

# N235 BILLION CBN INTERVENTION FUND FOR MANUFACTURING RE-FINANCING AND RESTRUCTURING FACILITIES OF BANKS' LOANS

These Guidelines relate to the N235 billion intervention fund for re-financing and restructuring of banks' loans to the manufacturing sector (The Fund).

## 1. Objectives of the Fund

The objectives of the Fund are to:

- i. Fast-track the development of the manufacturing sector of the Nigerian economy by improving access to credit to manufacturers.
- ii. Improve the financial position of the Deposit Money Banks (DMBs)
- iii. Increase output, generate employment, diversify the revenue base, increase foreign exchange earnings and provide inputs for the industrial sector on a sustainable basis.

## 2. Managing Agent / Participating Banks

- i. Managing Agent: BOI, responsible for the day to day administration of the Fund
- ii. Participating Banks: All Deposit Money Banks and Development Finance Institutions (DFIs) excluding the Bank of Industry (BOI).

## 3. Types of Facilities (excluding Trading activities)

- i. Long term loan for acquisition of plant and machinery
- ii. Refinancing of existing loans Resuscitation of ailing industries
- iii. Refinancing of existing lease
- iv. Working capital

## 4. Loan Features

- i. Loan Amount : Maximum of N1 billion for a single obligor in respect of refinancing/restructuring
- ii. Loans shall have a maximum tenor of 15 years terminating on 31<sup>st</sup> July, 2025
- iii. Working capital facility of one year with provision of roll over for a maximum of 3 years.
- iv. The Fund allows for moratorium in the loan repayment schedule.
- v. Interest Rate: All-in Interest rate/charge of 7 percent per annum payable on quarterly basis.

## 5. Application Procedures

### i. Submission of Requests

A PB shall submit a request, on its behalf or on behalf of other parties in the case of syndication or other arrangements, in the prescribed format on behalf of the project promoters. In the case of syndication or other arrangements, BOI shall deal directly with the lead bank only on all issues relating to such application

### ii. Required Documentation

Each request must be accompanied by the following documents:

- Request from the customer seeking for such refinancing and/or restructuring
- Latest financials of the obligor (management accounts will be acceptable in lieu of updated accounts
- Copies of duly executed offer documents between the bank and the loan obligor evidencing existence of a facility

- 6 months account statements showing the current exposure
- An abridged business plan or feasibility study of the underlying project for which the facility was initially approved. The plan must include the projects cash flow projections detailing the repayment schedule.
- Certificate of Incorporation evidencing the incorporation of the Company with the Corporate Affairs Commission
- An on-lending agreement shall be signed between BOI and each bank at this time
- Eligible securities shall include the following:
  - Nigerian Treasury Bills
  - FGN Bonds
  - Other Bonds backed by the guarantee of the Federal Government
  - Any other securities acceptable to the CBN

iii. **Approval Process**

The recommended applications that have fulfilled all the laid down criteria shall be forwarded to the Management of the Central Bank of Nigeria for final approval.