

NATIONAL AUTOMOTIVE DESIGN AND DEVELOPMENT COUNCIL (NADDC) FUND

BOI is collaborating with National Automotive Design and Development Council (NADDC) to intervene in the automobile sector for the following reasons:

Economic Rationale:

- Employment Creation: To generate employment directly or indirectly for the unemployed in Nigeria.
- Development of the Small, Medium and Micro-Enterprises (SME's) by supporting them in the area of production of automotive parts, components and services.
- To create an enabling environment to allow existing assembly plants to grow and attract other OEMs to the country.
- To increase local content participation in Vehicle Assembly.
- Skills Development: The manufacture of vehicles is evolving and has been a trail blazer in the development of production methods, quality control, computerized processes, branding, lean manufacturing etc.
- Technology and Innovation: Improve the technological knowhow of operators in the industry and encourage innovation.

Bank's Rationale:

- Provide the needed financing required to grow and develop the automotive industry through the managed fund.
- To appraise projects that are viable and can achieve the long term goal of the economic benefits of employment generation, development of Small, Medium and Micro-Enterprises (SME's).

TARGET MARKET/CRITERIA

- The Fund will be accessed by Limited Liability Companies, and Enterprises engaged in assembly of automobiles, automotive component manufacturers, automotive workshop and Car Service Centres.
- Micro-Finance Banks and other financial institutions for the implementation of Vehicle Purchase Credit Scheme and on-lending to automobile Artisans, craftsmen, auto-technicians and mechanics **(subject however to availability of Funds)**.

PROJECTED IMPACT	<ul style="list-style-type: none"> • The fund shall be used for the growth and development auto assembly sector. This would have a positive impact on the prices of vehicles by reducing the prices. • Investment Promotion/Foreign Direct Investment. • Employment Generation. • This would also impact the economy positively by reducing the number of imported vehicles into the country and will also discourage smuggling. • This sector has had an enormous value chain. This would promote the development of SME's in the production of component parts.
PROGRAM LIMIT	<ul style="list-style-type: none"> • Automotive Assembly Plants: N1.0 billion • Automotive Component Manufacturers: N200 Million • Automotive Garage Workshop: N100 Million • Artisans, Craftsmen, Technicians/Mechanic:N20 Million
PRICING	<p>Fees:</p> <p>Long Term Loan:</p> <ul style="list-style-type: none"> • Interest rate: 7.5% per annum payable at the end of every month. • 1% Appraisal Fee (full payment at approval) • 1% Commitment Fee (full payment on acceptance of loan) • Legal Fee <p>Working Capital Loan:</p> <ul style="list-style-type: none"> • Interest rate: 10% per annum payable at the end of every month. • 1% Appraisal Fee (full payment at approval) • 1% Commitment Fee (full payment on acceptance of loan) • Legal Fee
	<p>Long Term Loan: 5 years</p> <p>Working Capital Loan: 3 years</p>
MORATORIUM	Up to Twelve (12) months from the date of loan disbursement.
COLLATERAL/ SUPPORT	<ul style="list-style-type: none"> • Acceptable Bank Guarantee from a Commercial Bank • Mortgage Debenture on Company's assets and additional Collateral acceptable to BOI.
FUNDING	70/30 (Debt/Equity)

STRUCTURE	
DISBURSEMENT	Phased disbursement in accordance with agreed milestones.
REPAYMENT SOURCE	From the proceeds of the Company's operations or sales
REPAYMENT MODE	Monthly payment of principal and Interest in arrears
OTHER UPDATES	<ul style="list-style-type: none"> • BOI is the biggest supporter of the Automotive and Automobile Component in Nigeria and has remained a dependable partner of the National Automotive Design and Development Council (NADDC). • In the Automobile Sector alone, the bank has invested over N5 billion to support six vehicle assembly/manufacturing plants in the country over the years, with some deal flows currently in the pipeline.

1. Is your business or company duly registered/incorporated?

Yes

No

2. Is your line of business in manufacturing or commodity based value addition?

Yes

No

3. Do you have the requisite operating license/relevant permit e.g. OEM License, NADDC approval letter etc.

Yes

No

4. Do you have a factory to operate from, plan to build or leasing one?

Yes

No

5. For existing business, is your networth (Shareholders Fund) positive?

Yes

No

6. Does the company have a standard factory building or leased premises designed to accommodate the equipment to be procured?

Yes

No

7. Do you have a sustainable business model?

Yes

No

8. Would you require minimum of 20% local contents in your production?

Yes

No

10. Do you have minimum of 40% Nigerian ownership?

Yes

No

Note: Every applicant must answer 'YES' to the above stated eligibility criteria questions

