining our facilities and buildings. Through our Large Enterprise directorate, we promote the use of renewable energy in our local communities by providing loans to support emerging renewable energy players in Nigeria. This ensures that renewable energy solutions reaches both rural and urban areas.

Reduction in Energy consumption: we are committed to reducing our energy consumption across all our offices, driving down both cost and emission reductions. We continuously monitor energy consumption across our property portfolio and where possible, switch to more energy efficient equipment (e.g. LED lighting, optimised Air Conditioning etc.). This helps us reduce our energy consumption significantly.

Water Efficiency: we promote the efficient use of water and seek to sustainably manage our use of water resources through the use of water cisterns in our offices to enable us reduce, reuse and recycle our water consumption. This helps us reduce the water we consume making us more efficient.

Waste Management: we strive to manage our waste more effectively by eliminating, reducing, and recycling product and paper waste; using not only less material (e.g. less paper, less packaging, etc.) but also implementing more efficient waste management systems to responsibly dispose of waste produced.

Manage emissions from logistics and business travel: we continue to address and manage emissions from our logistics operations and business travel. Where possible, we minimize business travel and switch to digital platforms for internal and external meetings and events. Our COVID-19 protocols have promoted more virtual work solutions in our business process, enabling us increase online attendance and reduce the need for business travel most significantly in recent times.

Managing Our Environmental, Social and Governance Risks: the Bank engages in a wide range of financial activities through direct and indirect lending to businesses as well as other activities through its subsidiary companies. The Bank's procedure is to assess each financial activity for environmental, social and (if applicable) governance risks, using standards and guidelines designed in line with appropriate national and international standards of ESG performance (e.g. the Nigerian Sustainable Banking Principles (NSBP), the IFC Performance Standards, etc.). Where there are shortcomings, appropriate mitigants are put in place to ensure compliance with ESG standards. This policy will help increase sustainability of operations, improving competitiveness for the Bank, its subsidiaries, partners and other third-party entities.

DEVELOPING THE ECONOMY

As the leading development finance institution responsible for transforming the Nigerian industrial sector, we are committed to providing sustainable finance to our markets through strategic support for businesses that are responsible, green and inclusive. We strive to contribute to local and global efforts targeted at reducing inequalities, ending poverty, promoting industry & innovation and building sustainable cities. This mandate drives us to execute programs and interventions that not only develop the economy but fosters sustainable finance.

Supporting enterprise development, job creation and poverty alleviation: we provide adequate financing and business support to create an enabling environment for our customers to foster economic growth, helping them build skills, improve business performance, and ultimately, growing the economy, creating jobs, fostering business growth and ending poverty in society. This is the underlying objective of our business.

Enhancing financial inclusion and financial health: we provide innovation to ensure that financial services and solutions are more accessible to unbanked and underbanked groups in underserved economies, whilst creating a greater understanding of finance in our markets for this disadvantaged groups. We also support our customers in improving their financial health through financial literacy programmes & interventions. The Bank is a founding signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Collective Commitment to Financial Health and Inclusion - a first-of-its-kind initiative of the banking sector to promote universal and financial inclusion. This membership enables us contribute to global efforts addressing financial inclusion in society.

Driving responsible performance within our supply chain: we work with our leading suppliers to improve both their business and sustainability performance, enhancing the value they bring to the Bank and the broader economy. In doing so, we are able to support other businesses in our communities to be more sustainable, thus, building an even more sustainable Nigerian economy.

The Bank's business directorates are dedicated to providing sustainable finance for developmental growth across sectors of the economy responsible for driving sustainable development. Our Large Enterprises directorate provides support for sectors including: Agro and Food Processing, Creative Industries, Engineering and Technology, Healthcare, Renewable Energy, Gender Business, Intervention Funds. Our Small & Medium Enterprises directorate is financing undeserved and budding sectors including: Youth and Gender focused businesses (e.g. Fashion & Beauty, Food & Agro Commodity Processing, Light Manufacturing, Engineering, Healthcare, Greenhouses, Arts & Craft, Solar (off grid). Finally, our Micro Enterprises directorate is financing disadvantaged and vulnerable sectors in the grass root: formal, informal businesses and cooperatives (e.g. market women, traders and artisans, farmers, agriculture workers and enterprise youth).

Through these activities of our directorates, we are able to increase the positive impact of our business operations providing sustainable finance for development-focused sectors of our economy thereby contributing to the achievement of the sustainable development goals around ending poverty and hunger, driving quality education & gender equality, creating decent work and economic growth, and transforming industry, innovation and infrastructure.

Collaborative partnerships create opportunities for the Bank to further drive the sustainable development of the local and global economy and society. In the execution of our strategy, we will collaborate in local, international and sector-wide efforts to drive improved standards and progress on Sustainable Development.

United Nations Global Compact:

The United Nations Global Compact is a voluntary initiative based on CEO commitment aimed at mobilizing a global movement of sustainable companies and stakeholders to create the better world we seek. The UN Global Compact supports companies to do business responsibly by aligning their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption; and taking strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The Bank of Industry has been an active member of the UN Global Compact, joining the international community to dedicate resources towards global efforts aimed at bridging the gap for the achievement of the SDGs. We also participate in the activities of the local network Nigeria, collaborating to address social, environmental and economic development issues locally through strategic interventions and programmes.

In 2021, we continued to align our business with the ten principles of the UNGC ensuring the protection of human rights within and outside our business, eliminating all forms of forced and compulsory labour and upholding the effective abolition of child labour within our business, the businesses we finance as well as with our suppliers. We also continued to strive to eliminate the discrimination in respect of

employment and occupation. As a Bank, we continued to manage the environmental impact of our business operations; managing our energy and resource consumption, striving for water efficiency, improving our waste management efforts, whilst supporting the businesses we finance to reduce the negative impact of their business operations and improve the positive effects.

Finally, we continued to uphold best practice of conduct and compliance in the execution of our business – standing against all forms of corruption within our business and the businesses we finance and promoting ethical, just and responsible business practices in our operations and processes.

United Nations Environment Programme Finance Initiative (UNEPFI):

United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. UNEP FI works with more than 400 members – banks, insurers, and investors – and over 100 supporting institutions – to help create a financial sector that serves people and planet while delivering positive impact. In 2021, the Bank joined the initiative as part of our strategy to further align our business with global best practice for sustainable development whilst collaborating with the global Banking industry to drive sustainable finance for the socio-economic development of the society. Through this partnership, we were able to achieve pioneering impact for the Bank and our industry at large.

- **Becoming the First Nigerian DFI signatory to the UN Principles for Responsible Banking**: the Bank became an official Signatory of the UN Principles for Responsible Banking – a single framework for a sustainable banking industry developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI). Banks who have signed the Principles commit to be ambitious in their sustainability strategies, working to mainstream and embed sustainability into the heart of their business, while allowing them to remain at the cutting-edge of sustainable finance. Over 240 banks have now joined this movement for change, leading the way towards a future in which the banking community makes the kind of positive contribution to people and the planet that society expects. These banks represent more than a third of the global banking industry. This is a journey of unprecedented scale and scope at a time when such ambition is urgently needed. BOI emerged as the first Development Finance Institution in Nigeria to do so.
- **Becoming founding signatories to the UN's collective commitment to financial health & inclusion:** BOI joined the United Nations Environment Programme Finance Initiative (UNEP FI) to launch the Collective Commitment to Financial Health and Inclusion - a first-of-its-kind initiative of the banking sector to promote universal and financial inclusion. The Collective Commitment to Financial Health & Inclusion is a new initiative of the United Nations Environment Programme Finance Initiative (UNEP FI) dedicated to promoting universal financial inclusion and the financial health of banks' customers.

World Economic Forum (WEF):

The World Economic Forum (WEF) is the International Organization for Public-Private Cooperation bringing together stakeholders from all sectors of society to shape the future for the better and generate great impact through purpose-driven communities and impact-driven platforms. Reinforced by a track record of success over five decades, WEF serves as the trusted platform for high-level, multi-stakeholder interaction on sustainable development.

In 2021, the Bank became a member of the World Economic Forum alongside over 750 global business leaders. This partnership is in line with the Bank's vision to be Africa's leading DFI operating under global best practices; and will strengthen our efforts to increase sustainability impact. Through this partnership, the Bank has made significant progress in joining the global community to collaborate for the sustainable impact.

- **Becoming a member of the World Economic Forum's Sustainable Development Investment Partnership (SDIP):** A joint initiative of the World Economic Forum and the Organisation for Economic Co-operation and Development (OECD), SDIP is a global independent platform of 42 public, private and philanthropic institutions with the shared ambition to scale finance for the SDGs and overcome the barriers hindering private investments in emerging and developing countries. BOI joined this partnership to contribute to the strategic discussions and shape policies and interventions that would foster the finance of the SDGs.

The Sustainability Standards & Certification Initiative (SSCI)

The Sustainability Standards & Certification Initiative (SSCI) is an all-encompassing framework of the European Organization of Sustainable Development that delivers a holistic, robust, evolving, and locally-sensitive set of standards to make value-driven financial institutions more resilient and profitable. It is a framework for holistic integration of sustainability to drive innovation in the organizational culture, enabling institutions to create new income streams and thrive for the long-term in an ever more volatile world.

In July 2021, the Bank of Industry was accepted into the Sustainability Standards and Certification Initiatives of the European Organization for Sustainable. This highlights our continued commitment to driving sustainable development through strategic social, environmental and economic investments and interventions across Nigeria.

The Bank of Industry received top honors throughout the year, for its impact and innovation in driving sustainable development its business operations and activities. Some of the most notable awards received by the Bank include:

- Best Company in Financial Inclusion, the Sustainability, Enterprise and Responsibility Awards 2021
- Best New Entry, the Sustainability, Enterprise and Responsibility Awards 2021
- Award for Innovation in Financial Services, the African Banker Awards 2021

Internal Control
and Risk Management System

BOI'S ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

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

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

With emphasis on risk management as an essential tool for achieving the Bank's objectives, the Board of Directors of BOI set the risk strategies and policies of the Bank and also ensures that the policies and mechanisms are enough to identify and control risk effectively. These policies define acceptable levels of risk for the Bank as well as the criteria for risk assessment.

The Board provides an oversight function for the risk management and internal control systems of the Bank, as well as carry out periodic review of the risk management system for adequacy and effectiveness.

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

The Bank also has an Executive Management Committee (EMC), responsible for implementing risk management policies set out by the Board. It is responsible for setting internal control policies and monitoring the effectiveness of control systems. The committee has the responsibility to ensure proper accounting records are kept and accounting policies are in conformity with International Reporting Standards; Prudential Guidelines and Circulars issued by the Central Bank of Nigeria; The requirements of the Banks and Other Financial Institutions Act 2020; and the Companies and Allied Matters Act (CAMA) 2020.

The Board and Senior Management regularly assess the Bank's risks including risks relating to financial reporting. Management Committee meets on a regular basis to assess the ERM risks the Bank is facing based on its operations. It is the responsibility of the Bank's Management team to regularly consider the effectiveness of existing internal controls in relation to the risks identified in the financial reporting process.

BOI'S ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

The role of the Chief Risk Officer in BOI remains fundamental as he has the primary responsibility for ensuring the effective implementation of the ERM Framework of the Bank, ensuring adherence to set standards and policies guiding effective Risk Management as may be issued by relevant domestic and international bodies.

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

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

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

BOI RISK APPETITE

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

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

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

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

BOI RISK CULTURE

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

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

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

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

BOI ERM RISK SCOPE:

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

- Strategic Risk
- Operational Risk
- Credit Risk
- Reputational risk
- Compliance Risk
- Legal Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- IT/Cyber Risk
- Environmental, Social and Governance (ESG) Risk have also gained significant prominence in the BOI risk universe.

BOI'S ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

RESPONSIBILITIES AND FUNCTIONS

Risk Management Division

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

STRATEGIC RISK:

- Ensure that the risks that could affect the achievement of the Bank's strategic goals are adequately identified, measured and managed within its defined risk appetite
- Effective collaboration with government and other stakeholders to facilitate the creation of an enabling environment for business development and growth
- Refocus implementation of strategy to achieve development goals of job creation and real economic growth
- Continuous stakeholder engagement to ascertain their needs
- Forge strategic partnerships to provide Non-Financial business support to borrowers (capacity building)
- Inculcate risk awareness culture throughout the organization
- Provide a consistent framework to assess the potential losses that may result from the strategic planning process and implementation of the strategic plan
- Ensure that the strategic risk management framework incorporates extensive research and strategic plans for key sectors the Bank finances
- Determine the capital required to cover potential risk exposures in the Bank.

OPERATIONAL RISK

- Ensure the adequacy of policies, strategies and procedures that enables identification, assessment, monitoring and effective control of operational risks
- Redesign and automate end to end workflows in order to improve operational efficiency and controls and optimize productivity
- Provide clear and consistent direction in all operations of the Bank
- Provide standardized framework and appropriate guidelines for assessing and managing all operational risk exposures
- Enable the Bank identify and analyze events (both internal and external) that impact on its business.
- Ensure appropriate and reliable risk management tools (including key risk indicators, loss databases, risk and control self-assessments and stress and scenario testing) are deployed to support operational risk management, particularly management reporting and decision making
- Ascertain the Bank's readiness to continue business within the shortest possible time after short-term disruptions of business due to external factors.

CREDIT RISK

- Ensure that the Board oversight for managing credit risk as its most significant financial risk is effective.
- Adopt internal risk rating models for objective assessment of probability of default and portfolio risk monitoring.
- Improve staff-to-account ratio and include KPIs for risk asset quality in performance appraisals to drive effective management post-disbursement.
- Ensure that adequate systems for assessment, measurement, management and control of credit risks are in place.
- Ensure that the risk of default is minimized through adequate and effective monitoring of loans from disbursement stage to repayment.
- Ensure that top management as well as individuals responsible for credit risk management possess the required skills and knowledge to accomplish their functions.
- Ensure maximum recovery from restructured loans.

REPUTATIONAL

- Ensure all the Bank's risks are assessed for reputational impact and ensure those with significant impact are fully integrated into the Bank's core risk management framework.

BOI'S ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

- Ensure a sound corporate governance top-down culture.
- Redress the Bank's reputation as an outlet for sharing government/national cake as it affects borrowers' willingness to repay.
- Exploit uncertainties that have potential positive outcome to enhance the Bank's reputation.
- Establish channels for both identification of customers' lack of satisfaction as well as resolution of customers' complaints in a prompt and efficient manner.
- Develop and implement appropriate response to bridge the gap between reality and perception and between stakeholders' experience and expectation.
- Use social media and other channels to project the Bank in a positive way towards enhancing its reputation.
- Monitor risk responses to ensure they are achieving desired results.
- Develop crisis management processes to minimize impact on reputation in the event of a risk occurring.

LEGAL RISK

- Ensure that legal risks are identified, assessed, controlled, monitored and reported in a timely manner.
- Ensure that the Bank's responsibilities are well articulated in all MOUs, Service Level Agreements (SLAs) and funding agreements executed with strategic partners and co-financiers and that subsequent amendments/variations are documented to protect the Bank's interest.
- Enhance the custody of collateral documentation (online document storage) and collateral management.
- Ensure new and changed legal requirements are identified, monitored and reflected in the Bank processes.
- Establish a process that allows the Board and Senior Management to remain informed of potential litigation and/or existing litigation in timely manner.
- Provide a consistent framework to assess the potential losses that may result from potential and/or existing litigation.
- Establish a procedure for assessing new sector involvement, products and services for potential legal risk.
- Determine and increase the capital required to cover potential negative judgment or settlements.

MARKET AND LIQUIDITY RISK

- Provide a standardized framework and comprehensive approach for identifying, monitoring, controlling, measuring and reporting liquidity and market risk.
- Define clear roles and responsibilities of the different parties involved in the market risk management process including the institution of a strong treasury function to support the Liquidity and market risk management process.
- Ensure that the market risk-taking business units take full ownership of the risks generated by them.
- Meet all probable cash flow needs as they fall due without additional external financing and disposal of long term assets.
- Ensure that investments can be liquidated promptly and without incurring undue transaction costs under normal market conditions.
- Create market for the refinancing of bonds at minimal costs within local and international market.

CAPITAL RISK

- Maintain a capital management structure which ensures timely assessment and maintenance of adequate capital to achieve its corporate goals.
- Ensure a capital structure that will enhance the mitigation of the Bank's overall net risk.
- Prepare the grounds for an effective implementation of the Basel II framework with major focus on minimum capital requirements for key risks faced by the Bank. This is in addition to ICAAP reports to measure the bank's preparedness to meet obligations and absorb unexpected losses from available capital.
- Ensure that the Bank's lending practices are safe and sound as expected by the Central Bank of Nigeria and its key stakeholders

IT/CYBER RISK

- Identify business needs and changes to requirements that may affect overall IT and security direction.
- Identify and document all relevant statutory, regulatory and contractual requirements applicable to the operations of each information system.
- Review adequacy of existing security policies, standards, guidelines and procedures.
- Analyze assets, threats, vulnerabilities, their impacts and likelihood.
- Assess physical protection applied to computing equipment and other network components.
- Conduct technical and procedural review and analysis on the network architecture, protocols and components to ensure that they are implemented according to the security policies.
- Review password and other authentication mechanisms.
- Review current level of security awareness and commitment of staff within the organization.
- Review agreements involving services or products from vendors and contractors.
- Develop practical technical recommendations to address the vulnerabilities identified, and to reduce the level of security risk.

COMPLIANCE RISK

- Foster a culture of ethics and compliance that is central to all of the Bank's operations and activities
- Understand the nature of compliance risks and potential exposures
- Integrate the compliance program into the ERM Framework
- Ensure compliance risks are identified, prioritized and managed appropriately
- Establish a control environment, level of accountability, and a framework that promotes compliance with applicable laws, regulations, agreements and internal policies and procedures
- Provide an avenue for anonymous reporting of potential non-compliance behavior (whistle blowing)
- Evaluate emerging compliance trends and implementing best practices

Environmental, Social and Governance (ESG)

- Identify and evaluate ESG risks and impacts of projects sponsored by the Bank.
- Ensure that all the Bank's ESG risks are identified and effectively managed across its lending and non-lending activities.
- Define the respective roles and responsibilities of both BOI and its clients in designing, implementing and operating projects in line with the framework and project checklists.
- Maximize the Bank's capacity to contribute to sustainable development while improving on its earnings and creating value for its shareholders.
- Ensure that the Bank's ESG Risk Management system is adequate to manage ESG risks across industries and sectors, and that the system continuously addresses the needs of the Bank.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM)

Sustainability is imperative for the achievement of the development goals of Bank of Industry. As such, the Bank has begun to incorporate Environment, Social and Governance (ESG) standards into its business and operational activities. The bank's commitment and achievements to its sustainability journey is set out below.

In March 2020, the bank set up its ESG Group, under the Risk Management Directorate (RMD) to oversee the process of integrating ESG risk management into its end-to-end credit and investment appraisal and monitoring. We are convinced that sustainable banking is the future and the guarantee for the long-term success of institutions. The future would be driven by technological innovation, disruptive changes and environmental and social responsibility, therefore, the Bank must position for this.

We are well-guided in our commitment to sustainability. Like many forward-looking financial institutions, BOI views sustainability as having enormous benefits. This begins with the institutional transformation of the bank. As a responsible FI, Bank of Industry will gain good reputation, attract quality partnerships, engage better with its stakeholders, and deliver more positive impact in the economy and society.

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

In July 2021, BOI was accepted into the Sustainability Standards and Certification Initiatives of the European Organisation for Sustainability Development. We aim to achieve the status of a Sustainability-Certified Financial Institution in 2022, and begin to leverage the benefits of implementing the rigorous and highly transformative standards.

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

The objectives of the ESG policy are to:

i. Integrate E&S risk management into its end-to end credit and investment appraisal and monitoring process.

ii. Ensure compliance with leading international standards while taking cognizance of specific local requirements on E&S risk management in all sectors in which its resources are to be committed.

iii. Ensure that its partners (in co-financed deals) share a common commitment to managing E&S risks.

iv. Ensure the effective management of E&S risks in the Bank's portfolio by appropriately categorizing transactions based on their potential E&S impacts.

v. Ensure that there is appropriate internal capacity to handle E&S issues, which will be supplemented by external expertise, as the need arises.

vi. Provide annual training on E&S risk management to management and staff of the Bank.

BOI's ENVIRONMENTAL AND SOCIAL RISK STRATEGY

The Bank shall maximize its capacity to contribute to sustainable development while improving on its earnings and creating value for its shareholders. This shall be achieved by the creation of an E&S risk-aware business environment where everyone is aware of and actively manages the E&S risks within their sphere of control.

BOI as an organization will not involve itself in funding activities that would lead to E&S risks and could result in negative impact on the Bank's reputation, significant financial loss, physical or economic displacement or exploitation of communities, or environmental damage to the ecosystem.

The strategy is to ensure through its E&S appraisal and supervision process that the industrial projects it finances are environmentally and socially sustainable. In cases where the business activity to be financed is likely to generate potential significant adverse impact, BOI and the customer or relevant stakeholder(s) shall engage in a process of informed consultation. The aim is to identify relevant mitigations to be included as loan covenants which will form part of the action plan to be monitored periodically. Where appropriate mitigations for identified risk are not available, the Bank may refrain from financing a proposed transaction.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM) PROCESS

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

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

i. Transaction Screening

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

ii. E & S Categorization of Transactions

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

iii. E & S Due Diligence

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

iv. Credit Approval and Disbursement

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

v. E & S Risk Monitoring

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

vi. E & S Reporting and Disclosures

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

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

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

- Consider the existing financial, risk and business positions;
- Update the risk appetite, business plan and strategy;
- Identify and quantify the risks associated with the business plan;
- Estimate additional capital required;
- Perform stress tests that considered the effect of these risks on the business plan;

- Review the results of the stress tests and identify whether additional capital is required in respect of each risk or whether different mitigation is more appropriate.

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

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

The Bank's stress testing framework covers different types of tests, including:
- Sensitivity analysis demonstrating the impact of risks on BOI's earnings over a period;
- Sensitivity analysis that considers the impact of risks on the Bank's capital; and
- Scenarios of significant macro-economic or operational events that may affect earnings, capital and liquidity.

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

RISK INTELLIGENCE AND REPORTING

Due to changing scope of risks faced by the Bank in its operations, it is therefore, through information gathering, analysis and regular reviews that proactive and predictive measures can be taken to stem systemic risks affecting national and global business environments. It is in keeping with this that Risk Intelligence & Reporting Desk was established with the following mandates;
- Review, analyze and communicate relevant statistical and non-statistical information for internal and external uses.
- To create risk reports that provide clear view of risk exposures and stir strategic discussions, so as to assist recipients take informed risk decisions
- To aggregate risk performance measurement and reporting, including managing the risk quantification, aggregation and disaggregation model, and all related activities and processes.
- Market Intelligence gathering through overt and covert engagement with regulatory authorities, utilization of periodicals from reputable economic, business and financial analysts
- Regular reporting of industry information that may be useful to Management in decision making

Information & Cyber Security
Report

INFORMATION AND CYBER SECURITY REPORT

Since the inception of the Bank of Industry's cybersecurity program in 2019, tremendous progress has been made in the implementation of the Cybersecurity Strategy (2020-2023) and key initiatives to secure the Bank's information assets.

While the cybersecurity landscape continues to evolve with malicious actors introducing new tactics and tools, organizations now have increased responsibilities to continuously assess and take proactive measures to secure their information infrastructure environment.

Some of the key initiatives that the Bank implemented in 2021 are summarized below.

- Successful implementation of ISO 27001 Information Security Management Standard (ISMS) for the period 2019 – 2021 and ongoing re-certification to the standard.
- Enhancement to existing data protection and privacy policies, implementation of applicable solutions, and ongoing compliance to the Nigeria Data Protection Regulation (NDPR).
- Implementation and upgrade of enterprise security tools and procedures to further protect the Bank's information assets.
- Capacity building, trainings and attendance at seminars and conferences for staff, executive management, and Board members.
- Implementation of enhanced 3rd party risk assessment framework to identify and mitigate risks due to supplier, vendor, and service provider relationships with the Bank.
- Collaborations, participations, and sponsorships at industry forums aimed at enhancing information security practice in the Nigerian financial services industry. Such forums include: Committee of CISO of Nigeria Financial Institutions (CCISONFI), Cybersecurity Expert Association of Nigeria (CSEAN), ISACA, ISC(2), etc.

The Bank's cybersecurity program is anchored on a set of key omponents, some of which are highlighted below.

GOVERNANACE

The Bank's Information Security Steering Committee (ISSC), a management committee of the Bank, has the oversight responsibility on the implementation of information security strategic plan, resolution of policy or program issues, and advicing executive management and middle management appropriately.

The ISSC's broad objectives include:

- Providing strategic direction and cybersecurity governance for the Bank;
- Ensuring that the Bank's information & cybersecurity policies and processes align with the business and technology objectives;
- Evaluating, approving, and sponsoring institution-wide information security initiatives;
- Enforcing the implementation of policies for investment prioritization and security risk management; and
- Ensuring information security activities align and meet regulatory requirements and industry standards.

The Committee's membership covers all the control functions in the Bank: Risk Management, Internal Control & Compliance, Internal Audit & Investigation, Financial Control, Legal, Operations, Information Technology, Management Services, and Business Directorate. The ISSC meets at least quarterly and as may become necessary.

CYBERSECURITY AWARENESS & CAPACITY BUILDING

The Bank of Industry recognizes that employees and key stakeholders are the first line of defense against cyber-attacks. The Bank has therefore prioritized the importance of building a culture of cybersecurity through awareness and enforcement, by educating and training employees and stakeholders. This complements the Bank's investment on security tools and helps reinforce the understanding of a cyber-hygiene culture within the organization as well as the awareness of what to do in the event of a cyber-attack.

Annually, the Bank designs and implements a robust awareness program which identifies the peculiarities of each stakeholder, articulates the specific education or communication activity for the stakeholder, and monitors the effectiveness of such activity.

The stakeholders captured in the program include, junior/middle management staff, senior/executive management staff, board members, ad-hoc personnel (cleaners, security guards, drivers), vendors, and customers). Typical awareness activities include: e-learning/adaptive cybersecurity training modules, weekly/bi-monthly e-flyers, quizzes, classroom trainings/webinars, table-top exercises, phishing simulations, and customer presentations.

In the past year, some of the awareness activities carried out are:

- Attendance of board members in the 2-day FITC Conference themed "Building Cyber Resilience in an Interconnected World (Re-scoping & Dimensioning Risk, Driving Business Growth)".
- A bespoke cyber drill/table-top exercise facilitated by Deloitte for executive management to assess the level of the Bank's preparedness to respond to a cyber incident.
- Quarterly cybersecurity awareness training sessions for staff to equip them with necessary knowledge to guard against cyber threats/attacks.
- Periodic phishing simulation tests for all staff to assess how well they are imbibing the learnings from the awareness training sessions.
- Cybersecurity awareness for cleaners and security guards to make them aware of their roles in defending the organization from cyber actors.
- A month-long cybersecurity awareness program in October 2021 featuring trainings, quizzes and gifts.

INFORMATION & CYBER SECURITY REPORT

INFORMATION SECURITY MANAGEMENT SYSTEM

The Bank of Industry implemented the International Standard for Information Security, ISO/IEC 27001:2013, an Information Security Management System (ISMS) program in 2019 and has since maintained certification to the standard through annual surveillance audit.

The ISMS program ensures the following:

- Protection of information assets against cyber threats
- Assurance of revenue streams and company profitability
- Ability to sustain the delivery of products and services to customers
- Maintenance and enhancement of shareholder confidence
- Compliance with legal and regulatory requirements and standards

A comprehensive policy document has been put in place covering all aspects of the information security management systems. Some of the key elements include:

- Access Control: provides overall guidance on the control of access to our information assets. This is a fundamental part of the Bank's information security defense strategy.
- Information Asset Management: provides overall guidance on record keeping, classification, custody and ownership of the Bank's information assets as well as their acceptable use.
- Human Resource Security: covers the information security considerations that span the entire cycle of the Bank's relationship with its personnel from recruitment through the period of employment to disengagement.
- Information Security Incident Management: ensures effective reporting and management of information security events and incidents involving or affecting the Bank's information resources and processing systems.
- Third Party Management: provides guidance on the management of risks arising from vendor/third party relationships that are involved in the provision of technology related services.

Management provides continuous commitment to achieving the objectives of the information security program through the provision of adequate resources and executive support across the Bank's operations.

DATA PRIVACY AND PROTECTION

The Bank commenced the implementation of data protection framework in 2019, in line with the Nigeria Data Protection Regulation (NDPR). On annual basis, the Bank undergoes data protection audit, an exercise conducted by a licensed data protection compliance organization (DPCO) and afterward file the audit report with the regulator.

Some of the key elements of data protection that have been put in place include:

- Data protection policies and data breach incident management procedure.
- Appointment of a Data Protection Officer (DPO)
- Privacy notices displayed/embedded at online and offline premises as well as all data collection points.
- Bank-wide awareness and training on data protection
- Implementation of a data loss prevention solution, among others.

With the support of executive management and key stakeholders, the Bank will continue to drive the maturity of the data protection and privacy programs.

INCIDENT RESPONSE & MANAGEMENT

The Bank has implemented an incident management framework to handle cyber security incidents and minimize the damage and/or exposure from security breaches. The framework covers:

- The Bank's approach to incident response
- Activities required in each phase of incident response
- Roles and responsibilities for completing incident response activities
- Metrics to capture the effectiveness of the incident response capabilities.

The framework is reviewed periodically to reflect changes in the operating environment.

Bank of Industry's National Rating Upgraded by Fitch to 'AAA(nga)'; Longterm Issuer Rating Affirmed at 'B" with a Stable Outlook.

Fitch Ratings has affirmed Nigeria-based Bank of Industry Limited's (BOI) Long-Term Issuer Default Rating (IDR) at 'B' with a Stable Outlook. Fitch also upgraded BOI's National Long-Term Rating to 'AAA (nga)' from 'AA+(nga)'.

Commenting on the announcement that Fitch, one of the worlds' "big three" ratings agencies had upgraded the bank's ratings. Mr. Olukayode Pitan, MD/CEO of BOI said the upgrade would help the bank attract additional funds:

"We are delighted at the outcome of this rating which comes on the back of a series of successful fundraising efforts in the international debt market and positions us to attract greater foreign investment. In spite of the challenges we have experienced as a result of the COVID-19 pandemic, it is reassuring to see that the resilience of our organization has bolstered the confidence of our stakeholders who undoubtedly contributed to our improved performance.

As we intensify our efforts to catalyze sustainable economic growth for Nigeria and the continent at large, we will continue to leverage our strategic alliances towards fulfilling our mandate. Operating in line with global best practice, we remain committed to maintaining extensive risk management and compliance frameworks as the foundation of our growth strategy."

BOI Wins Two SERAS Africa CSR Awards

The Bank of Industry received top honours at the Sustainability, Enterprise and Responsibility Awards also known as the SERAS CSR Awards 2021. The awards took place on Saturday, December 4th, 2021 in Lagos Nigeria.

BOI was awarded the 'Best Company in Financial Inclusion' in recognition of its development impact in providing solutions to ensure that financial services are more accessible to unbanked and underbanked groups. The award highlights the Bank's impact significant efforts in deepening financial inclusion for micro enterprises through the development and execution of innovative financial and non-financial products that promote the use of technology and intermediaries to provide low-interest financing solutions to businesses in the informal, semi-formal and formal sectors.

The Bank also received the award for 'Best New Entry.'

The SERAS is Africa's first and foremost recognition for Corporate Social Responsibility and Sustainability. Over the last 15 years, it has grown to become the gold-standard award and the most credible industry ceremony in Africa with representation from 19 African countries.

BOI Becomes First Nigerian DFI to Sign on to the UN Principles for Responsible Banking

The Bank of Industry became an official Signatory of the UN Principles for Responsible Banking – a single framework for a sustainable banking industry developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI).

The Principles are the leading framework for ensuring that banks' strategy and practice align with the vision society has set out for its future in the UN Sustainable Development Goals and the Paris Climate Agreement. Banks who have signed the Principles commit to be ambitious in their sustainability strategies, working to mainstream and embed sustainability into the heart of their business, while allowing them to remain at the cutting-edge of sustainable finance.

Signatories to the Principles take on a leadership role, demonstrating how banking products, services and relationships can support and accelerate the changes necessary to achieve shared prosperity for both current and future generations, building a positive future for both people and planet. Thus, BOI joins other banks in the world's largest global banking community focused on sustainable finance, sharing best-practice and working together on practical guidance and pioneering tools of benefit to the entire industry.

Tackling Youth Unemployment ...BOI Commissions UNILAG Tech Hub

The Bank of Industry (BOI) sponsored and commissioned the BOI-UNILAG incubation and co-working hub in the University of Lagos to support talented youths to more successful and impactful end. The sponsorship of the hub is part of the Bank's drive to support young people venturing into entrepreneurial training for Nigerian youths to harness and maximize their potential and back them by establishing tech hubs to nurture the ecosystem in the country.

Speaking at the launch event, the Managing Director of Bank of Industry Mr. Olukayode Pitan stated that the Bank remains committed to provide funding to support credible and bankable ideas that emerge from the tech hubs.

He said the overall objective is to ensure that the bank's Corporate Social Responsibility (CSR) investments generate better benefits for the country, stressing that the tech hub gives young people the opportunity to create legitimate wealth while adding their own quota to economic development of Lagos

Deputy General Manager, Small and Medium Enterprises, Bank of Industry (BOI), Mr. Obaro Osah; Managing Director/CEO, BOI, Mr. Olukayode Pitan; Vice Chancellor, University of Lagos, Prof. Oluwuwatoyin Ogundipe; and the Founder CEO, Infometriq, Mr. Sowemimo Abiodun; during BOI-UNILAG Incubation and Co-Working Hub Opening and Commissioning Ceremony, held in Lagos.

BOI Opens Branch in Ekiti... N19.7bn Disbursed to 3,000 Enterprises in South-West

Over 3,000 enterprises in South-Western Nigeria have enjoyed support from the Bank of Industry to the tune of N19.7bn since 2019 from its own funds. This was disclosed by the Managing Director, BoI, Mr. Olukayode Pitan, during the official opening of the Ekiti branch office of the bank in Ado-Ekiti.

The MD stated that the Bank has a long-standing relationship with Ekiti State, as one of its earliest strategic partners with respect to the Bank's matching fund initiative."

Also speaking at the occasion, the Minister for Industry, Trade and Investment, Otunba Adeniyi Adebayo, said BoI had contributed significantly to the industrialisation strategy of the Federal Government across various sectors and business segments in Nigeria through its several innovative financial and business support interventions.

The Ekiti State Governor, Dr Kayode Fayemi, in his remarks said their vision is to make Ekiti a destination of choice for investments by providing enabling environment to the small and medium-scale enterprises.

L-R Head of Service, Ekiti State, Mrs. Peju Babafemi; Honourable Minister, Federal Ministry of Industry Trade and Investment, Otunba Niyi Adebayo; Executive Governor of Ekiti State, His Excellency, Dr. Kayode Fayemi and Executive Director, Corporate Services and Commercial, Bank of Industry(BOI), Mr. Jonathan Tobin at the commissioning of BOI office in Ekiti State.

L-R Honourable Minister, Federal Ministry of Industry Trade and Investment, Otunba Niyi Adebayo; Executive Governor of Ekiti State, His Excellency, Dr. Kayode Fayemi; Executive Director, Corporate Services and Commercial, Bank of Industry(BOI), Mr. Jonathan Tobin and Honourable Commissioner for Trade, Industry and Investment, Ekiti State, Aare Muyiwa Olumilua at the commissioning of BOI office in Ekiti State.

Delta, Ebonyi, Ondo Partner with BOI to Launch World Bank Cares Stimulus

The governments of Delta, Ebonyi and Ondo states have partnered with the Bank of Industry to deliver COVID-19 stimulus packages to affected persons in their states. This stimulus is part of the $750 million Nigeria COVID-19 Action Recovery and Economic Stimulus, also called NG-CARES- a World Bank project in partnership with the Nigerian government.

NG-CARES is a tripartite programme of the World Bank, Federal Government and state governments that utilizes existing Federal Government platforms and is targeted at supporting vulnerable persons and providing food security, amongst other things, post-COVID-19 pandemic.

Governor Ifeanyi Okowa of Delta State announced that the State had already commenced disbursement to more than 1,800 beneficiaries of the funds, who had been captured in the first phase of the programme in the state and added that the programme was conceived to cushion the socio-economic effects of COVID-19 pandemic on the people, particularly the poor and vulnerable, adding that about 2,529 MSMEs in the state would receive grants to support post-COVID-19 loans, operational costs and enhance their IT capacity.

At the signing of the MoU to commence the implementation of the NG-CARES in Ebonyi State, the Bank restated its commitment to supporting state governments in ensuring that intervention achieve its intended objectives by using its infrastructure and other capacities.

L-R Chairman Federal goverment Technical committee on Nigeria Covid 19 action recovery economic stimulus programme NG-cares, Aso Vakporaye; General Manager, North, Bank of Industry, Rislanudeen Muhammad; Ebonyi State Commissioner for Finance, Orlando Nweze; and Ebonyi State Commissioner for Commerce, Industry and Business, Dr Odo Stephen during the signing of MoUon implementation of the programme in Abuja.

The representative of the Managing Director at the event in Abuja, General Manager, Small & Medium Enterprises (North) of the Bank, Dr. Rislanudeen Mohammed, said "By signing this MoU, we are committed to work together closely on achieving the goal of the programme, which is to elevate communities, households and businesses affected by COVID-19.

Meanwhile at the signing of the Memorandum of Understanding (MoU) at the Governor's Office, Akure, Ondo State, BoI Regional Head, Southwest, Michael Oye, said the event marked formal enlistment of the state in the Nigeria COVID-19 Action Recovery and Economic Stimulus (NG-CARES) programme. He revealed that the state subscribed to two of the three Disbursement Link Indicators (DLI) available in RA-3, which he listed as credit support for working capital requirements (DLI3.1) and subsidized operational cost support (DLI3.2).

Kaduna State Government & Bank of Industry Inaugurate ICT Hub

The Bank of Industry in partnership with the Kaduna State Government have inaugurated the KADA Hive, an innovative and technology hub established to promote digital skills development, innovation and businesses in the State. The State Deputy governor, Dr Hadiza Balarabe while inaugurating the KADA Hive innovation and Technology hub in Kaduna said the government was committed to make the State a leading ICT hub in Nigeria. Dr Hadiza Balarabe explained that, the success of the project clearly demonstrated the potentials of partnerships in turning innovative ideas into realities.

In his remark, the Chairman Board of Directors, Bank of Industry, Alhaji Aliyu Abdulrahman said the hub was part of programme of the bank targeted at promoting skills development, youth entrepreneurship and Job creation in new technology and innovation among youths. Alhaji Abdulrahman noted that, the Bank sponsored the Hub as a platform for young people in the state to channel their creativity and passion to productive rather than engaging in social vices. According to him, the hub aligns with Mr. President's goal to lift one hundred million Nigerians out of poverty in ten years

Bank of Industry Showcases Local Industry Capacity at Intra-African Trade Fair 2021

To foster understanding of how it can strategically support the economy to take full advantage of the prospects presented by the African Continental Free Trade Area [AFCFTA], a high-powered delegation of the Bank of Industry participated at the 2nd Intra African Trade Fair which took place in November 2021 in Durban, South Africa.

The Fair, which was organized by the African Export-Import Bank (AFREXIM Bank) in collaboration with the African Union (AU) and the African Continental Free Trade Area [AFCFTA] with the theme "Building Bridges for a successful AFCFTA", was aimed at providing a platform for information exchange, business networking and a forum to address the gap in trade and market information.

To underscore the importance of the event, His Excellency, President Muhammadu Buhari GCFR, led the Nigerian delegation which included the Minister of Industry, Trade and Investment Otunba Niyi Adebayo, some other cabinet members, and heads of some ministerial departments and agencies, to the Continental Trade Fair.

The event surpassed its projected target of $40 billion in trade and investment deals, the expected number of 1,100 participants and exhibitors were also exceeded. The fair featured 1,161 exhibitors and more than 11,828 attendees.

A showcase of Nigerian businesses, supported by the Bank of Industry, highlighting innovations in various segments of the economy was sponsored by the Bank of Industry. This emphasized BOI's commitment to supporting its customers and Nigerian entrepreneurs to expand the value chains of their businesses and expose them to international markets and business opportunities, and enable them take full advantage of the prospects of the AfCFTA.

L-R President, Manufacturers Association of Nigeria (MAN), Engr. Mansur Ahmed; Head Communication and External Relations, Bank of Industry (BOI), Mabel Ndagi; Executive Director, Small and Medium Enterprises, BOI, Omar Shekarau; Minister of Industry, Trade and Investment, Otunba Niyi Adebayo; Executive Director/CEO, Nigerian Export Promotion Council(NEPC), Olusegun Awolowo; Executive Director, Micro Enterprise, BOI, Toyin Adeniji at the BOI stand of the Intra-African Trade Fair in Durban, South Africa. – November 17. 2021

BOI's Support Drives Increased Local Capacity; Reverse Medical Tourism In Healthcare Sector

In a bid to reverse brain drain in the healthcare sector and make the country a destination for medical tourism, the Bank of Industry partnered with the Central Bank of Nigeria, Access Bank and Reddington Hospital to support the establishment of the N6.5bn Duchess International Hospital, Lagos.

Speaking after inaugurating the facility, the Vice President, H.E. Prof. Yemi Osinbajo, said the only solution to stop doctors migrating is to reward hard work as he declared that the 100-suite, state-of-the-art health facility has the capacity and all it takes to reverse medical tourism in Nigeria.

In his remarks at the event, the Central Bank Governor, Mr. Godwin Emefiele, stated that some reasons given to travel abroad for healthcare is the complaint of dearth of adequate healthcare services as well as outdated medical devices. "The CBN, working with Access Bank and Bank of Industry, supported Dr Yemi Onabowale, with a loan of N6.5 billion to set up this magnificent state-of-the- art facility which will help in providing Nigerians with high quality healthcare services that is comparable to what is being provided anywhere else in the world."

In a related event, the Med-In Pharmaceuticals, a foremost indigenous intravenous fluid manufacturer, has praised the Bank of Industry's contributions to boosting local content and capacity in the pharmaceutical industry and the healthcare sector in general.

This was made at the launch of the company's ultra-modern 100,000 bottles per day intravenous (I.V) fluids production factory in Sagamu, Ogun State.

According to the Managing Director of Med-In Pharmaceuticals, Mr Tola Awosika, the facility, which commenced in 2010 and was only recently completed with support from the Bank of Industry and other financial institution, was as part of the organisation's effort to deepen access to locally manufactured intravenous fluids to increase access to quality healthcare for Nigerians, and significantly reduce foreign exchange expenditure on importations.

In his remarks at the event, the Managing Director, Bank of Industry, Mr. Olukayode Pitan reiterated the Bank's commitment to serving key sectors of the economy, including the healthcare, especially considering the fact that COVID-19 had exposed weaknesses in the sector.

BOI Partners Local DFIs to Deepen Intervention Efforts

The Managing Director, Bank of Industry (BoI), Mr. Olukayode Pitan, called on development financial institutions (DFIs) in the country to increase funding support for businesses in order to enhance the pace of growth and development.

In a meeting with chief executives of DFIs in Abuja, Mr. Pitan said the primary objective is to create a forum for DFIs in Nigeria to discuss and exchange ideas on issues of common interests while providing a platform for members to cooperate in areas of investment, finance and capacity building, adding that it was high time the operators played their role in creating a conducive atmosphere for achieving a sustainable real sector development.

Pitan, who is the Chairman, Association of Nigerian Development Finance Institutions (ANDFIs), however, lamented that the body had been quiet in the past seven years, a development which he said, was not good for the financial institutions.

He also urged members to be more committed to the activities of the association.

The BoI MD said the Central Bank of Nigeria (CBN) also had interest in ANDFI and wanted it to play a more active role in the continental association.

Edo State and BOI Launch N2bn Fund For 50,000 MSMEs

The Edo State Government and the Bank of Industry (BOI) unveiled a Micro Small and Medium Enterprise (MSME) development fund worth N2 billion to support entrepreneurs in the state.

The fund was launched during a citizens' engagement session organized by the Edo State Skills Development Agency, also known as EdoJobs, at the government house in Benin City

The Edo State Government provided N1 billion, while BOI provided the other N1 billion, making it N2 billion, with an attractive interest rate.

The MSME fund is aimed at providing business loans to enterprises located within the state. A second fund – the N165m Edo Production Hub Fund, financed by the Edo State Government and managed by the BOI is aimed at businesses located within the state-owned production hub.

More Beneficiaries Emerge Under FG's N75bn Survival Fund

More beneficiaries have continued to emerge under the Federal Government's N75bn survival fund for small businesses, with Gombe and Rivers being the latest to acknowledge the scheme. The Federal Government (FG) had extended registration for the payroll support scheme to enable some states meet their quotas.

The payroll support scheme is designed to assist vulnerable micro, small and medium enterprises (MSMEs) by paying the salaries of their staff for a period of three months.

Speaking at the payroll support activation held in Obio/Akpor Rivers State, the Regional Manager, South at the Bank of Industry, Pacqueens Irabor, highlighted that the beneficiaries present had come to trust the authenticity and transparency of the scheme thereby bridging the trust deficit prevalent in the country. Also, the Team Lead, Growth and Field Operations, BOI, in Gombe, Goodness Adewale, explained that the initiative was part of measures to help businesses cushion the effect of the pandemic on their businesses.

Osun Government Partners Bank of Industry to Train 2000+ Youths on Entrepreneurship

In a bid to further cushion the effect of COVID-19 and provide jobs in the country, the Osun State Government and Bank of Industry trained over 2,000 youths on entrepreneurship. The Skills Upgrade and Entrepreneurship Training Programme was designed to generate 15,000 direct and indirect sustainable job opportunities annually. The programme was designed to provide participants who were adversely affected by the COVID-19 pandemic with skills upgrade training to make them relevant in the changing economic landscape.

The Osun State Government, in collaboration with the Bank of Industry (BOI), using the established OSSG-BOI (MSME) Fund, provides loans to operators of Micro, Small and Medium Enterprises (MSMEs) in Osun State. This collaborative effort has resulted in the State Enterprise & Empowerment Programme (SEEP), where Osun State Government funds will be disbursed to qualified beneficiaries of the State using the BOI Micro Loan Technology.

Greek–Nigeria Chamber of Commerce & Technology Investment Summit Advancing Investments Between Nigeria and Greece (November 2021)

BOI MD/CEO speaking on a panel on Investing in Nigeria alongside GCCNT representatives, Mr. Emeka Offor, Acting Executive Secretary/CEO, NIPC; Ms. Chinwe Egwim, Chief Economist, Coronation Merchant Bank (Virtual); Mr. Boye Oyewumi, CEO Ondo State Development & Investment Promotion Agency

Business
Focus

BANK OF INDUSTRY

...transforming Nigeria's industrial sector

Micro Enterprises
Directorate

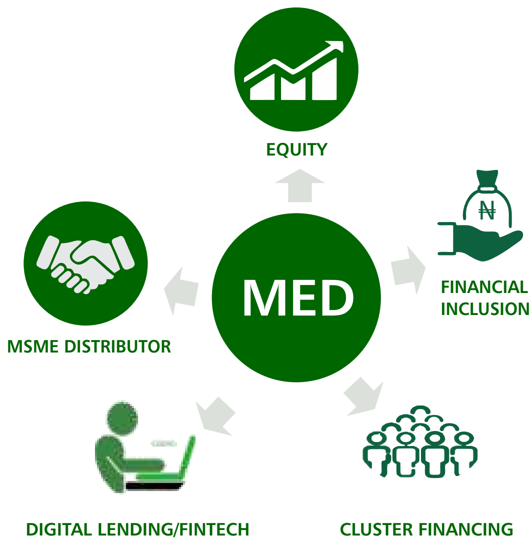
We leverage technology, strategic partnerships and intermediary channels to deliver tailored low-interest loan products, and other non-financial services to Nigeria's micro enterprises in the informal, semi-formal and formal sectors.

MICRO ENTERPRISES DIRECTORATE

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 2021, 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 five strategic groups:



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

The Directorate's Financial Inclusion efforts is housed under the BOI Growth Platform, which is being used to drive large-scale interventions for micro, small and medium enterprises. The programmes under the BOI Growth Platform include: Government Empowerment Enterprise Programme (GEEP), World Bank Nigeria COVID-19 Action Recovery and Economic Stimulus Programme (NG-CARES), MSME Survival Fund, State Empowerment Enterprise Programme (SEEP) and North East Rehabilitation Fund (NERF)

A. **Nigeria COVID-19 Action Recovery and Economic Stimulus (NG-CARES)**

The Nigeria COVID-19 Action Recovery and Economic Stimulus (CARES) program is a **$750 million** state-driven initiative backed by the World Bank, specifically for the elevation of businesses affected by COVID-19. Through the NG-CARES program, the World Bank in collaboration with the Nigerian Government is delivering targeted relief, restoring livelihoods and stimulating the economic recovery of vulnerable households and MSMEs in Nigeria.

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

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

The Bank of Industry through the Micro Enterprise Directorate is responsible for supporting the states with the execution of the MSME component, Result Area 3 (Ra3).

NG-CARES Highlights in 2021:

Delta State was the first state to officially flag off the program

MICRO ENTERPRISES DIRECTORATE

with a disbursement of 344 million naira to 1,818 beneficiaries

Twenty-nine states have collaborated with the Bank of Industry to use its infrastructure in executing the NG-CARES program in their states.

NG-CARES Beneficiaries

Service agreements with partner states on NG-CARES

MICRO ENTERPRISES DIRECTORATE

Testimonial

"My name is Authentic Ujunwa. I am into production of local soaps, detergents and tye/dye. The NG-CARES fund came at the right time because I have been looking for several ways to boost my business after the losses of the pandemic. This fund has helped to cushion the effect of COVID-19 on my business."

B. MSME Survival Fund

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

The MSME Survival Fund has five (5) components:

1. **Payroll Support:** Support 500,000 vulnerable MSMEs in meeting payroll obligations of between ₦30,000 - ₦50,000 per employee over 3 months.
2. **Artisans/Transport Workers Support:** Provide 330,000 artisans and transport business operators with a ₦30,000 operations grant to reduce the effects of income loss.
3. **Guaranteed Offtake Scheme:** Bulk purchase of products from MSMEs to protect jobs and livelihood.
4. **MSME Grant:** Support the survival of 100,000 MSME businesses most affected by the COVID-19 pandemic.
5. **Formalization Support:** Provide free CAC Business Name registration for 250,000 new businesses.

MSME Survival Fund Highlights:

- Disbursed payroll support of between ₦30,000 - ₦50,000 to **459,344 employees from 69,732 businesses** worth **43.9 billion Naira**. Benefitting businesses cut across several industries - manufacturing, education, information technology, e-commerce, agriculture, retail etc.
- Disbursed one-time **₦30,000 grant** to **293,333 artisans** across 36 states and Federal Capital Territory worth **8.8 billion Naira**. Artisans include barbers, hairdressers, vulcanizers, electricians and other types of artisans. It also includes transport workers (tricycle drivers, bus drivers, motorcycle drivers).
- Disbursed MSME grant of between **₦50,000 - ₦100,000** to **82,491 beneficiaries** worth **4.2 billion Naira.**

MSME Survival Fund Beneficiaries

More Photos for Survival Fund: https://drive.google.com/drive/folders/1CcfkkT_mPXg8AWo4F8RrcOLBXGGfVOab?usp=sharing

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



Smallholder Farmer Cluster
FINANCING PROGRAMME

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

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

Beneficiaries

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

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

Features

Tenor: Maximum of 24 months

To Apply:
please contact Customer Care:
email: **customercare@boi.ng**
call: **0700-CALL-BOI | 0700 225 5264**

Focus Crops

Short cycle crops including:


Maize


Sorghum


Soya Beans

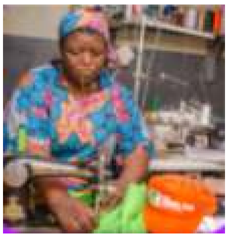

Rice Paddy


Sesame Seeds

MICRO ENTERPRISES DIRECTORATE

- The program actively promotes gender inclusion - with a beneficiary base that is composed of **45%** women.

Testimonial



"My name is Mrs Omolabake Afolabi and I am a fashion designer. I was so glad when my staff started to receive the payroll support. After the pandemic, I had to reduce their salaries because we were not getting customers. This support helped me greatly, as I was able to save and buy new tailoring equipment which has helped my business & family."

C. State Enterprise and Empowerment Programme (SEEP)

The State Enterprise and Empowerment Programme is a social intervention program designed to provide affordable credit ranging between ₦50,000.00 to ₦100,000.00 for micro-enterprises who are unable to grow their businesses due to lack of capital. The programme aims to support a maximum of 40,000 qualified micro-enterprises per state.

The program is executed by the Bank of Industry in partnership with states. The programme targets eligible enterprising youth, artisans, traders, market women and other sectors of productive activity who are nominated by their various Associations, Cooperatives and Trade-Groups within the respective states.

SEEP 2021 Highlights:

- The Osun State Government partnered with BOI to train and provide seed loan of between **₦50,000 - ₦100,000** to **827 MSMEs** in Osun state worth **47.2 million Naira.**
- Disbursed credit worth **230.7 million Naira** to **811 MSMEs** in Edo State.

Testimonial

"I want to thank the Osun State Government and Bank of Industry for this loan. It helped me to expand my workshop and get more tools for my carpentry business" – Mr Olalekan Arowolo

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

AGRIC VALUE CHAIN (AVC)

The AVC programme promotes the production of high quality agricultural produce in sufficient quantities to guarantee constant availability to Nigerian manufacturers. The financing product has encouraged efficient collaboration between key stakeholders in the agricultural value chain including manufacturers, market aggregators and farmers.

The benefit of this product further extends beyond the manufacturers, as farmers are now able to enjoy increased income due to higher produce yields, access to mechanization and better farm education services.

2021 Highlights of Agricultural Value Chain Financing:

- **Babban Gona Farmer Services Nigeria Limited**

Babban Gona was set up to create jobs and a viable future for young Nigerians in the agriculture sector. With a focus on maize, and rice farming, the company provides thousands of farmer cooperatives with access to finance, training, agricultural inputs and support for harvesting, storage and marketing. Food security is also a major objective of Babban Gona.

Through BOI, the company was able to procure inputs for over 22,000 farmers who were responsible for planting and harvesting over 70,000MT of maize, which will be used to meet the demands of several local manufacturers and processors in need of maize as a raw material.

Testimonials

- Muhammed Mustapha – Before he joined Babban Gona, he farmed 1 hectare of land, which produced 12 bags earning him less than a hundred thousand naira. With Babban Gona, he got 62 bags from the same land and earned over five times his previous income.
- Shuaibu Mustapha - Prior to joining Babban Gona, he farmed 1 hectare of land, producing 25 bags, and earning about one hundred and seventy thousand naira. After joining Babban Gona, he got 57 bags from the same land and earned over three hundred and fifty thousand naira.

MICRO ENTERPRISES DIRECTORATE

MSME DISTRIBUTOR FINANCE

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

2021 Highlights of MSME Distributor Finance:

- **Tradedepot Limited**

Tradedepot Limited is a technology-enabled company providing aggregation for manufacturers and small & micro businesses in the retail distribution space. This facility is a working capital facility for the supply of made in Nigeria products to over 36,000 micro retailers managed through TradeDepot's Shop Top-up Technology Platform.

BOI successfully provided financial services to this company, which was used to support over 4,000 micro-retailers in Nigeria.

Testimonials

- Maureen Okolo - By using Buy Now, Pay Later (BNPL), Maureen has been able to get more goods in her store and make sizeable turnovers. Through her consistency, she has also been able to get more credit to buy more goods and pay later which has led to so much profit from her business that she has been able to buy a piece of land for herself. She is also planning to open a second store knowing that she has a trusted finance and supply partner in ShopTopUp.
- Alhaja Braimoh Omotola - With over 15 years in the retail business, Alhaja Braimoh saw the launch of ShopTopUp and its BNPL service as a timely blessing that has helped cushion her financially and grow her business. She is able to buy the majority of the goods she needs in her store from ShopTopUp on credit, sell them and pay ShopTopUp later. She also sees it as a contributing factor in her ability to send her children to school with the profit she makes from her business.

DIGITAL LENDING/ FINTECH

THE FINTECH DIGITAL LENDING PRODUCT

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

The product aims to alleviate the challenges experienced by MSMEs regarding access to financial services nationwide through the provision of digital loans.

2021 Highlights of Digital Lending/FINTECH

- **Self Reliance Economic Advancement Programme (SEAP)**

SEAP is a non-bank MFI that provides microfinance services such as loans to microenterprises and micro-credit schemes. SEAP is dedicated primarily to economic empowerment of the under privileged, capacity building and improvement of the socio-economic condition of the poor. SEAP provides services such as loans, SEAP Health Foundation, Health Insurance Scheme Scholarship Scheme, Social Responsibility and Development, Disaster Support Scheme.

The Bank successfully provided financial services to over 2,600 micro-enterprises through SEAP as at year-end 2021. These businesses have been able to increase their raw materials, business capacity and create more jobs directly and indirectly.

Testimonials

- Adebayo Ridwan is a SEAP loan beneficiary based in Oyo, Ibadan, who has been able to increase the capacity of his men's apparel business. He was able to source more goods, and grow his business. He has fully paid up his loan and is interested in another facility.
- Danladi Anthony is a beneficiary based in Niger state. He used his loan to source more goods for his soft drink and recharge card business. He was able to purchase canned drinks to add to his bottled soft drinks and recharge cards business. He is looking forward to completing his loan repayment, so he can access another loan facility.
- Abubakar Mohammed is a SEAP loan beneficiary. He used his

loan to change the engine of his tricycle (Keke Napep) for his public transportation business. He is currently servicing his loan and is appreciative of the financial support.

EQUITY

The Micro Enterprise Directorate plays a design role in the Bank's Equity investments. The objective of the Bank in partaking in equity investments is to promote economic development in the country, particularly in the private sector. This could be direct or indirect investments in Nigerian MSMEs at early to growth stages of their businesses. Such investments include BOI's investment in the Alitheia Identity fund (AIF) and N-Tech Fund.

- 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. In the course of the year, the Bank made investments under the AIF to Chika Africa Ltd, and Nature's Bounty Health Products Limited (Reelfruit)

Chika Africa Limited is a food and beverage group focused on producing a range of healthy and organic consumer packaged snacks that come in five main categories – rice crisps, peanut ,almond nut, cashew nut, plantain chips, and nut mix. These products are stocked in a number of supermarkets and sold through grocers and distributors in both domestic and international markets such as UK, Europe, and more recently, Middle East through Spinneys UAE (a major grocer with 80 store locations in the Middle East).

This investment is unique because of the mass-market opportunities, and the company's geographic diversification. The mass-market opportunities are from the already established distribution network, made up of over 50 stores (with access to 1,000) in Europe, and the emerging demand for extrusion snacks in Nigeria with its large population size.

The social and economic benefits of this investment include export promotion, job creation, and women empowerment. The company has a plan to work with female smallholder farmers who grow groundnuts in Nigeria, aiming to create up to 351 jobs over the next five years.

Nature's Bounty Health Products (Reelfruit) is a food and beverage/ agro-processing company that currently produces a range of retail snacks that come in six variants – cashews, fruit and nut mix, dried mango, dried pineapples, nut mix, and mango fruit roll. The investment in the company is expected to yield a number of benefits including the substitution of imported product inputs with locally produced product. This will mitigate higher costs and foreign exchange exposure, development of commercial agro-processing capacity in Nigeria; and export of consumer packaged snacks through online channels such as Amazon.

N-TECH Fund

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

In 2021, the Bank appointed a fund manager who is currently working to secure the first close for the fund .

STAKEHOLDER SESSIONS 2021

1. DIGITAL LENDING STAKEHOLDER SESSION

The Directorate held a Digital Lending Stakeholder session in April 2021 which was focused on:

- Identifying current market trends and prospects in the digital lending space post-COVID
- Loan management and practices across various digital lending platforms especially in a pandemic season
- Understanding the existing and potential financing opportunities for digital banks

The session broke down the characteristics of the digital lending space and highlighted the constraints faced by SME and Microenterprise borrowers when trying to access finance. The guest speakers provided insight on things to consider in loan management in digital lending, and highlighted the various ways lenders can broaden their digital lending activities. The session also brought to light the importance of financial and non-financial data in expanding lending activities, also emphasising how data sharing can promote a more collaboration and effective loan management within the digital lending space.

2. CUSTOMER FORUM 2021

The Micro Enterprise Directorate closed out the year by hosting a Directorate-Wide Customer Forum. The Forum was themed "Technology as a Driver for Enterprise Growth and Financial Inclusion", and was open to both existing and potential customers. The Directorate aimed to provide an interactive platform for engaging discussions on the role of technology in enhancing the survival and growth of micro enterprises. The session also provided an opportunity for the Directorate to create new and sustainable relationships with prospective customers / partners. The event, which was well attended, recorded over 485 participants across various sectors of the economy.

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...transforming Nigeria's industrial sector

MSME DISTRIBUTOR FINANCE PRODUCT

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

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

Beneficiaries

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

Features

Tenor: maximum of 24 months

Focus Sectors

Distribution Companies in these sectors:

- Fast Moving Consumer Goods (FMCG)
- Pharmaceuticals
- Power/Oil and Gas

To Apply:
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Small & Medium Enterprises
Directorate

We drive the growth and development of small and medium enterprises by providing bespoke financial and non-financial products and services that cater to the peculiar needs of customers in this category.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

The Small & Medium Enterprises (SME) Directorate was set up in 2015 as 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. The Directorate operation aligns with the Federal Government's National Industrial Revolution Plans (NIRP) and the Economic Growth Plan (EGP)that focusses in priority and high impact sector of the Economy. The rationale is to develop sustainable SME Business Models that will assist to unlock the inherent potential of the SME sector in the areas of production and GDP growth, employment generation, exports expansion, and import substitution. The SME role is becoming more critical and imperative given the Nations Demography skewed in favour of more youths and the growing level of unemployment and resolve of the Bank and her strategic partners to develop products and provide both Financial and Business advisory services/support. These are offered by the Bank at a cheaper rate and at close reach through the SME directorate network of state offices spread across the country.

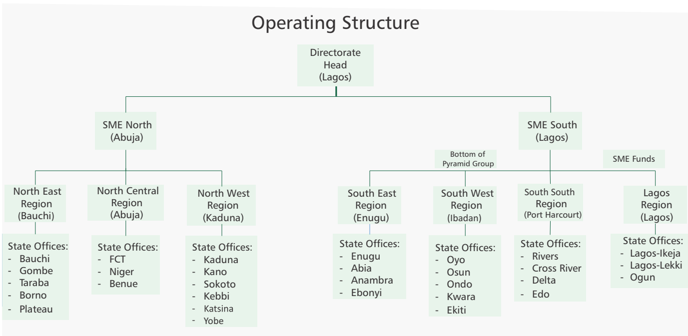
Core Objective

The primary goal of the Directorate is to use her branch network to significantly improve the Bank's SME loan portfolio and impact across all the Geo political zones of Nigeria by deploying bespoke and demand driven financial products and proactive support services that will catalyse SME growth and development in the country.

The Directorate's operational strategy is holistic. It provides the SME ecosystem with business advisory and lending services working through strategic partners in order to improve SMEs contribution to national economic growth, job creation, resource endowment value chain development, skills and entrepreneurial development 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 share and trading in these products and services to generate revenue and create wealth. The Bank currently operates in 30 state offices including the FCT with plans to expand our operations to all states of the Federation in order to get closer to our numerous SME customers spread across the country.

The Business model is to fund projects using our own resources and seeking/collaborating with other funding partners under diverse and various terms and conditions in our quest to scale up economic activities and support operations of SMEs across the country.

The Bank has developed an ingenious partnership with corporate institutions and High Net-worth Individuals (HNIs) and State Governments for the provision of financial, skills development and business advisory support in line with terms and conditions of the Memorandum of Understanding-MOU through our twin products of Matching and Managed Funds arrangement. An executed Memorandum of Understanding (MoU) usually guides the operation and management of each fund and applicable programs to create growth and development along the focused cluster and defined sector.



Business Advisory Services:

The Directorate leverages its in-house talents, partnership with local and 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 programs 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 across 30 Business Offices, spread across the six geopolitical zones including the FCT, to offer SMEs loans with longer tenors (3-5 years) than are generally available and offered at below market rates in conjunction with a moratorium period (3-12 months) in value creation activities and projects with high impact on employment generation, skills acquisition and further development in entrepreneurship.

Our lending products are tailored to meet the financing needs of

We support these real sector SME Clusters

Solar (off grid)
ICT
Fashion and Beauty
Gas Processing
Engineering
Movie Production
Greenhouses
Arts & Craft
Light Manufacturing
Gas Processing
Solar (off grid)
Healthcare
Livestock and Livestock processing
Arts & Craft
Fashion & Beauty
Leisure & Hospitality
Metal Fabrication
Engineering
Mining and Beneficiation
Food & Agro Commodity Processing
Waste Management
Greenhouses
Engineering
Healthcare

...please come with your business plan and let's add value to Nigeria's economy.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

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 communicates and engages stakeholders, leveraging the State Offices' competencies.

Major sectors of support include our rich and diverse endowment in Solid Mineral deposits, Printing and Publishing, Agro and Food processing across different value chain and products, Healthcare, Light manufacturing, Education, quick service restaurants(QSR),Aquaculture, Bakery, Fashion and Beauty, Youths and Gender etc.

The economically active but disadvantaged members of society, are served by the Bank through on-lending programs. This is a novel collaboration with licensed Financial institutions including Microfinance Banks (MFBs), commercial banks offering both traditional and Non interest banking products to our varied and diverse customer base. This has made it possible for the SME Directorate to catalyse and increase her impact and support to the SME community in Nigeria through this on–lending programme.

SPECIAL INTERVENTION AND YOUTHS & GENDER 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, The business assistance for value adding enterprises (BRAVE) women programme in Nigeria are specific interventions designed to address the challenges of entrepreneurship development, youth unemployment, gender growth and development, business resuscitation, job creation and poverty alleviation.

The Bank was also appointed by the CBN Tertiary Institutions Entrepreneurship Scheme (TIES). The scheme is designed and it is being implemented to provide Financial support to all Nigerian graduates who have successfully completed the mandatory national youth service Corps (NYSC) programme alongside a training on entrepreneurship at a single digit interest rate in predefined value adding sectors on the Nigeria Economy in order to promote entrepreneurship, drive job creation and channel the youthful energy into productive use and GDP growth.

CUSTOMERS ENGAGEMENT SESSION

In 2021, the SME Directorate in recognition of the symbiotic role played by our customers and in fulfilment of implementing her strategic customer centric focused mantra of "Make It Easy for all" held her annual customer engagement session on the 28th of September 2021 with the theme ***"Post Pandemic Strategies for MSME Recovery, Sustainability & Growth".***

Key highlight of the session attended by over 550 participants include;

- Market challenges, opportunities and solutions during/post pandemic era
- Challenges of Exportation of finished goods/importation of raw materials
- Sourcing of FX for business operations
- Government policy towards the growth and development of MSME
- Benefits of Africa Continental Free Trade Agreement (ACFTA)
- BOI Strategies to **Make it Easy for Customers and for All** via available products and services
- Keying into the Era of Digital Marketing and E-Commerce by the MSMEs
- Business Outlook for MSMEs in the next 2 – 5 Years.

Performance of the SME Directorate in 2021

The SME Directorate obtained approval for 573 customers with a combined value of N60.79 billion in spite of the COVID-19 Global pandemic and her negative impact on businesses. This is a better performance than the sum of N45.5 billion achieved in 2020. However the disbursement in 2021 was ₦22.89 billion which was less than the disbursement value of ₦25.7 billiion achieved in 2020.

The Directorate is hopeful that with a better business environment the directorate will do better across all key performance indices lines in 2022.

SMALL AND MEDIUM ENTERPRISES DIRECTORATE

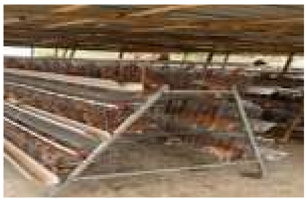
G. U. EBECO INDUSTRIES LIMITED (Abuja FCT)

G. U. Ebeco Industries Limited established in 2006, started out as a retail and whole distributor of furniture and accessories within Abuja and its environs. 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. In 2020, the business accessed a facility from the Bank towards the expansion of its factory, the factory building is on a 1.1 hectare of land at IDU Industrial Area, the funds were utilized to purchase additional state of art equipment. As part of the Company's expansion and growth plan, another factory was launched in Dei- Dei building area subsequently the company secured another enhancement loan towards the purchase of machinery from Europe. The Company currently, has over 300 direct and indirect staff under its employment.




GLOPHIL PRIME VENTURES (Abuja FCT)

Glophil Prime Ventures is a Poultry farm business that was registered in March, 2011 for the purpose of production of Agricultural products. The business is into the production of high-quality and affordable poultry eggs. The Enterprise was availed a facility under the NEDEP Fund from the Bank for the acquisition of equipment and raw materials from BOI to aid the expansion of the business. The business has also diversified into fish farming.




ESTHER OGBONNAYA ELEKWA FARMS (Abia State)

Esther Ogbonnaya Elekwa Farms is a well-established enterprise located in Umuodeche Nsulu, Isialangwa North LGA, Abia State and has its Primary business as Palm kernel Cake, PKO Crushing and Extraction of Palm Kernel oil. They began their banking relationship through BOI Cluster Fund in 2020 and accessed their first loan facility for the procurement of machinery for PKO and cake production. The company has grown to an annual turnover of 120 tons per annum. The company aspires to become a major player in the industry and is expected to grow annual turnover to 150 tons per annum. The company has contributed to its community by employment of indigenes and also development of its environment. The impact of BOI funding has extensively grown their business.


ACHANWAMBA FARMS (Abia State)

Achanwamba Farms is an enterprise located in Owerrinta, Abia State and has its Primary business as fish farming and fish feed production, sales of catfish and fish feed. They began their banking relationship through the Graduate Entrepreneurship Fund in 2016 and accessed first loan facility for the procurement of equipment and raw material for fish farming business. The company has grown to annual turnover of 24,000kg of fish. In 2021, the company liquidated first loan facility and already has another loan facility running, which is for the expansion of the fish farm and fish feed production and it is expected to grow annual turnover to 36,000kg of fish. The company has contributed to its community by employment of indigenes and also development of its environment. The impact of BOI funding has tremendously grown their business.


Aliko Dangote Foundation

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The Dangote Foundation/ BOI Fund

Distributors & Suppliers Financing Programme (DSFP)

Available to small businesses engaged in distribution and supply chains of major local manufacturers. This programme enables businesses scale up their operations.

Features

- Single obligor limit of ₦10 Million
- Interest rate: 5% p.a
- Tenor: up to 12 months including moratorium (renewable twice only)
  or
  up to 18 months including moratorium (renewable once only)
  in both cases, the maximum permissible loan availability is 3 years
- Moratorium: up to 6 months

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

I. C. ME DIGITAL (Adamawa State)

I. C. ME DIGITAL is a business name registered in 2018. The general nature of the business is video production and editing, audio production, photography and graphic design.

Prior to accessing BOI facility, I C ME Digital has been operating in a small area with few and obsolete gadgets and two staff, however, after BOI's intervention, the business was able to improve its operations and employed an additional five staff.

Emeife Industries Limited (Anambra State)

Emeife Industries Limited was incorporated as a private limited liability company in June 2009. The company located in Onitsha, Anambra State is engaged in the production of binding wires, nails. It is one of the foremost in the South East Region. The company through the Bank's funding integrated the manufacturing of woven sack to meet its demand as well as sell to other users i.e. agro processors. The company's' production capacity averages 400 tons of woven sack daily. The company is in production and has 150 workers comprising of both direct and indirect staff.

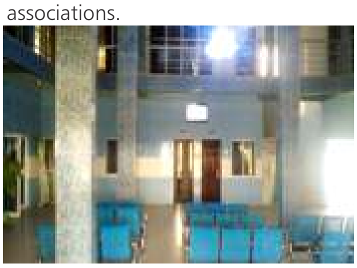
Nalis Pharmaceuticals Limited (Anambra State)

Nalis Pharmaceuticals Limited is Located in Imo State. The Company was incorporated as a limited liability company in August 2011. The company wholly owned and operated by Nigerians is engaged in the manufacturing of pharmaceutical products. The company has been in the forefront of producing liquid orals since its commencement. With the facility from the Bank, it has expanded into phase one of liquid (non-beta-lactum group) of medicines as well as solid dosages (non-coated and coated tablets). Its product range includes multivitamins, ibuprofen, antacid, cough syrup, vitamin C, ciprofloxin, diclofenac, paracetamol, artemether and magnesium trisilicate tablets etc. Prior to the processing and implementation of the project, the company had about 72 employees, currently the company employs a total of 170 employees comprising both direct and indirect workers. The successful execution of the project has enabled the company to increase its capacity utilization from 55% to 80% in the year.

PAHLYCON CONSULTANT HOSPITAL (Bauchi State)

Pahlycon Consultants Hospital is a health care service provider that renders medical care services, maternity services, surgeries, Inpatient/outpatient care, diagnostic X-ray services, operating room services, clinical laboratory services, anatomical pathology services and personal injury care case management.

There is considerable demand for in-patient services in Bauchi, as there have been reported cases of both public and private hospitals running out of admission beds which has led to deaths and escalation of easily manageable cases of dialysis. This situation prompted the hospital to approach Bank of Industry which supported it through financing the expansion/upgrade of its in-patient section by acquiring a dialysis machine, baby incubator and delivery bed. The business has employed 12-direct and 7-indirect staff. The CMD is a licensed medical doctor with about 30 years of experience and a member of various medical associations.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

MTX PRINTING SERVICE (Bauchi State)

MTX Printing Service is a business enterprise established as a community based organization that provides easy and affordable access to quality printing and related services. Unlike a typical printing press, they offer a unique forum for communication and entertainment through the medium of the internet which is the answer to an increasing demand for modern printing and publishing in Bauchi State.

The business approached Bank of Industry under the North East Rehabilitation Fund (NERF) for the funding of its modernization / expansion to acquire high-end machines to enable it meet its customers rising demand. The Chief Promoter has more than 9 years of experience in the printing and publishing business. The enterprise has 4-direct and 10-indirect staff.

REMYWEST NIGERIA (Benue State)

Remywest Nigeria is a paint production company located in Otukpo, Benue State. The business is a beneficiary of the GEF scheme and produces different classes of paints some of which are Emulsion, Satin and Tex coat.

The business was previously into small-scale manual production of paints. It traditionally produced a maximum of 100 buckets of 25Litres paint in a month. However, since the intervention of Bank of industry the business was able to acquire an electronic motor, mixer, reactor and chemicals, the company is now able to produce 140 buckets of 25 liters of paint in a single day. Furthermore, this expansion is accompanied by an increase in staff strength as more manpower became necessary in order to match the improved capacity of the company.

KARISSA FARM & RESORT LIMITED (Benue State)

Karissa Farm & Resort Limited is into Fish farming, the farm is located in Kastina Ala, Benue state. The business is a beneficiary of a loan facility under the BOI/BNSG matching fund. Previously, the business had about 3 staff and was able to harvest a maximum of 3,000 catfish in a year.

BOI's intervention has helped improve the output of the farm such that it is now able to produce 15,000 catfish a year which is complemented by an increased staff strength from 3 to 10. In addition, the support also enabled the business to commence the production of fingerlings and juveniles for sale to other fish businesses.

DALHIM FISH FARM (Borno State)

The enterprise is into fish, poultry farming, Fish Feed formulation and production, procurement and sales of foreign ornamental birds like Swan, Crown Crane, Chinese Geese, White Stork, Flamengo, Budgies, Cocktail, Figgins, Ostrich and White Peacock. The Enterprise also has a hatchery section where it hatches eggs from both ornamental Birds, Fish, foreign Chicken such as Forshams, Silky and Brama, which are raised and sold to its customers across the Country. Fingerlings are grown from juvenile to table size using concrete and collapsible ponds, then fishes (smoked and fresh) are sold within Borno and Yobe States.

A loan was disbursed to the enterprise to procure equipment items under the North-east Rehabilitation Fund. The Bank's intervention has helped the enterprise reduce its running cost as the latest equipment purchased replaced obsolete machines. The expansion has helped the enterprise increase its staff strength from six (6) to Ten (25) and doubled its revenue due to increased patronage.

THE TERTIARY INSTITUTIONS ENTREPRENEURSHIP SCHEME (TIES)

Central Bank of Nigeria

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

Empowered Youths | Stronger Economy

- TIES/Agriculture
- TIES/Creative
- TIES/Information Technology
- TIES/Science & Technology

LOAN REQUIREMENTS

Nigerian polytechnic and university graduates with not more than 7 years post NYSC are eligible to apply, providing requisite information and documents, such as:

- First degree certificate from a Nigerian University or polytechnic and NYSC discharge (or exemption) certificate.
- Valid BVN
- Valid mobile phone number (linked to your BVN).
- Evidence of business registration (certified copies of relevant CAC documents) and Corporate bank account number of business.
- The execution of the global standing instruction form and evidence of entrepreneurship training.

To apply, and for more information, visit **www.cbnties.com.ng**

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

MD PHARMACY
(Borno State)

M.D Pharmacy Ltd is a pharmaceutical service company that provides quality, efficient and cost-effective pharmaceutical and health-related products and services. The pharmacy has been in existence since 2013. It has a renewed vigour to serve and provide professional pharmaceutical services to its new and existing customers recording optimum profit and cash flow. Accessing the North East Rehabilitation Fund has made the company fully operational, making it a significant player in its immediate environs. The facility has created three additional job opportunities.



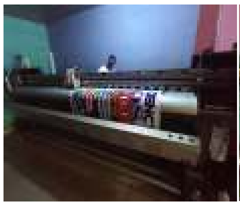
EVAPRINT DIGITAL
(Cross River State)

Evaprint Digital is an indigenous business enterprise registered with the Corporate Affairs Commission (CAC) in October 2018, with its location at No. 70, Mayne Avenue, Calabar South L.G.A, Calabar, Cross River State.

The enterprise operates a printing and publishing business, rendering services such as high quality large formats printing, general printing solutions, as well as training services like computer training, and creative designs.

The financial support from BOI has resulted in a significant expansion of the enterprise' operations as a result of the additional modern large format printing machine procured for the enterprise. This has significantly impacted the business by improving the enterprise turnaround time (TAT) and the quality of its product output, thereby increasing its customer base as well as overall cash flow for the enterprise.

The financial support from BOI also led to the creation of additional fifteen (15) jobs consisting of ten (10) direct jobs and five (5) indirect jobs.



DOF SUPREME BAKERS
(Cross River State)

DOF Supreme Bakers is a wholly Nigerian owned enterprise registered with the Corporate Affairs Commission (CAC) in December 2018. The enterprise is engaged in bakery and confectionary businesses, but with primary interest in the production of quality bread, pastries, snacks, cakes and other confectionaries. The company factory is located at No. 259, Old Odukpani Road, Calabar, Cross River State. The Enterprise is duly certified by NAFDAC.

The financial support from BOI has resulted in a significant expansion of the enterprise' operations as a result of the additional equipment, as well as a distribution vehicle procured for the enterprise. This has significantly impacted the business by increasing the enterprise production capacity from its initial 27,000 loaves of bread per annum to 108,000 loaves per annum, in addition to other food items being processed.

The financial support from BOI also led to the creation of additional ten (10) jobs consisting of seven (7) direct jobs and three (3) indirect jobs.



SUNSET BAKERY AND EQUIPMENT LIMITED
(Delta State)

Sunset Bakery and Equipment Limited is a limited liability company incorporated in Nigeria in October 2005. It commenced operations in March 2007 and has continually expanded to be one of the leading bakeries in Delta State.

The company is located at Plot 15, House II, House of Assembly Service Commission Road, off Delta Broadcasting Service Road, Asaba, Delta State.

The company's products include family size loaf, mini loaf, milk bread, big roll, big roll large, jumbo, fruit bread, wheat bread, small roll and corper's delight.

The financial support from the bank has enabled the company to create a total of one hundred (100) jobs comprising sixty-two (62) direct and thirty-eight (38) indirect jobs.


Delta State Government

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...transforming Nigeria's industrial sector

BOI / Delta State Government

HEAL+HCARE FUND

A fund for **Public Healthcare Centres (PHCs)**, and **Private SME Healthcare Providers** currently operating a chain of clinics / hospitals in Delta State.

Features

- Single obligor limit of ₦40 Million
- Interest rate: 9% p.a
- Tenor: 3 - 5 years (inclusive of up to 12 months moratorium)
- Moratorium: up to 12 months

* **Beneficiaries of the fund are nominated and prequalified by The Delta State Contributory Health Commission.**

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

OBINO INDUSTRIAL COMPANY LIMITED
(Delta State)

Obino Industrial Company Limited was incorporated in September 2004.

The company is into the production of plastic hanger for clothes, 50 and 30 litres plastic kegs, waste disposal polyethene bags and Laundry soap. The company has enjoyed facilities from BOI and this has boosted its production capacity for the laundry soap line to meet up with the teaming demand for the product. It has also employed the services of distributors to boost coverage of sales of its products

The financial support from the bank has created forty-two (42) jobs consisting of thirty-four (34) direct and eight (8) indirect jobs.

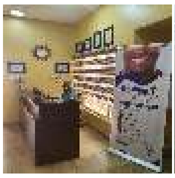
RAINBOW DENTAL CLINIC
(Edo State)

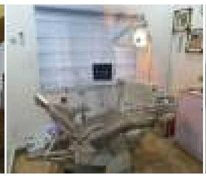
Rainbow Dental Clinic is a privately owned company located in Benin City, Edo State. The company was incorporated in 2014 and registered as a Private Health Institution by Edo State Government in January 2017 to provide private dental services in the health care sector.

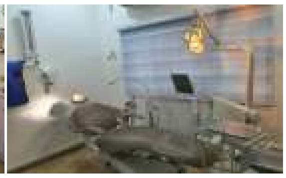
Before BOI's intervention, the enterprise had a good record of delivering quality dental services and care to consumers but had challenges in meeting with increasing customers' demands and unable to perform advance Dental treatment due to inadequate machines and equipment.

As a result, the enterprise approached BOI for financial support which was granted and disbursed in 2021 toward the procurement of additional equipment and machines.

In view of the Bank's intervention, the business has expanded its customer base with the opening of a new branch in G.R.A, in Benin City which now has ample space and special unit for its VIP customers. The enterprise created more jobs and has been able to obtain accreditation for its dental facility from the National Health Insurance Scheme (NHIS) with over 13 HMOs currently using its Clinic as a referral facility for their Customers.







TUNDEY FOLASMARK (NIGERIA) ENTERPRISES
(Edo State)

Tundey Folasmark (Nigeria) Enterprises is a privately owned company located in Benin City, Edo State. The company was incorporated in 1999 to carry on the business of general printing and publishing.

Before BOI's intervention, the enterprise has a good record of delivering quality services to consumers but has challenges in meeting with increasing customers' demands due to the dearth of machines and equipment.

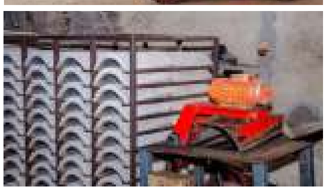
As a result, the enterprise approached BOI in 2019 for expansion, financial support to procure additional equipment and machines to permanently resolve the problems of the inadequacy of printing and publishing equipment which has been hindering their capacity to meet customers' demand.

Currently, the Enterprise has increased its market base; increased its productivity and efficiency; and it has improved its contribution to the growth and development of Edo State as a result of BOI Intervention.

SMAC ENGINEERING PRODUCTS
(Enugu State)

SMAC Engineering Products Ltd is a private limited liability company . It was incorporated in May, 2008. They are into the production of roofing tiles, wall tiles, floor tiles, interlocking blocks, hollow blocks and solid blocks.

The company had been unable to meet its growing customers' demands but with the intervention of Bank of Industry, assisting in providing machines for the company, there was expansion of the factory which resulted in creating job opportunities for more than 100 persons through direct and indirect jobs. Pictures below;



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

A J & D Nig
(Enugu State)

A J & D Nig. is a registered company was incorporated in December, 2010 and commenced business in 2011 with sales of various Tricycle spare parts before inclusion of Tricycle assembling in 2014. They are into the assembling and distribution of Tricycle and its spare parts.

The company obtained a facility from the bank in 2021 to expand the tricycle assembling plant.

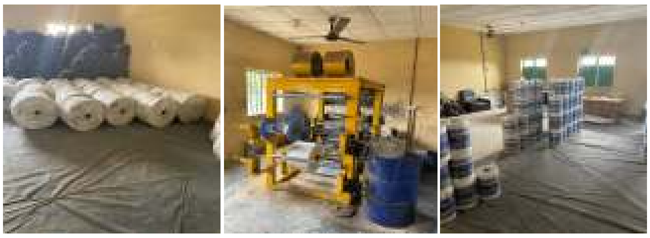
DAN INNA SYNERGY LTD.
(Gombe State)

Dan-Inna Synergy Ltd was duly registered at the CAC in May 2017 to carry out manufacturing, recycling of polythene, plastic, printing etc.

The company is into polythene printing business. Polythene printed nylon is one of the major raw materials for sachet water production. The company produces a high quality printed nylon at an affordable price to its customers. The company has already established relationship with sachet water companies within and outside Gombe such as Bauchi, Adamawa and Taraba States.

In 2021 the company accessed facility loan and working capital.

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



DIYYO INT'L ENERGY LTD.
(Gombe State)

Diyyo Int'l Energy Ltd. is a limited liability company registered in 2017. It was registered 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, Gombe State. The company is one of the most preferred indigenous aluminium roofing sheet in Gombe due to its products affordability and after sell service.

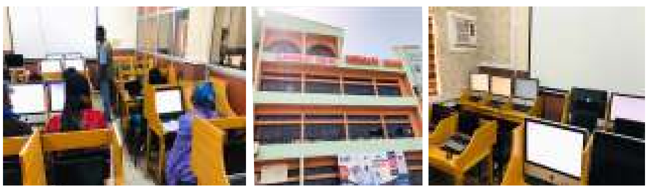
In 2021 the company accessed a facility and prior to the disbursement it had 20 workers and after the disbursement their number increased to 30.

KHEMSAFE COMPUTERS AND COMMUNICATION LTD
(Kaduna State)

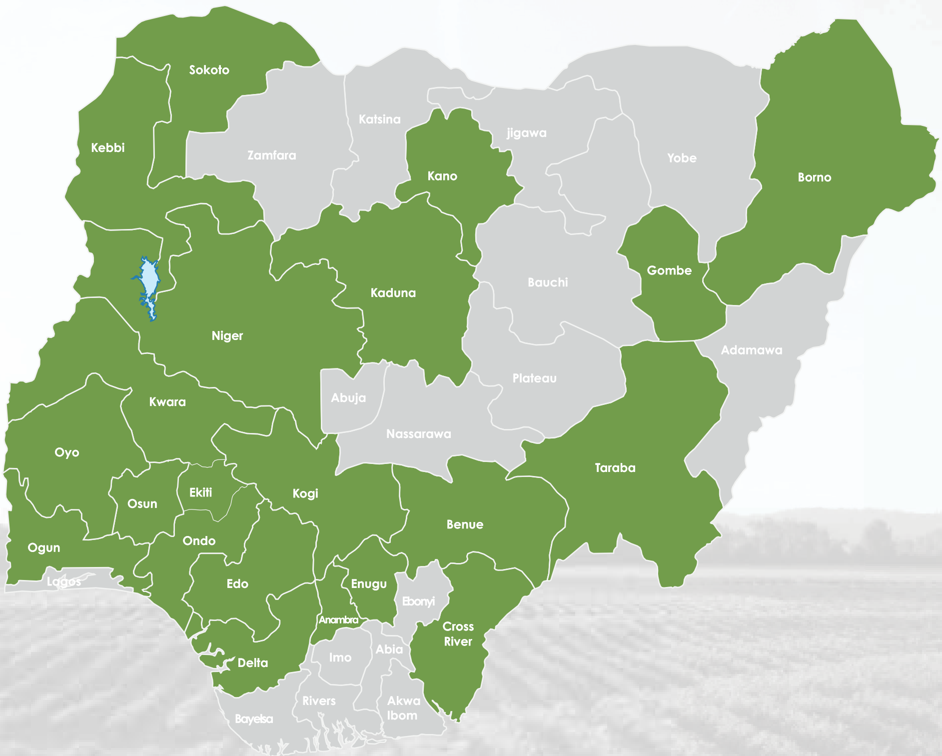
Khemsafe Computers and Communication Ltd is an indigenous company which was incorporated in June, 1993, with its corporate head office situated at No. 6 A and 7A Constitution Road Kaduna. The company has been licensed as a CBT Centre for training and online testing centre by various bodies such as JAMB and other corporate organizations. The company provides core curriculum designed to train individuals from basic computer skills to professional certification courses.

The Bank of Industry supported the company with a term loan to acquire equipment and this had assisted the company to upgrade / expand its facilities, gained increased patronage which in turn, led to job creation. The company currently has a total workforce of 29 persons.

The loan disbursement to Khemsafe Computers has truly demonstrated the need for Development Finance Institutions in Nigeria in helping to unlock the true potential of the ICT sector of the nation.



STATE MATCHING/MANAGED FUND



Available to co-operatives, enterprises and limited liability companies that engage in manufacturing and agro-processing in the following states:

ANAMBRA	ENUGU	NIGER
BENUE	GOMBE	OGUN
BORNO	KADUNA	ONDO
CROSS RIVER	KANO	OSUN
DELTA	KEBBI	OYO
EDO	KOGI	SOKOTO
EKITI	KWARA	TARABA

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- Single obligor limit of ₦50 Million
- Interest rate: 5-10% p.a (dependent on state funding cost)
- Tenor: up to 5 years
- Moratorium: up to 12 months

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

WHITETREE CLASSIC GLOBAL LIMITED (Kaduna State)

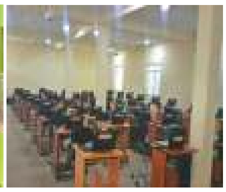
Whitetree Classic Global Limited is a Water Production Company registered on 20th of September, 2012. The company produces, packages and distributes IZA Bottled Water. BOI supported the company with a term loan to acquire items of plant and machinery and this has made it possible for the company to blow its own bottles thereby cutting the cost of production and also increasing the company's annual production capacity.

Whitetree Classic Global Limited has the capacity to blow 4000BPH as well as an automated production system through BOI's intervention. The company currently has a workforce of 35 persons (both direct and indirect).

The Bank's intervention has given the company a reason to continue doing business.

AL-ISTIQAMA UNIVERSITY SUMAILA LIMITED (Kano State)

AL- Istiqama University Sumaila Limited is a company incorporated in September 2019 and has its purpose built permanent site Sumaila Town in Sumaila LGA of Kano state. Prior to the establishment of the university the chief promoter sucessfully operated Al-Istiqama School of Health Science and Technology and same was upgraded to become the University. The financial intervention from the Bank assisted the university to acquire laboratory and instructional equipment for the lecture halls and theaters, E- library facility and the dormitories respectively. Currently, the University has commenced operation and secured its license from National University Commission (NUC) with four faculties (4) and estimated student population of more than 2000.

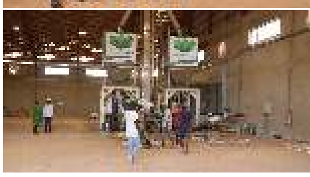


MC PVC PIPES LIMITED (Kano State)

M.C. PVC Pipes Limited was incorporated in March, 2010. The company since inception has been engaged in manufacturing of PVC pipes fittings for building and construction. The Company's products are currently accepted as one of the best in the market and Its products are registered with and currently meet the requirements of the Standards Organization of Nigeria (SON). The capacity of the existing plant is 2 tons per hour while the BOI Financed capacity is 3tonnes per hour. This translates to 8,640 metric tons per annum based on one (1) shift of 10 hours per day and 260 working days per annum. The workforce at the factory is currently about 190 persons with about 40% of the workforce being women.

GREENTIDE AGRO SERVICES LIMITED (Katsina State)

Greentide Agro Services Limited was incorporated on 29th November, 2017 as a public company limited by shares with the corporate affairs commission. The company is into fertilizer blending with 90 metric tonnes per hour capacity located in Funtua, Katsina state. The company commenced production in 2019 with a term loan and working capital intervention from BOI. The company has since carried out order for the Presidential fertilizer initiative under the federal ministry of agriculture and rural development, Adamawa State ministry of agriculture and Afex Exchange commodity Ltd. Others include; Tuge Farms, Gas Solution Nigeria Ltd and Trigger Solution.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

INNA WURO FARMS LIMITED (Kebbi State)

Inna Wuro Farms Limited is an agro allied company engaged in commercial egg production and has been in the business for over 8 years. The company's vision is to become a major player in the sector by producing quality eggs in North-Western Nigeria. The farm is a 10,000 birds capacity farm located at Dole Kaina Arewa Dandi Local Government of Kebbi State. The farm is well integrated and one of the largest in the State. The Bank financed an expansion of the farm through the provision of additional battery cages and working capital. The company has a wide market covering Kebbi, Niger, Sokoto and neighbouring Benin and Niger Republics.

HEALTH PRODUCTS & FARMS LIMITED (Lagos State)

Health Products & Farms Limited operates in the bakers' and sweet confectionaries segment of Nigeria's manufacturing sector. The company which engages over 300 workers daily, is sited within Amuwo-Odofin Industrial Layout, Lagos. It operates state-of-the-art industrial facilities in four factories producing Beef Rolls in two sizes (Baba Beef Roll and Freshbake), lollipops and candies (in different variants under the trade name Xtra), as well as Pop stick for its own use and for sale to other local manufacturers. The current BOI facility has significantly improved the efficiency of plant facility, increased the total production capacity of the company for pop and candy, and introduced a brand new PopStick line as substitution for the importation of popstick. This has resulted in over 70% growth in sales revenue between 2018 and date.

RIGGS VENTURES WEST AFRICA PLC (Lagos State)

Riggs Ventures West Africa Plc (Riggs) is engaged in the production of high quality polypropylene woven sacks. Its factory has an installed capacity of 60million sacks per annum and is equipped with state-of-the-art machines procured from Windmoller & Holscher. At optimal capacity, it employs about 200 direct and 500 indirect workers

Before Bank of Industry (BOI) Intervention, Riggs was operating at less than 20% of its installed capacity due to lack of funds to buy spares and raw materials, hence the income was abysmal, while the workforce was drastically reduced.

The Impact of Bank of Industry (BOI) Intervention has enabled Riggs to acquire an industrial UPS which has helped to reduce wastages arising from power failure. It hired more experienced personnel, including an expatriate, resulting to greater efficiency. There is also now a consistent supply of raw materials and production capacity has increased to about 40%.

OSE DIGITAL PHOTO LAB (Nasarawa State)

Ose Digital Photo Lab is located in Lafia, Nasarawa State the business is into photography, printing and publishing. The business is a beneficiary of a loan facility under the BOI fund which was used for the procurement of printing equipments.

Before the intervention of BOI, the business could only print passports and basic photographs for its clients. However, since securing a facility with the Bank, the business is now able to carry out improved services some of which are: Direct Image Print, Production of Banners, Production of Stickers and Branding of vehicles for commercial and other special purposes. The expansion necessitated for an increase in staff strength from six (6) to Ten (10) and has also improved revenue by about 80%.

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Bottom of Pyramid

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We work with your local Microfinance Banks (MFBs) to deliver these loans to you and ensure financial inclusion for all Nigerians. This way, we fulfill the mandate to facilitate poverty reduction through job and wealth creation, and economic growth.

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SMALL AND MEDIUM ENTERPRISES DIRECTORATE

VERTEX AGRO LIMITED
(Niger State)

Vertex Agro Limited operates out off Dumez-Suleja, Niger State, the business is into cashew nuts processing. The company accessed a loan facility from the Bank which was used for the procurement of additional equipment and raw materials to expand and add more value to its products.

The Company, before BOI intervention, was into processing cashew nuts for export.BOI facility will enable the business to further roast the cashew nut and package for both export and local consumption. The implementation of the project has increased the total staff strength from 455 to about 510 and also increased the business's revenue by 60%





QEC FABRICATION COMPANY
(Niger State)

QEC Fabrication is into metal fabrication of all kinds for agricultural implements such as planters, harvesters, threshers, etc. The Company has its head office in Minna and a branch in Borgu, LGA in Niger State. The company accessed a loan facility in December 2020 to procure additional equipment to upgrade and expand its fabricating business.

The loan facility has assisted the company to increase its output and improve on its turnaround time to satisfy its customers. This has enhanced the company's revenue and also generated additional five (5) direct jobs to its existing 10 employees.



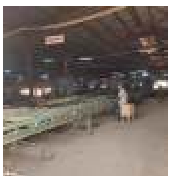

ARMADA INTERNATIONAL LIMITED
(Ondo State)

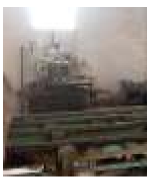
Armada International Limited was incorporated in Nigeria on November 5, 1999 with the aims of importing finished goods and exporting local agricultural raw materials as foreign owned company.

Registered office of the company is located at 8/10 Aerodrome Road Apapa, Apapa Local Government, Lagos State. The company has a wood processing factory in Akure, Ondo State.

Prior to 2018, the factory of the company located in Akure, Ondo State processes wood into various finished products but with limited capacity and minimal export.

With BOI intervention, the company has been able to produce 4-way pallet for indigenous food processing companies as well as expand its export capacity base.



EAGLE PACKAGE PRINTING LTD
(Ogun State)

Eagle Package Printing Limited (EPPL) commenced operations over 30 years ago. It started by producing high quality cartons for the cigarette industry. In subsequent years, it diversified into production of labels and flexible packaging materials. Eagle Package Printing Limited is a reliable producer of drink labels.

The company's major business is printing of labels for drinks/ products produced by its customers- majorly Guinness Nig. Plc., Nigerian Breweries and AB inBev Group. The company currently controls about 30% of label printing industry. To achieve its plan to grow market control of label printing, the company sought and obtained a credit facility from BOI. This allowed the company to acquire more equipment, raw materials and employ more personnel.



SMALL AND MEDIUM ENTERPRISES DIRECTORATE

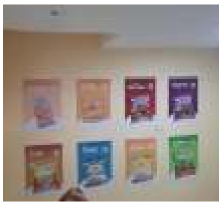
FASTIZERS FOOD AND CONFECTIONERY LIMITED: (Ogun State)

Fastizers Food and Confectionery Limited is an existing biscuit production company responsible for the production of well-known products like Nibit chocolate cookies nibit milky cookies, fun cookies, fun cookies peanut, fun cookies bitty.

To expand its operations and improve existing processes, the company obtained a credit facility from the Bank of Industry. This facility enabled the company to purchase auto-form filled sealing machine, cookies molding machine, auto tray input device, machines tray, rotary oven. Procurement of these items also helped in the company's expansion and boost its production capacity..

The company's expansion resulted in the employment of additional personnel to join the company's workforce.





ALHAJI MURITALA OYETUNJI & SONS (Osun State)

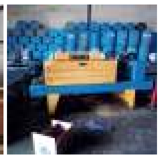
Alhaji Muritala Oyetunji & Sons is one of the best performing accounts in Osun State Office. It's also known as Moye Oil and Petrochemical Product Nigeria Limited situated strategically at Iwo/Ibadan Road, Dada Estate, Osogbo, Osun State, which connects to and provides easy accessibility to the metropolis in the State Capital. Their products are tailored and targeted to international standards for the buyers, in a serene environment that offers a perfect blend product and services.

Alhaji Muritala Oyetunji & Son's was officially commissioned by the former Governor of Osun, Chief Adebisi Akande on October 8, 2000. Before then, the company started out in 1995 by selling petroleum products in cartons and drums from major marketers in the industry at the time and today the company is now into production and marketing of its own blended oil. The Company is the one of the few blended oil producing company in the region with its market tentacle also covering not only the South West but as well as the far North due to its quality.

Moye Oil and Petrochemical Product Nig Limited is mainly into Lubricants, Manufacturing, Oil & Gas established. The Chief Promoter of Alhaji Muritala Oyetunji & Sons have been in business for over 25 years. An average year experience of a specialist in the Company is 15 years. However, the Company has been in production of lubricant for the past 25 years and has progressively upgraded itself during those years. The company is well known for its conducive environment, its functioning facilities and the equipment capacity to produce different size with high quality control of their production process.

The unique attributes of the Moye petrochemical is the strategic composition of different specialist in petrochemical and engineering who work together to achieve the topmost quality products and delivery.






OSOGBO CENTRAL HOSPITAL, (Osun State)

Osogbo Central Hospital is one of the best performing accounts in Osun State Office. Osogbo Central Hospital is a group of specialist hospital established in 1st July, 2015 to render Health care and surgical services in and around Osun State. The registered office of the company is at No 4, Okebaale Road, Opp Okebaale Police Station, Osogbo, Osun State. The Chief Promoter of Osogbo Central Hospital Limited have been in Medical Practice for over 13 years. An average year experience of a specialist in the Hospital is 12 years. However, the hospital has been in healthcare business for the past 6 years and has progressively upgraded itself during those years. The hospital is well known for its conducive environment, its functioning facilities and the ability to attend to different categories of medical conditions.

The unique attributes of the Osogbo Central Hospital is the strategic composition of different specialist in different field of medicine who work together to achieve the topmost health care delivery. The Hospital has just completed an ultra-modern healthcare centre and as such, procured modern medical equipment through Bank of Industry's assistance to meet the need of its clients and to keep up with the change in technology in the medical sector.

The hospital has over 5,000 regular patients with 3,000 Health insurance scheme. The Hospital has a growing customer base as referrals have largely contributed to gaining more customers along with HMOs, NHIS and NGOs. The hospital manages Osun State University students for secondary care.

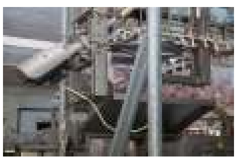



KALASE FARMS LIMITED (Rivers State)

Kalase Farms Limited is a limited liability company incorporated in Nigeria on the 4th of May 2017 with an authorized share capital of N1, 000,000.00 made up of 1,000,000 ordinary shares of N1.00 each. It transformed from Kalase Fish Industries Limited registered on the 23rd Sept, 2015 as a result of expansion in its business profile to an integrated farming business, Kalase Farms Limited. The company currently has a fully integrated farm of 21 acres located along KM 20, Airport Igwurita Road, Igwurita, Port Harcourt, Rivers State.

The financial support from the Bank of Industry has resulted in a significant expansion of the Company's operations to comprise of a huge fish farm with 150 brooding stocks, six large earthen and four HDPE ponds that have combined capacity to produce 720,000 catfish annually. The farm also has a poultry section fitted with modern battery cages and pens capable of breeding 25,000 broilers and 25,000 layers combined monthly and a hatchery capable also of producing 15,000 day old chicks monthly. Other parts of the farm include five acres of lettuce, yam and plantain plantation as well as a 2Mtons/hour animal feed mill.

The financial support from the Bank of Industry also led to the creation of additional fifty (50) jobs consisting of thirty (30) direct jobs and twenty (20) indirect jobs.


SMALL AND MEDIUM ENTERPRISES DIRECTORATE

COBEF INTERNATIONAL LIMITED
(Rivers State)

The company is an indigenous company that manufactures and distributes plastics products such as Poly Vinyl Chloride (PVC) pipes. The financial support from the bank of Industry has enabled the company to expand its product lines to include water storage tanks, suction hose, pressure pipes, conduit pipes and HDPE (High Density Polyethylene) pipes. Thus, leading to creation of fifty-five (55) additional jobs consisting of forty (40) direct and fifteen (15) indirect jobs.

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.

AMARE TABLE WATER ENTERPRISES
(Sokoto State)

Amare Table Water Enterprises was registered with corporate affairs commission (CAC) as an enterprise in 2017. The company's factory site is located at No. 04, Talata Mafara Road, Sokoto State. The company produces high quality sachet water to its customers. The company has created brand concept, and competitive promotional strategies that facilitate its market penetration. Bank of Industry supported the company with a term loan to acquire additional equipment's, and truck which expanded its sales from 500 bags to 2500 bags of water daily. The workforce at the factory is currently at 27 persons.

FEMSTAR COMPUTER PRINT
(Sokoto State)

FEMSTAR COMPUTER PRINT was registered with Corporate Affairs Commission as a business name in September 2017. The factory site is located at No. 32, Emir Yahaya Road Opp. Turaki Pri. Sch. Sokoto State, Nigeria. The business was registered primarily to venture into general computer and printing service. Therefore, the business is run by its managing director (Usamat Femi Muslim) with staff strength of 5 workers help in running the activities of the business from which one of them serves as production manager. The company applied for a loan to purchase printing machine in order to meet the demand of its customers. Specifically, the funds has been used to acquire higher digital printing machine with processor, which is called computer to plate (CTP). BOI has played a big role in promoting FEMSTAR COMPUTER PRINT. Before, all Sokoto State printers and neighboring States (e.g. Kebbi, and Zamfara State) had to go to Kaduna for CTP work, but now it is in their fingertips. They do not have to take the risk of travelling and the work is quicker than before.

KA'AMEERAH GLOBAL CONCEPT
(Yobe State)

Ka'ameerah Global Concept is a concrete block making industry located at No. C19 Nyanya Housing Estate Damaturu, Yobe State. Ka'ameerah Global Concept involves the productions, sales and distribution of blocks for the past 11years. The enterprise though was established in 2009 but got formally registered with Cooperate Affairs Commission on the 22nd day of February 2021 to carry out the business of Block Industry and Interlock Moulding and general construction services and contracts.

The intervention fund has assisted the enterprise to expand its operation and market penetration. The financial support has also helped the enterprise grow its outfit by acquiring modern block industry equipment. Its revenue/profit base has also doubled due to increased sales/turnover. The enterprise has employed an additional ten staff other.

BANK OF INDUSTRY

...transforming Nigeria's industrial sector

Large Enterprises
Directorate

We catalyse domestic production and create jobs on a transformational scale, enhance local industry competitiveness, attract investments, grow industries, export earnings and positively impact the overall economic development of the country.

LARGE ENTERPRISES DIRECTORATE

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).

The Large Enterprises Directorate also manages special intervention funds provided by the Central Bank of Nigeria CBN aimed at supporting Power, Aviation, Manufacturing, Cotton, Textile and Garment sectors of the economy. Additionally, the Directorate is also focused on supporting the establishment and revitalization of Special Export Processing Zones and Special Agro Processing Zones working in partnership with key stakeholders like the African Development Bank (AfDB). The intent is to catalyse domestic production and job creation on a transformational scale, enhance local industry competitiveness, attract domestic and foreign investments, integrate local industries into domestic, regional and global value chains, grow export earnings and positively impact the overall economic development of the country.

The Directorate has a strong focus on supporting women led and women owned businesses and is currently partnering with the African Development Bank (AfDB) on its Affirmative Finance Action on Financing for Women in Africa (AFAWA) to bridge the huge funding gap experienced by women. Between 2015 and 2021, the Large Enterprises Directorate has disbursed loans to over 1,074 large enterprises across all sectors of the economy to the tune of ₦ 927.1bn billion, creating an estimated 4,152,233 jobs and further enhancing support to a large swath of SMEs that are part of the value chain either as suppliers of inputs or off-takers of our large enterprise output. The Large Enterprises Directorate is comprised of ten (10) strategic business groups as shown below:

AGRO PROCESSING GROUP

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

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

The Bank through the Group supports the Federal Government in the implementation of Nigerian Industrial Revolution Plan with strategic partnerships with 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, 2021, BOI loan facilities to agro-processing large corporates stood at ₦116.9 billion inclusive of the Cotton, Textile & Garment (CTG) sector.

The Bank has supported Over 110 projects with cumulative direct employment generation of over 12,000 and indirect employment of close to 120,000.

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

LARGE ENTERPRISES DIRECTORATE

VISTA INTERNATIONAL LIMITED

Vista International Limited is a Company that has been investing and operating in Nigeria for over 30 years. Business interests of the Vista Group in Nigeria include Paper and Paper products, manufacturing of Chemical Products, Retail Stores and Outlets for their products and Pharmaceutical Drugs production etc. The VISTA Group is a conglomerate that has successfully operated several manufacturing plants in Nigeria. The company is based in Dubai, UAE, however, all subsidiaries under the parent company have presence in Nigeria. They also have subsidiaries in Ghana, Ivory Coast, Mozambique and Zambia.

VISTA approached the Bank towards expanding its product lines to produce and sell high quality Ball Point Pens of International standards. Upon completion of the factory, it will boast of an installed production capacity of 130 Million Pens per Annum. To achieve this, state-of-the-art plant and machinery based on latest technology will be imported from South Korea and Asia to ensure high quality standards and production efficiency.

The Pens are sold in the domestic market in Nigeria with plans for expansion to other West-African countries.

The Creative Industry Group was set up in 2011 to enable the bank intervene in the sector by financing projects that are viable and consistent with the institution's developmental policies/roles in the Nation's economy. The Bank's decision to set up the department was further justified following the release of the Nation's rebased GDP in 2013, which revealed that the industry contributed 1.42% to the Nation's Gross Domestic Product. Consequently, the creative industry is now considered a critical sector of the economy.

The Group has grown its risk assets to ₦80.6 billion as at December 31, 2021 covering 16 sectors of the Creative Economy.

The Bank's successes in financing the creative economy has earned it several accolades, especially given its low Non-performing loan (NPL) ratio. It has also helped to create employment across the value chain of sectors financed. For instance, the Film house limited has grown its cinema from one location to 10 locations, Genesis Deluxe Cinemas, Viva Cinemas, Marriot Hotels Ikeja, Radisson Blu, Ikeja, Alpha & Jam Limited, Corart Ventures Ltd and others have generated employment in thousands.

The Bank also has established a number of partnerships with various institutions including the British Council and has received numerous mentions for great initiatives in the Creative Industry at various international Fora. This has placed the bank on the global stage of Development Finance Institutions (DFIs) that have contributed in no small measure to the growth and development of the Creative Industries.

ALPHA & JAM LIMITED

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

In 2016, Alpha & Jam invested in the Digital Out of Home (DOOH) LED boards and by the following year had developed an innovative programmatic DOOH platform called CANDLE which allows users access digital advertising screens on the go.

BOI gave the company a loan for the expansion of the LED services across Nigeria. The loan has enabled it to increase number of workers from 24 to 62 and improve revenue within the first year of accessing BOI's facility.

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

CENTRAL BANK OF NIGERIA

TEXTILE INTERVENTION FUND

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

Types of Facilities

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

The activities to be covered under the Intervention shall include operations in the Cotton Textile and Garments (CTG) value chain:

- Cotton ginning (lint production)
- Spinning (yarn production)
- Textile mills
- Integrated garment factories
  (e.g. for military, para-military, schools and other uniformed institutions as well as for other general purposes.)

Highlights

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

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call: **0700-CALL-BOI | 0700 225 5264**
switchboard: **(+234)-1-2715070-71**

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LARGE ENTERPRISES DIRECTORATE

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 of 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 and value-added services within the following sub sectors:

- **Engineering:** Automobile Assembly and related components manufacturing, Automobile maintenance, Land and Aviation Logistic services, Recycling and other closely related businesses.
- **Information, Communication and Technology:** Internet Service Providers, Telecommunication, Digital Printing and Advertisement, production of Smart chips and security access cards etc.

In the 2021 financial year, the Engineering and Technology Group disbursed the total sum of ₦9.83 billion to projects within its focus area with a breakdown of about ₦4 billion to ICT being a sector in the forefront following the adoption of new normal and the post COVID era, ₦2.89 billion to the Power Sector and about ₦2.95 billion to other areas like Construction and Cash in Transit.

The Group remains committed to providing support to the entire value chain within its focus area by rendering financial and business support services to companies. In 2022, a more streamlined focus will be on projects in ICT, Haulage and Logistics and general manufacturing with the aim to create and sustain a minimum of 5000 direct jobs and 10,000 indirect jobs, facilitate the establishment of projects that can create an avenue for import substitution, increase the likelihood of exporting finished or semi-finished value products and drive awareness for a strong support for innovative projects with a bias for technological solutions.

FORESHORE WATERS LIMITED

Foreshore Waters Limited was incorporated as a limited liability company on the 6th November, 2006 and commenced operations on the 1st December, 2015. The principal activities of the company are the acquisition and development of land and property and over the years the company has delivered significant value in the real estate market to institutional, corporate and private clients in Lagos. The company is also providing Facility Management services on some of their completed projects.

The company has numerous projects of different house types and apartments and duplexes. Some notable projects are Riverside Apartments, Insignia, Osborne Paradise Scheme 1, Le Chateau, Foreshore Towers and Osborne Waterfront all in Ikoyi.

In 2021, Foreshore Waters Limited obtained a facility for purchase of various building equipment that would facilitate fast deployment of it mass housing schemes. One of the proposed projects is the Osbourne Foreshore Scheme II, Lekki, Lagos.

MAIN ONE CABLE COMPANY NIGERIA LTD.

Main One Cable Company Nigeria Ltd is the foremost wholesale bandwidth and data centre services provider in the telecommunication sector.

MainOne started its operations in Nigeria in July 2010 with the deployment of its 7,000km international submarine cable system into operation in Lagos. The company's entry into the Nigerian market has catalyzed the growth of Internet access with broadband penetration rates increasing from approximately 7% when the company entered the market in 2010 to 42.1% in 2021.

Since BOI granted the company the first loan in 2019 and a subsequent loan in 2021, Main One Nigeria continues to attract the highest level of national and international sales within the Group with it data center services and the bulk bandwidth services to customers that range from Telcos, ISPs, commercial banks, government agencies ,Google, Facebook, etc. Oher subsidiaries of the Group have Data Centers in Appolonia, Ghana, Cote de Voire which services Niger, Mali, Burkina Faso and Senegal. Similarly, "MainOne Mauritius", the parent company to Main One Cable Company Nigeria Limited (BOI's obligor) has also attracted the interest of a foreign investor, Equinix Inc, a global digital infrastructure company.

LARGE ENTERPRISES DIRECTORATE

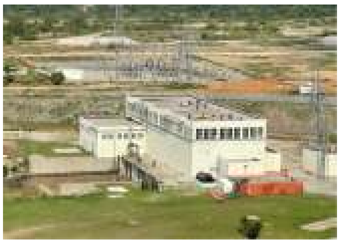
NORTH SOUTH POWER COMPANY LIMITED

North South Power Company Limited (NSP or the Company) is a leading power generation company in Nigeria and the owner of the 30 year concession in respect of the 600MW Shiroro hydroelectric power plant. The company was established to own and operate a diverse and growing portfolio of electricity generation businesses across Africa. In line with this, the company recently won the 25year concession for the 30MW Gurara Hydroelectric Power Plant (Gurara HPP).

The Gurara HPP is a 30MW hydroelectric power plant located in Kachia Local Government Area, Kaduna State. Although constructed 12 years ago, the plant is yet to commence operations. Accordingly, NSP has taken the necessary steps to ensure the rehabilitation of the plant is completed.

In 2021, the company obtained a CBN/BOI Industrial Fund facility to overhaul the Guarara 30MW power plant with the aim of having a total active installed capacity of both Shiroro and Gurara operate at 630MW. NSP has engaged General Electric (GE) in contract negotiations regarding the plant overhaul and upgrading of the Control and Governor systems, ensuring the longevity of the plant is maintained to the highest industry standards. The Gurara HPP, is an increasingly important asset to NSP and the nation as a whole, as it provides a number of socio-economic benefits.

As a result of the critical role which the CBN/BOI funding was able to play in the rehabilitation of the Gurara HPP, the plant is expected to be operational by Q1 2023.



VIATHAN ENGINEERING LIMITED

Viathan Engineering Limited is the pioneer integrated energy services solutions company in Nigeria. The company specializes in captive and embedded power generation, providing modular and scalable power solutions to our end users quicker, cheaper and most efficiently. The company has proven expertise in embedded power generation. For over 6 years, its smart power plants have provided reliable power to residential, commercial, industrial and governmental end users. The company's operation mostly entails Build Own Operate and Transfer (BOOT) models. Generators and other utility equipment are leased/acquired from the OEMs/supplier, the generators used at most of the plants are gas powered and gas is either channeled through pipelines or Compressed Gas transported on trailers from its Lisabi Power Plant to destinations where CNG is required.

When the company approached BOI, it had commenced management of 6 (six) power plants, namely, Lekki Penisular Independent Power Plant (Lekki PIPP- 8.5MW), Marina/Island Power Plant- 11.5MW, Akute Power Plant- 12.15MW, Ilupeju Power Plant- 3.88MW, Lisabi Power Plant- 7.0MW, Benin Power Plant- 10.5MW.

Viathan Engineering Limited accessed CBN Industrial/BOI Fund in 2021. The facility was applied to finance the new Commercial/Industrial connection projects to two commercial banks and a factory. The fund has also been deployed towards expansion of its Gas facilities. Earnings from the new power projects have improved commercial revenue of the group's power business by circa 10% in the last six months, with a potential to further grow Viathan's commercial revenue by 24% in the next twelve months. In the same vein, expansion of the group's gas facility, which is still a work-in-progress, would potentially improve gas turnover by 17% in the next 12 months.

NADDC
NATIONAL AUTOMATIVE DESIGN AND DEVELOPMENT COUNCIL

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

NATIONAL AUTOMATIVE DESIGN AND DEVELOPMENT COUNCIL (NADDC) FUND

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

Beneficiaries

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

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

Long Term Loan

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

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

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

Tenor:
- 5 years

Working Capital

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

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

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

Tenor:
- 3 years

LARGE ENTERPRISES DIRECTORATE

FOOD PROCESSING GROUP

Food manufacturing and processing is one of the success stories of the global economy. A large aspect of its success has been attributed to the embrace of technology that has allowed many processes in the production industry to be computerized. The Group focuses on some of the emerging sectors dealing in technology, industrial storage and drying facilities amongst others in the industry. The food and beverage sub-sector of the Food processing industry made up for 4.6% share of the Nigerian manufacturing sector's Gross Domestic Production (GDP) as at 2020. The sector alone is estimated to contribute 22.5% of the manufacturing industry value.

Like most developing nations, Nigeria faces the challenge of supplying sufficient food to its teeming population. To meet up with the demands of an ever increasing populace, the need to develop the local food processing sector has become critical. Policies and programmes aimed at boosting agricultural and food production are being actively promoted nation-wide.

The Food Processing Group (FPG) broke out from the Agro processing Group in 2015 to further drive the Federal Government Agenda of achieving food sufficiency in Nigeria while growing the Bank's healthy risk assets. The Group at inception had a Risk Asset value of ₦23 Billion, and has grown its risk asset numbers to above ₦115 Billion as at date. The Management of Bank of Industry has since approved the sum of ₦254 Billion and Group has disbursed ₦156 Billion to companies within the sector.

In 2021, the Food Processing Group disbursed well over ₦27.87 Billion to about ten (10) companies in various sub-sectors for acquisition of plant and machineries for the expansion of their existing operations, diversification and establishment of new product lines. This intervention resulted in the creation of over 90,000 direct and indirect jobs along the entire value chain.

The Food Processing Group's priority areas include projects, operations and activities in the following sub-sectors; cocoa processing, food and beverages, fish and sea food processing, rice milling, flour milling, agro allied, seed milling, oil milling, animal feeds milling, meat processing, biscuits and confectionaries. The Group provides financial and business support for major players in a number of these sub-sectors.

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

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

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

ANIMAL FEED MILL

FLOUR MILL

RICE MILL

OIL PROCESSING

FISH AND SEA FOOD

COCOA PROCESSING

BISCUITS & CONFECTIONERIES

PASTA LINE

LARGE ENTERPRISES DIRECTORATE

SUNDRY MARKETS LIMITED

Sundry Markets Limited is an indigenous grocery retailer headquartered in Port Harcourt, owns and operates Marketsquare Supermarkets which currently has 20 stores in Ten (10) States of Nigeria. Incorporated in 2014, it has grown to be a major player in the Nigeria grocery retail industry with an average annual turnover in excess of ₦33.5 Billion.

Marketsquare is a major channel of distribution of products to consumers of major indigenous manufacturers such as Nigerian Breweries, Multipro/Dufri, Nestle Nig. Plc, CHI Limited, 7-Up Bottling Company e.t.c. contributing to economic growth and development.

Sundry Markets' in-store bakery and food production/ bakery facilities were recently financed by Bank of Industry. The N2.59billion funding enabled her procure plant and machinery as well as raw materials to significantly improve capacity.

Prior to BOI's funding, the company had 15 stores, with about 1,240 employees. As at the end of 2021, the company had 20 stores with 1,650 employees.

At the end of 2022, the company projected to have over 25 stores with provision of employment to over 2,300 employees.

Accessing fund from BOI benefitted the company in industrial capacity development, employment generation and also in its contribution to local tax base

YALE FOODS LIMITED

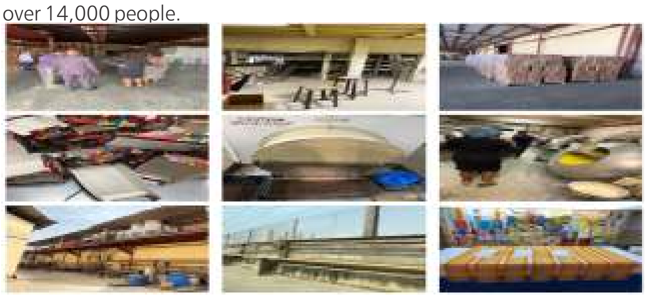
Yale Foods Limited was incorporated on January 6, 1995 to produce varieties of high quality confectioneries. Project location is at Plot 1B, Block 1, Oluyole Industrial Estate, Ring Road, Ibadan, Oyo State.

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

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

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

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



KARFLEX FISHERIES LIMITED

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

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

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

SONA AGRO ALLIED FOODS LIMITED

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

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

Popular brands are Sona Malty, Thin Cracker, Sona Snowy, Sona Coaster, Sona Bites, Golden Choco Cream, Golden Milkie Bar and Sona Twister.

Sona Agro is using local raw material like wheat flour, Sorghum flour, Sugar, Sugar syrup made o Sorghum, a substitute of sugar. The factory is located at Km-1, Ijoko Road, Sango Ota, Ogun State, Nigeria

LARGE ENTERPRISES DIRECTORATE

NIGER BISCUIT COMPANY LIMITED

Niger Biscuit Company Limited was initially registered as The Pioneer Biscuit Company Limited on April 7, 1960 and later by special resolution changed its name to NIGER BISCUIT COMPANY LIMITED on April 26, 1962. The company manufactures and sells biscuits, chewing gum and other confectionery products.

The company became the first Company to produce and sell biscuits and chewing gum in Nigeria with the trade mark Oxford for biscuits and Jenka and Jet for chewing gums.

Niger Biscuit Company Limited in the last 10 years underwent a massive transformation and with the assistance of Bank of Industry, the biscuit production facility moved out of the Apapa factory to its ultra-modern factory complex located in Gbara Village, Sagamu, Ogun State thereby tripling its daily production capacity to meet increased demand for its products.

The new factory which kicked off with 3 new state-of-the-art oven lines was further boosted with another 2 high technology soft and hard dough oven lines in the year 2017 to further increase the installed capacity to 250tons per day and increase the number of product units (sku's), with 20 units of overwrapping machines acquired to cater for smaller pack sizes of its products while the Apapa factory complex is dedicated solely for the production of chewing gum and the administrative office.

From a single National distributor, the company presently has over 650 active distributors Nationwide which has massively impacted on both the conversion cost and the sales volume with sales grossing up to an average of over N2.5B per month and the gross margin improved to 15% at 70% of the installed capacity.

The company's annual turnover grew from N5.4B 2008 to N23B in 2020, while the turnover for the 2021 financial year is N30B with a staff strength which has increased from 500 to about 2,000 from inception to date.

PRESCO PLC

Presco is a fully-integrated agro-industrial establishment with oil palm plantations, palm oil mill, palm kernel crushing plant and vegetable oil refining and fractionation plant. It also has an olein and stearin packaging plant and a biogas plant to treat its palm oil mill effluent. It is the first of its kind in West Africa The company specialises in the cultivation of oil palm and in the extraction, refining and fractionation of crude palm oil into finished products.

Presco supplies specialty fats and oils of outstanding quality to customer specifications and assures a reliability of supply of its products year round. This is made possible by the integrated nature of the company's production process.

Before the BOI funding Presco was operating a 100ton per day refinery. Subsequent to the support from BOI Presco has been able to import machinery and accessories between 2017 and 2020 to support the building of the 500 t/p/d new refinery. The new refinery which was commissioned has been a major contributor to the Revenue growth of Presco in 2021 and in particular RBDO and Olein products added N23 Billion to Revenue compared to 2020.

Revenue from these two products were N13BN in 2017 and grew to N34BN in 2021. The support from BOI in initially providing the Finance to import some of the machinery played a significant role in progressing on the Refinery Project.

While the refinery plant is productive and delivering value the company continue investing in the logistical supply chain to bring finished products to customers efficiently.

Presco currently employs 7,000 workers spread across its four estates in Edo and Delta States, up from 4,260 in January, 2017. With expansion in plantation, processing facility and a new palm oil processing facility planned for Sakponba Estate, employment is projected to grow by 15-20% in the coming year.

LARGE ENTERPRISES DIRECTORATE

GENDER BUSINESS GROUP

The Gender Business Group's area of focus is emerging sectors particularly Women in Businesses irrespective of the sectors

The Group's sub-sectors are as follows:
Agro-Processing, Healthcare, Food Processing, I.C.T & Engineering, Creative Industry, Gas & Petrochemical and Fashion Industry.

As of December 2021, the total sum of ₦5.26 billion was disbursed to four (4) projects during the period under review. The intervention is expected to assist beneficiaries to enhance their production capacities, and save foreign exchange through import substitution.

The sum of ₦10,500,000.00 billion has been earmarked as a disbursement to projects in 2022 to positively impact the sector through the creation of estimated four thousand (4,000) jobs.

LONTOR HI-TECH COMPANY LTD.

Lontor Hi-Tech Company Ltd was incorporated on July 30, 2015, to engage in the importation of household, office and electrical appliances, such as rechargeable fans, rechargeable lanterns, torches and batteries. BOI supported the company with a loan for the establishment of integrated production and assembly of Rechargeable and Non-Rechargeable Fans, Rechargeable Lamps, Rechargeable Torches and Rechargeable Batteries.

As a result of the Bank's intervention, the company has positively been impacted as shown below:

Status of Business before BOI Intervention	Status of Business after BOI Intervention
100 direct and indirect jobs.	120 direct and indirect jobs.

KES PRODUCTS LIMITED

Kes Products Limited was incorporated on October 28, 1994, to engage in the production of polyethene and polypropylene industrial and agricultural packaging materials. BOI has supported the company with a loan for the procurement of plant and machinery for the production of ethylene and polypropylene industrial and agricultural packaging materials.

As a result of the Bank's intervention, the company has positively been impacted as shown below:

Status of Business before BOI Intervention	Status of Business after BOI Intervention
200 MT/p.a. installed capacity 80 direct and indirect jobs.	400 MT/p.a. installed capacity 150 direct and indirect jobs.

DIGITAL JEWELS LIMITED

Digital Jewels Limited was incorporated on November 8, 2007. The company is an Information technology Value Chain Consulting and Capacity Building firm with a focus on IT Governance, Risk & Compliance and deep competencies in Information Security. The company provides general training for the acquisition of skills in specialized IT fields to the corporate market.

As a result of the Bank's intervention, the company has positively been impacted as shown below:

Status of Business before BOI Intervention	Status of Business after BOI Intervention
59 direct and indirect jobs.	65 direct and indirect jobs.

VOLTAIRE LIFESTYLE SERVICES LIMITED

Voltaire Lifestyle Services Limited the owner of Gaia Africa - is a private members' business and social club where leading women come together to do business, socialize, and establish bonds for impact. The club was launched in November 2021

BOI has provided financing to the company via a loan for the procurement of equipment set up of the clubhouse.

Status of Business before BOI Intervention	Status of Business after BOI Intervention
60 direct and indirect jobs.	80 direct and indirect jobs.

LARGE ENTERPRISES DIRECTORATE

HEALTHCARE AND PETROCHEMICAL GROUP

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

In 2021, the Group achieved approvals to the tune of ₦44 billion and disbursed over ₦24 billion to various projects, creating an estimated 5,500 jobs in the process.

The Group plans to grow and diversify its portfolio in 2022 via outreach to emerging sub-sectors, as well as continued support and development of the healthcare industry.

EVERCARE HOSPITAL LEKKI

Evercare Hospital Lekki Limited is a 165-bed purpose-built multispecialty, tertiary care private hospital in Nigeria established in late 2020. It is a member of the Evercare Group ("Evercare") which is an integrated healthcare delivery platform operating in emerging markets across Africa and South Asia; including India, Pakistan, Bangladesh, Kenya and Nigeria. Evercare helps communities thrive by improving healthcare and leveraging technology and integration to increase the quality of care.

Evercare's portfolio includes 30 hospitals, 16 clinics, over 50 diagnostics centres and 2 brownfield assets (including Evercare Hospital Lekki). Evercare is wholly owned by the Evercare Health Fund, a US $1 Billion emerging markets healthcare fund managed by The Rise Fund, the Impact Investment platform of global alternative asset manager TPG Capital.

In a bid to improve healthcare delivery in Nigeria, BOI recently supported the project towards the procurement of medical equipment required for setting up a 165 bed Multi-specialty medical facility in Lekki phase 1, Lagos.

With a team of over 10,500 employees including over 1,000 doctors, 3,200 nurses and 5,300 paramedical and support personnel, the company is poised to provide the best quality and affordable care to its patients.

BHOJRAJ INDUSTRIES LIMITED

Bhojraj Industries Limited was incorporated on 26th October, 1965 as "Bhojsons Industries Plc" and changed its name as "Bhojraj Industries Plc" on 13th September, 2002 and further to "Bhojraj Industries Limited" on 1st April, 2015. The Company's head office and operations are located in Lagos, Nigeria.

The company has since its inception engaged primarily in the area of textiles manufacturing and cotton farming with a leading market share in African prints, suiting and shirting with a diversified interest in plastic manufacturing.

The company has in the past ten years made substantial investments in plastics and flexible packaging manufacturing, wherein the following products are being manufactured:

Multi-colour printed PE sanitary pads and corporate shopping bags

PVC shrink rolls and sleeves- plain and printed

Printed BOPP laminates for snack food, biscuits, confectionaries and soaps etc.

Printed PET and BOPP laminates for detergent, seasoning, spices and snack foods etc.

Printed 3 layer laminates for liquor, choco powder etc.

The company is also engaged in the manufacturing of Sewing Thread, Vinyl Tube and PVC Gasket, which is an exclusive line of business with a specific market.

The company through the support of BOI currently employs over one hundred and twenty (120) members of staff, made up of direct and indirect staff.

LARGE ENTERPRISES DIRECTORATE

RELIANCE CHEMICAL PRODUCTS LIMITED

Reliance Chemical Products Limited was incorporated in 2008. The company is engaged in the production of industrial chemicals, namely Linear Alkyl Benzene Sulphonic Acid (LABSA) as well as solid and liquid sodium silicate, which are active raw materials for the soap and detergent industry. The company services the entire personal care sub sector.

The company has been able to increase its capacity over the years thereby reducing Nigeria's dependence on importation of LABSA leading to foreign exchange savings and increase in tax revenue for the country.

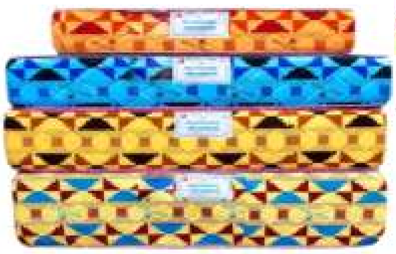
BOI's support has facilitated the generation of over 1,300 jobs and has also guaranteed the sustenance of 27,000 direct and 100,000 indirect jobs.

ROYAL FOAM

Royal Foam Product Nig. Ltd (previously known as Nigeria Iron and Wood Limited) was incorporated in August 1964. The head office is situated at plot 46/47 Sharada Industrial Estate, Kano.

The company produces high quality products such as Royal Economy mattress Royal Comfort Mattress, Rebound underlay, Foam underlay, Royal Layzee Pillows, Royal Dureflex Super Pillows and Sheet Blocks. The company has marketing and distribution of flexible/rigid foam, fiber products and textile linens in Nigeria, Lebanon, Benin Republic.

The company through BOI's support has succeeded in installing an ultra-modern continuous-flow production system with the latest foam technology and has employed about 1,600 dedicated staff.



DARAJU INDUSTRIES LIMITED

Since 2008 Daraju Industries Limited has built a strong and rich heritage of making an impact in the lives of its consumers with brands that make life a little better every day. A proudly Nigerian company with a passion to enrich the lives of its consumers and in the process become one of Africa's leading consumer products companies. Daraju is not only passionate about the quality of its products but also providing visually appealing everyday brands which Nigerians will be proud to own.

With the support of BOI, the company has been able to provide employment opportunities to over 1000 personnel, both direct and indirect.

LARGE ENTERPRISES DIRECTORATE

The Intervention Funds Group is responsible for managing the Central Bank of Nigeria's Intervention funds for Power & Airline (PAIF) and Restructuring & Refinancing Facility (RRF). The fund has helped in improving access to credit to Manufacturers, Power generation companies & Airlines and to improve liquidity of Deposit Money Banks (DMB) and Development Finance Institutions (DFI).

IMPACT:

- The Power and Airline Intervention Fund (PAIF) has funded over 1,662.3 MW generation capacity with 1,214.3MW being new capacity.
- The Fund (PAIF) has re-financed part of the acquisition costs for 29 aircrafts for 10 airline companies and provided working capital related facilities of N16.4 billion for 8 airlines companies.
- The Fund (PAIF) has saved the Airline industry in excess of N72billion in interest expenses over the last 10 years.
- The SME/RRF has helped in stabilizing the SME and Manufacturing sectors by way of reduced interest burden and extended tenor.

Both funds have helped in increasing production output, generating employment, economic diversification and Increasing foreign exchange earnings.

ASHAKA CEMENT PLC

AshakaCem Plc (Ashakacem) is a subsidiary of Lafarge Africa Plc., a member of LafargeHolcim Group. Lafarge African in Nigeria has a total installed capacity of circa 8.0 million metric tonnes with operating subsidiaries all over Nigeria. Ashakacem has cumulative experience of 37 years in the cement industry in Nigeria and serves the North-Eastern region of Nigeria.

AshakaCem is engaged in manufacturing and marketing of cement. The company was promoted by the Nigerian Industrial Development Bank Limited in partnership with the Federal Ministry of Industries, Blue circle Industries Plc. UK, the Nigeria Bank for commerce and Industry, Northern Nigeria Investment Limited and the Government then North-Eastern State (now Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States).

The company is proud of its commercial expertise, its efficiency and technical skills. The Company is committed to actively participating in the development of their customers, employees, shareholders and the community.

The PAIF facility was used to finance the Construction of a 16MW Lignite Coal Fired Power Plant. The company has future expansion plans which would require raw materials (limestone and lignite coal) for the cement operations as well as power generation. The expansion plan would be carried out in phases.

The company's principal activities is the manufacture and sale of cement. Ashakacem produces Portland limestone cement which is a Nigerian industry Standard and certified cement product widely used in the Northern Nigeria. The company also runs a coal mine as a division.




LARGE ENTERPRISES DIRECTORATE

PARAS ENERGY & NATURAL RESOURCES DEVELOPMENT LIMITED

Paras Energy & Natural Resources Development Limited (PARAS ENERGY) was incorporated in 2002 with the objective of setting up an independent Power Plant. The company operates the Gas Power Plant within an existing factory of its sister company.

Paras Energy was awarded a license from the Nigerian Electricity Regulatory Commission (NERC) to operate power plants, with On-Grid generating capacity up to 96mw and to generate & provide reliable power supply at affordable prices to the manufacturing industry in Nigeria.

Paras Energy generates 96MW electricity using natural gas as fuel. The company's makes use of Wartsila model of generating sets to generate Power. The natural Gas for the station is taken from Kew metal station owned and maintained by Nigerian Gas Company (NGC) which is located about 200m from the company's site.

The PAIF facility was used to finance the construction and expansion of an additional 29MW to the existing Power Station.

The strategic Advantage of Paras Energy Plant's location has to do with its nearness to 330 KV transmission line from Egbin to Ikeja West/ Benin. The plant site is next to the NGC gas station having 12 inch Gas Pipeline with extra capacity for Power generation.

Paras Energy & Natural Resources, other core area includes; Power generation, consultancy services on selection of Equipment's for Power Plants, substation. Paras Energy also provides technical services to power generating firms to make businesses easy, more efficient and effective. Currently various projects feasibility studies are under processing within Nigeria and West African Countries for Power Plant Installation suitable for consumer requirements.

Paras Energy presently have the capacity to generate 100MW into the TCN grid at Ikorodu. The grid is able to accommodate this amount of power without overloading any section of the grid.


Generating Set Hall


Substation Overview


Substation Overview


Sub-station


Gas Facility


Control Room


Chimney Side


Sub-station


MRSS- Control Room

BU POWER LIMITED

BU Power Limited is a provider of captive and embedded power solutions. The Company's goal is to be the premier energy provider in Nigeria. BU Power 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.

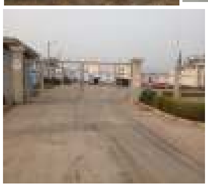
The Company's gas fired plant provides clean uninterrupted and reliable electricity using compressed Natural Gas (CNG). This has replaced power from the grid and the existing diesel-powered source for its anchor client; Babcock University Ilishan, Ogun State.

The Power and Airline Intervention Fund (PAIF) facility was used to finance the development of a 5.5MW independent power plant for Babcock University.

Before the PAIF facility, the operating environment that the company found itself when it commenced business was characterized by short tenured facilities with double digit interest rate. This had adverse impact on the company's operations, as finance cost was not sustainable as other operating costs such as fuel, operations and maintenance were more or less fixed.

The Company's Status after accessing the PAIF facility is as follow:

- The introduction of the fund led to a significant reduction in Finance cost and improved liquidity position of the company.
- The tenor of the fund has also eased the repayment burden and cash flow position of the company.
- BU Power is in a stable position now and in the process of growing the business by increasing the capacity of the plant to cope with the growing power demand in Babcock University.
- BU Power Limited is also poised to address the gap in electricity generation by signing on new power transactions. The Company recently executed a power purchase agreement with the University College Hospital (UCH),Ibadan for a 4Mw IPP
- The Company currently have a staff strength of 24 and anticipate growth to 50 in the next one Year.



LARGE ENTERPRISES DIRECTORATE

OIL AND GAS GROUP

Group Focus

Oil and Gas Group is one of the Bank's Emerging Business Units, under the Large Enterprises Directorate. The operational plan of the group is built around the Nigerian Industrial Revolution Plan (NIRP) and priority given is to segments of the value chain under the group's purview where Nigeria has comparative and competitive advantages. The group's primary focus is the promotion of local content development in the oil and gas sector through the provision of financial and business support to indigenous players operating within the sector.

The current portfolio of the group as at 31st December 2021 cuts across Gas processing and distribution, Upstream service and support, Marine Logistics, Modular Refineries and Fabrication amongst others.

Following the establishment of the Nigerian Oil and Gas Content Development Act (NOGIC Act) in 2010, which established the Nigerian Content Development and Monitoring Board, the Bank in August 2018 partnered with the NCDMB to manage a $200 million Nigerian Content Intervention Fund at a single digit interest rate of 8% (currently at 6% due to the palliative measures offered to indigenous manufacturers, service providers and other key players in the oil and gas sector to meet their funding needs). In view of the successful disbursement of the $200 million fund, the fund was topped with additional $150 million of which $50 million was transferred to NEXIM for the management of $20 million to be disbursed under the intervention fund for women in oil and gas and $30 million to be disbursed under the intervention fund for The Petroleum Technology Association of Nigeria (PETAN) working capital products which include working capital loans and capacity building loans for PETAN member companies.

With the economy opening up in 2021 after the COVID pandemic, the Oil and Gas Group disbursed the total sum of N32.9 billion to about 19 companies creating over 2000 direct and indirect jobs across the oil and gas value chain.

The outbreak of the COVID-19 pandemic and its far reaching impact on all sectors that the Group covers was quite evident. With the On-going impact of the COVID pandemic, the Group plans to grow and diversify its portfolio in 2022 via the identification and outreach to emerging players in the sector and sub-sectors of the upstream industry and fill the opportunity gaps identified.

In view of the aforementioned, The Group intends to aggressively seek new risk assets to grow loan book especially for modular refineries, LPG and CNG projects (Companies engaged in forward integration) with a clear focus on BOI line of credit. The Group plans to increase its intervention in the Oil and Gas sector by disbursing N20.00 billion by the end of December 2022.

LARGE ENTERPRISES DIRECTORATE

BUILDWELL PLANTS & EQUIPMENT INDUSTRIES LIMITED

Buildwell Plants & Equipment Industries Limited was incorporated in Nigeria in 1977. The company which started with three trucks has experienced phenomenal growth over the years, having in its fleet about sixty trucks, cranes of various sizes, excavators and tractors. Buildwell is into the hiring and leasing of heavy equipment. Buildwell's strength lies in its very dynamic, committed and experienced human resources made up of Nigerians and expatriates. The workforce is a combination of tested and proven drivers, crane operators, mechanical and automobile electrical engineers and other technical personnel.

The company's areas of specialization and services are:

- Transport and haulage – hire and lease of heavy equipment
- Turnkey projects
- Manual Operation – skidding, loading, offloading, rolling and positioning.
- Vehicle maintenance.
- Shipping, Customs Licensed Agent, Warehousing, Door-to-Door Logistics

The company assessed a BOI/NCIFund in 2021 to purchase new assets and refinance its loan obligations with other banks. The below is a result of the critical role in which the NCIFund played in improving the operation of the company:

The capacity to meet customers' needs is higher, arising from the increased number of equipment purchased with the proceeds of the asset acquisition facility.

Buildwell's support of the road/bridge rehabilitation project of the Federal Government of Nigeria (through the Federal Ministry of Works & Housing) is more pronounced due to increased capacity to deploy more equipment to the sites. More workers are engaged at the site to deliver these construction projects. There is a direct improvement in the rehabilitation of the roads and bridges because up-to-date equipment would be acquired for these projects due to the proceeds of the BOI facility.

The low interest loan has resulted in a significant decrease in Buildwell's operating costs, through the reduction in finance costs, thereby increasing the company's liquidity.

The company is strategically positioned to play a very active role in the logistics services relating to the LNG Train 7 project. This is another value addition occasioned by the availability of the BOI/NCIFund loan as they have been able to strengthen their asset base significantly.

LARGE ENTERPRISES DIRECTORATE

EUNISELL LIMITED

Eunisell Limited is Nigeria's foremost specialty chemicals, fluids, energy productions solutions, industrial equipment, environmental and technical resources company which has operated since 1996 in the West African region. It holds an ISO 9001:2015 certification, underlining a commitment to maintaining international standards in quality management systems, processes and service delivery.

Its vision is to be the leading chemicals and production engineering solutions provider in Africa.

As a business-to-business brand, it offers a full range of technical services to complement our wide range of specialty products, including chemicals for Drilling & Production Chemicals, Food & Beverage, General Industry, as well as oil and gas production engineering services such as Early Production Facility (EPF) deployment, well testing, production enhancement, and operations and maintenance. Our key clients include Totalenergies, Shell Nigeria Exploration and Production Company. Ammasco lubricant, Guinness and Exxonmobil with over 90% of International Oil Companies entrusting their businesses to Eunisell.

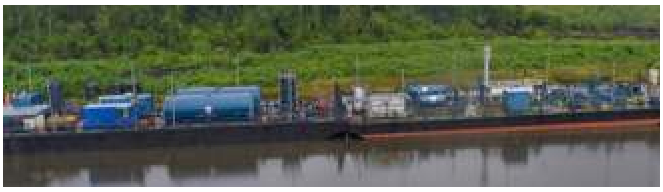
Eunisell has also maintained its global TRACE International certification for consistent transparency, integrity and anti-corruption compliances, making it a beacon on the continent.

Eunisell is a key supporter and sponsors of the Rivers United Football Club of Port Harcourt, as part of its contributions to raising the profile and stature of the domestic top-flight Nigerian professional football league NPFL. It remains one of the longest sponsors of the NPFL. Eunisell is also the initiator of Eunisell Boot Award through which it celebrates and rewards highest goal scorer in the Nigeria Professional Football League (NPFL) with cash prizes per season.

The company assessed a BOI/NCIFund in 2021 to purchase new assets and refinance its loan obligations with other banks. The below is a result of the critical role in which the NCIFund played in improving the operation of the company:

- Improved financial capacity(working capital) to meet product procurement and prompt payment to our counter parties
- Expand production/blending capacity (local content development) and be able to service our customers better
- Expansion of workforce to manage the production and sales and other service delivery to our customers.
- Easy access to FX to meet payment obligation to our technology partners

It has significantly lowered our cost of capital/interest payment providing headroom to increase our investment in blending activities.



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 $300 million Nigerian Content Intervention Fund (NCI Fund). The financing scheme will solve the funding challenges of the local supply chain in the oil and gas industry.

To benefit, applicants must be contributors to the Nigerian Content Development Fund (NCDF).

Highlights

- **Term Loans**
- **Working Capital**
- **Leasing**
- **Low Interest rates for credit facilities**
- **Loan Tenor: maximum of 5 years**

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

Terms and conditions apply

Available Facilities:

Loan for Manufacturing:
maximum of US$10M @ 8% p.a
tenor: up to 5 years

Asset Acquisition:
maximum of US$10M @ 8% p.a
tenor: up to 5 years

Contract Financing:
maximum of US$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$10M loans @ 8% p.a
tenor: up to 5 years

For more information, please visit:
www.ncdmb.gov.ng | www.boi.ng/ncifund

visit: **www.boi.ng**

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

call: **0700-CALL-BOI | 0700 225 5264**
switchboard: **(+234)-1-2715070-71**

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LARGE ENTERPRISES DIRECTORATE

RENEWABLE ENERGY GROUP

The Renewable Energy space in Nigeria has multiple energy sources such as Solar, Hydro, Wind, Biomass and waste to energy, with the most popular one presently being solar energy because of its declining cost and little or no maintenance cost once installed. The market for solar in recent years in Nigeria has gradually expanded and so far it's the most reliable form of renewable energy after big hydro.

Due to the nature and cost of technology, its use is currently widespread across the country both for residential, commercial and industrial purposes.

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 and sustainable energy solutions with a view to reducing their initial capex. In 2021, BOI provided funding in excess of ₦5.27 billion in loans to support the emerging renewable energy industry in Nigeria. As a Development Bank interested in making huge impact in the RE sector of the economy, BOI has set aside over N10.0 billion in active investment in the sector in the year 2022.

The Renewable Energy Group is also exploring project funding in the Waste to Energy space, Wind, Magnetic Flywheel technology and other sectors as, there currently exist large potentials for the technology in Nigeria.

ABUJA STEEL MILLS LTD

Abuja Steel Mills Ltd ("ABSM") is the first integrated mini steel manufacturing plant in Central/North Nigeria (Niger state) situated at Sabun-Wuse on Abuja-Kaduna Expressway. ABSM started its operation in July 2013. The company is involved in the production of Billets and Reinforcement Bars from Steel scrap using Induction furnace technology. Currently, ABSM has a manufacturing facility with an installed melting capacity of 162,000 metric tonnes and a rolling capacity of 150,000 metric tonnes per annum.

The company approached the Bank with a request for a facility to set up a 0.99MW Solar PV Plant for captive consumption in its Steel Mill. Following the Bank's intervention, the company was able to purchase and install the 0.99MW solar equipment/ components and the project is ongoing.

Furthermore, the company's production capacity has increased at a measurable rate.

AUXANO SOLAR NIGERIA LIMITED

Auxano Solar Nigeria Limited is into Solar Panel Assembling, Marketing and Installation with its Office located at Dunamis House, 365 Old Ojo road, Satelite Town, Lagos and Factory located Adjacent Urel waters Industrial Section Mammy Market, Navy Town, Ojo, Lagos.

The Company initially assessed a facility for procurement of Automatic Solar Cell Stringer machine for its assembly plant meant for assembling of its Solar panels at its current location at Navy Town, Lagos. Following the increased demand for the company's product, the customer returned with an expansion request which was approved and disbursed.

With this additional funding, the Company has procured the required items of equipment for its expansion which will be installed at its proposed new factory site at Lagos Free Trade Zone, Ibeju-Lekki, which has reached over 80% completion level.

LARGE ENTERPRISES DIRECTORATE

SOLID MINERALS GROUP

Solid Minerals Group (SMG) area of focus is solid minerals and metals projects financing. The Group's sub-sectors include cement, ceramic tiles, granite aggregates, roofing sheets, electricity wires and cables, steel and iron products, roofing sheets, electricity meters production companies, etc.

As at December 2021, the total sum of ₦14.28 billion was disbursed to six (6) projects during the period under review. The intervention is expected to assist beneficiaries enhance their production capacities, save foreign exchange through import substitution.

The sum of ₦27.07 billion has been earmarked as disbursement to projects in 2022 with a view to impacting the sector positively through the creation of estimated four thousand (4,000) jobs.

COLEMAN TECHNICAL INDUSTRIES

Coleman Technical Industries Limited is into the production of wide range of high quality standard and specialty electrical wires and cables for commercial and residential uses.

Since 2013, BOI has supported the company with loans for the procurement of plant and machinery for the production of electricity wires and cables as well as fiber optic cables.

- Before BOI's intervention: 12,000 MT/p.a. installed capacity, 500 direct and indirect jobs.
- After BOI's intervention: 162,000 MT/p.a. installed capacity, 2,800 direct and indirect jobs.

ABUJA STEEL MILLS

Abuja Steel Mills Limited was incorporated in July 2004 to engage in the manufacture of high strength deformed rebars of various sizes that conform to Standards Organization of Nigeria (SON) standard NIS 117:2004, Grade 550 via induction furnace steel making process. From 2013 to date, BOI provided financing to the company for the purchase of plant and machinery required for production.

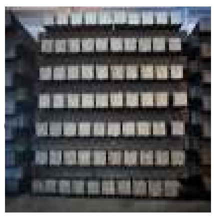
- Before BOI's intervention: 90,000 MT/p.a. melting capacity & 125,000 MT/p.a. rolling capacity and 350 direct and indirect jobs.

Aerial of the Plant

Workers at the Production Plant

Production in Progress (1)

Production in Progress (2)



Stock of Finished Products

Financial
Statements

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bank of Industry Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate 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, 2021;
- the consolidated and separate statements of profit or loss
- the consolidated and separate statements of comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying 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, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

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 Financial Statements section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KPMG

Impairment of loans and advances

The Group uses an Expected Credit Loss (ECL) model to determine the impairment allowance for its loans and advances. The ECL methodology incorporates information about past events, current conditions and forecasts of future economic conditions.

The Group's ECL model includes certain judgments and assumptions such as:

- the possibility of a loan becoming past due and subsequently defaulting; the rate of recovery on the loans that are past due and in default; and the market values and estimated time and cost to sell the collaterals; and
- the incorporation of forward-looking information related to the expected outlook on the country's inflation rates and the price of crude oil used in determining the expected credit losses in the loans and advances portfolios.

Impairment allowance on loans that have shown a significant increase in credit risk, is based on the Group's estimate of losses expected to result from default events over the life of the loans. Impairment allowance on other loans that have not shown a significant increase in credit risk is recognized based on an estimate of the losses expected to result from default events within 12 months. 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 2021:

- We evaluated the design and implementation of the key controls over the impairment determination process. The key controls evaluated includes management review of significant increase in credit risk and the resultant classification of loans into the various stages and management review of the accuracy of the relevant data used in the calculation of parameters included in the impairment model like the probability of default and loss given default.
- For a selected sample of loans and advances to customers, we assessed the appropriateness of the Group's determination of significant increase in credit risk and the resultant classification of loans into the various stages by reviewing the loan staging done by the Bank and Group. For loans and advances to customers which have shown a significant increase in credit risk, we evaluated the level of past due obligations using qualitative factors such as available information about the obligor's business or project being financed and qualitative backstop indicators such as number of days past due to determine the impairment based on the losses expected over the life of the facilities.
- For all loans and advances to financial institutions, we assessed the appropriateness of the Group's determination of significant increase in credit risk and evaluated the level of past due obligations to determine whether the Group should recognize an impairment based on the losses expected to result from default events within a year or defined default events over the life of the facilities.
- With the assistance of our Financial Risk Management specialists, we:
  - 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 Default (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;

KPMG

- 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 43 respectively.

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Financial Statement, Report of Board Audit Committee, and Other National Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 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 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 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 (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 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.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 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.

We also provide Audit Committee with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be taught to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and 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 5 of the Companies and Allied Matters Act, (CAMA) 2020

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
iii. The Bank's statement of financial position, statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;

Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

i. The Bank and Group paid no penalties during the year ended 31 December 2021.
ii. Related party transactions and balances are disclosed in note 39 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
14 April 2022
Lagos, Nigeria

Consolidated and Separate Statement of Profit or Loss

for the year ended 31 December

	Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
		₦'000	₦'000	₦'000	₦'000
Gross earnings		184,554,648	131,843,084	183,390,927	130,681,251
Interest income	5	175,830,860	116,906,211	175,511,056	116,671,135
Interest expense	6	(57,866,159)	(34,117,130)	(58,611,570)	(34,975,683)
Net interest income		117,964,701	82,789,081	116,899,486	81,695,452
Fees and commission income	7	5,658,615	5,765,882	5,247,205	5,396,111
Fees and commission expense	7.2	(5,080,492)	(3,705,378)	(5,080,492)	(3,705,378)
Net fees and commission income		578,123	2,060,504	166,713	1,690,733
Net (loss)/gain from financial instruments measured at fair value	8	(16,562,219)	(17,816,750)	(16,563,541)	(17,816,567)
Gain on sale of financial assets at FVOCI		2,230	-	2,230	-
Other income	9	3,027,834	9,170,991	2,630,436	8,614,005
Share of profit of equity-accounted investee	21	35,109	-	-	-
Other Operating loss		(13,497,046)	(8,645,759)	(13,930,876)	(9,202,562)
Total operating income		105,045,779	76,203,826	103,135,323	74,183,623
Impairment charges	10	(9,095,180)	(12,847,174)	(9,074,738)	(12,805,416)
Net operating income		95,950,599	63,356,652	94,060,585	61,378,207
Staff cost	11	(15,881,931)	(14,111,271)	(15,566,892)	(13,756,710)
Depreciation and amortisation	12	(2,525,181)	(2,595,809)	(2,555,620)	(2,558,247)
Other operating expenses	13	(15,263,338)	(11,107,556)	(14,789,882)	(10,714,649)
Total operating expense		(33,670,449)	(27,814,636)	(32,912,394)	(27,029,606)
Profit before tax		62,280,150	35,542,017	61,148,191	34,348,601
Taxation	29.2	(8,863,336)	(3,944,159)	(8,539,821)	(3,545,031)
Profit for the year		53,416,814	31,597,858	52,608,370	30,803,570
Profit attributable to:					
Owners of the Bank		53,409,167	31,591,094	52,608,370	30,803,570
Non-controlling interest		7,647	6,764	-	-
		53,416,814	31,597,858	52,608,370	30,803,570
Basic earnings per share (kobo)	34.1	72	43	71	42
Diluted earnings per share (kobo)	34.2	66	39	65	38

Consolidated and Separate Statement of Comprehensive Income

for the year ended 31 December

		Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
			₦'000	₦'000	₦'000	₦'000
	Profit for the year		53,416,814	31,597,858	52,608,370	30,803,570
	Other comprehensive income:					
a	Items that may be reclassified into profit or loss		–	–	–	–
b	Items that may not be reclassified into profit or loss					
	Fair value loss on equity instrument at FVOCI		(344,300)	(314,769)	(344,400)	(315,482)
	Remeasurement of defined benefit obligation	31.2(d)	(131,501)	(441,284)	(131,501)	(474,069)
	Taxes relating to components of OCI		42,738	153,762	42,738	151,702
			(433,064)	(602,291)	(433,163)	(637,849)
	Other comprehensive income for the period net of tax		(433,064)	(602,291)	(433,163)	(637,849)
	Total comprehensive income for the period net of tax		52,983,750	30,995,567	52,175,207	30,165,721
	Total comprehensive income attributable to:					
	Owners of the Bank		52,976,104	30,988,803	52,175,207	30,165,721
	Non-controlling interest		7,647	6,764	–	–
			52,983,750	30,995,567	52,175,207	30,165,721

The notes on pages 164 to 263 form an integral part of these financial statements

Consolidated and Separate Statement of Financial Position

As at 31 December

		GROUP		BANK	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and bank balances	14	9,654,268	83,230,087	9,253,905	82,593,208
Due from financial Institutions	15	114,969,349	104,652,434	113,533,311	103,625,287
Investment in debt securities	18	751,315,051	872,195,497	751,226,568	872,104,525
Advances under finance lease	17	51,729	9,594	-	-
Loans and advances	19	780,477,268	749,838,732	779,297,001	748,957,244
Equity securities	20	8,590,472	4,403,919	8,569,034	4,382,411
Investment in equity-accounted investee	21	3,035,109	-	3,000,000	-
Investment in subsidiaries	22	-	-	3,745,720	3,545,720
Other assets	23	9,803,141	10,710,266	8,164,961	9,143,024
Intangible assets	24	522,293	529,346	522,294	529,346
Property and equipment	25	25,361,410	25,466,028	21,862,299	21,351,298
Investment property	26	7,134,792	11,160,435	7,001,946	11,023,369
Deferred tax asset	29.4	1,105,689	1,556,290	353,830	817,996
Right-of-use assets	27	-	-	3,275,561	3,920,594
TOTAL ASSETS		1,712,020,571	1,863,752,628	1,709,806,430	1,861,994,022
LIABILITIES					
Derivative liability	16	1,136,937	4,695,233	1,136,937	4,695,233
Tax payable	29.1	8,043,213	4,109,668	7,919,064	3,951,666
Borrowings	30	1,125,303,560	1,302,479,259	1,124,761,517	1,300,972,636
Employee benefits	31	3,550,675	4,638,588	3,193,336	4,188,872
Other liabilities	28	189,139,876	211,346,787	190,276,358	213,221,068
TOTAL LIABILITIES		1,327,174,261	1,527,269,535	1,327,287,212	1,527,029,475
CAPITAL AND RESERVES					
Share capital	33	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	33	90,681,892	64,616,711	89,081,659	63,789,774
Statutory reserve	33	82,587,137	64,502,053	81,917,538	63,857,662
Non - distributable reserves	33	20,108,862	16,381,154	19,976,546	16,251,132
Actuarial reserve	33	559,652	(262,245)	710,635	(111,261)
SME reserve	33	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	33	(2,453,468)	(2,109,168)	(2,458,380)	(2,113,980)
Business combinations under common control	33	919,899	919,899	919,899	919,899
Deposit for shares	32	15,000,000	15,000,000	15,000,000	15,000,000
Total equity attributable to owners of the bank		384,775,295	336,419,725	382,519,218	334,964,547
Non controlling interest		71,015	63,368	-	-
TOTAL EQUITY		384,846,310	336,483,093	382,519,218	334,964,547
TOTAL LIABILITIES AND EQUITY		1,712,020,571	1,863,752,628	1,709,806,430	1,861,994,022

The financial statements were approved by the Board of Directors on 17 March 2022 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 164 to 263 form an integral part of these financial statements

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

	Note	Share Capital N'000	Retained Earnings N'000	Deposit for Shares N'000	Regulatory Reserve: Statutory Reserves N'000	Regulatory Reserve: Non Distributable Reserves N'000	Business combination under common control N'000	Actuarial Reserve N'000	SME Reserve N'000	Fair Value Reserve N'000	Total N'000	Non Controlling Interest N'000	Total equity N'000
Balance as at 1 January, 2020		147,371,321	51,427,211	-	50,562,471	14,519,142	919,899	27,006	30,000,000	(1,794,399)	293,032,651	54,875	293,087,526
Profit or loss for the year		-	31,591,094	-	-	-	-	-	-	-	31,591,094	6,764	31,597,859
Other Comprehensive Income													
Net change in fair value 20		-	-	-	-	-	-	-	-	(314,769)	(314,769)	-	(314,769)
Remeasurement of defined benefit	31.2(d)	-	-	-	-	-	-	(443,013)	-	-	(443,013)	1,729	(441,284)
Tax on other comprehensive income	29.6	-	-	-	-	-	-	153,762	-	-	153,762	-	153,762
Total other comprehensive income		-	-		-	-	-	(289,251)	-	(314,769)	(604,020)	1,729	(602,291)
Total comprehensive income		-	31,591,094	-	-	-	-	(289,251)	-	(314,769)	30,987,074	8,493	30,995,568
Transactions with owners of the Bank													
Contributions and Distributions													
Dividend to equity holders		-	(2,600,000)	-	-	-	-	-	-	-	(2,600,000)	-	(2,600,000)
Reclassification from liability to equity		-	-	15,000,000	-	-	-	-	-	-	15,000,000	-	15,000,000
Transfer to statutory reserve		-	(13,939,582)	-	13,939,582	-	-	-	-	-	-	-	-
Transfer to non-distributable reserves		-	(1,862,012)	-	-	1,862,012	-	-	-	-	-	-	-
Total Contributions and Distributions		-	(18,401,594)	15,000,000	13,939,582	1,862,012	-	-	-	-	12,400,000	-	12,400,000
Balance as at 31 December 2020		147,371,321	64,616,711	15,000,000	64,502,053	16,381,154	919,899	(262,245.32)	30,000,000	(2,109,168)	336,419,725	63,368	336,483,093
Balance as at 1 January, 2021		147,371,321	64,616,711	15,000,000	64,502,053	16,381,154	919,899	(262,245)	30,000,000	(2,109,168)	336,419,725	63,368	336,483,093
Profit for the period		-	53,409,167	-	-	-	-	-	-	-	53,409,167	7,647	53,416,814
Other Comprehensive Income													
Net change in fair value	20	-	-	-	-	-	-	-	-	(344,300)	(344,300)	-	(344,300)
Remeasurement of defined benefit liability	31.2(d)	-	-	-	-	-	-	(131,501)	-		(131,501)	-	(131,501)
Tax on other comprehensive income	29.6	-	-	-	-	-	-	42,738	-		42,738	-	42,738
Total other comprehensive income		-	-	-	-	-	-	(88,763)	-	(344,300)	(433,064)	-	(433,064)
Total comprehensive income		-	53,409,167	-	-	-	-	(88,763)	-	(344,300)	52,976,104	7,647	52,983,750
Transactions with owners of the Bank													
Contributions and distributions													
Dividend to equity holders		-	(4,620,535)	-	-	-	-	-	-	-	(4,620,535)	-	(4,620,535)
Reclassification from liability to equity		-	-	-	-	-	-	-	-	-	-	-	-
Realised gain on equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	(910,660)	-	-	-	-	910,660	-	-	-	-	-
Transfer to statutory reserve		-	(18,085,084)	-	18,085,084	-	-	-	-	-	-	-	-
Transfer to/(from) non-distributable reserve		-	(3,727,708)	-	-	3,727,708	-	-	-	-	-	-	-
Total contributions and distributions		-	(27,343,987)	-	18,085,084	3,727,708	-	910,660	-	-	(4,620,535)	-	(4,620,535)
Balance as at 31 December, 2021		147,371,321	90,681,892	15,000,000	82,587,137	20,108,862	919,899	559,652	30,000,000	(2,453,468)	384,775,295	71,015	384,846,310

The notes on pages 164 to 263 form an integral part of these financial statements

Statement of Changes in Equity - Bank

As at 31 December

	Note	Share Capital N'000	Retained Earnings N'000	Regulatory Reserve: Deposit for Shares N'000	Regulatory Reserve: Statutory Reserves N'000	Non Distributable Reserves N'000	Business combination under common control N'000	SME Reserve N'000	Fair Value Reserve N'000	Acturial reserve N'000	Total N'000
Balance as at 1 January, 2020		147,371,321	51,345,947	-	49,952,840	14,396,211	919,899	30,000,000	(1,798,498)	211,106	292,398,826
Profit or loss		-	30,803,570	-	-	-	-	-	-	-	30,803,570
Other Comprehensive Income											
Remeasurement of defined benefit liability	31.2(d)	-	-	-	-	-	-	-	-	(474,069)	(474,069)
Tax on other comprehensive income	29.6	-	-	-	-	-	-	-	-	151,702	151,702
Net change in fair value	20	-	-	-	-	-	-	-	(315,482)	-	(315,482)
Total Other Comprehensive Income		-	-	-	-	-	-	-	(315,482)	(322,367)	(637,849)
Total Comprehensive Income		-	30,803,570	-	-	-	-	-	(315,482)	(322,367)	30,165,721
Transactions with owners of the Bank											
Contributions and distributions											
Dividend to equity holders		-	(2,600,000)	-	-	-	-	-	-	-	(2,600,000)
Reclassification from liability to equity		-	-	15,000,000	-	-	-	-	-	-	15,000,000
Transfer to statutory reserve		-	(13,904,822)	-	13,904,822	-	-	-	-	-	-
Transfer to non-distributable reserves		-	(1,854,921)	-	-	1,854,921	-	-	-	-	-
Transfer to SME reserves		-	-	-	-	-	-	-	-	-	
Total contributions and distributions		-	(18,359,743)	15,000,000	13,904,822	1,854,921	-	-	-	-	12,400,000
Balance as at 31 December, 2020		147,371,321	63,789,774	15,000,000	63,857,662	16,251,132	919,899	30,000,000	(2,113,980)	(111,261)	334,964,547
Balance as at 1 January, 2021		147,371,321	63,789,774	15,000,000	63,857,662	16,251,132	919,899	30,000,000	(2,113,980)	(111,261)	334,964,547
Profit or loss		-	52,608,370	-	-	-	-	-	-	-	52,608,370
Other Comprehensive Income											
Remeasurement of defined benefit liability	31.2(d)	-	-	-	-	-	-	-	-	(131,501)	(131,501)
Tax on other comprehensive income	29.6	-	-	-	-	-	-	-	-	42,738	42,738
Net change in fair value	20	-	-	-	-	-	-	-	(344,400) -		(344,400)
Total other comprehensive income		-	-	-	-	-	-	-	(344,400)	(88,763)	(433,163)
Total comprehensive income		-	52,608,370	-	-	-	-	-	(344,400)	(88,763)	52,175,207
Transactions with owners of the Bank											
Contributions and distributions											
Dividend to equity holders		-	(4,620,535)		-	-	-	-	-	-	(4,620,535)
Transfer to retained earnings		-	(910,660)	-	-	-	-	-	-	910,660	-
Transfer to statutory reserve		-	(18,059,876)	-	18,059,876		-	-	-	-	-
Transfer to non-distributable reserve		-	(3,725,414)	-	-	3,725,414	-	-	-	-	-
Total contributions and distributions		-	(27,316,485)	-	18,059,876	3,725,414	-	-	-	910,660	(4,620,535)
Balance as at 31 December, 2021		147,371,321	89,081,659	15,000,000	81,917,538	19,976,546	919,899	30,000,000	(2,458,380)	710,635	382,519,218

The notes on pages 164 to 263 form an integral part of these financial statements

Consolidated and Separate Cash Flow Statement

For the year ended 31 December

	Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
		₦'000	₦'000	₦'000	₦'000
Operating activities					
Cash from operations	35	18,588,970	120,052,767	18,650,295	119,728,017
Income tax paid	29.1	(4,436,452)	(1,809,419)	(4,065,519)	(1,384,024)
Net cash from operating activities		14,152,518	118,243,348	14,584,776	118,343,993
Investing activities					
Purchase of equity securities		(4,532,023)	(280,736)	(4,532,023)	(280,736)
Dividend from equity securities	9	982	1,693	42	594
Proceed from disposal of investment properties	26(b)	2,608,250	-	2,608,250	-
Proceeds from disposal of equity		3,230	-	3,230	-
Purchase of property and equipment	25	(2,043,157)	(3,236,971)	(857,438)	(1,153,070)
Purchase of intangible assets	24	(171,893)	(180,311)	(171,893)	(180,311)
Proceed from disposal of property and equipment		31,301	133,794	0	15,733
Proceeds from redemption of debt securities	36(b)	3,326,909,033	1,847,775,521	3,326,909,033	1,847,775,521
Purchase of debt securities	36(b)	(3,206,465,020)	(2,519,908,442)	(3,206,465,020)	(2,519,908,442)
Investment in associates		(3,035,109)	-	(3,000,000)	-
Investment in subsidiaries	22.1	-	-	(200,000)	-
Net cash (used in)/from investing activities		113,305,594	(675,695,452)	114,294,181	(673,730,711)
Financing activities					
Proceeds from borrowing	29.3	3,882,109	931,345,033	3,882,109	931,345,033
Repayment on Borrowing	29.3	(190,036,996)	(229,660,905)	(189,164,771)	(229,660,905)
Dividend payment		(4,620,535)	(2,600,000)	(4,620,535)	(2,600,000)
Lease liability payment		-	-	(2,461,061)	(2,422,444)
Net cash from/(used in) financing activities		(190,775,422)	699,084,128	(192,364,258)	696,661,684
Net increase/(decrease) in cash and cash equivalents		(63,317,310)	141,632,024	(63,485,301)	141,274,966
Cash and cash equivalents at 1 January		188,417,819	46,785,795	186,746,365	45,471,399
Cash and cash equivalents at 31st December	36(a)	125,100,509	188,417,819	123,261,064	186,746,365

The notes on pages 164 to 263 form an integral part of these financial statements

1. General information

Bank of Industry was incorporated as a private limited liability company under the name Nigerian Industrial Development Bank Limited on 22 January 1964 and domiciled in Nigeria. The Bank changed its name to Bank of Industry Limited by a special resolution on 5 October 2001. It is owned by the Ministry of Finance Incorporated (94.80%), Central Bank of Nigeria (5.19%) and other Nigerian citizens (0.0008%). The Bank's registered address is 23 Marina Road Lagos. The Bank is primarily engaged in providing financial assistance for the establishment and expansion of large, medium small scale and micro projects. The shares are not quoted in a public market and it does not file its financial statements with a securities and exchange commission for the purpose of issuing any class of instruments in a public market.

The Bank has 4 subsidiaries; they include LECON Financial services, BOI Microfinance Bank, BOI Insurance Brokers and BOI Investment and Trust Company. The consolidated and separate financial statement as at 31 December 2021 comprise the Bank and its subsidiaries together referred to as "the Group"

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS standards and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004, Central Bank of Nigeria (CBN) Guidelines and Circulars and Circulars Supervisory Guidelines for Development Finance institutions in Nigeria and other relevant Guidelines and circulars.

Details of the Group's accounting policies, including changes during the year, are included in Notes 3 and 4 respectively of the consolidated and separate financial statements. The consolidated and separate financial statements were authorised for issue on 17 March 2022.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following material items, which are measured on the following alternative basis on each reporting date.

Items	*Measurement basis*
Financial instruments at FVTPL	Fair value
Equity instruments 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.

(d) Use of judgement and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is included in the following notes below.

- Business model assessment

Classification and measurement of financial assets depends on the contractual cashflow characteristics of financial assets and the Bank's business model for managing financial assets. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial assets contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

-contingent events that would change the amount and timing of cash flows;
-leverage features;
-prepayment and extension terms;
-terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
-features that modify consideration of the time value of money (e.g. periodical reset of interest rates)

The Group holds a portfolio of short, medium and long-term loans for which the borrower has the option to prepay at par. The Group has determined that the contractual cash flows of these loans are solely payment of principal and interest because the interest represent consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. In addition, the right to prepay merely results in the acceleration of the payment of principal outstanding plus accrued interest since the last interest payment due.

- **Significant increase of credit risk**

  Expected Credit Loss (ECL) is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. The Group applies judgement in establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition. The Group takes into account qualitative and quantitative reasonable and supportable forward looking information. Refer to note 42(e) for details of how judgement is applied.

- **Establishing groups of assets with similar credit risk characteristics**

  When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 42(e) for details of the characteristics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

- **Determination of power over relevant activities of funds under management**

  The Group assesses whether it controls the relevant activities of funds under management based on the scope of decision making over the fund, the rights held by other parties, the remuneration to which it is entitled to in accordance with the fund management agreement and its exposure to variability of returns on the funds. Different weightings are applied to each of the factors on the basis of particular facts and circumstances. 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 Group's financial statements. Where based on the assessment, the Group 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 period ended 31 December 2021 is included in the following notes.

- **Impairment allowance on financial instruments**

  The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Some of the assumptions include assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Explanations of inputs, assumptions and estimation techniques used in measuring the ECL impairment of financial instruments are further detailed in Note 4.4 and Note 42(e).

- **Fair value measurement and valuation process**

  In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial instruments. The inputs, assumptions and estimation techniques used in determining fair values are further detailed in Note 20.2

- 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 29.4

- 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 28.1

- 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 25

- 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 24 and 25

3. Changes in significant accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 4 to all periods presented in these separate and consolidated financial statements. The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of 1 January 2021.

A. Amendments to IFRS 9,IAS 39 and IFRS 7 Interest rate Benchmark Reform - Phase 2

Phase 2 of the amendments require, as a practical expedient, for financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows that relates directly to the interest rate benchmark reform are treated as changes to a floating rate reflected by adjusting their effective interest rate without adjusting the carrying amount. No immediate gain or loss is recognised. The use of the practical approach is subject to two conditions: i) First, the change in the basis for determining contractual cash flows must be a 'direct consequence of the Reform' ii) Second, the new basis for determining the contractual cash flows must be 'economically equivalent' to the previous basis immediately preceding the change.

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the instrument is not derecognised).

Phase 2 amendments also applies to IFRS 16 Leases. Lessees are required to remeasure their liabilities in similar fashion to any other change in the future lease payments resulting from a change in an index or a rate used to determine those lease payments in accordance to IFRS 16 rather than as a lease modification. Applying IFRS 16, modifying a lease contract to change the basis for determining the variable lease payments meets the definition of a lease modification, because a change in the calculation of the lease payments would change the original terms and conditions determining the consideration for the lease. Without the relief, IFRS 16 would require an entity to account for a lease modification by remeasuring the lease liability by discounting the revised lease payments using a revised discount rate (with an offsetting adjustment to the right of use asset). A practical expedient exists for lease liabilities. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the normal requirements of IFRS 16 are applied to the entire lease modification, including those changes required by IBOR reform.

Effect of IBOR reform following the financial crisis

The reform and replacement of benchmark interest rates such as USD LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There remains some uncertainty around the timing and precise nature of these changes. Bank of Industry currently has a some contracts which references USD LIBOR and Euribor and extend beyond 2021.

These contracts are disclosed within the table below. It is currently expected that Secured Overnight Financing Rate (SOFR) will replace USD LIBOR and SONIA (Sterling Overnight Index Average) will replace GBP LIBOR. There remain key differences between USD/GBP LIBOR and SOFR/SONIA respectively.

Meanwhile, the Euro Overnight interest Average (EONIA) is being replaced by the Euro Short Term-Rate (ESTR). Reforms to the Euro Interbank Offered Rate(EURIBOR) methodology were completed in 2019, but the long-term sustainability of EURIBOR depends on factors such as whether the panel of contributing banks continue to support it and whether or not there is sufficient activity in its underlying market. Consequently, appropriate fallbacks for EURIBOR will be needed and there are currently mixed views as to whether EURIBOR is still in or outside the scope of the IFRS IBOR Reform Amendments.

It is also expected that publication for InterBank offer rates for the following currencies will stop after 31 December 2021: all GBP, EUR, CHF and JPY LIBOR and the one week and two month USD LIBOR settings. All remaining USD LIBOR settings (i.e., the overnight and the one-, three-, six- and 12-month settings) will cease to be published based on panel bank submissions after 30 June 2023.

LIBOR is a 'term rate', which means that it is published for a borrowing period (such as three months or six months) and is 'forward looking', because it is published at the beginning of the borrowing period. SONIA and SOFR are currently 'backwardlooking' rates, based on overnight rates from actual transactions, and are published at the end of the overnight borrowing period.

Furthermore, LIBOR includes a credit spread over the risk-free rate, which SONIA or SOFR currently does not. To transition existing contracts and agreements that reference USD or GBP LIBOR to SOFR or SONIA respectively, adjustments for term differences and credit differences might need to be applied to SOFR or SONIA, to enable the benchmark rates to be economically equivalent on transition. The Group is currently assessing the impact of transitioning from IBOR to alternative reference rates.

The greatest change is expected to be amendments to the contractual terms of the IBOR-referenced floating-rate instruments. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having accounting implications. There have been general communications with counterparties, but specific changes required by IBOR reform have not yet been agreed.

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR.

The following table contains details of all of the financial instruments that the Group holds at 31 December 2021 which reference USD LIBOR and EURIBOR and have not yet transitioned to an alternative interest rate benchmark.

	Group		Bank	
	EURIBOR	USD LIBOR	EURIBOR	USD LIBOR
	N'000	N'000	N'000	N'000
Non-derivative financial liabilities				
Borrowings	360,036,036	377,327,897	360,036,036	377,327,897

B. Covid-19 related Rent Concessions - Amendments to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

The economic challenges presented by COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The IASB Board has therefore extended the practical expedient by 12 months - i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. Effective date is 1 June 2020. The Group had no such Covid-19 related rent concessions as such there is no impact on the Group financial statements.

3.2 New and Revised Standards issued but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 Reference to the Conceptual Framework
- IFRS 17 Insurance Contracts
- Amendments to IFRS 10 and IAS 28
- Amendments to IAS 16 Property Plant and Equipment-Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Annual improvements to IFRS standards 2018-2020 - Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IFRS 41
- Amendments to IAS 8 - Definition of Accounting Estimate
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

(a) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Group does not anticipate early adoption of the standard and is currently evaluating its impact.

(b) Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

(c) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application

(d) Amendments to IFRS 10 and IAS 28

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(e) Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Group does not anticipate early adoption of the standard and is currently evaluating its impact.

(f) **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Group does not anticipate early adoption of the standard and is currently evaluating its impact.

(g) **Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements include amendments to four Standards

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(h) Definition of Accounting Estimate - Amendments to IAS 8

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and

- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Group does not anticipate early adoption of the standard and is currently evaluating its impact.

(i) **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice statement 2 Making Materiality Judgements is to help companies provided useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material:

The amendments are effective from 1 January 2023 but may be applied earlier.

entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are effective from 1 January 2023 but may be applied earlier. The Group does not anticipate early adoption of the standard and is currently evaluating its impact.

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.

4 Significant accounting policies

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.

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

(b) Fees and commission and other income

Fee income is earned from a diverse range of services provided by Bank of Industry Limited to its customers. Fee income is accounted for as follows:

–income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate (for example, certain loan commitments, arrangement and processing fees) and recorded in Interest income. Commitment fees, together with related direct costs, for loan facilities where drawdown is probable are deferred and recognised as an adjustment to the effective interest on the loan once drawn down. Commitment fees in relation to facilities where drawdown is not probable are recognised over the term of the commitment.

–Other fee and commission income – including account asset management, portfolio and other management advisory and services fees, wealth management and financial planning – is recognised 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 IFRS 15 to the residual.

4 Significant accounting policies

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 Group's right to receive the dividends is established in accordance with IFRS 9 Financial Instruments, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

4.2 Determination of fair value

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield curves, option volatilities and currency rates. When such evidence exists, the Group recognises a gain or loss on inception of the financial instrument, being the difference between the transaction price and the fair value. When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value indicated by the valuation model from the transaction price is not recognised immediately in the income statement but is recognised over the life of the transaction on an appropriate basis, or when the inputs become observable, or the transaction matures or is closed out, or when the firm enters into an offsetting transaction.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities assumed. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Fair values of financial instruments may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data, where current prices or observable market data are not available. Various factors influence the availability of observable inputs and these may vary from product to product and change over time.

To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, depending on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities or other analytical techniques.

4.3 Financial Instruments

Financial assets and Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financials assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets

4 Significant accounting policies

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.
-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

4 Significant accounting policies

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investment in equity that are not held for trading as at FVOCI on initial application of IFRS 9.

Dividends on these investments in equity instrumets are recognised in profit or loss when the Group'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. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

iii. Reclassification

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intenton to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the income statement unless required or permitted by any accounting standard or interpretation.

4 Significant accounting policies

(b) Derecognition 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.

(c) Financial liabilities and equity instruments

<u>Classification as debt or equity</u>

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.

<u>Equity instruments</u>

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.

<u>Financial liabilities</u>

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:

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

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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 Group as at fair value through profit or loss are recognised in profit or loss.

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.

(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Derivative financial instruments

The Group enters into derivative financial instruments such as such foreign exchange forward contracts and currency swap to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(f) Embedded derivatives

Derivatives embedded in financial liabilities or other non-financial asset host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;

for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;

(h) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified assets are substantially different. If the cash flows are substantially different, then the contractual right to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the terms of a financial assets were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate.

Financial liabilities

The Group also derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If the terms of a financial liability modification is not substantially different, the financial liability is not derecognised. The difference between the present value of the original financial liability and the modified financial liability would be recognised in profit or loss in future periods through the revised effective interest rate.

4.4 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on loans and advances measured at amortised cost or at FVOCI, lease receivable, as well as on loan commitments. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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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 assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

(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 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(b) Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Irrespective of the above analysis, the Group considers that credit risk has significantly increased since initial recognition when a contractual payments are more than 30 days past due unless the Group has reasonable and supportable information to demonstrate otherwise.

(c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial
- restructuring of the loan
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be creditimpaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

• The market's assessment of creditworthiness as reflected in the bond yields.
• The rating agencies' assessments of creditworthiness.
• The country's ability to access the capital markets for new debt issuance.
• The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
• The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Indicators of a financial difficulty that triggers a write off includes: when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group);

Past-due status;

Nature, size and industry of debtors;

Nature of collaterals for finance lease receivables; and

External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(f) Restructured financial assets

If the terms of a financial assets renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset are included in calculating the cash shortfalls from the existing assets.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the asset is treated as final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

4.5 Property and equipment

(a) Recognition and measurement

Items of property and equipment are stated at cost less any impairment losses and depreciation calculated on a straight-line basis 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. Where significant parts of an item of property and equipment has different useful lives, they are accounted for as separate components of property and equipment. All other repairs and maintenance are charged to the profit and loss statement during the period in which they are incurred.

(b) Depreciation

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. The depreciable amount is the gross carrying amount, less the estimated residual value at the end of its useful economic life.

The firm depreciates its assets over the following period

Freehold Buildings	50
Freehold land	Not depreciated
Leasehold land	Not depreciated
Construction Work in progress	Not depreciated
Motor vehicles	4
Furniture, fittings and Equipment	4

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic 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 IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner- occupied. The Group considers the owner-occupied portion as insignificant when the property is more than 75% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Group uses the size of the property measured in square metre. Recognition of investment properties takes place only

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when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost and accounted for in a manner similar to IAS 16 requirements. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group depreciates its investment property over a 50 year period.

4.7 Intangible assets

(a) Computer software

Computer software is stated at cost, less amortisation and accumulated impairment losses, if any.

The identifiable and directly associated external and internal costs of acquiring and developing software are capitalized where the software is controlled by the Group, and where it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense during the period when they are incurred.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for computer software is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

4.8 Impairment of non-financial assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets, are assessed for indicators of impairment. If indicators are present, these assets are subject to an 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

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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 reporting date is dealt with in the subsequent period.

4.10 Employee benefits

(a) Post-employment benefits

The Group operates a defined contribution plan, based on a percentage of pensionable earnings funded by both the Group and qualifying employees under a mandatory scheme governed by the Pension Reform Act of 2004. The employer contributes 25% and employee contribute 5% of pensionable earnings hence an amount of 30% in total is contributed. Contributions to these plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group previously operated a partly funded defined benefits scheme regarded as a gratuity plan for its qualifying employees. This scheme ceased to exist with effect from 1st January 2021. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of the gratuity plans as at reporting date is the terminal amount payable to all employees on exit from the Bank less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs/gains. The plan obligation was determined on the cessation date using the emolument as at the cessation date i.e.(31st December 2020), the percentage attributable to the number of years in service. This was computed for all staff in employment as at the cessation date regardless of attainment of the previously determined five (5) years of service requirement.

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.

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(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.

A provision for onerous contracts is recognised when the expected benefits to be derived by the firm from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

4.12 Taxes, including deferred taxes

(a) Income tax

Income tax comprises current tax and deferred tax. Current tax is the tax expected to be payable on the taxable profit for the period, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years and is recognised as an expense in the period in which profits arise. Current tax assets and liabilities are offset when the Group intends to settle on a net basis and the legal right to offset exists. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

(b) Deferred tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted at the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(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.

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Recognition of deferred tax assets is based on the evidence available about conditions at the balance sheet date, and requires significant judgments to be made regarding projections of loan impairment charges and the timing of recovery in the economy. These judgments take into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income, future reversals of existing taxable temporary differences, tax planning strategies and the availability of loss carrybacks.

4.13 Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on hand, placements due from financial institutions and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

Cash and cash equivalents are measured at amortised cost.

4.14 Lease

The Group as a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recognised within Advance under finance lease as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right- of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognise the lease payments as an operating expense on a straight-line basis over the term of the unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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.

4 Significant accounting policies

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 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 make 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 Significant accounting policies

4.15 Fiduciary activities

The Group 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 Group. The fees earned on these activities are recognised as management fees.

4.16 Earnings per share

The Group present basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Where there are shares that could potentially affect the numbers of share issued, those shares are considered in calculating the diluted earnings per share.

4.17 Business combination

Business Combination under common controls are accounted for in the consolidated accounts prospectively from the date the Bank obtains the ownership interests. Assets and liabilities are recognized upon reconsolidation at their carrying amount in the consolidated financial statement of the Group. Any difference between the fair values of consideration paid and the amounts at which the assets and liabilities are recorded is recognized directly in equity reserve.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3, "Business Combinations", a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants.

A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business. For acquisitions meeting the definition of business, the acquisition method is used. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired is recorded as goodwill. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicated the need for an impairment. If the cost of acquisition is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly in the consolidated income statement.

For acquisitions not meeting the definition of business, the Group allocates the cost between the individual identifiable assets and liabilities. The cost of acquired assets and liabilities is determined by (a) accounting for financial assets and liabilities at their fair value at the acquisition date as measured in accordance with IFRS 9, "Financial instruments"; and (b) allocating the remaining balance of the cost of purchasing the assets and liabilities to the individual assets and liabilities, other than financial instruments, based on their relative fair values at the acquisition date.

4.18 Consolidation

The financial statements of the consolidated subsidiaries, used to prepare the consolidated financial statements, were prepared as of the Group's reporting date.

4 Significant accounting policies

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 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 Group 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.

4 Significant accounting policies

d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of postacquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

e) Common control transactions

Common control transactions in the consolidated financial statements are accounted for prospectively from the date the Group 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.

f) 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.

4.19 Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or losss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

		Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
			₦'000	₦'000	₦'000	₦'000
5	**Interest income**					
	Interest income on financial assets carried at amortised cost:					
	Loans and advances to customers		51,778,173	51,669,925	51,560,246	51,529,884
	Loans and advances to financial institutions		1,566,826	1,583,937	1,566,826	1,583,937
	Placements with financial institutions		14,972,050	1,912,111	14,887,422	1,912,111
	Investment in debt securities		107,502,913	61,729,539	107,496,562	61,645,203
	Total interest income calculated using effective interest method					
	Other Interest income:		175,819,962	116,895,512	175,511,056	116,671,135
	Lease Income		10,898	10,699	-	-
			175,830,860	116,906,211	175,511,056	116,671,135
6	**Interest expense**					
	Borrowings	6.1	57,866,159	34,117,130	57,793,109	33,961,426
	Lease liabilities	6.2	-	-	818,461	1,014,257
			57,866,159	34,117,130	58,611,570	34,975,683

6.1 The total represents interest expense on financial liabilities that are measured at amortised cost.

6.2 This represents the unwinding of discount on future lease payments for the year.

		Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
7	**Fees and commission income**					
	Management fee on third party funds	7.1	1,694,322	2,047,399	1,694,322	2,047,399
	Credit related fees		3,737,888	3,483,066	3,543,486	3,316,146
	Commission on letter of credit		226,405	235,417	9,397	32,566
	Fees and commission income		5,658,615	5,765,882	5,247,205	5,396,111

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% to 2% monitoring fees paid to Commercial Banks for loan facilities guaranteed.

		Note	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
8	**Net gain/(loss) from financial instruments measured at fair value**					
	Derivative gain/(loss)	16	(16,563,541)	(17,816,567)	(16,563,541)	(17,816,567)
	Fair value gain on equity investments at FVTPL		1,322	(183)	-	-
			(16,562,219)	(17,816,750)	(16,563,541)	(17,816,567)

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
9	**Other income/(loss)**					
	Loss on disposal of Investment property		(1,178,417)	-	(1,178,417)	-
	Exchange loss		513,616	1,060,946	509,914	1,000,476
	Rental income	9.1	549,809	719,251	519,810	713,796
	LPO finance income		535	2,132	-	-
	Loan recoveries		786,644	719,808	786,044	692,213
	Brokerage income		101,954	94,730	-	-
	Dividend from equity securities		982	1,693	42	594
	(Loss)/gain on disposal of Property and Equipment		(9,215)	97,679	-	12,465
	Grant income		-	3,687,692	-	3,687,692
	Other miscellaneous income		2,261,926	2,787,060	1,993,043	2,506,769
			3,027,834	9,170,991	2,630,436	8,614,005

9.1 Rental Income represents income earned from rental of the Group's investment properties and building.

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
10	**Impairment charges/(write back)**					
	Cash Balances	43(e)(I)	(24,725)	23,639	(24,725)	23,639
	Due from Financial Institutions	43(e)(ii)	(33,680)	231,253	(29,297)	232,491
	Investment in debt securities	43(e)(iii)	(190,584)	261,760	(190,926)	257,392
	Loans and advances	43(e)(iv)	3,737,341	5,167,186	3,726,978	5,168,915
	Other assets	43(e)(v)	479,592	805,440	466,581	761,784
	Advances under finance lease	43(e)(vi)	1,109	(3,299)	-	-
	Modification loss	10(a)	5,126,127	6,361,195	5,126,127	6,361,195
			9,095,180	12,847,174	9,074,738	12,805,416

10(a) The Group restructured some of its loans in 2020 and 2021 in form of interest rate reduction, moratorum extension and tenure elongation. This was necessitated due to the anticipated impact of COVID-19 on the businesses of its customers. In 2020, interest rate was reducted by 2%, a moratorium of three(3) months was also extended and in some cases there were additional moratorium extension of nine(9) months. The interest rate reduction by 2% for one (1) year commenced April 1, 2020 and terminates March 31, 2021. After the terminal period of March 31, 2021, there was a further restructuring in 2021, which led to the extension of the interest rate reduction of 2% by an additional twelve (12) months, which terminates in March 31, 2022. The effect of this restructuring resulted to a modification loss of N5.126 billion in 2021 (2020: N6.361 billion).

		GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
11	**Staff costs**				
	Salaries and wages	13,747,497	11,004,584	13,480,614	10,752,025
	Contributions to defined contribution plans	1,254,233	1,233,239	1,204,129	1,182,658
	Expenses related to post-employment defined benefit plans	(709,573)	623,709	(706,886)	573,955
	Medical and welfare expenses	1,589,774	1,249,739	1,589,036	1,248,073
		15,881,931	14,111,271	15,566,892	13,756,710

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
12	**Depreciation and amortisation**					
	Amortisation of Intangible asset		178,945	150,902	178,945	150,902
	Depreciation of property and equipment		2,107,258	2,177,534	346,437	320,751
	Depreciation of investment property		238,976	267,372	234,756	263,152
	Depreciation of right-of-use asset		-	-	1,795,481	1,823,442
			2,525,181	2,595,808	2,555,620	2,558,247
13	**Other operating expenses**					
	Rent and rates		654,162	432,449	631,441	420,765
	Directors' emoluments	38b	318,870	337,418	297,845	323,790
	Postages and telephones		201,768	158,700	197,467	154,366
	Entertainment		258,816	263,412	253,353	259,260
	Motor running/ staff travelling expenses		1,062,741	657,614	1,046,512	646,572
	Advertisement expenses		567,278	321,996	564,475	319,536
	Professional service fees		1,024,012	851,632	1,002,344	826,416
	Corporate promotional expenses		1,324,487	917,955	1,324,487	917,955
	Business development expenses		2,161,354	1,779,807	2,161,354	1,779,807
	MSME development		1,587,829	695,926	1,587,829	695,926
	North east development expenses		430,808	-	430,808	-
	Training and conference, etc		887,537	532,862	880,359	528,107
	Bank charges		30,190	116,415	27,621	114,227
	Insurance		533,922	403,211	485,419	345,337
	Subscriptions		25,939	13,418	24,615	11,831
	Cacovid donation		-	962,000	-	962,000
	Donations		35,500	11,292	35,500	11,292
	Repairs and maintenance		1,532,588	740,818	1,525,229	731,972
	Sundry expenses		333,532	202,220	273,637	151,454
	Office expenses		2,010,421	1,421,809	1,781,352	1,250,927
	Printing and stationery		186,464	116,126	183,235	113,528
	Other asset write off		-	74,581	-	74,581
	Audit fee		95,120	95,895	75,000	75,000
			15,263,338	11,107,556	14,789,882	10,714,649

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
14	**Cash and Bank Balances**					
	Cash in hand		12,569	3,531	2,661	2,119
	Cash balances with Local Banks		4,439,642	7,097,336	4,049,187	6,461,869
	Cash Balances with Foreign Banks		2,524,581	2,700,849	2,524,581	2,700,849
	Cash with CBN		2,678,183	73,453,804	2,678,183	73,453,804
			9,654,975	83,255,520	9,254,612	82,618,641
	Allowance for impairment	43(e)(i)	(707)	(25,433)	(707)	(25,433)
			9,654,268	83,230,087	9,253,905	82,593,208

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
15	**Due from Financial Institutions**					
	Fixed Deposit - Local		67,524,634	33,585,168	66,085,552	32,550,593
	Fixed Deposit - Foreign		47,920,900	71,577,131	47,920,900	71,577,131
			115,445,534	105,162,299	114,006,452	104,127,724
	Allowance for impairment	43(e)(ii)	(476,185)	(509,865)	(473,141)	(502,437)
			114,969,349	104,652,434	113,533,311	103,625,287

Due from financial institutions represents local and domiciliary fixed deposit placements with financial institutions in Nigeria with original maturities of less than three months

16 Derivative instrument

Group and Bank

31 December 21

Fair Values

	Counterparty	Notional contract Amount ₦'000	Derivative Asset ₦'000	Derivative Liability ₦'000	Net ₦'000
Foreign Currency swap - USD	Central Bank of Nigeria	378,357,075	999,980	-	999,980
Foreign Currency swap - EUR	Central Bank of Nigeria	474,624,100	-	(2,136,917)	(2,136,917)
		852,981,175	999,980	(2,136,917)	(1,136,937)

31 December 20

	Counterparty	Notional contract Amount ₦'000	Derivative Asset ₦'000	Derivative Liability ₦'000	Net ₦'000
Foreign Currency swap - USD	Central Bank of Nigeria	411,077,500	-	(135,311)	(135,311)
Foreign Currency swap - EUR	Central Bank of Nigeria	450,693,600		(4,559,923)	(4,559,923)
		861,771,100	-	(4,695,234)	(4,695,234)

The Bank entered into various foreign currency swap contracts of Euros and US dollars notional amount with the Central Bank of Nigeria (CBN) during the period. On reporting date, the Group estimates the fair value of the derivatives transacted with the CBN using the discounted cashflow technique. Most inputs into the valuation techniques are wholly observable.

During the year ended 31 December 2021, the derivative contracts entered into by the Group generated net loss of N16.5billion (31 December 2020 net loss of N17.8billion), which were recognized in the statement of profit or loss and other comprehensive income. See note 8.

		Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
17	**Advances under Finance Lease**					
	Gross Investment	17.1	67,722	10,921	-	-
	Unearned Income	17.1	(14,715)	(876)	-	-
	Present value of minimum lease payments	17.1	53,007	10,045	-	-
	Allowance for uncollectible lease payments	17.1	(1,278)	(451)	-	-
			51,729	9,594	-	-

	Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
17.1 Advances under finance lease may be analysed as follows:					
Gross investment in finance leases					
- No later than 1 year		-	10,921	-	-
- Later than 1 year and no later than 5 years		67,722	-	-	-
		67,722	10,921	-	-
Unearned Income		(14,715)	(876)	-	-
Net Investment in finance lease		53,007	10,045	-	-
Less Impairment allowance	43(e)(v)	(1,278)	(451)	-	-
		51,729	9,594	-	-
Net Investment in finance lease					
Less than one year		-	10,045		
Between one and five years		53,007	-		
		53,007	10,045	-	-

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-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
18 Investment in debt securities at amortised cost					
Treasury Bills		88,875	91,021	-	-
CBN Omo Bills	18.1	751,296,126	872,365,010	751,296,126	872,365,010
		751,385,001	872,456,031	751,296,126	872,365,010
Impairment allowance		(69,950)	(260,534)	(69,558)	(260,485)
		751,315,051	872,195,497	751,226,568	872,104,525

18.1 This represents the carrying amount of the Bank's investment in CBN OMO Bills at an interest rate that ranged from 12% to 13% per annum during the year ended 31 December 2021.

	Note	GROUP 31-Dec-21 ₦'000	GROUP 31-Dec-20 ₦'000	BANK 31-Dec-21 ₦'000	BANK 31-Dec-20 ₦'000
19 Loans and advances					
Loans to customers		651,591,031	575,393,243	650,395,944	574,507,297
Loans to financial institutions		145,912,557	187,754,160	145,912,557	187,754,160
Gross loans and advances		797,503,588	763,147,403	796,308,501	762,261,457
Less ECL allowance	43(e)(iv)	(17,026,320)	(13,308,671)	(17,011,500)	(13,304,213)
Net loans and advances		780,477,268	749,838,732	779,297,001	748,957,244

20 Equity investment securities

	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
Quoted equity investments at FVTPL	4,087	4,257	676	676
Quoted equity investments at FVOCI	10,498	10,498	8,077	8,077
Unquoted equity investments at FVOCI	8,575,887	4,389,164	8,560,281	4,373,658
Total equity investment securities	8,590,472	4,403,919	8,569,034	4,382,411

Analysis of movement in the Group's equity investment securities are presented below:

Group

31-Dec-21	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
	N'000	N'000	N'000	N'000
Balance as at 1 January 2021	4,257	10,498	4,389,164	4,403,919
Additions during the year	-	-	4,532,023	4,532,023
Disposal during the year	(1,492)	-	(1,000)	(2,492)
Realised fair value gain/(loss) recognised in P&L	852	-	-	852
Unrealised fair value gain/(loss) recognised in P&L	470	-	-	470
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	-	(344,300)	(344,300)
Balance as at 31 December 2021	4,087	10,498	8,575,887	8,590,472

30-Dec-20	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
	N'000	N'000	N'000	N'000
Balance as at 1 January 2020	4,440	9,850	2,556,999	2,571,289
Additions during the year	-	-	2,147,582	2,147,582
Unrealised fair value gain/(loss) recognised in P&L	(183)	-	-	(183)
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	648	(315,417)	(314,769)
Balance as at 31 December 2020	4,257	10,498	4,389,164	4,403,919

Bank

31-Dec-21	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
	N'000	N'000	N'000	N'000
Balance as at 1 January 2021	676	8,077	4,373,658	4,382,411
Additions during the year	-	-	4,532,023	4,532,023
Disposal during the year	-	-	(1,000)	(1,000)
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	-	(344,400)	(344,400)
Balance as at 31 December 2021	676	8,077	8,560,281	8,569,034

31-Dec-20	Quoted equity investments at FVTPL	Quoted equity investments at FVOCI	Unquoted equity investments at FVOCI	Total
	N'000	N'000	N'000	N'000
Balance as at 1 January 2020	676	8,142	2,541,493	2,550,311
Additions during the year	-	-	2,147,582	2,147,582
Unrealised fair value loss recognised in other comprehensive income	-	(65)	(315,417)	(315,482)
Balance as at 31 December 2020	676	8,077	4,373,658	4,382,411

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

	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
(a) Quoted equity investment securities measured at FVTPL				
Union Trading Company Plc	676	676	676	676
Other Equity investments	3,411	3,581	-	-
	4,087	4,257	676	676
(b) Quoted equity investment securities measured at FVOCI				
GlaxoSmith Kline	278	278	278	278
I.P.W.A Plc	3,478	3,478	3,478	3,478
Thomas Wyatt Plc	395	395	395	395
Staco Insurance Plc	3,426	3,426	3,426	3,426
Gold link Insurance	500	500	500	500
Other equity investments	2,421	2,421	-	-
	10,498	10,498	8,077	8,077

(c) Unquoted equity investment securities measured at FVOCI

The Group has designated some investments in equity instruments at FVOCI as these are investments that the Group plans to hold in the long term for strategic reasons.

	GROUP 31-Dec-21	GROUP 31-Dec-20	BANK 31-Dec-21	BANK 31-Dec-20
LADOL Integrated Logistics Free Zone Enterprises	3,786,437	4,042,254	3,786,437	4,042,254
Ketron Investment Limited	3,500,000	-	3,500,000	-
Alithea	1,224,175	280,735	1,224,175	280,735
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	21,246	22,146	5,640	6,640
	8,575,887	4,389,164	8,560,281	4,373,658
Total	8,590,472	4,403,919	8,569,034	4,382,411

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

20.2 Measurement of fair value '

i. **Fair value hierarchy**

The fair value of the equity securities at FVOCI was determined by management as the bank's share of the fair value of the investee companies determined based on average of adjusted net asset, trading comparables, transaction comparables and discounted cash flow technique as at 31 December 2021.

The fair value measurement for the unquoted equity securities of N8.6billion (31 Dec 2020: N4.4billion) has been categorised as Level 3 fair value based on the inputs into valuation technique used.

20.3 Measurement of fair value

ii Valuation technique and significant unobservable inputs.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
The fair values are determined by applying the average of discounted cash flow techniques, trading comparables, transaction comparables and adjusted net assets valuation method. References were made to the investee companies historical financial performance and financial positions, cost of capital, discount rate, illiquidity discount etc. The data obtained was analysed and adjustments were made to reflect differences in the circumstances of each investees	- Expected net cash flow derived from the entity - Risk Free Rate: Average Yield on 10-Year US Treasury Notes – 1.89% - Market premium (MRP) -9% - Base premium for mature equity market - 4.24% - Country Risk Premium - 5.44% - Cost of debt – 11% - Discount rate – 12.25% - Liquidity discount - 25% - WACC - 12.06% - Equity Beta - 1.16	The estimated fair value would increase (decrease) if the following key inputs increases or (decreases): i. Expected net cash flow derived from the entity ii. discount rate iii. Market risk premium iv. equity beta

21 Investment in equity accounted investees

Below is information on the Group's investment in equity accounted investee as at 31st December 2021. The associate company (Iwosan) with a financial reporting date of 31 December, has share capital consisting solely of ordinary shares, which are held directly by the Group. The group's percentage holding as at 31st December 2021 is 25%.

(a) Movement in investment in equity-accounted investee

	Group	Group	Bank	Bank
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Balance as at 1 January 2021	-	-	-	-
Additions	3,000,000	-	3,000,000	-
Share of current period's result	35,109	-	-	-
Balance as at 31 December 2021	3,035,109	-	3,000,000	-

22 Investment in subsidiaries

Details of the group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of Incorporation and operation	Ownership Interest	Carrying Amount	
			31-Dec-21	31-Dec-21	31-Dec-20
				₦'000	₦'000
Lecon Financial Services Limited (LECON)	Leasing and Financing Solutions	Lagos, Nigeria	98.00%	3,332,070	3,332,070
BOI Investment and Trust Company Limited	Trusteeship and Consultancy Services	Lagos, Nigeria	100%	308,650	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
				3,745,720	3,545,720

22.1 Change in the Group's ownership interest in a subsidiary

There were no changes in the Group ownership of the subsidiaries during the year. However, during the year, the Group injected an additional N200million into BOI-Investment and Trust Company Limited. This additional injection did not change the Group's ownership interest as the Group already own 100% of shares held in BOI-Investment and Trust Company Limited.

22.2 There are no significant non-controlling interest in the group

21.3 There was no indication of impairment on any of the subsidiaries.

			Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
23	**Other assets**		₦'000	₦'000	₦'000	₦'000
	Prepayments		4,460,413	4,603,634	3,404,264	3,681,054
	WHT receivable		592,420	1,573,453	486,659	1,455,695
	Other debit balances		329,913	253,807	323,505	254,057
	Net other non-financial assets		5,382,746	6,430,894	4,214,428	5,390,806
	Other financial assets					
	Estate and rental debtors		1,002,910	976,287	562,762	527,743
	UNDP receivable		37,249	37,249	37,249	37,249
	Due from fund holders		359,308	8,454	359,308	8,454
	Other account receivable	23.1	3,347,463	2,872,795	3,270,324	2,780,299
	Accrued income		106,947	342,401	106,947	342,401
	Late fee receivable		65,839	44,774	65,839	44,774
	Loan fee receivable		841,608	885,633	841,608	885,633
	Due from related companies		-	-	13,221	13,162
	Management fees receivable	23.2	1,071,415	1,056,381	1,042,138	994,126
	LC fees and commission receivable		88,979	89,638	88,979	89,638
	Gross other financial assets		6,921,718	6,313,612	6,388,375	5,723,479
	Less: Impairment allowance	43(d)	(2,501,323)	(2,034,240)	(2,437,842)	(1,971,261)
	Net Other financial assets		4,420,395	4,279,372	3,950,533	3,752,218
	Total other assets		9,803,141	10,710,266	8,164,961	9,143,024

23.1 Other receivable mainly consist of receivable from Ministry of finance in respect of payment made on its behalf to ex-employees of defunct Nigeria Bank for Commerce and Industry (NBCI). This receivable currently stands at N1.869billion with an allowance for impairment of N551million

23.2 Management fee receivable represent fee income earned from the management of various funds by the Group from the funds under management.

		Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
23	**Intangible assets**				
	Cost	₦'000	₦'000	₦'000	₦'000
	Opening Balance	941,320	761,009	941,320	761,009
	Acquired during the year	171,893	180,311	171,893	180,311
	Disposal	-	-	-	-
	Closing balance	1,113,213	941,320	1,113,213	941,320
	Accumulated Depreciation				
	Opening Balance	411,974	261,072	411,974	261,072
	Charge	178,945	150,902	178,945	150,902
	Disposal	-	-	-	-
	Closing balance	590,919	411,974	590,919	411,974
	Opening net book value	529,346	499,937	529,346	499,937
	Closing net book value	522,293	529,346	522,293	529,346

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

25. Property and Equipment

Group

	Leasehold Land ₦'000	Building ₦'000	Motor Vehicles ₦'000	Furniture, Fittings and equipment ₦'000	Construction in progress ₦'000	Total ₦'000
Cost						
At 1 January 2020	11,912	263,250	7,884,775	3,522,529	19,679,746	31,362,211
Additions during the year	-	-	1,710,613	638,889	887,469	3,236,971
Disposal	-	(299)	(2,434,714)	(85,684)	(3,000)	(2,523,697)
At 31 December 2020	11,912	262,951	7,160,674	4,075,734	20,564,215	32,075,485
At 1 January 2021	11,912	262,951	7,160,674	4,075,734	20,564,215	32,075,485
Additions during the year	1,060	-	1,152,341	657,705	232,049	2,043,157
Disposal	-		(422,047)	(2,517)	-	(424,564)
At 31 December 2021	12,972	262,951	7,890,968	4,730,922	20,796,264	33,694,078
Accumulated Depreciation						
At 1 January 2020	-	108,811	4,443,643	2,367,052	-	6,919,506
Charge for the year	-	5,265	1,618,390	553,879	-	2,177,534
Disposal	-	(32)	(2,401,878)	(85,672)	-	(2,487,582)
At 31 December 2020	-	114,044	3,660,155	2,835,259	-	6,609,458
At 1 January 2021	-	114,044	3,660,155	2,835,259	-	6,609,458
Charge for the year	-	5,260	1,519,824	582,175	-	2,107,258
Disposal	-		(381,531)	(2,517)	-	(384,048)
At 31 December 2021	-	119,304	4,798,448	3,414,917	-	8,332,668
Net Book Value						
At 31 December 2021	**12,972**	**143,647**	**3,092,520**	**1,316,005**	**20,796,264**	**25,361,410**
At 31 December 2020	11,912	148,907	3,500,519	1,240,474	20,564,215	25,466,027

25. Property and Equipment (contd.)

Bank

	Leasehold Land ₦'000	Building ₦'000	Motor Vehicles ₦'000	Furniture, Fittings and equipment ₦'000	Construction in progress ₦'000	Total ₦'000
Cost						
At 1 January 2020	11,912	262,917	16,699	2,229,844	19,679,746	22,201,119
Additions during the year	-	-	-	265,602	887,469	1,153,070
Disposal	-	(299)	(330)	(82,241)	(3,000)	(85,870)
At 31 December 2020	11,912	262,618	16,369	2,413,204	20,564,215	23,268,318
At 1 January 2021	11,912	262,618	16,369	2,413,204	20,564,215	23,268,318
Additions during the year	1,060	-	-	624,329	232,049	857,438
Disposal	-	-	-	(959)	-	(959)
At 31 December 2021	12,972	262,618	16,369	3,036,574	20,796,264	24,124,797
Accumulated Depreciation						
At 1 January 2020	-	108,667	16,284	1,553,920	-	1,678,871
Charge for the year	-	5,257	138	315,355	-	320,751
Disposal	-	(32)	(330)	(82,240)	-	(82,602)
At 31 December 2020	-	113,892	16,092	1,787,035	-	1,917,020
At 1 January 2021	-	113,892	16,092	1,787,035	-	1,917,020
Charge for the year	-	5,253	139	341,046	-	346,437
Disposal	-	-	-	(959)	-	(959)
At 31 December 2021	-	119,145	16,231	2,127,122	-	2,262,498
Net Book Value						
At 31 December 2021	**12,972**	**143,473**	**138**	**909,452**	**20,796,264**	**21,862,299**
At 31 December 2020	11,912	148,726	277	626,169	20,564,215	21,351,298

(i) There were no impairment losses on any class of property and equipment during the year (31 December 2020: NIL)

(ii) All property and equipment are non-current. There were no capitalized borrowing costs related to the acquisition of property and equipment during the period ended 31 December 2021 (31 December 2020: NIL)

(iii) There were no restrictions on title of any property and equipment.

(iv) There were no property and equipment pledged as security for liabilities

(v) The Group had no capital commitments during the period ended 31 December 2021 (2020: Nil) in respect of construction of BOI Tower II Office Complex in Abuja).

26 Investment Property

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Cost				
Opening balance	13,351,062	13,351,062	13,157,602	13,157,602
Disposal	(4,000,000)	-	(4,000,000)	-
Closing balance	9,351,062	13,351,062	9,157,602	13,157,602
Accumulated depreciation				
Opening balance	2,190,627	1,923,255	2,134,233	1,871,081
Charge	238,976	267,372	234,756	263,152
Disposal	(213,333)	-	(213,333)	-
Closing balance	2,216,270	2,190,627	2,155,656	2,134,233
Net book value: Opening	11,160,435	11,427,807	11,023,369	11,286,521
Net book value: Closing	7,134,792	11,160,435	7,001,946	11,023,369

26(a) Investment property comprises a number of properties that are leased out to third parties for rental income. Rental income from investment property of N549million (December 2020: N719million) has been recognised in other income.

26(b) During the year the Bank sold one of its investment property located in Abuja (NEXUS estate). The net proceeds received from the sale of this property is N2.608billion, the net book value of the property on date of sale was N3.786billion. The loss realised from this sale resulted to N1.178billion

26(c) The open market value of investment properties as at 31 December 2021 is N37.058 billion (31 Dec 2020:N51.739 billion). The Group and Bank's investment properties were valued using the depreciated replacement cost, direct market, income approach and contractors test valuation methods. The valuation of the investment properties was carried out by firms of independent Estate Valuers & Surveyors, namely Jide Taiwo (FRC/2012/0000000000254), J.Omotosho & Associates (FRC/2014/NIESV/00000006738), A.E Olowokure & Associates (FRC/2014/NIESV/00000010101), Ora Egbunike & Associates (FRC/2012/NIESV/00000000244), Jaiyeola Adeyanju Group Practice(FRC/2012/00000008607).

26(d) 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.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Prices per square meter -Rate of development in the area -Quality of the building -Influx of people and/or businesses to the area	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

27. Right-of-use asset

	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
Cost				
Opening Balance	-	-	7,966,672	5,567,326
Additions during the year	-	-	1,150,448	2,399,346
Elimination on disposal			(1,558,577)	
Closing Balance	-	-	7,558,543	7,966,672
Accumulated depreciation				
Opening Balance	-	-	4,046,078	2,222,636
Charge for the year	-	-	1,795,481	1,823,442
Elimination on disposal			(1,558,577)	
Closing Balance	-	-	4,282,982	4,046,078
Net carrying amount: Opening	-	-	3,920,594	3,344,690
Net carrying amount: Closing	-	-	3,275,561	3,920,594

28 Other Liabilities

		Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
		₦'000	₦'000	₦'000	₦'000
Accruals and deferred income	28.1	5,689,716	6,482,025	5,209,056	6,003,771
Provision for litigation		150,000	150,000	150,000	150,000
LC payable	28.2	2,365,916	2,578,177	2,365,916	2,578,177
Amount due to debt management office	28.3	1,717,432	1,717,153	1,717,153	1,717,153
Due to fund holders	28.4	156,884,587	187,906,329	156,810,090	187,831,057
Deposits from customers		1,066,311	935,810	-	-
De-risk grant	28.5	16,312,308	6,312,308	16,312,308	6,312,308
Lease liability	28.6	-	-	3,500,826	4,135,922
Other creditors		4,953,606	5,264,985	4,211,009	4,492,680
		189,139,876	211,346,787	190,276,358	213,221,068

28.1 Accruals and deferred income

Accruals and deferred income comprises of:

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
Accrued expenses	3,064,722	4,469,612	3,022,107	4,429,402
Deferred income	1,103,697	438,044	665,652	-
Advance deposit for legal expenses	1,423,064	1,463,001	1,423,064	1,463,001
Rental creditors	97,459	110,621	97,459	110,621
Dividend payable	774	747	774	747
	5,689,716	6,632,025	5,209,056	6,153,771

28.2 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.

28.3 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).

28.4 Due to fund holders represent balances due to Funds that are being managed by the Bank of Industry Limited.

28.5 The Bank received N10 billion support in 2020 and an additional N10 billion in 2021 from the government to enable the Bank increase lending in the SME sector due to the deteriorating performance of the SME loans. Grant income recognised in 2021:Nil (December 2020: N3.687 billion). The outstanding of N16.312 billion, being the deferred portion of the grant will be recognised as the SME loans are written off. The grant income to be recognised in the future would compensate for any additional impairment charges required to write off SME loans as these impairment charges are deemed to be the related cost for which the grant is intended to compensate.

28.6 Lease Liabilities

	Note	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
Maturity Analysis - contractual undiscounted cash flows					
Less than one year		-	-	2,038,243	2,072,968
One to five years		-	-	1,909,036	2,962,445
Total undiscounted lease liabilities at close of period		-	-	3,947,279	5,035,413
Lease liabilities included in the statement of financial position at close of period		-	-	3,500,826	4,135,922
Current		-	-	1,956,545	1,926,408
Non-current		-	-	1,544,281	2,209,514
Amount recognised in profit or loss	-				
Interest on lease liabilities	6	-	-	818,461	1,014,257
Expenses relating to short lease	13	654,162	432,449	631,441	420,765

29. Taxation

29.1 Current tax liability

	Note	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
At 1 January					
Charge for the period/year		4,109,668	2,902,622	3,951,666	2,613,315
Income tax	29.2	8,369,997	3,016,465	8,032,917	2,722,375
Paid during the year		(4,436,452)	(1,809,419)	(4,065,519)	(1,384,024)
At period ended		**8,043,213**	4,109,668	**7,919,064**	3,951,666

		Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
29.2	Tax recognised in statement of profit or loss	₦'000	₦'000	₦'000	₦'000
	Income Tax				
	Company income tax	4,895,491	2,142,972	4,861,961	2,077,352
	Education tax	412,495	303,121	410,691	299,820
	Information technology levy	611,959	353,661	611,482	343,486
	National agency for Science and Engineering Infrastructure levy(NASENI)	152,870		152,870	
	Nigerian policy trust fund levy	3,057	1,729	3,057	1,717
	Tax (over)/under provision	2,294,125	214,982	1,992,856	-
		8,369,997	3,016,46	8,032,917	2,722,375
	Capital gain tax (see note(a) below)	-	-	-	-
	Tax expense	8,369,997	3,016,465	8,032,917	2,722,375
	Deferred tax recognised in statement of profit or loss	493,339	927,694	506,904	822,656
	Total income tax recognised in statement of profit or loss	8,863,336	3,944,159	8,539,821	3,545,031
	Minimum Tax	-	-	-	-
	Total Tax	8,863,336	3,944,159	8,539,821	3,545,031

(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).

29.3 Income tax reconciliation

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Profit before Tax	62,280,150	35,542,017	61,148,191	34,348,601
Income tax expense calculated at 30% of PBT (2020: 30%)	18,684,045	10,662,605	18,344,457	10,304,580
Effect of income that is exempt from taxation	(33,923,740)	(21,946,796)	(33,923,740)	(21,946,796)
Effect of expense that are not deductible in determining taxable profit	21,371,645	14,490,119	21,371,645	14,490,119
Effect of information technology levy	611,482	343,486	611,482	343,486
Effect of Nigeria Police Trust fund levy	3,057	1,729	3,057	1,717
Effect of education tax	410,691	299,820	410,691	299,820
Effect of NASENI Levy	152,870		152,870	-
Effect of change in tax rate	(646,457)	(98,512)	(646,457)	(98,512)
Effect of tax incentive	93,549	-	93,549	-
Others	2,106,194	191,708	2,122,267	150,617
Income tax expense recognised in profit or loss	8,863,336	3,944,159	8,539,821	3,545,031

	Note	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
29.4 Deferred tax assets/(liabilities)		Group	Group	Bank	Bank
At 1 January		1,556,290	2,330,222	817,996	1,488,950
Charge to profit or loss		(493,339)	(927,694)	(506,904)	(822,656)
(Charge)/released to other comprehensive income	29.6	42,738	153,762	42,738	151,702
At end of the year		1,105,689	1,556,290	353,830	817,996

29.5 Deferred tax balance

	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
Deferred tax assets	2,617,943	4,427,131	2,156,348	3,979,102
Deferred tax liabilities	(1,512,254)	(2,870,841)	(1,802,518)	(3,161,106)
	1,105,689	1,556,290	353,830	817,996

29.6 Component deferred tax

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

Group

31 December 2021	Opening Balance ₦'000	Recognised in profit or loss ₦'000	Recognised in other comprehensive income ₦'000	Closing balance ₦'000
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(2,432,042)	1,204,157	-	(1,227,885)
Employee benefit	1,430,694	(346,382)	42,738	1,127,050
Loans & advances	1,156,721	(386,829)	-	769,892
Exchange differences	(438,799)	154,430	-	(284,369)
Tax losses	337,241	14,255	-	351,496
Derivative	1,502,475	(1,132,970)	-	369,505
	1,556,290	(493,339)	42,738	1,105,689
31 December 2020				
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(1,941,215)	(490,827)	-	(2,432,042)
Employee benefit	1,106,195	170,737	153,762	1,430,694
Loans & advances	1,793,711	(636,990)	-	1,156,721
Exchange differences	(477,338)	38,539	-	(438,799)
Tax losses	2,345,529	(2,008,288)	-	337,241
Derivative	(500,414)	2,002,889	-	1,502,475
Right of use asset	3,754	(3,754)	-	-
	2,330,222	(927,694)	153,762	1,556,290

29.6 Component of deferred tax

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

Bank

31 December 2021	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	₦'000	₦'000	₦'000	₦'000
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(2,840,952)	1,204,158	-	(1,636,794)
Employee benefit	1,337,268	(346,382)	42,738	1,033,624
Loans & advances	1,139,360	(386,140)	-	753,220
Exchange differences	(320,154)	154,430	-	(165,724)
Tax losses	-	-	-	
Derivative	1,502,474	(1,132,970)	-	369,504
	817,996	(506,904)	42,738	353,830
31 December 2020				
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(2,350,125)	(490,827)	-	(2,840,952)
Employee benefit	1,013,638	171,928	151,702	1,337,268
Loans & advances	1,776,524	(637,164)	-	1,139,360
Exchange differences	(358,693)	38,539	-	(320,154)
Tax losses	1,904,267	(1,904,267)	-	-
Derivative	(500,415)	2,002,889	-	1,502,474
Right of use asset	3,754	(3,754)	-	-
	1,488,950	(822,656)	151,702	817,996

		Group 31-Dec-21	Group 31-Dec-21	Bank 31-Dec-21	Bank 31-Dec-20
		₦'000	₦'000	₦'000	₦'000
30	**Borrowings**				
	CBN Intervention fund (Note 30.1 (i))	185,408,180	249,019,633	185,408,180	249,019,633
	AFDB Borrowing(Note 30.1 (ii))	15,323,294	19,782,648	15,323,294	19,782,648
	CBN Industrial Borrowing (Note 30.1 (iii))	201,989,404	201,188,876	201,989,404	201,188,876
	Syndicated Lending II (Note 30.1 (iv))	360,036,036	445,458,947	360,036,036	445,458,947
	Syndicated Lending III (Note 30.1 (v))	362,004,603	385,522,532	362,004,603	385,522,532
	Other borrowing	542,043	1,506,623	-	-
		1,125,303,560	1,302,479,259	1,124,761,517	1,300,972,636

30.1 Summary of borrowing arrangements

I) CBN Intervention Fund

The Central Bank of Nigeria (CBN) in 2010 invested N500 billion in a zero coupon debenture instrument issued by the Bank of Industry Limited as part of its intervention programs in the Nigeria economy. The fund was meant to provide developmental finance of N300billion to the power and aviation sector as well as refinancing and restructuring facilities of 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. It was drawn on the 9th of September 2015 while the second tranche was drawn on the 16th of November 2017. The borrowing have the following terms; tenor - 10 years, interest rate -6months USD libor plus 0.06% funding margin plus 60 basis points, 3 years grace period from the effective date of 15th July 2014.

iii) CBN Industrial Borrowing

In 2017, the Central Bank of Nigeria (CBN) provided a N50billion facility to the bank. This facility was introduced to stimulate the failing industrial sector of the country. Subsequent to the provision of the first tranche of N50billion, a second facility of N50billion was added. This was further increased by N100billion in November 2020, thereby bringing the total sum to N200billion. Each tranche of the facility holds a tenure of 8 years and interest rate of 2%. However, the interest rate on the borrowing was reduced to 1% with an effective date of 1 March 2020. This reduced interest rate had an initial reversion date of 28 February 2021, but this was further extended for another year with a new reversion date of 28 February 2022.

iv) Syndicated Lending II

The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 14th of February 2020. The total amount obtained by the bank was 1billion Euros. This facility has been fully guaranteed by the Central Bank of Nigeria. The proceeds of the facility is to be used by the bank to finance trade and trade related projects of its customers in eligible sectors. The facility has a 12 month moratorium period on principal repayment with a final maturity 60 months from the signature date. Interest payable under the facility is Euribor + a margin (4.5%)

v) The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 14th of December 2020. The total amount obtained by the bank was 1billion Dollars. This facility has been fully guaranteed by the Central Bank of Nigeria. The proceeds of the facility is to be used by the bank to finance trade and trade related projects of its customers in eligible sectors. The facility has a 12 month moratorium period on principal repayment with a final maturity 36 months from the signature date. Interest payable under the facility is Libor + a margin (6%)

30.2 Breach of loan agreement

As at 31 December 2021, the Group did not breach any of the loan agreements with its lenders.

30.3 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.

Group

		Financing Cash flow		
	Balance as at 1 January 2021	Net principal proceed and Repayments	Net Interest accrual and Repayments	Balance as at 31 December 2021
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	249,019,633	(63,611,453)	-	185,408,180
AFDB Borrowing	19,782,648	(4,432,381)	(26,972)	15,323,295
CBN Industrial Borrowing	201,188,876	-	800,527	201,989,403
Syndicated Lending II	445,458,947	(89,068,481)	3,645,570	360,036,036
Syndicated Lending III	385,522,532	(28,170,346)	4,652,417	362,004,603
Other borrowing	1,506,623	(872,225)	(92,355)	542,043
	1,302,479,259	(186,154,886)	8,979,187	1,125,303,560

Bank

		Financing Cash flow		
	Balance as at 1 January 2021	Net principal proceed and Repayments	Net Interest accrual and Repayments	Balance as at 31 December 2021
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	249,019,633	(63,611,453)	-	185,408,180
AFDB Borrowing	19,782,648	(4,432,381)	(26,972)	15,323,295
CBN Industrial Borrowing	201,188,876	-	800,527	201,989,403
Syndicated Lending II	445,458,947	(89,068,481)	3,645,570	360,036,036
Syndicated Lending III	385,522,532	(28,170,346)	4,652,417	362,004,603
	1,300,972,636	(185,282,661)	9,071,542	1,124,761,517

31. Employee benefit obligations

	Group 31-Dec-21	31-Dec-20	Bank 31-Dec-21	31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Defined Pension Contribution (see note (31.1) below)	168,387	170,139	12,957	9,910
Defined benefits (see note (31.2) below)	3,382,288	4,468,449	3,180,379	4,178,962
	3,550,675	4,638,588	3,193,336	4,188,872

31.1 Defined pension contribution

At 1 January	170,139	151,679	9,910	10,016
Arising during the year	1,254,233	1,233,239	1,204,129	1,182,658
Remittance during the year	(1,255,985)	(1,214,779)	(1,201,082)	(1,182,764)
At year ended	168,387	170,139	12,957	9,910

31.2 Defined benefits

The Bank previously operated a partly funded defined benefits scheme for its qualifying employees. This scheme ceased to exit with effect from 1st January 2021. Prior to 2021, an employee was entitled to the benefits of the gratuity as long as the employee has spent not less that 5 years in the service before he retires or withdraws. With effect from January 1st 2021, all liabilities were estimated using the emoluments existing as at December 31, 2020. All assumptions stated below relates to assumptions used in 2020.

	Group 31-Dec-21	31-Dec-20	Bank 31-Dec-21	31-Dec-20
	₦'000	₦'000	₦'000	₦'000
The principal assumptions used for the purposes of the actuarial valuations are as follows:				
Discount rate	10%	10%	10%	10%
Expected rates of salary increase		5%		5%
Rate of inflation		9%		9%
The details of the defined plans are as below:				
Present value of defined benefit obligation	5,140,519	6,269,083	4,874,128	5,919,270
Fair value of planned assets	(1,758,231)	(1,800,634)	(1,693,749)	(1,740,308)
Net liability arising from defined benefit obligation	3,382,288	4,468,449	3,180,379	4,178,962

	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
31.2(a) Movements in the present value of the defined benefit obligation in the current year as follows				
At 1 January	6,269,083	4,983,056	5,919,271	4,609,084
Current service Cost	-	246,134	-	231,889
Curtailment gain	(621,944)	-	(621,944)	-
Interest cost	-	590,593	-	543,872
Actuarial losses/(gains)	-	583,560	-	624,345
Benefits paid	(506,620)	(134,260)	(423,199)	(89,920)
At 31 December	5,140,519	6,269,083	4,874,128	5,919,271
31.2(b) Planned asset				
Opening Fair value	1,800,634	1,531,172	1,740,308	1,441,465
Expected return on plan asset	87,630	213,018	84,942	201,805
Employer contribution	7,164	7,000	-	7,000
Actuarial gain/(loss)	(131,501)	142,276	(131,501)	150,276
Benefit paid	(5,696)	(92,832)	-	(60,238)
	1,758,231	1,800,634	1,693,749	1,740,308
31.2(c) Planned asset comprise of the following				
FGN Bonds	723,802	942,981	723,802	942,981
Corporate Bonds	31,570	25,694	31,570	25,694
Treasury Bills	-	300,959	-	300,959
Cash and cash equivalent	1,002,859	531,000	938,377	470,674
	1,758,231	1,800,634	1,693,749	1,740,308

31.2(d) Amount recognised in Statement of other comprehensive income in respect of the defined benefit plans are as follows:

	Group 31-Dec-21 ₦'000	Group 31-Dec-20 ₦'000	Bank 31-Dec-21 ₦'000	Bank 31-Dec-20 ₦'000
Defined benefit obligation	-	(583,560)	-	(624,345)
Planned asset	(131,501)	142,276	(131,501)	150,276
	(131,501)	(441,284)	(131,501)	(474,069)

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

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Current service Cost	-	220,321	-	218,821
Interest on obligation	-	513,224	-	513,224
Curtailment gain	(621,944)		(621,944)	
Expected return on planned assets	(87,630)	(91,392)	(84,942)	(91,392)
	(709,574)	623,709	(706,886)	640,653

32. Deposit for share

	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Deposit for shares	15,000,000	15,000,000	15,000,000	15,000,000
	15,000,000	15,000,000	15,000,000	15,000,000

Amount represents funds from the Federal Government of Nigeria being additional capital contribution to the Bank as part of the first phase for restructuring development finance institutions in Nigeria.

33 Share Capital and Reserves

(a) Share Capital	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Authorised Capital Comprises of:				
125,000,000 ordinary shares of N2 each	250,000,000	250,000,000	250,000,000	250,000,000
31 December 2021 -73,685,660,619; (31 December 2020 -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 injected during the current period.

(b Retained earnings

Retained earnings comprises the undistributed profits from previous years which have not been reclassified to other reserves.

(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 annua appropriation in reference to specific rules. Section 15(1) of the Bank and Other Financial Institutions Act of 2020, stipulates that an appropriation of 30% of profit after tax be made if the statutory reserve is less than the paid-up share capital and 5% of profit after tax if the statutory reserve is greater than the paid-up share capital.

(d) Fair value reserve

The fair value reserve comprises the cumuative net change in the fair value of available for sale financial assets until the investments are derecognised or impaired.

(e) Non-distributable reserve

This reserve warehouses the difference between loan provision under Prudential guideline and IFRS impairment allowance

(f) Actuarial reserve

This consist of the actuarial gains or losses arising from the valuation of the Group's defined benefit plan.

(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.

(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

34 Earnings per share

34.1 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-21	Group 31-Dec-20	**Bank 31-Dec-21**	Bank 31-Dec-20
Profit for the period attributable to shareholders (₦'000)	53,416,814	31,597,858	52,608,370	30,803,570
Weighted average number of ordinary shares in issue as at year end (unit) '000'	73,685,660	73,685,660	73,685,660	73,685,660
Earning per share - basic (kobo)	72	43	71	42

34.2 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-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec-20
	₦'000	₦'000	₦'000	₦'000
Profit for the period attributable to shareholders (N'000)	53,416,814	31,597,858	52,608,370	30,803,570
Weighted average number of ordinary shares in issue as at period end (unit) '000'	73,685,660	73,685,660	73,685,660	73,685,660
-Deposit for shares as at period end ('000)	7,500,000	7,500,000	7,500,000	7,500,000
Weighted average number of ordinary shares used in the calculation of diluted earnings per share(unit) '000'	81,185,660	81,185,660	81,185,660	81,185,660
Earning per share - Diluted (kobo)	66	39	65	38

	Note	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec20
		₦'000	₦'000	₦'000	₦'000
35 Reconciliation of profit after tax to cash generated from operation					
Profit for the year		53,416,814	31,597,858	52,608,370	30,803,570
Tax expense recognised in profit or loss	29.2	8,863,336	3,944,159	8,539,821	3,545,031
		62,280,150	35,542,017	61,148,191	34,348,601
Adjustment for non-cash items					
Impairment charge on loans and advances	10	3,737,341	5,167,186	3,726,978	5,168,915
Other asset write off	13	-	74,581	-	74,581
Impairment charge/(write back) on leases	10	1,109	(3,299)	-	-
Impairment Loss for prepayment and other assets	10	479,592	805,440	466,581	761,784
(Writeback)/impairment on debt securities	10	(190,584)	261,760	(190,926)	257,392
(Writeback)/impairment on cash Balances	10	(24,725)	23,639	(24,725)	23,639
(Writeback)/Impairment on due from financial institutions	10	(33,680)	231,253	(29,297)	232,491
Non-cash transfer of shares received		-	(1,866,846)	-	(1,866,846)
Amortisation - Intangible assets	12	178,945	150,902	178,945	150,902
Depreciation charge- Investment properties	12	238,976	267,372	234,756	263,152
Depreciation - Property and equipments	12	2,107,258	2,177,534	346,437	320,751
Depreciation - Right of use assets	12	-	-	1,795,481	1,823,442
Loss on disposal of Investment property	9	1,178,417	-	1,178,417	-
Gain on disposal of equity		(2,230)	-	(2,230)	-
Loss/(gain) from disposal of property and equipment	9	9,215	(97,679)	-	(12,465)
Dividend from equity securities	9	(982)	(1,693)	(42)	(594)
		69,958,802	42,732,167	68,828,566	41,545,745
Changes in operating assets and liabilities					
Decrease in traded equity instruments		170	183	-	-
(Increase)/Decrease in derivative instruments		(3,558,296)	7,631,161	(3,558,296)	7,631,161
(Increase)/Decrease in advances under lease		(43,244)	220,244	-	-
Decrease in loans and advances		(34,375,876)	(14,973,280)	(34,066,735)	(14,706,063)
Increase in prepayment, accrued income and other assets		1,054,551	(2,702,054)	1,136,352.19	(2,890,288)
Increase in right-of-use assets		-	-	(1,150,448)	(2,399,346)
(Decrease)/Increase in staff gratuity		(1,219,415)	593,741	(1,127,037)	537,168
(Decrease)/Increase in other liabilities		(13,227,722)	86,550,605	(11,412,107)	90,009,640
Cash used in operations		18,588,970	120,052,767	18,650,295	119,728,017

	Note	Group 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-21	Bank 31-Dec20
36(a) Cash and cash equivalents		₦'000	₦'000	₦'000	₦'000
Cash and bank balances		9,654,975	83,255,520	9,254,612	82,618,641
Due from financial institution		115,445,534	105,162,299	114,006,452	104,127,724
		125,100,509	188,417,819	123,261,064	186,746,365
36(b) Reconciliation of gross investment in debt securities					
Opening balance of debt securities		872,456,031	197,853,303	872,365,010	197,389,633
Purchase of debt securities		3,206,465,020	2,519,908,442	3,206,465,020	2,519,908,442
Redemption of debt securities		(3,326,909,033)	(1,847,775,521)	(3,326,909,033)	(1,847,775,521)
Interest accrued and receipts		(627,017)	2,469,807	(624,870)	2,842,456
		751,385,001	872,456,031	751,296,126	872,365,010

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
37 Statement of prudential adjustment	₦'000	₦'000	₦'000	₦'000
Provision per prudential guidelines	37,135,182	29,689,825	36,988,046	29,555,345
Impairment per IFRS	(17,026,320)	(13,308,671)	(17,011,500)	(13,304,213)
Non distributable reserves	**20,108,862**	16,381,153	**19,976,546**	16,251,131

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 breserve) to retained earnings account to the extent of the non-distributable reserve previously recognized.

As at 31 December 2021, the sum of N3.725billion was transferred from Bank's retained earnings to non-distributable reserve while N3.727billion was transferred from the Group's retained earnings to non-distributable reserve.

38 Employees and Directors

38a Employees

The average number of persons employed by the Company during the year was as follows:

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec20
	Number	Number	Number	Number
Managing Director	1	1	1	1
Executive Directors	7	4	4	4
Management	42	43	25	27
Non-management	566	457	510	413
	616	505	540	445

Compensation for the above staff is set out below

		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec20
		₦'000	₦'000	₦'000	₦'000
Wages and salaries		13,747,498	11,004,583	13,480,612	10,752,025
Pension cost:					
Defined contribution		1,254,233	1,233,239	1,204,129	1,182,658
Defined benefits	31.2(e)	(709,574)	623,709	(706,886)	573,955
		14,292,157	**12,861,531**	**13,977,856**	**12,508,637**

The number of employees of the Bank, other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec20
	Number	Number	Number	Number
N300,001 - N2,000,000	38	29	4	4
N2,000,001 - N2,800,000	3	4	-	-
N2,800,000 - N3,500,000	8	-	-	-
N3,500,001 - N4,000,000	-	3	-	-
N4,000,001 - N5,500,000	4	11	-	-
N5,500,001 - N6,500,000	129	75	114	67
N6,500,001 - N7,800,000	94	76	93	73
N7,800,001 - N9,000,000	98	78	91	73
N9,000,001 - and above	238	229	238	228

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	₦'000	₦'000	₦'000	₦'000
38b Directors				
Remuneration paid to the directors				
Fees and sitting allowances	81,900	107,880	81,900	107,880
Other directors expenses and benefits	236,970	229,538	215,945	215,910
	318,870	337,418	297,845	323,790
Fees and other emoluments disclosed above include amount paid to:				
The Chairman	49,997	38,726	49,997	38,726

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

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Number	Number	Number	Number
Below N1,000,000	5	7	-	-
N1,000,000 - N2,000,000	-	4	-	-
N2,000,001 - N3,000,000	-	1	-	-
N5,500,001 - and above	6	5	6	5

39 Related party transactions:

a Parent:

Transactions between Bank of Industry and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements.

Entity	31-Dec-21 Effective holding %	31-Dec-21 Nominal share capital N'000	31-Dec-20 Effective holding %	31-Dec-20 Nominal share capital held N'000
BOI Investment and Trust Company Limited	100.0%	110,000	100.0%	110,000
Leasing Company of Nigeria Limited	98.0%	3,270,038	98.0%	3,270,038
BOI Insurance Brokers	100.0%	5,000	100.0%	5,000
BOI Microfinance Bank Limited	100.0%	100,000	100.0%	100,000

Transaction and balances with Related Parties	Nature of relationship	Nature of transactions	Balance as at 31 December 2021	Balance as at 31 December 2020
Central Bank of Nigeria	Shareholder	Investment in OMO Bills	**751,296,126**	872,365,010
		Borrowings	**(387,397,584)**	(450,208,510)
		Derivatives	-	(4,695,233)
Ministry of Finance Incorporated	Shareholder	Receivable from MOFI	**1,869,448**	1,869,448
LECON	Subsidiary	**Lease of assets:**		
		Right of Use assets	**3,275,561**	3,920,59
		Lease liability	**3,500,826**	4,135,922

b Key management personnel

Key management personnel is defined as the Group's executive management, including their close members of family and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

c Key management compensation

The renumeration of directors and other members of key management personnel during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	**Bank 31-Dec-21**	Bank 31-Dec20
	₦'000	₦'000	**₦'000**	₦'000
Salaries and other short-term benefits	**1,775,900**	1,858,861	**1,775,900**	1,858,861
Post Employment Benefits	-	204,068	-	204,068

d Loans to key management personnel

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. Loans amounting to N2.387billion as at 31 December 2021 (31 December 2020: N1.948billion) are secured by the underlying assets.

40 Penalties for non compliance

There was no penalty in the current year.

41 Contingent liabilities and commitment

a Legal proceedings

The Group is presently involved in 45 cases (31 December 2020: 41 cases) as a defendant and 6 cases (31 December 2020: 3 cases) as a plaintiff, and 45 cases (31 December 2020: 43 cases) in appeal in its ordinary course of business. The total amount claimed in the 6 cases (31 December 2020: 3 cases) instituted by the Bank is estimated at N5.178 billion (31 December 2020: N1.315billion), while the total amount claimed in the 45 cases (31 December 2020: 41 cases) instituted against the Bank is N13.3 billion(31 December 2020: N12.9billion), while the total amount claimed in the 45 cases in appeal (31 December 2020: 43 cases) instituted against the Bank is N162.3 billion(31 December 2020: N159.4 billion). It is worthy of note that one particular claim amounts to N155 billion and the claim has been dismissed by the Federal High

Court while there is a pending appeal against the judgment by the claimants. Pending the determination of the appeal, the judgment of the lower court is in favor of the Group.

b Capital commitments

At the reporting date, the Group had no capital commitment as at 31 December 2021: Nil (31 December 2020: Nil) in respect of authorised and contracted capital projects.

42. Event after the reporting period

There are no events after the reporting period that could have had a material effect on the state of affairs of the group as at 31 December 2021 and its operating results for the period then ended which have not been adequately provided for or disclosed in these financial statements.

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), contigent obligations, lease financing and treasury activities. As every loan has an inherent risk of not being repaid, the Bank's main concern is to minimize credit risks.

43 Financial risk management (cont'd)

Principal credit objectives

The Bank's principal credit objective is to manage risks in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) would not be jeopardized. Its credit objectives are therefore to support, manage or finance:

I) Enterprises with potential to be profitable, competitive, sustainable and have substantial developmen
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 econ
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 mark
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 Guidelinesand 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.

43 Financial risk management (contd.)

The Group also has 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 has 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.

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 for loan secured with Bank guarantee is as shown in the table below:

43(a) 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 :

43(b) Collateral

In line with the Group's credit policy, security is taken for all credits granted.

The major types of collateral acceptable for loan and advances include:

i) First legal charge on all present and future fixed and floating assets.
ii) Legal or Equitable mortgage on the collateral properties.
iii) Pari-passu sharing of charged assets with other Financial Institutions (where applicable).
iv) Bank guarantees.
v) Mortgage of shares.
vi) Lien by way of legal charge on the intellectual property in the case of film industry.
vii) Personal guarantee of the Promoters (as appropriate).
viii) Quadripartite domiciliation of ISPO arrangement to be executed by the customer, a designated Bank and the Franchiser in favour of BOI.
ix) Cash collateral

Loans, Short & Long-term finance and lending to corporate entities as well as individuals are generally secured. In addition, in order to minimise the credit loss, the Bank obtains additional collaterals from the counterparty for the relevant loans and advances.

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below for loans that are individually impaired and loans that are past due but not impaired.

43 Financial risk management (contd.)

Group

	31 December 2021			31 December 2020		
	Total Exposure ₦'000	Value of Collateral ₦'000	Loan to Value ₦'000	Total Exposure ₦'000	Value of Collateral ₦'000	Loan to Value ₦'000
Secured against Bank Guarantees	**589,208,641**	**595,938,451**	**99%**	509,468,141	517,922,453	98%
Secured against Cash Collaterals, lien over fixed & Floating assets	**8,496,411**	**14,497,409**	**59%**	6,829,468	19,583,062	35%
Secured against Federal Government Bond	**151,430,040**	**151,652,846**	**100%**	198,993,724	205,020,459	97%
Secured against Trust Deed	**316,766**	**3,588,850**	**9%**	326,710	3,588,850	9%
Secured against Real Estate	**43,676,151**	**88,850,000**	**49%**	43,370,157	88,146,391	49%
Secured against Personal Guarantee	**4,375,580**	**3,207,913**	**136%**	4,159,203	5,492,504	76%
	797,503,589	**857,735,468**		763,147,403	839,753,719	

Bank

	31 December 2021			31 December 2020		
	Total Exposure ₦'000	Value of Collateral ₦'000	Loan to Value ₦'000	Total Exposure ₦'000	Value of Collateral ₦'000	Loan to Value ₦'000
Secured against Bank Guarantees	589,208,641	595,938,451	99%	509,468,141	517,922,453	98%
Secured against Cash Collaterals, lien over fixed & Floating assets	8,496,411	14,497,409	59%	6,829,468	19,583,062	35%
Secured against Federal Government Bond	151,430,040	151,652,846	100%	198,993,724	205,020,459	97%
Secured against Trust Deed	316,766	3,588,850	9%	326,710	3,588,850	9%
Secured against Real Estate	43,676,151	88,850,000	49%	43,370,157	88,146,391	49%
Secured against Personal Guarantee	3,180,492	3,207,913	99%	3,273,257	5,492,504	60%
	796,308,501	857,735,468		762,261,457	839,753,719	

43 Financial risk management (contd.)

(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 2021	31 December 2020
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	66,571,172	59,685,099
Creative Industry	85,327,181	53,937,026
Engineering & Technology	68,116,090	64,389,484
Food processing	112,712,320	110,542,459
Healthcare & Petrochemicals	110,684,050	103,433,951
Oil and Gas	126,100,119	100,546,091
Solid Minerals	51,082,138	45,555,375
Renewable energy	4,683,399	4,411,527
Gender Business	11,473,611	12,390,790
Financial Institutions	154,300,556	202,434,443
Others	6,452,952	5,821,157
	797,503,588	763,147,403

	Bank Loans and advances to customers	
	31 December 2021	31 December 2020
In thousands of Nigerian Naira		
Gross amount		
Concentration by sector:		
Agro-Processing	66,571,172	59,685,099
Creative Industry	85,327,181	53,937,026
Engineering & Technology	68,116,090	64,389,484
Food processing	112,712,320	110,542,459
Healthcare & Petrochemicals	110,684,050	103,433,951
Oil and gas	126,100,119	100,546,091
Solid Minerals	51,082,138	45,555,375
Renewable energy	4,683,399	4,411,527
Gender Business	11,473,611	12,390,790
Financial Institutions	154,339,470	202,434,443
Others	5,218,951	4,935,211
	796,308,501	762,261,457

43 Financial risk management (contd.)

(d) Exposure to credit risk

The tables below detail the Bank's maximum exposure to credit risk of financial assets.

Group

31-Dec-21	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	9,654,975	(707)	9,654,268
Due from financial institutions	15	115,445,534	(476,185)	114,969,349
Investment in debt securities	18	751,385,001	(69,950)	751,315,051
Loans and advances	19	797,503,588	(17,026,320)	780,477,268
Advances under lease	17	53,007	(1,278)	51,729
Other assets	23	6,921,718	(2,501,323)	4,420,395
		1,680,963,823	(20,075,763)	1,660,888,060

31-Dec-20	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	83,255,520	(25,433)	83,230,087
Due from financial institutions	15	105,162,299	(509,865)	104,652,434
Investment in debt securities	18	872,456,031	(260,534)	872,195,497
Loans and advances	19	763,147,403	(13,308,671)	749,838,732
Advances under lease	17	10,045	(451)	9,594
Other assets	23	6,313,612	(2,034,240)	4,279,372
		1,830,344,910	(16,139,195)	1,814,205,716

Bank

31-Dec-21	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	9,254,612	(707)	9,253,905
Due from financial institutions	15	114,006,452	(473,141)	113,533,311
Investment in debt securities	18	751,296,126	(69,558)	751,226,568
Loans and advances	19	796,308,501	(17,011,500)	779,297,001
Other assets	23	6,388,375	(2,437,842)	3,950,533
		1,677,254,066	(19,992,748)	1,657,261,318

43 Financial risk management (contd.)

(d) Exposure to credit risk

Bank

31-Dec-20	Note	Gross amount ₦'000	Loss allowance ₦'000	Net carrying amount ₦'000
Cash and bank balances	14	82,618,641	(25,433)	82,593,208
Due from financial institutions	15	104,127,724	(502,437)	103,625,287
Investment in debt securities	18	872,365,010	(260,485)	872,104,525
Loans and advances	19	762,261,457	(13,304,213)	748,957,244
Other assets	23	5,723,479	(1,971,261)	3,752,218
		1,827,096,311	(16,063,829)	1,811,032,483

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 >29 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Substandard/Impaired	Amount is >89 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL - credit-impaired

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 42(e)

Group		Note	31 December 2021				31 December 2020			
			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		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
	Performing		9,654,975	-	-	9,654,975	83,255,520	-	-	83,255,520
	Gross amount		9,654,975	-	-	9,654,975	83,255,520	-	-	83,255,520
	Loss allowance	43 (e)(I)	(707)	-	-	(707)	(25,433)	-	-	(25,433)
	Carrying amount		9,654,268	-	-	9,654,268	83,230,087	-	-	83,230,087
2	Due from Financial Institutions									
	Performing		115,217,847	-	227,687	115,445,534	105,162,299	-	-	105,162,299
	Gross amount		115,217,847	-	227,687	115,445,534	105,162,299	-	-	105,162,299
	Loss allowance	43 (e)(ii)	(248,498)	-	(227,687)	(476,185)	(509,865)	-	-	(509,865)
	Carrying Amount		114,969,349	-	-	114,969,349	104,652,434	-	-	104,652,434
3	Investment in debt securities									
	Performing		751,385,001	-	-	751,385,001	872,456,031	-	-	872,456,031
	Watchlist		-	-	-	-	-	-	-	-
	Gross amount		751,385,001	-	-	751,385,001	872,456,031	-	-	872,456,031
	Loss allowance	43 (e)(iii)	(69,950)	-	-	(69,950)	(260,534)	-	-	(260,534)
	Carrying Amount		751,315,051	-	-	751,315,051	872,195,497	-	-	872,195,497
4	Loans and advances measured at amortised cost									
	Performing		764,379,010	-	-	764,379,010	710,032,291	-	-	710,032,291
	Watchlist		-	6,191,247	-	6,191,247	-	33,353,791	-	33,353,791
	Substandard -Impaired		-	-	26,933,332	26,933,332	-	-	19,761,321	19,761,321
	Gross amount		764,379,010	6,191,247	26,933,332	797,503,589	710,032,291	33,353,791	19,761,321	763,147,403
	Loss allowance	43 (e)(iv)	(2,172,988)	(158,877)	(14,694,456)	(17,026,321)	(2,725,656)	(838,746)	(9,744,269)	(13,308,671)
	Carrying Amount		762,206,022	6,032,370	12,238,876	780,477,268	707,306,635	32,515,045	10,017,052	749,838,732

43 Financial risk management (contd.)

Group

	Note	31 December 2021 Stage 1 12 month ECL ₦'000	31 December 2021 Stage 2 Lifetime ECL ₦'000	31 December 2021 Stage 3 Lifetime ECL ₦'000	31 December 2021 Total ₦'000	31 December 2020 Stage 1 12 month ECL ₦'000	31 December 2020 Stage 2 Lifetime ECL ₦'000	31 December 2020 Stage 3 Lifetime ECL ₦'000	31 December 2020 Total ₦'000
5 Other assets									
Watchlist		-	6,921,718	-	6,921,718	-	6,313,612	-	6,313,612
Gross amount		-	6,921,718	-	6,921,718	-	6,313,612	-	6,313,612
Loss allowance	43 (e)(v)	-	(2,501,323)	-	(2,501,323)	-	(2,034,240)	-	(2,034,240)
Carrying Amount		-	4,420,395	-	4,420,395	-	4,279,372	-	4,279,372
6 Advance under lease									
Performing		53,007	-	-	53,007	10,045	-	-	10,045
Gross amount		53,007	-	-	53,007	10,045	-	-	10,045
Loss allowance	43 (e)(vi)	(1,278)	-		(1,278)	(451)	-	-	(451)
Carrying Amount		51,729	-	-	51,729	9,594	-	-	9,594

43 Financial risk management (contd.)

Bank

	Note	31 December 2021 Stage 1 12 month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000	31 December 2020 Stage 1 12 month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
1 Cash and Bank Balances									
Performing		9,254,612	-	-	9,254,612	82,618,641	-	-	82,618,641
Gross amount		9,254,612	-	-	9,254,612	82,618,641	-	-	82,618,641
Loss allowance	43 (e)(I)	(708)	-	-	(708)	(25,433)	-	-	(25,433)
Carrying amount		9,253,904	-	-	9,253,904	82,593,208	-	-	82,593,208
2 Due from Financial Institutions									
Performing		113,778,765	-	227,687	114,006,452	104,127,724	-	161,963	104,289,687
Gross amount		113,778,765	-	227,687	114,006,452	104,127,724	-	161,963	104,289,687
Loss allowance	43 (e)(ii)	(245,453)	-	(227,687)	(473,140)	(502,437)	-	(161,963)	(664,400)
Carrying Amount		113,533,312	-	-	113,533,312	103,625,287	-	-	103,625,287
3 Investment in debt securities									
Performing		751,296,126	-	-	751,296,126	872,365,010	-	-	872,365,010
Gross amount		751,296,126	-	-	751,296,126	872,365,010	-	-	872,365,010
Loss allowance	43 (e)(iii)	(69,559)	-	-	(69,559)	(260,485)	-	-	(260,485)
Carrying Amount		751,226,567	-	-	751,226,567	872,104,525	-	-	872,104,525
4 Loans and advances measured at amortised cost									
Performing		763,183,922	-	-	763,183,922	709,146,345	-	-	709,146,345
Watchlist		-	6,191,247	-	6,191,247	-	33,353,791	-	33,353,791
Substandard -Impaired		-	-	26,933,332	26,933,332	-	-	19,761,321	19,761,321
Gross amount		763,183,922	6,191,247	26,933,332	796,308,501	709,146,345	33,353,791	19,761,321	762,261,457
Loss allowance	43 (e)(iv)	(2,158,755)	(158,846)	(14,693,901)	(17,011,501)	(2,721,785)	(838,715)	(9,743,713)	(13,304,213)
Carrying Amount		761,025,167	6,032,401	12,239,431	779,296,999	706,424,560	32,515,076	10,017,608	748,957,244
5 Other assets									
Watchlist		-	6,388,375	-	6,388,375	-	5,723,479	-	5,723,479
Gross amount		-	6,388,375	-	6,388,375	-	5,723,479	-	5,723,479
Loss allowance	43 (e)(v)	-	(2,437,842)	-	(2,437,842)	-	(1,971,261)	-	(1,971,261)
Carrying Amount	-		3,950,533	-	3,950,533	-	3,752,218	-	3,752,218

43 Financial risk management (contd.)

(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 forwardlooking 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 forwardlooking 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.

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.

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 2021 for the years 2022 to 2025, for Nigeria which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

	2022	2023	2024	2025
Inflation				
• Base scenario	17.60%	18.17%	18.65%	19.07%
Crude Oil Prices				
• Base scenario	63.45	60.79	60.24	60.12

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 years.

Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in stage 1 (12-months ECL) is calculated by multiplying the 12-month PD, LGD and EAD term structures. Lifetime ECL is calculated by multiplying the lifetime PD, LGD and EAD term structures.

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. The Bank's PD was estimated based on yearly performance status (i.e. default and non-default) migration. The lifetime PD term structure was derived using the Homogenous Discrete Time Markov Chain approach. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

43 Financial risk management (contd.)

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 th 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;

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

43 Financial risk management (contd.)

(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 2021				31 December 2020			
(I) Cash and bank balances		Stage 1 12month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total	Stage 1 12month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total
In thousands of Naira		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance		25,433	-	-	25,433	1,794	-	-	1,794
Net remeasurement of loss allowance		(24,725)	-	-	(24,725)	23,639	-	-	23,639
Closing balance		708	-	-	708	25,433	-	-	25,433

(ii) Due from financial institutions	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	509,865	-	-	509,865	278,612	-	-	278,612
Net remeasurement of loss allowance	(33,680)	-	-	(33,680)	231,253	-	-	231,253
Closing balance	476,185	-	-	476,185	509,865	-	-	509,865

(iii) Investment in debt securities	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	260,534	-	-	260,534	3,107	-	-	3,107
Remeasurement of loss allowance	(190,584)	-	-	(190,584)	257,427	4,333	-	261,760
Net remeasurement of loss allowance	(190,584)	-	-	(190,584)	257,427	4,333	-	261,760
Write off	-	-	-	-	-	(4,333)	-	(4,333)
Closing balance	69,950	-	-	69,950	260,534	-	-	260,534

43 Financial risk management (contd.)

iv Loan and advances

In thousands of Naira	31 December 2021 12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 December 2020 12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
	2,725,656	838,746	9,744,269	13,308,671	3,348,322	2,208,946	19,377,702	24,934,970
Remeasurement of loss allowance	(1,099,003)	(62,947)	3,475,654	2,313,704	(2,056,937)	(386,007)	7,676,392	5,233,448
Transfer to 12 month ECL	364,943	(256,693)	(108,250)	-	1,083,116	(434,675)	(648,441)	-
Transfer to Lifetime ECL - not credit impaired	(58,652)	173,254	(114,602)	-	(57,125)	176,315	(119,190)	-
Transfer to Lifetime ECL - credit impaired	(164,346)	(569,234)	733,580	-	(69,903)	(764,064)	833,967	-
Loans repaid	(49,287)	(6,980)	(34,609)	(90,876)	(55,387)	(4,015)	(687,688)	(747,090)
New loans acquired	453,676	42,731	557,922	1,054,330	533,570	42,246	105,012	680,828
Net remeasurement of loss allowance	(552,668)	(679,869)	4,509,695	3,277,158	(622,666)	(1,370,200)	7,160,052	5,167,186
Unwinding of discount	-	-	460,183	460,183			681,186	681,186
Write off	-	-	(19,691)	(19,691)	-	-	(17,474,671)	(17,474,671)
Closing balance	2,172,988	158,877	14,694,456	17,026,321	2,725,656	838,746	9,744,269	13,308,671

v Other assets

In thousands of Naira	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	-	2,034,240	-	2,034,240	-	1,228,800	-	1,228,800
Remeasurement of loss allowance	-	479,592	-	479,592	-	805,440	-	805,440
Transfer to Lifetime ECL - credit impaired	-	(12,509)	12,509	-	-	-	-	-
Net remeasurement of loss allowance	-	467,083	12,509	479,592	-	805,440	-	805,440
Write off	-	-	(12,509)	(12,509)	-	-	-	-
Closing balance	-	2,501,323	-	2,501,323	-	2,034,240	-	2,034,240

43 Financial risk management (contd.)

vi Advances under finance lease

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	451	-	-	451	-	-	3,750	3,750
Remeasurement of loss allowance	1,109	-	-	1,109	(3,299)	-	-	(3,299)
Transfer to 12 month ECL	-	-	-	-	3,750	-	(3,750)	
Transfer to life time ECL	(282)		282					
Net remeasurement of loss allowance	827	-	282	1,109	451	-	(3,750)	(3,299)
Write off	-	-	(282)	(282)	-	-	-	-
Closing balance	1,278	-	-	1,278	451	-	-	451

Bank

I Cash and bank balances

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	25,433	-	-	25,433	1,794	-	-	1,794
Net remeasurement of loss allowance	(24,725)	-	-	(24,725)	23,639	-	-	23,639
Closing balance	708	-	-	708	25433	-	-	25,433

ii Due from Financial Institutions

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Balance	502,437	-	-	502,437	269,946 -		-	269,946
Net remeasurement of loss allowance	(29,297)	-	-	(29,297)	232,491	-	-	232,491
Closing balance	473,140	-	-	473,140	502,437	-	-	502,437

43 Financial risk management (contd.)

iii Investment in debt securities

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	260,485	-	-	260,485	3,093	-	-	3,093
Net remeasurement of loss allowance	(190,926)	-	-	(190,926)	257,392	-	-	257,392
Closing balance	69,559	-	-	69,559	260,485	-	-	260,485

iv Loan and advances

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	2,721,785	838,715	9,743,713	13,304,213	3,342,722	2,208,916	19,369,350	24,920,988
Remeasurement of loss allowance	(1,099,003)	(62,947)	3,475,654	2,313,704	(2,056,938)	(386,007)	7,676,392	5,233,447
Transfer to 12 month ECL	364,943	(256,693)	(108,250)	-	1,083,115	(434,675)	(648,440) -	
Transfer to Lifetime ECL - not credit impaired	(58,652)	173,254	(114,602)	-	(57,125)	176,315	(119,190)	-
Transfer to Lifetime ECL - credit impaired	(164,346)	(569,234)	733,580	-	(69,903)	(764,065)	833,968	-
Loans repaid	(49,287)	(6,980)	(34,609)	(90,876)	(55,387)	(4,015)	(687,688)	(747,090)
New loans acquired	443,314	42,731	557,922	1,043,968	535,301	42,246	105,011	682,558
Net remeasurement of loss allowance	(563,030)	(679,869)	4,509,695	3,266,796	(620,937)	(1,370,201)	7,160,053	5,168,915
Unwinding of discount	-	-	460,183	460,183			681,186	681,186
Write off	-	-	(19,691)	(19,691	-	-	(17,466,876)	(17,466,876)
Closing balance	2,158,755	158,846	14,693,901	17,011,501	2,721,785	838,715	9,743,713	13,304,213

43 Financial risk management (contd.)

v Other assets

	31 December 2021				31 December 2020			
	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
In thousands of Naira	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening balance	-	1,971,261	-	1,971,261	-	1,209,477	-	1,209,477
Remeasurement of loss allowance	-	466,581	-	466,581	-	761,784	-	761,784
Closing balance	-	2,437,842	-	2,437,842	-	1,971,261	-	1,971,261

-

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 Bank might not be able to meet with its obligation as they fall due.

Management of liquidity risk;

The ultimate responsibility for liquidity risk management rest with the Board of Directors, which has established an appropriate risk management framework for the management of the Bank short, medium and long term funding and liquidity management requirements. This function has been delegated to the asset and liability management committee of the Bank. This committee meets on bi-weekly to monitor liquidity profile of the Bank. The Bank also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows on the Group and Bank's financial assets and financial liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

43 Financial risk management (contd.)

Liquidity risk (contd.)

Group

Residual contractual maturities of financial assets and liabilities

31 December 2021 *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	9,654,268	9,654,268	9,654,268	-	-	-	-	-
Due from financial institution	15	114,969,349	130,587,539	130,587,539	-	-	-	-	-
Investment in debt securities	18	751,315,051	766,397,200	766,397,200	-	-	-	-	-
Loans and advances	19	780,477,268	923,152,040	264,558,885	222,638,031	186,614,223	119,104,187	67,498,786	62,737,927
Other assets	22	4,420,395	4,420,395	4,420,395	-	-	-	-	-
Total financial assets		1,660,836,332	1,834,211,442	1,175,618,287	222,638,031	186,614,223	119,104,187	67,498,786	62,737,927
Non-derivative liabilities									
Other Liabilities	27	(189,139,876)	(189,139,876)	(189,139,876)	-	-	-	-	-
Borrowings	29	(1,125,303,560)	(1,199,410,277)	(424,104,780)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
Total financial liabilities		(1,314,443,436)	(1,388,550,153)	(613,244,656)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
Derivative liabilities									
Risk management:	16	(1,136,937)	-	-	-	-	-	-	-
Inflow		-	751,837,600	751,837,600	-	-	-	-	-
Outflow		-	(756,744,380)	(756,744,380)	-	-	-	-	-
			(4,906,780)	(4,906,780)	-	-	-	-	-
Total financial liabilities		(1,315,580,373)	(1,393,456,933)	(618,151,436)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
Gap (asset - liabilities)			440,754,509	557,466,852	(138,203,971)	31,245,401	80,635,368	61,234,318	(151,623,459)
Cumulative liquidity gap				557,466,852	419,262,881	450,508,282	531,143,650	592,377,968	440,754,509

43 Financial risk management (contd.)

Liquidity risk (contd.)

Group

Residual contractual maturities of financial assets and liabilities

31 December 2020 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	83,230,087	83,230,087	83,230,087	-	-	-	-	-
Due from financial institutions	15	104,652,434	105,146,750	105,146,750	-	-	-	-	-
Investment in debt securities	18	872,195,497	889,753,712	889,753,712	-	-	-	-	-
Loans and advances	19	749,838,732	865,021,424	257,895,382	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Other assets	23	4,279,372	4,279,372	4,279,372	-	-	-	-	-
Total financial assets		1,814,196,121	1,947,431,345	1,340,305,303	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
					-	-	-	-	-
Non-derivative liabilities									
Other Liabilities	28	(211,346,787)	(211,346,787)	(211,346,787)	-	-	-	-	-
Borrowings	30	(1,302,479,259)	(1,436,505,797)	(335,116,805)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
		(1,513,826,046)	(1,647,852,584)	(546,463,592)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Derivative liabilities									
Risk management:	16	(4,695,233)	-	-	-	-	-	-	-
Inflow		-	893,348,101	893,348,101	-	-	-	-	-
Outflow		-	(900,763,340)	(900,763,340)	-	-	-	-	-
			(7,415,239)	(7,415,239)	-	-	-	-	-
Total financial liabilities		(1,518,521,279)	(1,655,267,823)	(553,878,831)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Gap (asset - liabilities)			292,163,522	786,426,472	(163,728,659)	(178,664,812)	(16,443,390)	35,283,674	(170,709,763)
Cumulative liquidity gap				786,426,472	622,697,813	444,033,001	427,589,611	462,873,285	292,163,522

Current maturity mis-match profile

The above tables show the undiscounted cash flows on the Group's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity.

The gross nominal inflows / (outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities and assets held for risk management purposes.

As part of the management of its liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

43 Financial risk management (contd.)

Liquidity risk (contd.)

Bank

Residual contractual maturities of financial assets and liabilities

31 December 2021 *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	9,253,905	9,253,905	9,253,905	-	-	-	-	-
Due from financial institution	15	113,533,311	129,151,501	129,151,501	-	-	-	-	-
Investment in debt securities	18	751,226,568	766,308,716	766,308,716	-	-	-	-	-
Loans and advances	19	779,297,001	921,965,772	263,372,617	222,638,031	186,614,223	119,104,187	67,498,786	62,737,927
Other assets	23	3,950,533	3,950,533	3,950,533	-	-	-	-	-
Total financial assets		1,657,261,318	1,830,630,426	1,172,037,272	222,638,031	186,614,223 1	19,104,187	67,498,786	62,737,927
Non-derivative liabilities									
Other Liabilities	28	(190,276,358)	(190,276,358)	(190,276,358)	-	-	-	-	-
Borrowings	30	(1,124,761,517)	(1,198,255,844)	(422,950,347)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
		(1,315,037,875)	(1,388,532,202)	(613,226,705)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
Derivative liabilities									
Risk management:	16	(1,136,937)	-	-	-	-	-	-	-
Inflow		-	751,837,600	751,837,600	-	-	-	-	-
Outflow		-	(756,744,380)	(756,744,380)	-	-	-	-	-
			(4,906,780)	(4,906,780)	-	-	-	-	-
Total financial liabilities		(1,316,174,812)	(1,393,438,982)	(618,133,485)	(360,842,002)	(155,368,822)	(38,468,819)	(6,264,468)	(214,361,386)
Gap (asset - liabilities)			437,191,444	553,903,788	(138,203,971)	31,245,401	80,635,368	61,234,318	(151,623,459)
Cumulative liquidity gap				553,903,788	415,699,817	446,945,218	527,580,586	588,814,904	437,191,445

43 Financial risk management (contd.)

Liquidity risk (contd.)

Bank

Residual contractual maturities of financial assets and liabilities

31 December 2020 *In thousands of Nigerian Naira*	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Less than 5 years	Above 5 years
Non-derivative assets:									
Cash and bank balances	14	82,593,208	82,593,208	82,593,208	-	-	-	-	-
Due from financial institutions	15	103,625,287	104,119,603	104,119,603	-	-	-	-	-
Investment in debt securities	18	872,104,525	889,662,741	889,662,741	-	-	-	-	-
Loans and advances	19	748,957,244	864,139,937	257,013,895	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Other assets	23	3,752,218	3,752,218	3,752,218	-	-	-	-	-
		1,811,032,482	1,944,267,707	1,337,141,665	196,320,431	161,407,074	126,799,743	71,736,214	50,862,580
Non-derivative liabilities									
Other Liabilities	28	(213,221,068)	(213,221,068)	(213,221,068)	-	-	-	-	-
Borrowings	30	(1,300,972,636)	(1,434,999,173)	(333,610,181)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
		(1,514,193,704)	(1,648,220,241)	(546,831,249)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Derivative liabilities									
Risk management:	16	(4,695,233)	-	-	-	-	-	-	-
Inflow		-	893,348,101	893,348,101	-	-	-	-	-
Outflow		-	(900,763,340)	(900,763,340)	-	-	-	-	-
			(7,415,239)	(7,415,239)	-	-	-	-	-
Total financial liabilities		(1,518,888,937)	(1,655,635,480)	(554,246,488)	(360,049,090)	(340,071,886)	(143,243,133)	(36,452,540)	(221,572,343)
Gap (asset - liabilities)			288,632,227	782,895,177	(163,728,659)	(178,664,812)	(16,443,390)	35,283,674	(170,709,763)
Cumulative liquidity gap				782,895,177	619,166,519	440,501,706	424,058,316	459,341,990	288,632,227

Current maturity mis-match profile

The above tables show the undiscounted cash flows on the Bank's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity.

The gross nominal inflows / (outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities and assets held for risk management purposes.

As part of the management of its liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

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 Group's exposure to equity market as at end of the period is very minimal with a total market value exposure of ₦14.5 million (31 Dec. 2020: ₦14.7 million) due to the Group's divestment from quoted equity securities.

Management of Foreign Currency risk

The Group manages its foreign currency risk by limiting the amount of cash it holds in foreign currency and also ensuring that they are managed within approved policy parameters utilising forward foreign exchange contracts.

The table below summarises foreign currency exposures of the Group as at year end

Group

		31 December 2021				
In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	63,000	1,630	2,451,544	7,138,094	9,654,268
Due from Financial Institutions	15	523,938	617,419	53,039,319	60,788,672	114,969,349
Investment in debt securities	18	-	-	-	751,315,051	751,315,051
Other assets	23	21,979	16,549	235,724	4,146,144	4,420,395
Loans and advances	19	-	-	97,940,594	682,536,674	780,477,268
Total assets		608,917	635,598	153,667,181	1,505,924,636	1,660,836,332
Derivative liabilities	16	-	-	-	(1,136,937)	(1,136,937)
Borrowings	30	(360,036,036)	-	(377,372,268)	(387,895,256)	(1,125,303,560)
Other liabilities	28	(5,940)	-	(104,656,128)	(84,477,808)	(189,139,876)
Total liabilities		(360,041,977)	-	(482,028,396)	(473,510,001)	(1,315,580,373)
Net on-balance sheet financial position		(359,433,059)	635,598	(328,361,215)	1,032,414,635	345,255,959

		31 December 2020				
In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	216,703	3,142	2,526,723	80,483,519	83,230,087
Due from Financial Institutions	15	622,150	625,164	70,330,258	33,074,862	104,652,434
Investment in debt securities		-	-	-	872,195,497	872,195,497
Other assets	23	-	16,549	303,978	3,958,845	4,279,372
Loans and advances	19	-	-	82,698,980	667,139,752	749,838,732
Total assets		838,853	644,855	155,859,939	1,656,852,475	1,814,196,122
Borrowings	30	(445,458,947)	-	(405,305,180)	(451,715,132)	(1,302,479,259)
Other liabilities	28	(24,381)	-	(67,148,980)	(144,173,426)	(211,346,787)
Derivative liability	16	-	-	-	(4,695,233)	(4,695,233)
Total liabilities		(445,483,328)	-	(472,454,160)	(600,583,791)	(1,518,521,279)
Net on-balance sheet financial position		(444,644,475)	644,855	(316,594,221)	1,056,268,684	295,674,843

43 Financial risk management (contd.)

Bank

31 December 2021

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	63,000	1,630	2,451,544	6,737,730	9,253,905
Due from Financial Institutions	15	523,938	617,419	53,039,319	59,352,634	113,533,311
Investment in debt securities	18	-	-	-	751,226,568	751,226,568
Other assets	23	21,979	16,549	235,724	3,676,282	3,950,533
Loans and advances	19	-	-	97,940,594	681,356,407	779,297,001
Total assets		608,917	635,598	153,667,180	1,502,349,622	1,657,261,318
Derivative liabilities	16	-	-	- (	1,136,937)	(1,136,937)
Borrowings	30	(360,036,036)	-	(377,372,268)	(387,353,213)	(1,124,761,517)
Other liabilities	28	(5,940)	-	(104,656,128)	(85,614,290)	(190,276,358)
Total liabilities		(360,041,977)	-	(482,028,396)	(474,104,440)	(1,316,174,812)
Net on-balance sheet financial position		(359,433,059)	635,598	(328,361,215)	1,028,245,182	341,086,506

31 December 2020

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	216,703	3,142	2,526,723	79,846,640	82,593,208
Due from Financial Institutions	15	622,150	625,164	70,330,258	32,047,715	103,625,287
Investment in debt securities	18	-	-	-	872,104,525	872,104,525
Other assets	23	-	16,549	303,978	3,431,691	3,752,218
Loans and advances	19	-	-	82,698,980	666,258,264	748,957,244
Total assets		838,853	644,855	155,859,939	1,653,688,835	1,811,032,482
Borrowings	30	(445,458,947)	-	(405,305,180	(450,208,509)	(1,300,972,636)
Other liabilities	28	(24,381)	-	(67,148,980)	(146,047,707)	(213,221,068)
Derivative liability	16	-	-	-	(4,695,233)	(4,695,233)
Total liabilities		(445,483,328)	-	(472,454,160)	(600,951,449)	(1,518,888,937)
Net on-balance sheet financial position		(444,644,475)	644,855	(316,594,222)	1,052,737,386	292,143,545

43 Financial risk management (contd.)

Foreign Currency Exchange Risk (continued)

The following table details the Group's sensitivity to a increase and decrease in Naira against the US dollars, pounds and Euro. Management believe that the stated percentage movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding denominated assets as there were no liabilities denominated in foreign currency. A positive number indicates an increase in profit where Naira strengthens by the stated percentage against the respective currencies. For the stated percentage increase or decrease in the rate, there would be an equal and opposite impact on profit, and the balances below would be negative.

31 December 2021

	Group	Bank
	₦'000	₦'000
Naira strengthens by 1% against the US dollar		
Profit / (loss)	*3,283,612*	*3,283,612*
Naira weakens by 1% against the US dollar		
Profit / (loss)	*(3,283,612)*	*(3,283,612)*
Naira strengthens by 1% against the Pounds		
Profit / (loss)	*(6,356)*	*(6,356)*
Naira weakens by 1% against the Pounds		
Profit / (loss)	*6,356*	*6,356*
Naira strengthens by 1% against the Euro		
Profit / (loss)	*3,594,331*	*3,594,331*
Naira weakens by 1% against the Euro		
Profit / (loss)	*(3,594,331)*	*(3,594,331)*

31 December 2020

	N'000	*N'000*
Naira strengthens by 1% against the US dollar		
Profit / (loss)	*3,814,904*	*3,814,904*
Naira weakens by 1% against the US dollar		
Profit / (loss)	*(3,814,904)*	*(3,814,904)*
Naira strengthens by 1% against the Pounds		
Profit / (loss)	*(6,449)*	*(6,449)*
Naira weakens by 1% against the Pounds		
Profit / (loss)	*6,449*	*6,449*
Naira strengthens by 1% against the Euro		
Profit / (loss)	*4,446,445*	*4,446,445*
Naira weakens by 1% against the Euro		
Profit / (loss)	*(4,446,445)*	*(4,446,445)*

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 year.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed rate financial assets or financial liabilities at FVTPL , they do not contain a variable cash flow,and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cashflow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Group	Profit or loss		Equity, net of tax	
Effect in thousand of Naira	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2021				
Variable-rate instruments	(7,373,639)	7,373,639	-	-
Cash flow sensitivity (net)	(7,373,639)	7,373,639	-	-
31 December 2020				
Variable-rate instruments	(8,507,641)	8,507,641	-	-
Cash flow sensitivity (net)	(8,507,641)	8,507,641	-	-

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 2021				
Variable-rate instruments	(7,373,639)	7,373,639	-	-
Cash flow sensitivity (net)	(7,373,639)	7,373,639	-	-
31 December 2020				
Variable-rate instruments	(8,507,641)	8,507,641	-	-
Cash flow sensitivity (net)	(8,507,641)	8,507,641	-	-

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.

The Banks' capital is divided into two tiers:

I) Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve. Non-controlling interests arising on consolidation from interests in permanent shareholders' equity. The book value of goodwill, unpublished losses and under provisions are deducted in arriving at qualifying Tier 1 capital; and

ii) Tier 2 capital: qualifying subordinated loan capital and unrealised gains arising from the fair valuation of financial instruments held as available for sale. Under the Basel II requirements as implemented in Nigeria, Tier 2 capital is restricted to 33 1/3% of Tier 1 capital.

The Central Bank of Nigeria prescribed the minimum capital adequacy for Development Financial Institutions in Nigeria.

The Bank's objectives when managing capital are:

I. To comply with the capital requirements set by regulators of the Development Finance Institutions

ii. To safeguard the Bank's ability to continue to revitalise ailing industry and serve as growth engine for industrial and economic development in Nigeria

Capital management strategy

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Bank meets the minimum capital requirement set by CBN for both Wholesale Development Finance Institutions and Retail Development Finance Institutions as the shareholders' funds as at 31 December 2021 was N382.5billion (31 December 2020: N334.9billion).

Capital adequacy ratio

The capital adequacy ratio is the quotient of the capital base of the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained. The table below summarises the Basel II capital adequacy ratio for 2021 and 2020. :

	Bank	Bank
	31 Dec 2021	31 Dec 2020
In thousands of naira		
Tier 1 capital		
Ordinary share capital	147,371,321	147,371,321
Retained earnings	89,081,659	63,789,774
Statutory reserves	81,917,538	63,857,662
Deposit for shares	15,000,000	15,000,000
Other reserves	30,919,899	30,919,899
	364,290,418	320,938,656

43 Financial risk management (contd.)

In thousands of naira	Bank 31 Dec 2021	Bank 31 Dec 2020
Capital management		
Less:		
Deferred tax	-	-
Investment in capital of financial subsidiaries	(1,872,860)	(1,772,860)
Intangible assets	(522,294)	(529,346)
Total Tier 1 Capital (A)	361,895,264	318,636,450
Tier 2 capital		
Borrowings	201,989,404	201,188,876
Other reserves	(1,747,745)	(2,225,240)
Tier 2 before deduction of investment	200,241,659	198,963,636
Tier 2 limit	121,256,041	106,803,103
Less:		
Investment in capital of financial subsidiaries	(1,872,860)	(1,772,860)
Net Total Tier 2 Capital (B)	119,383,181	105,030,243
Total regulatory capital (A+B)	481,278,445	423,666,694
Market risk	52,035,654	102,829,759
Operational risk	149,238,804	117,507,028
Credit risk	740,095,473	658,239,890
Total risk-weighted assets	941,369,931	878,576,677

Capital ratios

Total minimum regulatory required capital expressed as a percentage of total risk weighted assets	10.00%	10.00%
Bank's total tier 1 capital expressed as a percentage of total risk-weighted assets	38.44%	36.27%
Total capital expressed as a percentage of total risk-weighted assets	51.13%	48.22%

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.

31 December 2021

Group

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	9,654,268	9,654,268	9,654,268	-
Due from financial institution	15	-	-	114,969,349	114,969,349	114,969,349	-
Investment in debt securities	18	-	-	751,315,051	751,315,051	762,094,276	2
Equity investment securities:							
- Quoted Equities at FVTPL	20	4,087	-	-	4,087	4,087	1
- Quoted equities at FVOCI	20		10,498	-	10,498	10,498	1
- Unquoted equities at FVOCI	20		8,575,887	-	8,575,887	8,575,887	3
Loans and advances	19	-	-	780,477,268	780,477,268	780,477,268	2
Other assets	23	-	-	4,420,395	4,420,395	4,420,395	-
Total financial assets		4,087	8,586,385	1,660,836,332	1,669,426,804	1,680,206,029	
Derivative liability	16	1,136,937	-	-	1,136,937	1,136,937	2
Other liabilities	28	-	-	189,139,876	189,139,876	189,139,876	-
Borrowings	30	-	-	1,125,303,560	1,125,303,560	1,010,023,800	2
Total financial liabilities		1,136,937	-	1,314,443,436	1,315,580,373	1,200,300,612	

31 December 2020

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	83,230,087	83,230,087	83,230,087	-
Due from financial institution	15	-	-	104,652,434	104,652,434	104,652,434	-
Investment in debt securities	18	-	-	872,195,497	872,195,497	889,069,071	2
Equity investment securities:							
- Quoted equity at FVTPL	20	4,074	-	-	4,074	4,074	1
- Quoted equities at FVOCI	20		11,146	-	11,146	11,146	1
- Unquoted equities at FVOCI	20		6,221,329	-	6,221,329	6,221,329	3
Loans and advances	19	-	-	749,838,732	749,838,732	749,838,732	2
Other assets	23	-	-	4,279,372	4,279,372	4,279,372	-
		-	-				
Total financial assets		4,074	6,232,475	1,814,196,121	1,820,432,670	1,837,306,244	
Derivative liability	16	4,695,233	-	-	4,695,233	4,695,233	2
Other liabilities	28	-	-	211,346,787	211,346,787	211,346,787	-
Borrowings	30	-	-	1,302,479,259	1,302,479,259	1,246,525,445	2
Total financial liabilities		4,695,233	-	1,513,826,046	1,518,521,279	1,462,567,466	

44 Financial assets and liabilities

44.1 Classification of financial assets and liabilities, fair value and fair value hierarchy

Bank

31 December 2021

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	9,253,905	9,253,905	9,253,905	-
Due from financial institution	15	-	-	113,533,311	113,533,311	113,533,311	-
Investment in debt securities	18	-	-	751,226,568	751,226,568	762,005,793	2
Equity investment securities:							
- Quoted equity at FVTPL	20	676	-	-	676	676	1
- Quoted equities at FVOCI	20	-	8,077	-	8,077	8,077	1
- Unquoted equities at FVOCI	20	-	8,560,281	-	8,560,281	8,560,281	3
Loans and advances	19	-	-	779,297,001	779,297,001	779,297,001	2
Other assets	23	-	-	3,950,533	3,950,533	3,950,533	-
Total financial assets		676	8,568,358	1,657,261,318	1,665,830,352	1,676,609,577	
Derivative liability	16	1,136,937	-	-	1,136,937	1,136,937	2
Other liabilities	28	-	-	190,276,358	190,276,358	190,276,358	-
Borrowings	30	-	-	1,124,761,517	1,124,761,517	1,009,481,757	2
Total financial liabilities		1,136,937	-	1,315,037,875	1,316,174,812	1,200,895,052	

31 December 2020

In thousands of Naira	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
Cash and bank balances	14	-	-	82,593,208	82,593,208	82,593,208	-
Due from financial institution	15	-	-	103,625,287	103,625,287	103,625,287	-
Investment in debt securities	16	-	-	872,104,525	872,104,525	888,978,099	2
Equity investment securities:							
- Quoted equity at FVTPL	20	676	-	-	676	676	1
- Quoted equities at FVOCI	20	-	8,077	-	8,077	8,077	1
- Unquoted equities at FVOCI	20	-	6,205,823	-	6,205,823	6,205,823	3
Loans and advances	19	-	-	748,957,244	748,957,244	748,957,244	2
Other assets	23	-	-	3,752,218	3,752,218	3,752,218	-
		-	-				
Total financial assets		676	6,213,900	1,811,032,482	1,817,247,058	1,834,120,632	
Derivative liability	16	4,695,233	-	-	4,695,233	4,695,233	2
Other liabilities	28	-	-	213,221,068	213,221,068	213,221,068	-
Borrowings	30	-	-	1,300,972,636	1,300,972,636	1,245,018,823	2
Total financial liabilities		4,695,233	-	1,514,193,704	1,518,888,937	1,462,935,124	

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.

44 Financial assets and liabilities (cont'd)

Fair value methods and assumptions

(i) Equity investment securities

Equity investment securities comprise quoted equity instruments traded on the floor of the Nigerian Stock Exchange and unquoted equity instruments for which are not traded in an active market. The fair value of quoted equity securities were derived based on trading prices of the securities as at reporting date. The fair value of unquoted equity instruments were determined using valuation techniques (adjusted net asset valuation and discounted cashflow techniques) and inputs which may not be observable in the market. References were made to the investee companies historical financial performance and financial positions, cost of capital, discount rate, illiquidity discount etc. The data obtained were analysed and adjustments was made to reflect differences in the circumstances of each investees.

Information about significant unobservable inputs used as at 31 December 2021 in measuring the unquoted equity securities categorised as Level 3 in the fair value hierarchy are included in Note 20.2(ii).

(ii) Derivative asset/liability

The fair value of derivative is estimated from the foreign exchange rates (far and near legs) of the currency swap contracts with the Central Bank of Nigeria (CBN) and discounted using market discount rate. The foreign exchange rates were obtained from the contract and the discount rate was based on Federal Government of Nigeria treasury bill rate.

The valuation method and assumptions for financial instruments not measured at fair value, which were included in table 44.1 are presented below:

(i) Cash and bank balances

Cash and bank balances represent cash held with various banks. The fair value of these balances is their carrying amounts.

(ii) Due from other banks

Due from financial institutions represents bank placements with very short maturity, typically 30 days. The fair value of these balances is their carrying amounts.

(iii) Investment in debt securities

Investment in debt securities includes Treasury bills and CBN Omo Bills issued by the Central Bank of Nigeria. The fair value of treasury bills at amortised cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

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.

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 2021

	Group Carrying Amount ₦'000	Group Current ₦'000	Group Non-current ₦'000	Bank Carrying Amount ₦'000	Bank Current ₦'000	Bank Non-current ₦'000
ASSETS						
Cash and bank balances	9,654,268	9,654,268	-	9,253,905	9,253,905	-
Due from financial institutions	114,969,349	114,969,349	-	113,533,311	113,533,311	-
Derivative asset	-	-	-	-	-	-
Investment in debt securities	751,315,051	751,315,051	-	751,226,568	751,226,568	-
Advances under lease	51,729	51,729	-	-	-	-
Loans and advances	780,477,268	264,558,885	515,918,383	779,297,001	263,372,617	515,924,384
Equity investment securities	8,590,472	-	8,590,472	8,569,034	-	8,569,034
Investment in subsidiaries	-	-	-	3,745,720	-	3,745,720
Investment in equity-accounted investee	3,035,109			3,000,000		
Other assets	9,803,141	9,803,141	-	8,164,961	8,164,961	-
Trading properties	-	-	-	-	-	-
Intangible assets	522,293	-	522,293	522,294	-	522,294
Property and equipment	25,361,410	-	25,361,410	21,862,299	-	21,862,299
Investment property	7,134,792	-	7,134,792	7,001,946	-	7,001,946
Right-of-use assets	-	-	-	3,275,561	-	3,275,561
Deferred tax asset	1,105,689	-	1,105,689	353,830	-	353,830
TOTAL ASSETS	1,712,020,571	1,150,352,423	558,633,038	1,709,806,430	1,145,551,363	561,255,068
LIABILITIES						
Derivative liability	1,136,937	1,136,937	-	1,136,937	1,136,937	-
Tax payable	8,043,213	8,043,213	-	7,919,064	7,919,064	-
Borrowings	1,125,303,560	423,492,389	701,811,170	1,124,761,517	422,950,347	701,811,170
Employee benefits	3,550,675	-	3,550,675	3,193,336	-	3,193,336
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	189,139,876	189,139,876	-	190,276,358	190,276,358	-
TOTAL LIABILITIES	1,327,174,261	621,812,415	705,361,845	1,327,287,212	622,282,706	705,004,506

45 Current and non-current classification of assets and liabilities

The following table distinguishes the current and non-current assets and liabilities as at year end 31 December 2020

	Group			Bank		
	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000	Carrying Amount ₦'000	Current ₦'000	Non-current ₦'000
ASSETS						
Cash and bank balances	83,230,087	83,230,087	-	82,593,208	82,593,208	-
Due from financial institutions	104,652,434	104,652,434	-	103,625,287	103,625,287	-
Derivative asset	-	-	-	-	-	-
Investment in debt securities	872,195,497	872,195,497	-	872,104,525	872,104,525	-
Advances under lease	9,594	9,594	-	-	-	-
Loans and advances	749,838,732	232,687,194	517,151,538	748,957,244	231,805,707	517,151,537
Equity investment securities	4,403,919	-	4,403,919	6,214,576	-	6,214,576
Investment in subsidiaries	-	-	-	3,545,720	-	3,545,720
Other assets	10,710,266	10,710,266	-	9,143,024	9,143,024	-
Trading properties	-	-	-	-	-	-
Intangible assets	529,346	-	529,346	529,346	-	529,346
Property and equipment	25,466,028	-	25,466,028	21,351,298	-	21,351,298
Investment property	11,160,435	-	11,160,435	11,023,369	-	11,023,369
Deferred tax asset	1,556,290	-	1,556,290	817,996	-	817,996
Right-of-use assets	-	-	-	3,920,594	-	3,920,594
TOTAL ASSETS	1,863,752,628	1,303,485,072	560,267,556	1,863,826,187	1,299,271,751	564,554,436
LIABILITIES						
Derivative liability	4,695,233	4,695,233	-	4,695,233	4,695,233	-
Tax payable	4,109,668	4,109,668	-	3,951,666	3,951,666	-
Deposit for shares	-	-	-	-	-	15,000,000
Borrowings	1,302,479,259	317,718,745	984,760,514	1,300,972,636	316,212,121	984,760,515
Employee benefits	4,638,588	-	4,638,588	4,188,872	-	4,188,872
Other liabilities	211,346,787	-	211,346,787	213,221,068	-	213,221,068
TOTAL LIABILITIES	1,527,269,535	326,523,646	1,200,745,889	1,527,029,475	324,859,020	1,217,170,455

Other Information
Value Added Statement

	Group				Bank			
	31-Dec-21		31-Dec-20		31-Dec-21		31-Dec-20	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross income	184,554,648		131,843,084		183,390,927		130,681,251	
Interest paid	(57,866,159)		(34,117,130)		(58,611,570)		(34,975,683)	
Fees paid	(5,080,492)		(3,705,378)		(5,080,492)		(3,705,378)	
	121,607,997		94,020,576		119,698,865		92,000,190	
Net loss from financial instruments measured at fair value	(16,562,219)		(17,816,750)		(16,563,541)		(17,816,567)	
Impairment charges	(9,095,180)		(12,847,174)		(9,074,738)		(12,805,416)	
Administrative overheads	(15,263,338)		(11,107,556)		(14,789,882)		(10,714,649)	
Value Added	80,687,260	100	52,249,096	100	79,270,703	100	50,663,558	100
Applied as follows:								
To pay employees:								
- Salaries and wages	15,881,931	20	14,111,271	27	15,566,892	27	13,756,710	27
To pay government								
- Taxation	8,863,336	11	3,944,159	8	8,539,821	8	3,545,031	7
Retained for future replacement of assets and expansion of business:								
- Depreciation and amortisation	2,525,181	3	2,595,808	5	2,555,620	5	2,558,247	5
- Profit retained in the business	53,416,814	66	31,597,858	60	52,608,370	60	30,803,570	61
	80,687,260	100	52,249,096	100	79,270,703	100	50,663,558	100

Other Information
Financial Summary - Group

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
ASSETS					
Cash and Bank Balances	**9,654,268**	83,230,087	9,872,038	18,193,868	15,413,153
Due from Financial Institution	**114,969,349**	104,652,434	36,633,351	107,578,150	81,061,115
Derivative Asset	**-**	-	2,935,928	-	736,486
Debt securities	**751,315,051**	872,195,497	197,850,196	261,806,710	50,662,415
Loans and Advances	**780,477,268**	749,838,732	740,032,638	634,116,033	525,837,976
Advances under Lease	**51,729**	9,594	226,539	131,052	361,776
Equity securities	**8,590,472**	4,403,919	2,571,289	3,921,028	5,010,185
Investment in equity-accounted investee	**3,035,109**	-	-	-	-
Investment in subsidiaries	**-**	-	-	-	-
Other assets	**9,803,141**	10,710,266	11,362,373	7,376,899	6,107,124
Intangible assets	**522,293**	529,346	499,937	177,855	202,784
Property and equipment	**25,361,410**	25,466,028	24,442,706	23,321,404	15,583,831
Investment property	**7,134,792**	11,160,435	11,427,807	11,746,299	11,596,594
Deferred tax asset	**1,105,689**	1,556,290	2,330,222	675,882	682,485
TOTAL ASSETS	**1,712,020,571**	1,863,752,628	1,040,185,024	1,069,045,180	713,255,924
Derivative liability	**1,136,937**	4,695,233	-	1,372,808	-
Tax payable	**8,043,213**	4,109,668	2,902,622	5,073,130	3,093,018
Deposit for shares			15,000,000	15,000,000	-
Borrowings	**1,125,303,560**	1,302,479,259	598,199,128	686,730,273	389,450,139
Employee benefits	**3,550,675**	4,638,588	3,603,563	1,331,491	482,749
Deferred tax liabilities	**-**	-	-	-	-
Other liabilities	**189,139,876**	211,346,787	127,392,185	101,298,014	78,452,787
TOTAL LIABILITIES	**1,327,174,261**	1,527,269,535	747,097,498	810,805,716	471,478,693
CAPITAL AND RESERVES					
Ordinary share capital	**147,371,321**	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	**90,681,892**	64,616,711	51,427,211	30,815,531	11,616,275
Statutory reserve	**82,587,137**	64,502,053	50,562,471	39,326,952	29,396,863
Non - distributable reserves	**20,108,862**	16,381,154	14,519,142	9,049,290	20,274,739
Actuarial Reserve	**559,652**	(262,245)	27,006	1,159,305	1,990,411
SME reserve	**30,000,000**	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	**(2,453,468)**	(2,109,168)	(1,794,399)	(444,945)	171,992
Business combinations under common control	**919,899**	919,899	919,899	919,899	919,899
Deposit for shares	**15,000,000**	15,000,000	-	-	-
Total equity attributable to owners of the Company	**384,775,295**	336,419,725	293,032,651	258,197,353	241,741,500
Non controlling Interest	**71,015**	63,368	54,875	42,111	35,731
Total Equity	**384,846,310**	336,483,093	293,087,526	258,239,464	241,777,231
TOTAL LIABILITIES AND EQUITY	**1,712,020,571**	1,863,752,628	1,040,185,024	1,069,045,180	713,255,924

Other Information –
Financial Summary (contd.) Bank
Statement of financial position

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
ASSETS					
Cash and Bank Balances	**9,253,905**	82,593,208	9,408,307	17,877,630	14,925,793
Due from Financial Institution	**113,533,311**	103,625,287	35,791,352	106,590,574	82,598,714
Derivative Asset	**-**	-	2,935,928	-	736,486
Debt securities	**751,226,568**	872,104,525	197,386,540	261,747,312	50,416,949
Advances under Lease	**-**	-	-	-	
Loans and Advances	**779,297,001**	748,957,244	739,420,096	633,706,120	525,386,170
Equity Securities	**8,569,034**	4,382,411	2,550,311	3,911,426	4,967,080
Investment in equity-accounted investee	**3,000,000**	-	-	-	-
Investment in Subsidiaries	**3,745,720**	3,545,720	3,545,720	3,545,720	3,545,720
Other assets	**8,164,961**	9,143,024	9,931,557	6,864,505	5,225,534
Intangible Assets	**522,294**	529,346	499,937	177,856	202,785
Property and equipment	**21,862,299**	21,351,298	20,522,247	20,138,858	13,076,702
Investment Property	**7,001,946**	11,023,369	11,286,521	11,600,793	12,061,402
Employee benefit	**-**	-	-	-	-
Deferred Tax Asset	**353,830.00**	817,996	1,488,950	-	
Right of use assets	3,275,561	3,920,594	3,344,690		
TOTAL ASSETS	1,709,806,430	1,861,994,022	1,038,112,156	1,066,160,794	713,143,335
Derivative Liability	**1,136,937**	4,695,233	-	1,372,808	
Tax Payable	**7,919,064**	3,951,666	2,613,315	4,685,306	2,750,358
Deposit for Shares	**-**	-	15,000,000	15,000,000	-
Borrowings	**1,124,761,517**	1,300,972,636	596,363,052	684,647,342	389,450,139
Employee benefit	**3,193,336**	4,188,872	3,177,634	1,010,279	107,843
Deferred Tax Liabilities	**-**	-	-	165,841	522,537
Other Liabilities	**190,276,358**	213,221,068	128,559,328	99,946,429	77,050,068
TOTAL LIABILITIES	**1,327,287,212**	1,527,029,475	745,713,330	806,828,005	469,880,945
CAPITAL AND RESERVES					
Ordinary share capital	**147,371,321**	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	**89,081,659**	63,789,774	51,345,947	32,447,748	13,353,581
Statutory reserve	**81,917,538**	63,857,662	49,952,840	38,704,011	29,131,717
Non-distributable reserve	**19,976,546**	16,251,132	14,396,211	9,047,144	20,271,157
Actuarial Reserve	**710,635**	(111,261)	211,106	1,280,047	2,058,565
SME reserve	**30,000,000**	30,000,000	30,000,000	30,000,000	30,000,000
Available for sale reserve	**(2,458,380)**	(2,113,980)	(1,798,498)	(437,381)	156,149
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Deposit for shares	15,000,000	15,000,000	-	-	-
Total equity attributable to owners of the Company	**382,519,218**	334,964,547	292,398,826	259,332,789	243,262,390
Total Equity	**382,519,218**	334,964,547	292,398,826	259,332,789	243,262,390
TOTAL LIABILITIES AND EQUITY	**1,709,806,430**	1,861,994,022	1,038,112,156	1,066,160,794	713,143,335

Other Information
Financial Summary (cont'd)
Consolidated Statement of profit and loss
For the year ended 31 December 2021

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
	₦'000	₦'000	₦'000	₦'000	₦'000
Interest income	175,830,860	116,906,211	81,229,450	67,719,337	34,966,778
Interest Expense	(57,866,159)	(34,117,130)	(25,384,814)	(16,445,454)	(528,375)
Net Interest Income	117,964,701	82,789,081	55,844,636	51,273,883	34,438,403
Net fees and commission income	578,123	2,060,504	3,728,724	4,125,293	3,273,396
Net (loss)/gain from financial instruments measuredat fair value	(16,562,219)	(17,816,750)	2,935,676	(2,567,866)	845,105
Gain on sale of financial assets at FVTPL	-	-	-	233,444	9,289
Gain/(loss) on sale of financial assets at FVOCI	2,230	-	(33)	-	-
Other income	3,027,834	9,170,991	4,316,082	5,482,414	3,686,859
Total Operating income	105,045,779	76,203,826	66,825,085	58,547,168	42,253,052
Impairment writeback/(charges)	(9,095,180)	(12,847,174)	3,984,407	5,155,154	3,403,814
Net Operating Income	95,950,599	63,356,652	70,809,492	63,702,322	45,656,867
Staff cost	(15,881,931)	(14,111,271)	(13,997,851)	(12,183,454)	(8,020,477)
Depreciation and amortisation	(2,525,181)	(2,595,808)	(2,499,815)	(1,972,293)	(1,357,246)
Other operating expenses	(15,263,338)	(11,107,556)	(14,976,654)	(12,883,365)	(9,915,823)
Total operating expense	(33,670,449)	(27,814,635)	(31,474,320)	(27,039,112)	(19,293,546)
Profit before tax	62,280,150	35,542,017	39,335,172	36,663,210	26,363,320
Taxation	(8,863,336)	(3,944,159)	(3,834)	(4,209,382)	(3,203,771)
Profit for the year	53,416,814	31,597,858	39,331,338	32,453,828	23,159,550
Profit attributable to:					
Owners of the company	53,409,167	31,591,094	39,317,049	32,446,939	23,151,908
Non-Controlling Interest	7,647	6,764	14,289	6,889	7,642
	53,416,814	31,597,858	39,331,338	32,453,828	23,159,550

Other Information
Financial Summary (contd.) - Bank

	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
	₦'000	₦'000	₦'000	₦'000	₦'000
Interest income	175,511,056	116,671,135	80,810,850	65,208,827	33,820,364
Interest Expense	(58,611,570)	(34,975,683)	(25,822,536)	(16,457,823)	(619,850)
Net Interest Income	116,899,486	81,695,452	54,988,314	48,751,004	33,200,514
Net fees and commission income	166,713	1,690,733	3,450,283	3,888,351	3,134,624
Net (loss)/gain from financial instruments measured at fair value	(16,563,541)	(17,816,567)	2,935,928	(2,567,866)	845,105
Gain on sale of financial assets at FVOCI	2,230	-	-	-	9,289
Other income	2,630,436	8,614,005	3,111,232	4,702,514	1,531,428
Total Operating income	103,135,323	74,183,623	64,485,757	54,993,929	38,720,960
Impairment writeback/(charges)	(9,074,738)	(12,805,416)	4,003,964	5,010,024	1,651,447
Net Operating Income	94,060,585	61,378,207	68,489,721	60,003,953	40,372,407
Staff cost	(15,566,892)	(13,756,710)	(13,655,825)	(11,793,588)	(7,750,858)
Depreciation and amortisation	(2,555,620)	(2,558,247)	(2,923,277)	(530,597)	(435,930)
Other operating expenses	(14,789,882)	(10,714,649)	(14,507,530)	(12,326,447)	(9,447,940)
Total operating expense	(32,912,394)	(27,029,606)	(31,086,632)	(24,650,632)	(17,634,728)
Profit before tax	61,148,191	34,348,601	37,403,089	35,353,321	22,737,679
Taxation	(8,539,821)	(3,545,031)	93,006	(3,445,677)	(3,149,567)
Profit for the year	52,608,370	30,803,570	37,496,095	31,907,644	19,588,112

Additional Disclosure on Managed Funds

This represents the net asset balances of the various funds managed by the bank as at 31 December 2021.

	2021	2020
	₦'000	₦'000
Government Enterprise and Empowerment Programme (GEEP)	24,709,137	27,389,183
CBN Textile Intervention Funds	29,186,261	30,307,560
Cassava Bread Support Fund	3,028,587	3,216,669
National Automotive Council fund	2,355,127	2,870,453
Anambra state fund	640,051	614,952
Kebbi state fund	205,020	969,596
Niger state funds	181,708	175,099
Kogi state funds	86,547	89,031
Osun state funds	119,166	216,165
Edo Production Hub Managed Fund	183,192	184,465
Delta state funds	476,040	489,923
Kaduna state fund	387,454	391,386
Taraba state fund	456,283	440,418
Kano state fund	54,853	61,614
Kwara state fund 1	17,835	4,328
Kwara state fund 2	160,976	161,972
Ekiti state fund	5,353	7,086
SMEDAN Fund - Osun	(135)	(132)
Ondo state fund	154,911	131,961
Ogun state fund	358,677	359,413
Dangote fund	2,826,975	5,337,084
Gombe fund	60,437	58,002
Oyo state fund	449,315	448,058
Enugu state fund	23,856	176,774
Cross river state fund	202,303	200,279
Business Development Fund for Women (BUDFOW)	28,146	33,891
National Sugar Industrial Development fund	508,824	479,171
Sugar levy fund	8,502,314	5,255,873
SMEDAN Fund - Oyo	53,447	52,550
Benue state fund	327,484	1,188,734
Ebonyi state fund	20,618	20,621
Rice processing fund	2,002,498	1,888,718
National Programme for Food Security (NPAFS) fund	708,061	655,459
Federal Department of Agriculture (FDA) Cottage fund	2,842,554	2,580,210
Sokoto state fund	473,542	516,406
Bayelsa state fund	10,318	10,254
Nigeria Artisanal & Small Scale Miners Financial Support Fund (ASM)	3,372,881	3,222,098
Nigeria Industrial Policy & Competitiveness Advisory Council (NIPCAC) fund	50,888	(86,111)
MTN Foundation (MTNF) Youth enterprises	78,546	82,041
Delta state government Healthcare	232,019	224,426
Borno state fund	405,380	962,728
IsDB Brave Women Fund	106,709	185,809
Textile revival fund	18,598,694	21,492,505
Northeast Rehabilitation Fund	273,479	301,389
NEPC (Export Expansion Facility)	5,163,704	-
Benue state government fund	402,508	-
Edo Matching Fund	986,761	-
	111,479,301	113,368,111

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	27,389,183	43,400,778
Net Fund Generated/(Utilised)	(2,415,865)	(16,011,595)
Withdrawal from Fund	(264,181)	-
Closing Accumulated Fund	24,709,137	27,389,183
Represented by:		
Bank Balances	996,738	3,873,070
Investment in Money Market	11,161,857	10,700,035
Loan Debtors	12,633,580	11,827,440
Other Receivables	299,715	1,408,302
Less Liabilities	(382,753)	(419,664)
	24,709,137	27,389,183

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	30,307,560	29,996,399
Net Fund Generated/(Utilized)	1,911,018	311,161
Refund to fund owners	(3,032,317)	
Prior Year Adjustment	-	-
Closing Accumulated Fund	29,186,261	30,307,560
Represented by:		
Bank Balances	(93,224)	(86,158)
Investment in Money Market		-
Loan Debtors	27,069,184	26,380,660
Other Receivable	2,210,301	4,013,058
Less Liabilities	-	-
	29,186,261	30,307,560

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	3,216,669	3,097,634
Net Fund Generated/(Utilized)	270,582	126,497
Prior Year Adjustment	(458,663.60)	(7,462)
Closing Accumulated Fund	3,028,587	3,216,669
Represented by:		
Bank Balances	31,031	73,249
Investment in Money Market	2,151,112	1,936,104
Loan Debtors	(214,794)	(201,847)
Other Receivable	1,078,912	1,425,387
Less Liabilities	(17,674)	(16,225)
	3,028,587	3,216,669

NADDC FUND

The NADDC Fund is aimed at developing the Nigerian automotive sector by financing projects in the automotive industry. The Fund is also used to finance annual budgetary approval for Capital and Recurrent Expenditures of the National Automotive Council.

From the inception of the NAC Fund on July 31, 2003 till date, the total inflow from the National Automotive Council (NAC) stands at N18.09 billion. The Fund is being managed by BOI for a fee of 5% per annum on investible Fund, payable quarterly and deductible from the balance of the Fund. Similarly, NAC receives Management Fee of 2% per annum on investible Fund payable quarterly and deducted from the balance of the Fund. For the Funding of projects, the Fund is broken down into three categories, namely;

NAC Term loans/Working Capital Financing:

This is for projects in the Automotive Industry. These loans are granted at 7.5% and 10% per annum on term loan and working capital loan respectively.

NAC Auto Technicians Support Scheme (NAC-ATSS):- This represents the sum of 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 provided at 7.5% per annum to the partnering MFB and 10% per annum to the final beneficiary.

Additional Disclosure on Managed Funds

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	**2,870,453**	2,806,779
Net Fund Generated/(Utilized)	**(515,326)**	63,673
Prior Year Adjustment		-
Closing Accumulated Fund	**2,355,127**	2,870,453

Represented by:

Bank Balances	**21,953**	62,794
Investment in Money Market	**1,327,500**	1,254,251
Loan Debtors	**(808,244)**	(208,748)
Other Receivable	**1,817,161**	1,765,399
Less Liabilities	**(3,243)**	(3,243)
	2,355,127	2,870,453

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 on 17th August, 2007 and 11th December, 2009 respectively in the sum of N250.0 million per tranche. The interest rate on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	**614,952**	670,035
Net Fund Generated/(Utilised)	**25,099**	(55,083)
Closing Accumulated Fund	**640,051**	614,952

Represented by:

Bank Balances	**24,871**	496
Investment in Money Market	**507,479**	422,749
Loan Debtors	**(44,060)**	130,252
Other Receivable	**158,913**	125,076
Less Liabilities	**(7,152)**	(8,538)
	640,051	670,035

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 Counter-part 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. Bneficiaries 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	969,596	989,506
Net Fund Generated/(Utilised)	(764,576)	(19,910)
Closing Accumulated Fund	205,020	969,596
Represented by:		
Bank Balances	260	2,307
Investment in Money Market	98,620	98,292
Loan Debtors	115,815	837,718
Other Receivable	351	42,939
Less Liabilities	(10,026)	(11,660)
	205,020	969,596

DELTA STATE MANAGED FUND

Delta State MSMEs Fund (also referred to as DTSG-BOI MSME Fund) represents Delta state Government's share of the 50:50 Counter part 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	**2021**	2020
	N'000	N'000
Opening Accumulated Fund	**489,923**	501,640
Underaccrual of Prior year Management fee	-	2,765
Net Fund Generated/(Utilised)	**(13,883)**	(14,482)
Closing Accumulated Fund	**476,040**	489,923
Represented by:		
Bank Balances	**216**	173
Investment in Money Market	**24,274**	38,206
Loan Debtors	**(54,948)**	(54,289)
Sundry Debtors	**511,202**	510,505
Less Liabilities	**(4,704)**	(4,671)
	476,040	489,923

KADUNA STATE MANAGED FUND

Kaduna State MSME Fund (also referred to as KDSG-BOI MSME Fund) represents Kaduna state Government's share of the 50:50 Counter-part Fund by both the KDSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KDSG signed the MOU with BOI 2014 and committed a sum of 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 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	391,386	436,770
Unaccrued 2019 Audit fees	-	(2,500)
Net Fund Generated/(Utilised)	(3,932)	(42,884)
Closing Accumulated Fund	387,454	391,386
Represented by:		
Bank Balances	9,083	(1,333)
Investment in Money Market	338,044	324,320
Loan Debtors	43,744	56,684
Other Receivables	2,137	17,101
Less Liabilities	(5,554)	(5,387)
	387,454	391,386

TARABA STATE MANAGED FUND

Taraba State MSMEs Fund (also referred to as TRSG-BOI MSME Fund) represents Taraba state Government's share of the 50:50 Counter-part Fund by both the TRSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The TRSG signed the MOU with BOI on 10th June, 2015 and committed a sum of 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	440,418	434,940
Underaccrual for VAT	(36)	-
Net Fund Generated/(Utilised)	15,902	5,478
Closing Accumulated Fund	456,283	440,418
Represented by:		
Bank Balances	571	811
Investment in Money Market	451,116	433,334
Loan Debtors	53,924	6,863
Sundry Debtors	(44,744)	6,428
Less Liabilities	(4,585)	(7,017)
	456,283	440,418

KANO STATE MANAGED FUND

Kano State MSME Fund (also referred to as KNSG-BOI MSME Fund) represents Kano State Government's share of the 50:50 Counter-part Fund by both the KNSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KNSG signed the MOU with BOI on 30th JUly, 2013 and committed a sum of 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 in line with the market dictates . The insterest 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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	61,614	58,830
Prior year expenses not accrued		(5,460)
Net Fund Generated/(Utilised)	(6,760)	8,243
Closing Accumulated Fund	54,853	61,614
Represented by:		
Bank Balances	755	13,940
Investment in Money Market	35,457	4,960
Loan Debtors		-
Other Receivables	23,113	44,419
Less Liabilities	(4,472)	(1,705)
	54,853	61,614

NIGER STATE MANAGED FUND

Niger State MSME Fund (also referred to as NGSG-BOI MSME Fund) represents Niger state Government's (NGSG) share of the 50:50 Counter- part Fund by both the NGSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The NGSG signed the MOU with BOI on 23rd September, 2009 and committed a sum of 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 by the Bank is 3% on the outstanding balance per annum of the Fund payable quarterly.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	175,099	174,563
Overaccrual of Mgt fee corrected	(1,589)	(6)
Net Fund Generated/(Utilised)	8,198	542
Closing Accumulated Fund	181,708	175,099
Represented by:		
Bank Balances	703	(1,821)
Investment in Money Market	184,059	179,984
Loan Debtors	123,468	-
Other Receivables	(123,266)	28
Less Liabilities	(3,256)	(3,091)
	181,708	175,099

KOGI STATE MANAGED FUND

Kogi State MSME Fund (also referred to as KGSG-BOI MSME Fund) represents Kogi state Government's share of the 50:50 Counter-part Fund by both the KGSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KGSG signed the MOU with BOI on 26th June, 2009 and committed a sum of 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

	2021 N'000	2020 N'000
Opening Accumulated Fund	89,031	91,657
Reclassification		-
Net Fund Generated/(Utilised)	(2,484)	(2,626)
Closing Accumulated Fund	86,547	89,031
Represented by:		
Bank Balances	669	637
Investment in Money Market	-	-
Loan Debtors	4,331	4,331
Other Receivables	112,419	112,419
Less Current Liabilities	(30,872)	(28,356)
	86,547	89,031

OSUN STATE MANAGED FUND

Osun State MSME Fund (also referred to as OSSG-BOI MSME Fund) represents Osun state Government's share of the 50:50 Counter-part Fund by both the OSSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The OSSG signed the MOU with BOI on 18th September, 2009 and committed a sum of N1.0 billion to the scheme. However, only the sum of N250.0 million has since been released by OSSG. Interest rate of 10% per annum and 12.5% per annum is attributable to the Term loan and Working Capital Loans respectively. The Management Fee to be earned by the Bank is 3% on outstanding balance of the Fund payable quarterly.

Summary of Fund	2021	2020
	N'000	N'000
Opening Accumulated Fund	216,165	207,397
Prior year adjustment		52
Transfer to Osun SEEP	(100,000)	-
Net Fund Generated/(Utilised)	3,001	8,716
Closing Accumulated Fund	119,166	216,165
Represented by:		
Bank Balances	11,264	326
Investment in Money Market	65,745	170,566
Loan Debtors	(37,220)	(28,714)
Other Receivables	82,071	77,915
Less Liabilities	(2,694)	(3,928)
	119,166	216,165

EDO PRODUCTION HUB 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	184,465	188,028
Prior year adjustment on audit fee		(1,500)
Net Fund Generated/(Utilised)	(1,273)	(2,063)
Closing Accumulated Fund	183,192	184,465
Represented by:		
Bank Balances	6,394	11,620
Investment in Money Market	164,438	159,037
Loan Debtors	1	(0)
Other Receivables	19,251	18,987
Less Liabilities	(6,892)	(5,178)
	183,192	184,465

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	2021	2020
	N'000	N'000
Opening Accumulated Fund	131,961	132,515
Prior year adjustment	3,984	-
Net Fund Generated/(Utilised)	18,966	(554)
Closing Accumulated Fund	154,911	131,961
Represented by:		
Bank Balances	12,941	19,215
Investment in Money Market	128,749	80,306
Loan Debtors (Net)	(53,571)	(31,495)
Other Asset	72,938	68,056
Less Current Liabilities	(6,146)	(4,122)
	154,911	131,961

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	2021	2020
	N'000	N'000
Opening Accumulated Fund	359,413	369,393
Prior year adjustment	(3,500)	21
Net Fund Generated/(Utilised)	2,764	(10,001)
Closing Accumulated Fund	358,677	359,413
Represented by:		
Bank Balances	1,586	593
Investment in Money Market	361,281	357,069
Loan Debtors	136,527	(22,358)
Other Receivables	(133,247)	32,963
Less Liabilities	(7,470)	(8,854)
	358,677	359,413

DANGOTE MANAGED FUND

Dangote Fund (also referred to as DF-BOI MSME Fund) represents Dangote's share of the 50:50 Counter-part Fund by both the DF and BOI for the deepening and improvement of industrial activities in the country. The Scheme was designed to stimulate economic growth by empowering micro, small and medium entrepreneurs (MSMEs) engaged in manufacturing, agro-processing, distributive or merchandizing activities and service provision in any part of the country.

The DF signed the MOU with BOI on 7th March, 2011 and committed a sum of N2.5 billion to the scheme. However, only the entire sum has been fully released by DF. The interest rate attributable on the loan is 5% per annum. The Management Fee to be earned by the Bank is 1% per annum on the managed Fund payable quarterly.

Summary of Fund	2021	2020
	N'000	N'000
Opening Accumulated Fund	5,337,084	5,139,908
Fund Withdrawal by its Owner	(2,910,357)	-
Net Fund Generated/(Utilised)	400,248	197,176
Closing Accumulated Fund	2,826,975	5,337,084
Represented by:		
Bank Balances	25,937	78,443
Investment in Money Market	2,751,084	5,192,159
Loan Debtors	34,484	70,419
Other Receivables	25,176	12,019
Less Liabilities	(9,706)	(15,956)
	2,826,975	5,337,084

GOMBE STATE MANAGED FUND

Gombe State MSME Fund (also referred to as GSG-BOI MSME Fund) represents Gombe state Government's share of the 50:50 Counter-part Fund by both the GSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSME) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The GSG signed the MOU with BOI on 2nd August, 2011 and committed a sum of 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 and 6.25% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 2.5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund	2021	2020
	N'000	N'000
Opening Accumulated Fund	58,002	59,253
Prior year adjustment	-	370
Net Fund Generated/(Utilised)	2,435	(1,622)
Closing Accumulated Fund	60,437	58,002
Represented by:		
Bank Balances	(162)	919
Investment in Money Market	60,609	58,002
Loan Debtors	184,184	(0)
Other Receivables	(183,396)	(562)
Less Liabilities	(798)	(358)
	60,437	58,002

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 and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 1.5% per annum on the outstanding balance of the Fund payable quarterly.

The fund was closed to new participants in 2015 and the balance of the fund was used to kick-start Kwara State 2 Managed Fund.

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	4,328	1,887
Net Fund Generated/(Utilised)	13,507	2,441
Closing Accumulated Fund	17,835	4,328
Represented by:		
Bank Balances	839	3,166
Investment in Money Market	7,379	-
Loan Debtors	(85,243)	(90,740)
Other Receivables	97,450	100,290
Less Liabilities	(2,591)	(8,387)
	17,835	4,328

KWARA STATE 2 MANAGED FUND

Kwara State 2 MSMEs Fund also referred to as KWSG-BOI MSME Fund of N160M was established from the balance of the Kwara State 2 Fund in 2015 address the dearth of funding support to small business owners in the State by . The purpose of the new scheme is to deepen the reach of the Fund by granting loans to Co-operative associations operated by MSMEs . Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital.

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	161,972	162,971
Net Fund Generated/(Utilised)	(996)	(999)
Closing Accumulated Fund	160,976	161,972
Represented by:		
Bank Balances		-
Investment in Money Market		-
Loan Debtors		-
Other Receivables	169,057	169,057
Less Liabilities	(8,081)	(7,085)
	160,976	161,972

EKITI STATE MANAGED FUND

Ekiti State MSMEs Fund (also referred to as EKSG-BOI MSME Fund) represents Ekiti state Government's share of the 50:50 Counterpart Fund by both the EKSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The EKSG signed the MOU with BOI on 2nd February, 2010 and committed a sum of N500.0 million to the scheme. However, only the sum of N100.0 million has been released by EKSG. Interest rate attributable on the disbursed portion of the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% on outstanding balance of the Fund payable quarterly.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	7,086	8,331
Prior year closing journals		144
Net Fund Generated/(Utilised)	(1,733)	(1,389)
Closing Accumulated Fund	5,353	7,086
Represented by:		
Bank Balances	143	214
Investment in Money Market	19,633	20,852
Loan Debtors	(76,783)	(70,646)
Other Receivables	68,540	61,769
Less Liabilities	(6,180)	(5,104)
	5,353	7,086

SMEDAN MANAGED FUND OSUN

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) signed an MOU with BOI in 2010 to manage its Fund after the Agency was allocated N50.0 million for Micro Credit Scheme to 10 Cooperatives in 10 Local Governments in Osun East Senatorial District. The amount was apportioned into N30.0 million for onward disbursement to cooperatives while, N20.0 million was for the training of potential loan beneficiaries. The Fund was hence tagged SMEDAN OSUN Fund.

The interest rate attributable on the loan is 5% per annum and the Management Fee to be earned by the Bank is also 5% per annum on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	(132)	10,701
Contribution Received		-
Net Fund Generated/(Utilised)	(3)	(10,833)
Closing Accumulated Fund	(135)	(132)
Represented by:		
Bank Balances	598	(132)
Investment in Money Market	0	0
Loan Debtors	-	-
Other Receivables	-	-
Less Liabilities	(733)	-
	(135)	(132)

OYO STATE MANAGED FUND

Oyo State MSME Fund (also referred to as OYSG-BOI MSME Fund) represents Oyo State Government's share of the 50:50 Counter- part Fund by both the OYSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The OYSG signed the MOU with BOI on 16th December, 2011 and committed a sum of 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	448,058	483,174
Prior year adjustments	2,640	
Net Fund Generated/(Utilised)	(1,383)	(35,116)
Closing Accumulated Fund	449,315	448,058
Represented by:		
Bank Balances	41,527	61,304
Investment in Money Market	270,835	250,589
Loan Debtors	144,694	143,796
Other Receivables	8,105	8,570
Less Liabilities	(15,846)	(16,199)
	449,315	448,058

ENUGU STATE MANAGED FUND

Enugu State MSME Fund (also referred to as ENSG-BOI MSME Fund) represents Enugu state Government's share of the 50:50 Counter-part Fund by both the ENSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The ENSG signed the MOU with BOI on 17th August, 2012 and committed a sum of 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	2021	2020
	N'000	N'000
Opening Accumulated Fund	176,774	196,611
Fund Withdrawal by its Owner	(158,042)	-
Prior year adjustment		20
Net Fund Generated/(Utilised)	5,124	(19,857)
Closing Accumulated Fund	23,856	176,774
Represented by:		
Bank Balances	(149,003)	1,118
Investment in Money Market	11,829	144,373
Loan Debtors	4,332	18,074
Other Receivables	157,519	15,113
Less current liabilities	(821)	(1,904)
	23,856	176,774

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	200,279	211,678
Prior year adjustments	-	(7,677)
Net Fund Generated/(Utilised)	2,024	(3,722)
Closing Accumulated Fund	202,303	200,279
Represented by:		
Bank Balances	1,120	9,037
Investment in Money Market	207,460	199,162
Loan Debtors	32,112	(7,377)
Other Receivables	(30,443)	7,577
Less Liabilities	(7,947)	(8,120)
	202,303	200,279

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	33,891	39,135
Prior year adjustments	(2,647)	(1,097)
Net Fund Generated/(Utilised)	(3,097)	(4,147)
Closing Accumulated Fund	28,146	33,891
Represented by:		
Bank Balances	561	1,265
Investment in Money Market	28,884	28,529
Loan Debtors	70,861	(15,789)
Other Receivables	(69,668)	22,685
Less Liabilities	(2,492)	(2,799)
	28,146	33,891

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	2021 N'000	2020 N'000
Opening Accumulated Fund	479,171	10,190,059
Prior Year adjustments	1,245	-
Withdrawal by Fund owners	-	(10,003,018)
Net Fund Generated/(Utilised)	28,409	292,129
Closing Accumulated Fund	508,824	479,171
Represented by:		
Bank Balances	16,758	314,237
Investment in Money Market	343,717	6,282
Loan Debtors	148,225	161,700
Other Receivables	5,947	1,376
Less Liabilities	(5,824)	(4,424)
	508,824	479,171

SUGAR LEVY FUND

The Sugar Levy Fund was set up Federal Government with a statutory mandate to utilize the fund for the development of the Sugar sub-sector of the Nigerian economy. Also, the annual budgetary approval for capital and recurrent expenditure of the National Sugar Development Council (NSDC) is expected to be funded from the Sugar levy Fund as entrenched in section 3(ai) of decree No 88 of 1993. The total amount contributed as at 31st December, 2013 was N3,118,710,845. 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	2021 N'000	2020 N'000
Opening Accumulated Fund	5,255,873	2,318,814
Contribution Received	14,193,855	5,823,744
Withdrawal from Fund	(11,447,182)	(3,000,000)
Net Fund Generated/(Utilised)	499,768	113,315
Closing Accumulated Fund	8,502,314	5,255,873
Represented by:		
Bank Balances	185	3,960
Investment in Money Market	8,461,677	5,251,089
Loan Debtors	-	-
Other Receivables	43,442	1,663
Less Liabilities	(2,990)	(840)
	8,502,314	5,255,873

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	52,550	53,338
Net Fund Generated/(Utilised)	896	(787)
Closing Accumulated Fund	53,447	52,550
Represented by:		
Bank Balances	334	970
Investment in Money Market	54,264	52,803
Loan Debtors	(445)	(369)
Other Receivables	564	402
Less Liabilities	(1,270)	(1,257)
	53,447	52,550

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	1,188,734	1,276,873
Prior year adjustments		(7,200)
Fund Withdrawal by its Owner	(800,000)	
Net Fund Generated/(Utilised)	(61,250)	(80,939)
Closing Accumulated Fund	327,484	1,188,734
Represented by:		
Bank Balances	25,350	11,687
Investment in Money Market	82,909	883,323
Loan Debtors	218,000	300,001
Other Receivables	11,947	6,490
Less Liabilities	(10,722)	(12,767)
	327,484	1,276,873

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 Civil Servant 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

	2021 N'000	2020 N'000
Opening Accumulated Fund	20,621	4,734
Prior year adjustments	-	27,837
Net Fund Generated/(Utilised)	(3)	(11,950)
Closing Accumulated Fund	20,618	20,621
Represented by:		
Bank Balances	1,915	1,917
Investment in Money Market	-	-
Loan Debtors	35,765	-
Other Receivables	(17,061)	18,704
Less Liabilities	-	-
	20,618	20,621

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-qualified companies to set up 17 Model Rice Processing Mills in the country. The estimated cost of each mill is N1.4 billion, which is to be financed 40% by the Federal Government's Rice Fund credit facility and 60% by the beneficiary companies/ Commercial Banks. The credit facility, which is mainly to finance plant and machinery and associated costs, is for a tenor of twenty (20) years with five (5) years moratorium at an interest rate of 4% per annum.

The MOU between BOI and Federal Ministry of Agriculture and Water Resources (FMA&WR) for the administration of the Fund was signed on September 2009. The Bank is to retain as Management Fee 0.5% of the 4% interest on the Term Loan.

The unutilized balance on the Fund is invested in the Nigerian money market at rates ranging from 4% - 9% per annum. The interest income from the investment is added to the Fund.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	1,888,718	1,993,480
Prior year adjustments	1,961	-
Net Fund Generated/(Utilised)	111,820	(104,763)
Closing Accumulated Fund	2,002,498	1,888,718
Represented by:		
Bank Balances	68,961	146,789
Investment in Money Market	1,079,724	805,123
Loan Debtors	427,398	600,424
Other Receivables	434,746	343,849
Less Liabilities	(8,332)	(7,467)
	2,002,498	1,888,718

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 later adjusted to N800 million vide a letter from the Ministry in September, 2010. Beneficiaries are screened and pre-selected by the NPFS Office. The beneficiaries of the Fund shall be registered members of Apex Farmers Association (AFA), registered co-operative groups and SMEs in all thirty six (36) States of the country including the Federal Capital Territory (FCT).

The interest rate on the Long Term Loan is 8 % per annum and the Bank is to earn a one-off Management Fee at 4% on the total sum.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	655,459	670,258
Refund to Fund Owners		
Net Fund Generated/(Utilised)	52,602	(14,799)
Closing Accumulated Fund	708,061	655,459
Represented by:		
Bank Balances	744	970
Investment in Money Market	661,915	612,374
Loan Debtors	-	-
Other Receivables	50,788	47,502
Less Liabilities	(5,387)	(5,387)
	708,061	655,459

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% per annum. The interest income from the investment is added to the Fund.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	2,580,210	2,445,481
Net Fund Generated/(Utilised)	262,344	134,729
Closing Accumulated Fund	2,842,554	2,580,210
Represented by:		
Bank Balances	14	6,701
Investment in Money Market	2,777,096	2,539,129
Loan Debtors	-	21,429
Other Receivables	98,180	48,687
Less Liabilities	(32,736)	(35,736)
	2,842,554	2,580,210

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-part Fund contributed by both Sokoto State Government and BOI to support the growth of businesses in the state. The fund provides financial assistance to Sokoto State indigenous enterpreneurs who are engaged in small and medium scale businesses within the state. These entrepreneurs are divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The SOSG committed a sum of 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.

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	516,406	558,505
Net Fund Generated/(Utilised)	(15,107)	(42,099)
Prior year adjustment	(27,757)	-
Closing Accumulated Fund	473,542	516,406
Represented by:		
Bank Balances	3,732	953
Investment in Money Market	16,440	484,974
Loan Debtors	451,782	38,045
Other Receivables	7,017	619
Less Liabilities	(5,429)	(8,186)
	473,542	516,406

BAYELSA STATE FUND

Bayelsa State MSME Fund (also referred to as BYSG-BOI MSME Fund) represents Bayelsa state Government's share of the 50:50 Counter- part Fund by both the BYSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The BYSG signed the MOU with BOI 2017 and committed a sum of 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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	10,254	10,273
Prior year adjustment	64	79
Net Fund Generated/(Utilised)		(98)
Closing Accumulated Fund	10,318	10,254
Represented by:		
Bank Balances	10,318	10,318
Investment in Money Market	(0)	(0)
Loan Debtors	-	-
Other Receivables	(0)	(0)
Less Liabilities	-	(63)
	10,318	10,254

NIG. ARTISANAL & SMALL SCALE MINERS FIN. SUPPORT FUND - ASM

The Nigerian Artisanal and Small-Scale Miners Financing Support Fund (also referred to as ASM Fund) represents Federal Ministry of Mines and Steel Development (FMMSD) provided by the Ministry to be managed by BOI to provide funding support to registered mining Cooperative Society, Association, Business Enterprises or Limited Liability Company who is engaged in artisanal or small scale mining business involving Industrial Minerals, Precious Stones, Precious Metal (Gold), Diamond Stone and such other solid minerals in Nigeria as shallbe approved by owners in the State. The ASM Fund shall be available in form of Term loan s or Working Capital to be utilized for: a) Purchase of requisite item of plant and machinery; b) Payment for drilling, geoplogical 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 N10 million to N100 million

The Federal Ministry of Mining and Solid Minerals (FMMSD) signed the MOU with BOI on 29th August 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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	3,222,098	3,198,188
Prior year adjustment	(128)	1,474
Net Fund Generated/(Utilised)	150,910	22,437
Closing Accumulated Fund	3,372,881	3,222,098
Represented by:		
Bank Balances	10,800	(19,474)
Investment in Money Market	3,166,290	3,007,320
Loan Debtors	301,312	232,810
Other Receivables	(18,559)	3,314
Less Liabilities	(86,963)	(1,872)
	3,372,881	3,222,098

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 Advsory Council (NIPCAC) to enable the successful implementation of the 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 differenciate, accelerate and boost power suply 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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	(86,111)	234,432
Net Fund Generated/(Utilised)	6,000	12,293
Additional Contribution/(Withdrawal)	131,000	(332,837)
Closing Accumulated Fund	50,888	(86,111)
Represented by:		
Bank Balances	(18,870)	(149,866)
Investment in Money Market	71,076	65,445
Loan Debtors	-	-
Other Receivables	372	0
Less Liabilities	(1,690)	(1,690)
	50,888	(86,111)

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 healtcare 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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	224,426	216,917
Net Fund Generated/(Utilised)	7,593	7,509
Additional Contribution	-	-
Closing Accumulated Fund	232,019	224,426
Represented by:		
Bank Balances	21,649	11328.02
Investment in Money Market	179,512	173,853
Loan Debtors	31,442	28,311
Other Receivables	1,996	11,400
Less Liabilities	(2,580)	(466)
	232,019	224,426

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

	2021	2020
	N'000	N'000
Opening Accumulated Fund	82,041	108,058
Net Fund Generated/(Utilised)	(3,495)	(26,024)
Prior year adjustment		7
Closing Accumulated Fund	78,546	82,041
Represented by:		
Bank Balances	3,568	373
Investment in Money Market	58,806	80,517
Loan Debtors	15,361	3,577
Other Receivables	2,965	68
Less Liabilities	(2,154)	(2,494)
	78,546	82,041

BORNO STATE GOVERNMENT FUND

The Borno State Government represented by the Ministry of Commerce & Industry hereinafter referred to as BRSG is committed to initiating policies, carrying out programmes and projects and promoting economic and political empowerment and accelerating the pace of attainment of industrial development processes in Borno State.

BRSG and BOI are desirous of setting up a Business and Development Fund for Borno State Indigenous Enterpreneurs (hereinafter referred to as "BRSG - BOI Fund") which shall be dedicated for the provision of financial assistance to Borno State Indigenous Enterpreneurs who are engaged in small and medium businesses situated in Borno State.

The BRSG committed a sum of N1.00 billion in a matching funding arrangement under which BOI is expected to provide N1 billion matching fund. The interest rate on the Term loan is 5% per annum and 7.5% per annum on the Working Capital Loans. BRSG shall forfeit its own share of accrued interest from 5% to 0% which shall operate as subsidy to the beneficiaries. The Management Fee to be earned by the Bank is 2.5% on the outstanding balance of the Fund payable quarterly.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	962,728	-
Prior year adjustment (2020	7,185	
Net Fund Generated/(Utilised)	(564,534)	(37,272)
Initial Contribution		1,000,000
Closing Accumulated Fund	405,379	962,728

Represented by:

Bank Balances	273	(2)
Investment in Money Market		492,413
Loan Debtors	424,784	487,516
Other Receivables		182
Less Liabilities	(19,677)	(17,380)
	405,380	962,728

IsDB BRAVE WOMEN FUND

The Women Enterpreneurs Finance Initiative (We-Fi), a multi-donor fund consisting of G20 countries (herein referred to as the "Fund") currently being administered by the World Bank under the BRAVE Women Program (herein referred to as the "Program") has approved grant financing to the Federal Republic of Nigeria, totalling USD 14,265,511 to support the sustainability of private sector enterprises owned/led by Women in Nigeria.

Islamic Development Bank (IsDB) hereinafter referred to as the Bank and the Federal Republic of Nigeria (represented by the Federal Ministry of Finance) have signed a Framework agreement dated 1/4/2020G which sets out the general framework to facilitate the implementation of the Project to ensure the achievement of the desired objectives of the Project.

As approved by the Fund, the bank shall make available to the Recipient (BOI) a technical assistance grant an amount not exceeding USD 3,517,952 to finance the component of the Project to be implemented by the Recipient (BOI).

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	185,809	-
Net Fund Generated/(Utilised)	(171,519)	(11,191)
Contribution Received	92,418	197,000
Closing Accumulated Fund	106,709	185,809

Represented by:

Bank Balances	106,709	197,000
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	-	(11,191)
Less Liabilities	-	-
	106,709	185,809

TEXTILE INTERVENTION FUND

The Nigerian textile/cotton industry is the third largest in Africa, next only to Egypt and South Africa. Figures from the Federal Ministry of Trade show that in its boom years, the industry used to net an average of $2 billion annually, across the value chain. During post-independence, the sector thrived with over 180 functional factories spread across the entire country fed by locally grown cotton and supported by an enormous demand hinged on a fast growing population. The industry provided about 1 million direct jobs and over 2 million indirect jobs.

However, with the fall in oil price, import substitution policy, and coupled with growing appetite for imported goods, the performance of the industry had been on a downward spiral. As a result of this trend, the capacity utilization in the industry has remained below 50 per cent and the growth had been stagnant and therefore the need for intervention. Nigeria current spent about $4 billion annually on imported textiles and ready-made clothing. Considering the Nigeria population which is projected to be about 200 million, the demand for clothing by ordinary Nigerians in terms of school uniforms in primary and secondary schools, military and paramilitary, etc clearly shows the enormous size of the textile market and the inherent potential of the sector to contribute significantly to job creation in Nigeria.

The CTG sub-sector has been fraught with several severe challenges and is expedient to state that mere channeling of additional credit to the sector via re- financing/new loans or restructuring of existing ones may not be the critical solution to the challenges faced by the industry.

Summary of Fund

	2021 N'000	2020 N'000
Opening Accumulated Fund	21,492,505	-
Additional Contribution		21,492,505
Return to fund owner	(2,530,385)	
Net Fund Generated/(Utilised)	(363,426)	0
Closing Accumulated Fund	18,598,694	21,492,505
Represented by:		
Bank Balances	2,137,330	174,287
Investment in Money Market		-
Loan Debtors	10,441,662	-
Other Receivables	6,019,702	21,318,218
Less Liabilities		-
	18,598,694	21,492,505

NORTHEAST REHABILITATION FUND

The Board of Bank of Industry (BOI) approved the sum of N2.4 billion as non-interest facility to be deployed to support the establishment and/or expansion of an estimated 5,000 enterprises across the six (6) states of the North East geopolitical region of the country whose businesses have been affected by insurgency except for start-ups. The facility shall be deployed for the purpose of resuscitating local manufacturing, processing and trading activities. Any business existing between 2009 to date in the North East states shall be considered to have been affected by the insurgency.

Summary of Fund

	2021	2020
	N'000	N'000
Opening Accumulated Fund	301,389	-
Initial Contribution		375,000
Net Fund Generated/(Utilised)	(27,910)	(73,611)
Prior year adjustment		-
Closing Accumulated Fund	273,479	301,389
Represented by:		
Bank Balances	275,739	288,975
Investment in Money Market		-
Loan Debtors	536,550	214,270
Other Receivables	(538,810)	(201,831)
Less Liabilities		(25)
	273,479	301,389

EXPORT EXPANSION FACILITY FUND

The Federal Government of Nigeria through the Nigerian Export Promotion council (NEPC), has set up the Export Expansion Facility Fund under the Economic sustainability plan to develop and promote the export initiatives of the present administration including but not limited to providing financial support to companies and organisations in the non oil export value chain negatively affected by COVID-19 pandamic as well as developing export opportunities and programmes that NEPC may identify. The Export expansion facility is to be applied to the export development fund and the export adjustment scheme as provided in the export(Incentives and Miscellaneous) act Cap E10 Laws of the Federation,2004 and other projects contained in the approved NEPC Workplan.

The Export Promotion Council have signed the MOU with BOI and committed a sum of N50 billion to the scheme, which has been fully released.

Summary of Fund

	2021
	N'000
Opening Accumulated Fund	50,000,000
Prior year adjustment	-
Net Fund Generated/(Utilised)	(44,836,296)
Closing Accumulated Fund	5,163,704
Represented by:	
Bank Balances	
Investment in Money Market	
Loan Debtors	
Other Receivables	5,163,704
Less Liabilities	-
	5,163,704

BENUE STATE GOVERNMENT MANAGED FUND

The Benue State Government Managed Fund (also referred to as BNSG Managed Fund) represents Benue State Government N500 million transferred from the initial N1 billion counter contribution for the BNSG-BOI MSME Matcing fund. This is a 100% managed fund provided by the Benue State Government and to be giving out as loans to qualified civil servants and political appointees of Bneue State Governement engaged in agricultural value chain to enable them participate actively in the agricultural development programme of the state government.

Summary of Fund

	2021
	N'000
Opening Accumulated Fund	-
Initial Amount from Owner of fund	500,000
Net Fund Generated/(Utilised)	(97,492)
Closing Accumulated Fund	402,508
Represented by:	
Bank Balances	66,271
Investment in Money Market	72,311
Loan Debtors	252,191
Other Receivables	14,712
Less Liabilities	(2,977)
	402,508

EDO STATE MATCHING 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 initial MOU signed by EDSG with BOI on 8th December, 2009 which committed a sum of N250.0 million to the scheme, was revoked after the executive Governor expressed the Edo State Government's intention to reactivate and enhance the EDSG/BOI MSME Fund with a view to using it as a veritable tool in catalyzing his administration's Jobs Creation Agenda. To this end, outstanding cash and treasury balances of the existing EDSG-BOI MSME Fund less current liabilities as at March 31, 2021 was converted to the EDSG Production Hub Managed Fund and a new N2 Billion EDSG-BOI (SME) Matching Fund was formed with contribution in equal amounts of N1 Billion by BOI and EDSG respectively. The new matching fund is a 5 years revolving and renewable fund and the applicable 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. 10% of the interest earned by the Bank on investment of the undisbursed balance of the EDSG's contribution to the fund shall be paid to EDSG quarterly in arrears.

Summary of Fund

	2021
	N'000
Opening Accumulated Fund	-
Contributions received	1,000,000
Prior year adjustment	-
Net Fund Generated/(Utilised)	(13,239)
Closing Accumulated Fund	986,761
Represented by:	
Bank Balances	471
Investment in Money Market	992,619
Loan Debtors	-
Other Receivables	3,535
Less Liabilities	(9,864)
	986,761

MSME SURVIVAL FUND

The Federal Ministry of Industry, Trade & Investment (FMIT&I), on behalf of the Government of the Federal Republic of Nigeria is committed to the pursuit of Nigeria Economic Sustainability Plan MSME Fund (Nesp-F) comprising of the Guaranteed Offtake Scheme, Survival funds ad any other scheme as may be determined by FMITI.

Summary of Fund

	2021 N'000
Opening Accumulated Fund	-
Initial Amount from Owner of fund	75,000,000
Net Fund Generated/(Utilised)	(9,422,815)
Prior year adjustment	
Closing Accumulated Fund	65,577,185
Represented by:	
Bank Balances	(80,814)
Investment in Money Market	
Loan Debtors	
Other Receivables	65,657,999
Less Liabilities	
	65,577,185