

# Advancing Development, **Propelling Growth**



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





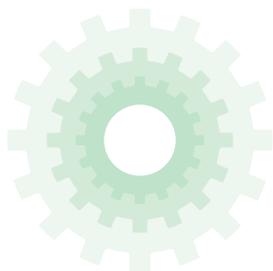
# Advancing Development, Propelling Growth

Over the years, the Bank of Industry has consistently delivered on its mandate to transform Nigeria's industrial sector by providing long-term financing and affordable loan facilities to enterprises across Nigeria's industrial spectrum.

We are committed to structuring innovative solutions that advance the nation's socio-economic progress: We harness big data to ensure financial inclusion and promote socially and environmentally responsible projects with a high potential for job-creation and poverty alleviation.

Our best-in class business practices are also focused on supporting the expansion of emerging sectors of the economy, promoting the growth of established enterprises and reviving ailing industries.

To meet the evolving needs of our customers and stakeholders, we continue to deepen our capital base by leveraging various international fundraising debt instruments and strategic partnerships. These activities have enhanced our lending capacity, and broadened our product range, thereby advancing the sustainable development of communities, businesses and the environment.



# Contents

003	Corporate Information
012	Foreword by The Hon. Minister, Federal Ministry of Industry, Trade and Investment
013	Board of Directors
014	Notice of Annual General Meeting
016	Chairman's Statement
020	Managing Director / Chief Executive Officer's Report
027	Financial Highlights
028	Report of the Directors
031	Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements
032	Statement of Corporate Responsibility for the Financial Statements
033	Report of the Audit Committee
034	Report of External Consultants on the Performance of the Board of Directors
036	BOI's Presence Across Nigeria
037	Executive Management Team
046	Corporate Profile
054	Corporate Governance Report
062	Developmental and Social Impact Report
074	Sustainability Report
091	BOI In Action
101	Internal Control & Risk Management System
109	Information and Cyber Security Division
114	Micro Enterprises Directorate
124	Small and Medium Enterprises Directorate
156	Large Enterprises Directorate
181	Financial Statements
182	Independent Auditor's Report
186	Consolidated and Separate Statement of Profit or Loss
187	Consolidated and Separate Statement of Comprehensive Income
188	Consolidated and Separate Statement of Financial Position
189	Consolidated and Separate Statement of Changes in Equity
191	Consolidated and Separate Cash Flow Statement
192	Notes to the Consolidated and Separate Financial Statements
284	Other Information
285	Value Added Statement
290	Additional Disclosure on Managed Funds



## 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 <i>(Retired on April 24, 2022)</i>
Mr. Simon Aranonu	- Executive Director, Large Enterprises
Mr. Shekarau D. Omar	- Executive Director, Small and Medium Enterprises
Mr. Usen Effiong	- Executive Director, Corporate Services and Commercial <i>(Appointed on April 25, 2022)</i>
Engr. Chukwuemeka Nzewi	- Non-Executive Director
Mallam Mohammed Mustapha Bintube	- Non-Executive Director (Independent Director) <i>(Retired on August 2, 2022)</i>
Mr. Alexander Adeyemi, mni	- Non-Executive Director
Mr. Philip Yila Yusuf	- Non-Executive Director
Mr. Adewale R. Bakare	- Non-Executive Director
Mr. Vincent Kawahuda Wuranti	- Non-Executive Director (Independent Director) <i>(Appointed on August 3, 2022)</i>

### 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 <i>(Retired on April 24, 2022)</i>
Mr. Simon Aranonu	- Executive Director, Large Enterprises
Mr. Shekarau D. Omar	- Executive Director, Small and Medium Enterprises
Mr. Usen Effiong	- Executive Director, Corporate Services and Commercial <i>(Appointed on April 25, 2022)</i>
Mr. Akeem Adesina	- General Manager/Chief Financial Officer (CFO)
Dr. Ezekiel J. Oseni	- General Manager/Chief Risk Officer (CRO)
Mr. Leonard Maxwell Kange	- General Manager/Divisional Head (Corporate Finance and Advisory Services) <i>(from October 3, 2022) (Former Divisional Head (Large Enterprise-I))</i>
Dr. Muhammad Rislanudeen	- General Manager/Divisional Head (SME - North)
Ms. Mabel Ndagi	- General Manager/ Divisional Head (Communications & External Relations) <i>(appointed Executive Director from March 19, 2023)</i>
Dr. Isa Emmanuel Omagu	- General Manager/Divisional Head (Large Enterprises-I) <i>(from October 3, 2022)</i>
Mr. Ayo Bajomo	- Deputy General Manager/Divisional Head (Treasury & Financial Institutions)
Mrs. Yemi Ogunfeyimi	- Deputy General Manager/Chief Audit Executive (CAE)
Mr. Taiwo Kolawole	- Deputy General Manager/Chief Compliance Officer (CCO)
Mrs. Ebehriere Ehi-Omoike	- Deputy General Manager/Divisional Head (Large Enterprises-II)
Late Mr. Hassan M. Osuwa	- Deputy General Manager/Legal Adviser
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

**TAX IDENTIFICATION NUMBER (TIN)** 00102798-0001

**RC NUMBER** 2019



About **Us**



## Our **Vision**

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



## Our **Mission**

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



## Our **Mandate**

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



## Our **Core Values**

Service  
Professionalism  
Passion  
Integrity  
Resourcefulness  
Innovation  
Team Spirit



**Otunba Richard Adeniyi Adebayo, CON**

Honourable Minister, Federal Ministry of Industry, Trade & Investment



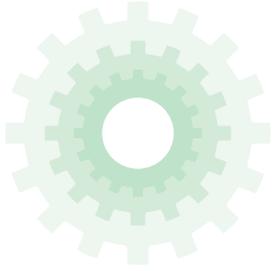
**Ambassador Mariam Katagum**

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

I am highly delighted to be associated with yet another successful year for the Bank of Industry (BOI). The Bank has continued to record steadfast and laudable achievements over the years. The year 2022 was no departure to that trend, despite the slow post-COVID 19 economic recovery, that is being experienced at both global and local levels.

In 2022, the global economy grappled with post-COVID 19 economic headwinds, notably rising inflation, which was exacerbated to a large extent by supply chain challenges, primarily on account of Russia's invasion of Ukraine. The escalating inflation prompted developed economies to tighten monetary policies, which resulted in capital flights from many developing economies, including ours. Despite, the headwinds, the Nigerian economy experienced a Gross Domestic Product growth rate of 3.1%.

I congratulate the management and Board of the Bank on their sustained drive towards attracting affordable capital from the international financial markets, despite the volatility in the market. Following the successful outcome of its maiden €750 million Eurobond transaction early in 2022, the Bank concluded a further €1 billion guaranteed senior loan facility. Towards the end of the year, the bank also concluded yet another €100 million loan facility from the French Development Agency, to finance green projects. These transactions have significantly strengthened the Bank's ability to continue to provide the much-needed long-tenored and affordable loans to Nigerian Micro, Small, Medium and Large Enterprises.

The Bank continued to scale up its exalted role as the implementation partner of various intervention schemes of the Federal Government. One of which is the MSME Survival Fund, which was initiated in 2020, as part of the Nigerian Economic Sustainability Plan-Fund (NESP-F). The bank has facilitated the disbursement of ₦67.5 billion to 1,258,188 beneficiaries under this fund as at December 2022.

The Bank has also worked in collaboration with the Nigeria Export Promotion Council in the implementation of the Federal Government's ₦50 Billion Export Expansion Facility Fund. 1,732 Nigerian enterprises have benefitted from the disbursement of this fund, which was developed to alleviate the adverse impact of COVID-19 pandemic on exporting businesses, spur job creation and accelerate the growth of the non-oil sector of the Nigerian economy.

I am elated to also note that the Bank has made commendable progress, working as the implementation agency of the World Bank's \$750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (NCARES) Intervention Programme. The programme is a collaborative effort between the Nigerian Federal Ministries of Finance, Budget, and National Planning; Agriculture and Rural Development; and Industry, Trade and Investment, as well as the Nigerian Governor's Forum. The bank has disbursed in grants the sum of ₦1.76 billion to 9,825 beneficiaries across 15 states thus far.

Subsequent upon the Bank's successful management of its \$300 million Nigerian Content Intervention Fund, and in line with the board's drive to deepen their impact in the development of local content in Nigeria's Oil and Gas sector, the Nigerian Content Development and Monitoring Board recently appointed BOI as the custodian and manager of their \$50 million Nigeria Oil and Gas Parks Scheme Manufacturing product. The purpose of the fund is to finance manufacturing outlets/activities, purchase of fixed assets (machinery



and ancillary equipment), working capital and logistics for beneficiaries that meet the criteria as set in the Memorandum of Understanding.

BOI was also unveiled as the execution partner of the Central Bank of Nigeria's Tertiary Institutions Entrepreneurship Scheme (TIES) in 2022. The scheme aims to empower Nigerian graduates with finance and capacity building on entrepreneurship development, economic development and job creation. It pleases me to mention that as at December 2022, ₦345 million has been disbursed to 97 beneficiaries under the programme.

Additionally, in line with the Federal Government's objective to deepen support for women businesses, BOI has made significant progress as the implementing partner of the Islamic Development Bank's Business Resilience for Value Adding Enterprises (BRAVE) Program, whose objective is to support women-owned businesses with financial grants and capacity building opportunities. ₦2.23 billion has been disbursed to 870 beneficiaries, across the pilot states of Kano, Gombe and Edo states.

It gladdens me also to mention that the Federal Executive Council approved the Digital and Creative Enterprise (i-DICE) Programme in August 2022. This programme is a strategic collaboration between the African Development Bank (AfDB), the Nigerian Federal Government and the Bank of Industry. The objective of the i-DICE programme is to boost innovation, create jobs, encourage entrepreneurship, enhance social development, and achieve economic transformation by fostering growth among Nigerian MSMEs in the Technology and Creative Sector segment.

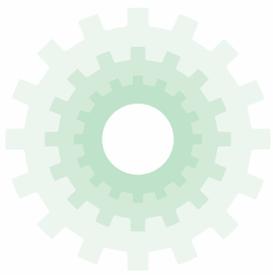
As I have mentioned in several fora as well as in previous forewords that I have written on the Bank's Annual Reports, I am extremely proud of the great successes that BOI has achieved over the past several years. I am therefore confident that the Bank will keep growing from strength to strength, in its quest to achieve its mandate, vision and mission.

Finally, on behalf of the Federal Ministry of Industry, Trade and Investment, I would like to thank other stakeholders of the Bank; the Board, management and the entire staff of the Bank for the great work they keep putting into the Bank. I congratulate you all for another successful year for the Bank of Industry.

**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. Simon Aranonu**  
Executive Director, Large Enterprises



**Mr. Shekarau D. Omar**  
Executive Director, SME



**Mr. Usen Effiong**  
Executive Director,  
Corporate Services and Commercial



**Engr. Chukwuemeka Nzewi**  
Non-Executive Director



**Mr. Alexander Adeyemi, mni**  
Non-Executive Director



**Mr. Philip Yila Yusuf**  
Non-Executive Director



**Mr. Adewale R. Bakare**  
Non-Executive Director

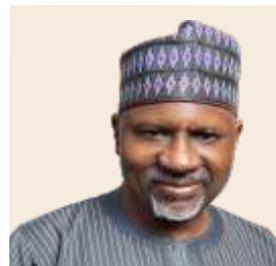


**Mr. Vincent Kawahuda Wuranti**  
Non-Executive Director

### RETIRED DIRECTORS



**Mr. Jonathan Tobin**  
Executive Director,  
Corporate Services and Commercial  
Retired on April 24, 2022



**Mallam Mohammed Mustapha Bintube**  
Non-Executive Director  
Retired on August 2, 2022



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 63rd Annual General Meeting of Bank of Industry Limited will be held at the Transcorp Hilton Hotel, Abuja on Thursday, May 18, 2023 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, 2022 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.
5. To increase the Issued Share Capital of the Company from the present ₦250.0 billion (125 billion Ordinary Shares) to ₦500.0 billion (250 billion Ordinary Shares) by the creation of additional 125 billion Ordinary Shares of ₦2.00 each ranking pari passu on all respect with the existing Ordinary Shares of the Company.

### SPECIAL BUSINESS

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

Dated this 20th day of April, 2023

### BY ORDER OF THE BOARD

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



Registered Office  
BOI House  
23, Marina  
Lagos

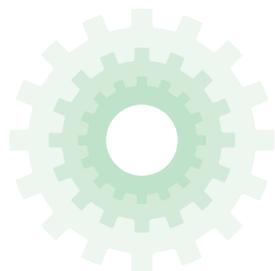
### NOTES:

1. 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.
2. The appointment of a Proxy shall 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.
3. The Proxy Form should be filled and sent via email to [osalami@boi.ng](mailto: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 16, 2023.



**Mallam Aliyu AbdulRahman Dikko**

Chairman, Board of Directors



## CHAIRMAN'S STATEMENT

Distinguished Ladies and Gentlemen,

I welcome you all, with great pleasure to the 63rd Annual General Meeting of the Bank of Industry. I will now proceed to present the Annual Report of the Bank of Industry Group for the financial year ended December 31st, 2022.

### Global Economy Overview

The global economy experienced a number of headwinds in 2022, despite reporting a growth of 3.2 percent in the year. Most economies continued to grapple with the aftermath of the COVID-19 pandemic, which was further exacerbated by the Russia – Ukraine war. Rising inflation, high cost of living and tightening financial conditions weighed on the global economy. The resurgence of various variants of the COVID-19 virus, especially in China, continued to pose a challenge in the East Asian region.

Global economic growth slowed from 6.1 percent in 2021 to 3.2 percent in 2022. Many countries implemented several policies towards restoring price stability and alleviating the rising cost of living. While advanced economies grew by about 2.3 percent in the year, Emerging Markets and Developing Economies grew by 3.7 percent. Growth is projected to remain at below trend rates in 2023 and 2024.

Global inflation rose from 4.7 percent in 2021 to 8.8 percent in 2022, largely due to rise in energy and food prices, on account of lingering supply chain challenges and the continued war in Ukraine. In attempting to rein in inflation, several advanced economies had to increase their benchmark monetary policy rates. This resulted in capital flights from emerging and developing markets, which triggered widespread debt distress and credit downgrades in several of these markets.

The worsening relations between the United States, China, Russia and some major oil producers in the Middle East is also expected to continue to fuel increased volatility in the oil market.

The road to a full global economic recovery, therefore remains uncertain and uneven, with a number of headwinds and risk factors still lingering.

### Nigeria's Macroeconomic Review

Most African economies were impacted by multiple shocks in 2022. These include weaker demand from key trading partners (especially Europe and China), sharp increases in energy and food prices, rapidly rising borrowing costs and adverse weather events.

The Nigerian economy grew by 3.1 per cent in 2022, continuing

the recovery trend from 2021, following the 2020 recession. Though the growth indicated a slower position than 2021, which recorded a growth of 3.4 percent. The fourth quarter of 2022 recorded a year-on-year growth of 3.52 percent, which represents its ninth consecutive quarterly growth, since the 2020 recession.

The year was characterised by lingering supply chain challenges. Insecurity also remained a challenge; though to a lesser extent than the previous years, and weak oil revenue (despite higher international oil prices), due largely to significant theft of crude oil.

The contribution of the non-oil sector to the macro-economy peaked at 95.66 percent in the fourth quarter of the year, when compared with the past eight quarters, while the reverse was the case for the oil sector, which contributed the lowest in this quarter with 4.34 per cent, when compared to the preceding eight quarters.

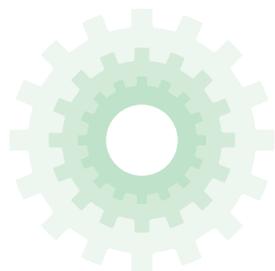
The average daily oil production in the fourth quarter of 2022 was 1.34 million barrels, compared to 1.50 mbpd that was recorded in the same quarter of 2021. This production level is much lower than the quota of 1.80 mbpd that was allocated to the country by the Organisation of Petroleum Exporting Countries (OPEC).

The non-oil sector grew by 4.44 per cent in real terms, in the fourth quarter of 2022. This was 0.29 per cent points lower than the rate recorded in the same quarter of 2021. The oil sector has remained in the negative growth territory, since the second quarter of 2020. The real growth of the oil sector on a year-on-year basis in the fourth quarter of 2022 was -13.38 per cent, which indicates a decrease of 5.33 percentile points relative to the rate recorded in the same quarter of 2021.

The top five contributors to the Nigerian economy in the fourth quarter of 2022 were Crop Production, Trade, Telecommunication and Information Technology, Real Estate, Crude Oil and Natural Gas.

As was experienced in most advanced and emerging economies of the world, inflation was also a major problem that the Federal Government had to grapple with during the year. The inflation rate rose on a month-on-month basis during the year and peaked at 21.47 percent in November 2022, then came down slightly to 21.34 percent in December 2022.

The major reasons for the rising rates according to analysts are: rising energy prices, exchange rate pressure on the Naira, persisting supply chain disruptions and bad harvests due to flooding and insecurity.



## CHAIRMAN'S STATEMENT

The Federal Government implemented various measures to support the economy in the year. Having rehabilitated and constructed 8,352 kilometres of roads in the last seven years of his administration, President Muhammadu Buhari commissioned several key infrastructural projects during the year, including the second Niger bridge, alongside several housing, rail, air and seaport projects.

The Government also continued the implementation of projects under the Nigeria Economic Sustainability Plan, towards rejuvenating the economy, following the recession brought about by the COVID-19 pandemic in 2020. One of such projects is the MSME Survival Fund, which was established to revive and re-establish Nigerian MSMEs post-pandemic. Being the executing partner of this laudable programme, the Bank of Industry has facilitated the disbursement of ₦67.5 billion to 1,258,188 Beneficiaries since the launch of the Fund in 2020, including ₦8.8 billion that was disbursed to 376,240 beneficiaries in 2022.

### Nigerian Banking Industry

The Nigerian banking industry is a critical sector of the economy, serving as the main source of financing for businesses and households. The industry has experienced significant growth over the years, driven by increasing demand for financial services and growth of financial technology companies (fintechs).

The Central Bank of Nigeria (CBN) has also implemented various reforms that are aimed at improving the quality of banking services, reducing the level of Non-Performing loans, and enhancing the stability and health of the financial system.

In 2022, the CBN raised the monetary policy rate four consecutive times, in a bid to rein in the growing inflation in the economy. The CBN also redesigned the ₦200, ₦500 and ₦1000 currency denominations towards mopping up excess liquidity, encouraging cashless system, combating counterfeiting and terrorism, including money laundering. By December of 2022, the amount of cash outside Deposit Money Banks was reduced by 63 percent to ₦788.9 billion from ₦2.56 trillion.

Despite the challenging global and domestic economy, credit to Nigeria's private sector increased by 19.7 percent or ₦6.88 trillion, to ₦41.80 trillion from ₦34.92 trillion in 2022 and 2021 respectively. The CBN noted that this growth was an all-time high, which economic analysts believe was driven by the 65 percent minimum Loan-to-Deposit ratio policy that was mandated on the commercial banks by the apex bank, towards boosting credit to the real sectors of the nation's economy.

As part of its intervention strategy, the CBN launched the Tertiary Institutions Entrepreneurship Scheme (TIES) in November 2021. The scheme is targeted at empowering graduates of Nigerian

Polytechnics and Universities with entrepreneurial skills for economic and entrepreneurship development, as well as job creation. The Bank of Industry was appointed as the Implementation Agency of this laudable scheme and disbursed the sum of ₦345.5 million to 96 Beneficiaries on behalf of the CBN in 2022.

### Nigerian Manufacturing Industry

The Nigerian manufacturing industry is a key sector of the country's economy, and has the potential to play a major role in creating jobs and driving economic growth. However, the sector has faced several challenges in recent years primarily due to, but not limited to poor infrastructure and shortage of electricity.

The overall growth rate of the sector in 2022 was 2.45 percent, when compared to the preceding year, while the real contribution to the National GDP in the fourth quarter of the year was 8.40 percent; which is slightly lower than the 8.46 percent that was recorded in the same quarter of 2021. In the fourth quarter of 2022, the real GDP growth in the sector was 2.83 percent on a year-on-year basis, higher than the same quarter of 2021 by 0.55 percent points and also higher than the preceding quarter by 4.74 percentile points.

Economic headwinds, such as inadequate local availability of raw materials, insufficient financing opportunities, shortage of foreign exchange, poor distribution channels, dearth of managerial skills etc. remain factors that impede sustainable growth of the sector.

### Group Financial Performance

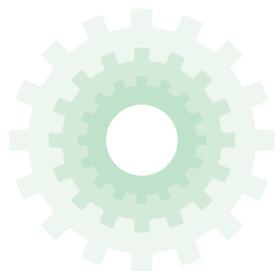
Despite the unstable global business environment in 2022, I am pleased to announce that the Bank of Industry Group maintained appreciable growth in its financial performance in the year.

Total Assets of the Group grew by 39.2 percent between 2021 and 2022, from ₦1.71 trillion to ₦2.38 trillion respectively. This growth was largely due to the three successful capital raising transactions worth €1.85 billion in the year.

The Group also reported a growth of 11.7 percent in its Total Equity between 2021 and 2022, from ₦384.85 billion to ₦429.83 billion respectively.

Profit Before Tax also followed the same trend; reporting 15.6 percent growth from ₦62.28 billion to ₦71.99 billion in 2021 and 2022 respectively. Likewise, Loans and Advances improved by 3.2 percent from ₦780.48 billion in 2021 to ₦805.46 billion in 2022.

The remarkable financial performance of the Group for the year, depicts the passionate and pro-active disposition of the Bank to continue to effectively deliver on its mandate, as the macro-economy gradually strengthens.



## CHAIRMAN'S STATEMENT

### Outlook for 2023

The global outlook for 2023 is cautiously optimistic, with many economies expected to continue in their recovery trajectory. The Organization for Economic Co-operation and Development (OECD) projects global economy to grow by 2.2 percent in 2023, from 3.2 percent of 2022. The OECD projects a growth of 2.7 percent by 2024. The IMF believes that global inflation may have peaked in 2022 at 8.8 percent and projects it to come down to 6.6 percent and 4.3 percent in 2023 and 2024 respectively.

Economic growth in Africa is expected to remain slow, due to the spillover effect from uncertainties in the global environment. As debt servicing burden rises, a growing number of African Governments are expected to seek bilateral and multilateral support towards managing the adverse economic impact. The United Nations' Department of Economic and Social Affairs projected Africa's economic growth to slow from an estimated 4.1 per cent in 2022 to 3.8 percent in 2023.

The International Monetary Fund (IMF) has however upgraded Nigeria's 2023 economic growth projection to 3.2 percent, from the 3.1 percent, that was earlier reported. The IMF noted that the upward review was due to sustainable measures being implemented by the Government to address insecurity issues in the oil sector. Though the Report estimates a growth reduction to 2.9 percent in 2024.

Speaking at the 13th Global UAE Virtual Energy Forum, the Chief Executive Officer of the Nigerian National Petroleum Company, projects that daily oil production could hit 2.2 million barrels in 2023, by the time adequate security measures are put in place to protect oil assets. The much anticipated Dangote Refinery, which is expected to produce 650,000 barrels per day is also expected to come on stream in 2023. Based on the foregoing, it is expected that exchange rate pressure on the Naira should be fairly reduced in the year, due to projected accretion of foreign exchange revenue.

A peaceful political transition to a new Government, following the 2023 presidential elections is also expected to further boost investor confidence in Nigeria.

While there is hope on the horizon for a prosperous 2023, downside risks and potential headwinds still abound. Thus, economic advisers and policy makers are expected to be circumspect and pro-active in putting in place adequate measures to manage the risks.

In line with Federal Government's National Development Plan (2021-2025), the Bank of Industry shall continue to effectively implement its Medium Term Corporate Strategy 2022-2024, titled "Sustaining Purposeful Growth". The plan shall however be kept flexible, to enable seamless integration with new developments, as they unfold in the economy.

In conclusion, I wish to express our gratitude to all our stakeholders, namely: The Presidency; Federal Ministry of Industry, Trade and Investment; Federal Ministry of Finance, Budget and National Planning; the Central Bank of Nigeria; State Governments; our customers; other Government Departments and Agencies, as well as our numerous strategic partners, who have worked tirelessly with us on the path to continued growth and prosperity.

I would like to express my appreciation to my colleagues on the Board, the Management and Staff of the Bank for their commitment, hard work and dedication.

I would also like to seize this opportunity to appreciate Mallam Mohammed M. Bintube and Mr. Alexander Adeyemi, mni who were our former Non-Executive Directors on the Board as well as Mr. Jonathan Tobin and Mrs. Toyin Adeniji who were our former Executive Director (Corporate Services and Commercial) and Executive Director (Micro-Enterprises). They recently retired from the Board. I thank them for their valuable contributions to the sustained growth of the Bank and wish them the very best in their future endeavours.

In the same vein, I wish to congratulate our Executive Director, SME - Mallam Shekarau Omar for his re-appointment to the Board. My congratulations also go to Mr. Vincent Wuranti and Mr. Udechukwu Obi Osakwe on their appointments as Non-Executive Directors, as well as Ms. Mabel Ndagi on her appointment, by Mr. President as Executive Director, Micro-Enterprises.

Thank you all for your 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 welcome you all to the 63rd Annual General Meeting of the Bank of Industry (BOI) Limited, with great delight and excitement. We are grateful to God Almighty, for guiding us through another successful year.

The year 2022 marked slow but steady global economic recovery, as many advanced and emerging economies intensified their post-COVID 19 economic recovery efforts. However, rising geo-political tensions in Europe, inflationary pressures, and strains in global supply chains adversely impacted growth projections, hence posing downside risks to the global economic outlook. This was also true for Nigeria, as we achieved sustained, but slower economic growth in 2022.

Despite these global uncertainties and some local economic headwinds, the Bank of Industry continues to consolidate its developmental impact, by empowering Nigerian businesses with affordable and long-tenored financing opportunities, as well as business advisory services, towards effectively managing and growing their enterprises.

I am delighted to report that the Bank recorded remarkable achievements in the year under review. This would not have been possible without the sterling commitment and stewardship of our indefatigable Board members, executive management, and entire staff of the bank.

Given our critical role in national industrial development, we are truly fortunate to be led and managed by a committed team that is dedicated to improving the socio-economic status of Nigerians and Nigerian businesses, through various lending and intervention platforms and corporate social responsibility activities.

### DEVELOPMENTAL IMPACT ASSESSMENT

Through both its direct and indirect lending platforms, as well as funds managed on behalf of its strategic partners, the Bank disbursed the sum of ₦210.7 billion to 418,436 beneficiaries in 2022. This resulted in the creation of an estimated 1,255,974 direct and indirect jobs.

The breakdown of our key disbursement lines are as follows:

- **Smallholder Farmer Financing Product:** This is a value-chain financing product of the Bank that connects farmers to guaranteed market off-takers thereby encouraging backward integration and wealth creation for the farmers. In 2022, 20,391 farmers received financial support of ₦5.1 billion under this fund. Since inception, disbursement totaling ₦13.6 billion has been made to 71,261 farmers.

- **MSME Distributor Finance Programme:** This programme was introduced by the Bank in 2020, to support distributors of supermarkets. In 2022, ₦3 billion was disbursed to 3,000 micro-retailers through this product. ₦4 billion has been disbursed in total to 7,000 micro-retailers since inception.
- **Fintech/Digital Lending Product:** This product was introduced by the Bank in 2021, to support micro enterprises by leveraging collaborations with credible Fintech platforms. Through this product, the Bank disbursed ₦550 million to 1,215 beneficiaries in 2022. Since inception, ₦700 million has been disbursed to 1,415 beneficiaries.

The bank also manages several social intervention funds on behalf of the Federal Government and other multilateral institutions namely:

- Following the flag-off of the \$750 million World Bank Nigeria COVID-19 Action Recovery & Economic Stimulus (NG-CARES) programme by the Federal Government in 2021, the World Bank has released an advance of ₦35 billion to state governments to implement the programme. At present, 28 states have indicated interest in leveraging BOI's on-lending infrastructure to execute the program. In 2022, grants of ₦2.2 billion were disbursed to 14,046 beneficiaries. Since inception, the Bank has released grants of ₦2.54 billion, on behalf of the fund owners to 15,864 beneficiaries across 15 states.
- The \$618 million Federal Government of Nigeria (FGN) Program to promote investment in Information and Communications Technology (ICT) and Creative Industries (i-DICE) Program. The program is the outcome of a partnership between the FGN and other multilateral agencies with BOI as the implementing partner. Under the agreement AfDB is to provide a Loan of \$170 million to support the Program. The FGN counterpart funding is \$45 million. The Program will be co-financed by the Agence Française de Développement (AFD) for a total of €100 million (\$116 million); and the Islamic Development Bank (IsDB) for a total of US\$ 70 million. Independent Fund Managers (selected in compliance with the participating financial institutions procurement rules) that will administer the initial \$433.3 million iDICE Funds are expected to co-invest \$9 million and raise an additional \$208 million from various investors. The Program will leverage the Africa Investment Forum (AIF) platform to support investment mobilization efforts by the Fund Managers. Microsoft will provide technical assistance within the framework of its partnership with the Bank through the Coding for Employment Program (CfE) and ongoing collaboration with the FGN.



## MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

The programme interventions aim to (i) harness Nigeria's youth talent pool (from ages 15 to 35 years) and equip them with technology and creative skills to increase their employability, (ii) foster innovation, and support the emergence of more entrepreneurs; supporting their growth to unlock their potential to create employment; and (iii) support enactment of enabling regulatory frameworks and policies for new businesses and innovative ventures.

The programme was formally launched by President Muhammadu Buhari, represented by the Vice President Prof. Yemi Osinbajo in March 2023.

- The US\$538 million AfDB led Special Agro-Industrial Processing Zones (SAPZ) programme. This is another collaboration between the FGN and several multilateral development institutions to promote private sector development in the Agriculture sector through private sector engagements across the agric. value chain. This will be implemented through the set-up of strategic Special Agro-Industrial Processing Zones (SAPZ) across various Nigerian states. Other funding partners include the AfDB, ISDB and IFAD along with the Green Climate Fund.

The programme was formally launched in 2022 by President Muhammadu Buhari, represented by the Vice President Prof. Yemi Osinbajo. Bank of Industry is the implementing agency providing financing to the private sector players located in the various SAPZ locations.

- ₦75 billion MSME Survival Fund Scheme (under the Nigerian Economic Sustainability Plan launched in 2020). In 2022, ₦8.8 billion was disbursed to 376,240 beneficiaries. Since inception, ₦67.5 billion has been disbursed to 1,258,188 beneficiaries under the programme.
- BOI is also the local executing agency for the \$14.27 million BRAVE (Business Resilience Assistance for Value adding Enterprise) Women Nigeria programme, on behalf of the Islamic Development Bank Group (IsDB). This initiative is designed to support women-owned businesses in economically disadvantaged regions of the country. So far, the Bank has achieved the disbursement of ₦2.51 billion to 932 beneficiaries in the pilot states of Kano, Gombe and Edo.
- The Bank manages the State Empowerment Enterprise Programme (SEEP), a ₦2 billion micro-credit initiative to empower micro and small businesses in participating states of the Nigerian federation. The pilot of the programme kicked off in Osun State, where ₦47.2 million was disbursed to 827 beneficiaries in 2021. Edo State also

committed ₦500 million for the programme, out of which ₦85.6 million was disbursed to 320 MSMEs in 2022. A total of ₦132.8 million has been disbursed to 1,147 beneficiaries since the inception of this programme.

- BOI is also the implementing partner for the CBN's Tertiary Institutions Entrepreneurship Scheme (TIES), a programme that is aimed at addressing youth unemployment in Nigeria. The programme commenced in 2022 and as at December of the year, ₦345.5 million has been disbursed to 96 beneficiaries.

These intervention programmes have not only contributed to the nation's goals of economic recovery and job creation, but have also empowered Nigerian enterprises, especially the micro and small ones, to continue operating in a sustainable level.

### REVIEW OF FINANCIAL PERFORMANCE

The period under review was the best year yet for the Bank across several financial metrics in comparison to the preceding years.

Total Assets increased by 38.6 percent from ₦1.71 trillion to ₦2.37 trillion between 2021 and 2022 respectively. This significant leap was achieved following the conclusion of three successful capital raising transactions in the year. More details are provided in the next section.

Loans and Advances improved by 3.1 percent to ₦803.6 billion from ₦779.3 billion in 2021, due to the increased interventions and disbursement to enterprises. Total Equity also grew by 11.6 percent to ₦426.77 billion from ₦382.52 billion in 2021.

Interest Income improved by 21.1 percent in 2022 to ₦212.48 billion from ₦175.51 billion in the previous year. Interest income from investments in debt securities and customer loans were responsible for this growth. Interest expense also increased by about 43.1 percent to ₦83.89 billion in 2022 from ₦58.61 billion in 2021, primarily due to our additional borrowings in the previous year.

Profit before Tax improved by 15.6 percent to ₦70.66 billion in the year, from ₦61.15 billion in 2021. Remarkable growth in Interest Income and Other Income lines; alongside the reduction in impairment charges, facilitated the achievement of this growth.

### KEY ENABLERS OF OUR CORPORATE OBJECTIVES AND STRATEGY

Towards improving the Bank's capacity to effectively support Nigerian enterprises, we have continued to deepen our strategic business partnerships with private and public institutions, multilateral agencies as well as local and foreign financial partners.



## MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

In the year under review, the Bank successfully concluded three key fund raising transactions in a bid to strengthen its capital base despite the volatility in the market. We raised a total of €1.85 billion (about \$2 billion) in 2022 from the international financial market as follows:

- Our €750 million maiden Eurobond concluded in February 2022. This transaction was fully guaranteed by the Federal Government of Nigeria.

It was a landmark achievement and represents many firsts for BOI creating a benchmark for other prospective issuers from Africa:

- It was BOI's first Eurobond;
- It made BOI the first African National DFI to issue a public Eurobond;
- It was the sovereign's first Eurobond guarantee;
- It was the first Euro-denominated transaction from Nigeria

The deal was proactively concluded in February 2022 just before the rapid rate increases that threw the bond markets in turmoil.

- Our €1 billion guaranteed senior loan facility concluded in August 2022. The deal also represent the first of its kind, by any Nigerian financial institution, both in terms of its size and in structure.

The transaction structure leveraged the strong investment grade credit rating of Africa Finance Corporation (rated A3 with a Stable Outlook by Moody's) to wrap and credit-enhance Bank of Industry, thereby benefitting from favorable terms that would otherwise not be available, especially in these highly volatile markets.

It is an innovative deal with a guaranteed wrap that enabled the Bank to negotiate and borrow at a better pricing than we ordinarily would have obtained, thanks to the credit rating of the AFC.

The Central Bank of Nigeria also provided 100% currency and interest rate swap, which helped mitigate the foreign exchange rate risk.

The pricing of this deal was quite attractive as a result of this innovative structuring. Recall that this deal was closed at a time when international capital markets were shut to many borrowers and what capital that could be found was and still is prohibitively expensive.

This deal did not only provide the Bank with liquidity, but also facilitated the diversification of its funding partners by attracting new lenders through its unique structure and the AFC Guarantee.

- €100 million line of credit from the French Development Agency (AFD) for the expansion of our green lending activities. The transaction was approved by AFD under its Transforming Financial Systems for Climate Program with financial support from Green Climate Fund (GCF).

The line of credit will be focused on financing projects that contribute to climate change mitigation or adaptation, specifically projects focused on renewable energy, low carbon and efficient energy generation, conservation agriculture, transport-oriented urban development and others.

The financing package also includes a €2.5 million grant facility dedicated to a technical assistance programme aimed at mainstreaming Climate Finance within BOI's strategy and operations. It will support capacity building for BOI and its customers, thereby providing tools for effective identification and development of eligible bankable climate-related projects as well as improving the readiness of the bank's customers to implement green practices in their operations.

With specific reference to Gender Equality, the technical assistance will support BOI in the development and implementation of professional gender equality and gender lens investing policies

Other strategic partnerships that were developed and strengthened in the year include the following:

- BOI/ Nigerian Content Development & Monitoring Board (NCDMB) partnership. BOI was appointed as the managing partner by the NCDMB to manage its \$50 million Nigeria Oil and Gas Parks Scheme (NOGAPS) Manufacturing product. The purpose of the scheme is to foster local content, by promoting manufacturing in the Oil & Gas sector within special industrial parks. These parks shall support local SMEs and other enterprises with facilities, such as: truck holding areas, toll gate facilities, crane lifting, jetties, factory units, Independent Power Plants, water plants, warehouses, fire stations, maintenance workshops, park centres, clinics and technological huts.
- BOI/Nassarawa State Matching Fund: In a further expansion of BOI special matching fund scheme with over 29 state Governments in Nigeria the bank partnered with and signed a memorandum of understanding with Nassarawa State Government to launch a ₦500 million matching fund, to support enterprises in the state. A new state office was also opened in the state, as we continued to expand our footprint in the country.
- BOI also signed a memorandum of understanding with the Nigerian Exchange to deepen capital market reach, build



## MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

the capacity of stakeholders through financial literacy programs, facilitate market advocacy initiatives, and promote stock listings.

### IMPLEMENTATION OF OUR CORPORATE STRATEGY

The Bank commenced the implementation of its 2022-2024 medium-term Corporate Strategy in the year under review. One of the four strategic themes is Financial Growth and Sustainability. In this respect the main objective is to ensure that the Bank remains a self-sufficient and sustainable organisation as it strives to fulfil its mandate to transform the industrial sector of Nigeria. A target of raising €500 million from the international financial markets in the year 2022 was set. I am pleased to report that we surpassed this goal by successfully raising additional capital in the sum of €1.85 billion in the year.

Other strategic themes include Operational Excellence, Superior Customer Experience and Developmental Banking Effectiveness.

We have achieved significant milestones with respect to our Operational Effectiveness, by investing heavily in strengthening our Information Technology processes and infrastructure. The re-engineering and automation of our business processes and upgrade of our digital assets continues to gain traction.

We also have in place a robust Customer Experience strategy, which guides us through a methodical process, in a bid to ensure satisfaction for our esteemed customers in all their interactions with us. We keep re-designing and upgrading our website in line with best practice. Our Credit and Customer Relationship Management applications have now been integrated to our website, such that customers may apply and track the progress of their loan application online.

We continuously seek and strengthen valuable strategic partnership towards enhancing our Developmental Effectiveness. These partnerships cut across various local and international private, public and multilateral institutions.

### CREDIT RATINGS

In the year, Fitch ratings sustained the Bank's National Long-Term Rating to 'AAA (nga).

The rating agency however revised the outlook on the Long-Term Issuer Default Ratings (IDR) of four Nigerian banks, including Bank of Industry from 'B' to 'B-' with a stable outlook, primarily due to the downgrade of the sovereign rating.

Moody's downgraded the Bank's issuer ratings from B2 to 'B3' with a stable outlook, also on the back of the downgrade of the sovereign rating.

Agusto & Co. however sustained the Bank's credit rating at Aaa with stable outlook.

### ISO CERTIFICATIONS

The Bank maintained the following 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 demonstrate that the Bank is committed to continuous and consistent improvements in its business structures, processes, and operations.

### AWARDS AND RECOGNITION

The Bank received the following prestigious awards from local and international organisations during the year:

- Best Development Bank in Africa at the International Banker Awards 2022
- Best Company in Diversity, Equity and Inclusion at the Sustainability, Enterprise and Responsibility Awards (SERAS CSR Awards) 2022
- Debt Deal of the Year 2022 at the African Banker Awards
- International Syndicated Loan Deal of the Year at the Bonds and Loans Africa Awards 2022
- 2022 Banker of the Year award by Sun Newspapers
- Best SME Funding DFI in Nigeria by the All-Africa Association for Small and Medium Enterprises
- Most Sustainable Bank 2022 – Nigeria at the World Finance Banking Awards 2022
- Best SME Partner Bank of the Year at the European Magazine Global Banking and Finance Awards 2022
- Banking CEO of the Year 2022 at the European Magazine Global Banking and Finance Awards, October 2022
- Special Recognition Award by the Nigerian Microfinance Platform 2022
- Cyber Security Experts Association of Nigeria Sponsor Award

### CORPORATE SOCIAL RESPONSIBILITY

In 2022, we sponsored the execution of the following initiatives as part of our focus on supporting Social Welfare, Education & Enterprise, Environment, Arts and Health:

- 'Water for All' program executed in partnership with the WASH MATA initiative and the Federal Ministry of Water Resources. This initiative aims to ensure sustainability and cost-effectiveness in water supply provision in Nigeria.
- Rehabilitation and transformation of the Mega Primary School in Loburo, Lagos – in partnership with Habitation of Hope.



## MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S REPORT

- Women and Youth Empowerment Project in partnership with Human Development Initiatives.
- Capacity-building programme for the Lagos State Health Service Commission (HSC).
- Renovation/Equipping of Community Primary School and Community Health Center at Tudun Wada Dunu, Katsina State.
- Renovation/Furnishing of Central Primary School at Makarfi, and Primary Health Center at Taban Sani, Kaduna State.
- Commissioning of BOI-ICAN (Institute of Chartered Accountants in Nigeria) Tech Hub in March 2022.

### EXPANSION OF BUSINESS OFFICES

Towards enhancing access to our financing products throughout Nigeria, especially by micro and small enterprises, we expanded our business coverage by commissioning an office, each in Ekiti and Nassarawa states. Thus bringing the total number of our offices to 31 in 29 states of the federation, including the Federal Capital Territory.

### OUTLOOK FOR 2023

In the year 2023, we shall focus on delivering our mandate through implementation of the major initiatives listed above and summarized below in no particular order:

- Continue to deploy innovative products and services to various segments and sectors of the Nigerian economy to support national growth and development;
- Completion of the on-going process re-engineering, upgrading and automation projects, towards enhancing our business efficiency and effectiveness;
- Scaling up customer-centric culture across the bank and making prompt service delivery (internally and externally) our watchword;
- Conclude our Sustainability Standards & Certification Initiative (SSCI); by ensuring compliance with Environment, Social and Governance (ESG) standards in our operations;
- Continuously review our business structure and operations in line with global best practices;
- Continue to drive performance improvements that will assure investment grade ratings from our top local and global rating agencies;
- Assure and improve process efficiency through successful re-certification and/or audit exercises of our various ISO certifications (Quality Management System, Information Security Management System, and Business Continuity Management Systems);
- Conclude other ancillary activities towards enhancing our capacity to keep supporting Nigeria's industrial sector.

On behalf of the Board, management, and staff, of the Bank, I express our sincere appreciation to our shareholders and principals; The National Assembly, the Federal Ministry of Finance Incorporated and the Central Bank of Nigeria, the Federal Ministry of Finance, Budget and National Planning and our supervising ministry, the Federal Ministry of Industry, Trade and Investment. Your tremendous support has been highly instrumental to our continued and consistent performance as we strive to keep promoting economic growth and prosperity for the country.

Our heartfelt gratitude also go to our other strategic partners i.e. Commercial and Merchant banks; Microfinance banks and institutions; our international financial partners; multilateral agencies; the Organised Private Sector etc. for their unrelenting technical and business support.

I would also like to seize this opportunity to deeply appreciate members of our Board, for the outstanding leadership and support that they have offered the bank over the years.

Sadly, during the course of the year, we lost two of our colleagues: Mr. James Barde (our erstwhile State Manager, Gombe Office) and Mr. Hassan Osuwa (our erstwhile Legal Adviser). May their souls rest in perfect peace and may God Almighty grant their families and loved ones the strength and fortitude to bear this irreparable loss.

In conclusion, to the entire staff of the Bank, I say thank you for the extra-ordinary hard work and unrivalled dedication that you bring to your various roles and responsibilities.

Thank you and God bless.

**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



African Export Import Bank



Africa Finance Corporation



Citigroup



Rand Merchant Bank

### THE JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS



Mashreqbank psc



SMBC Nikko

### THE LEGAL ADVISERS

Counsel to the Issuer International & Nigeria

**WHITE & CASE**

English law and USA law



Nigerian Law

Counsel to the Bookrunners International & Nigeria

**ALLEN & OVERY**

English law and USA law



Nigerian Law

### THE TRUSTEE

**LawDebenture**

Law Debenture Trust Corporation p.l.c

### THE COUNSEL TO THE TRUSTEE

**大成 DENTONS**

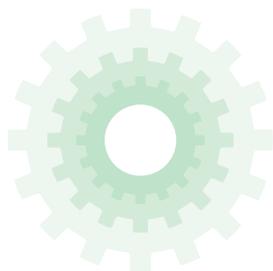
Dentons UK and Middle East LLP (English Law)

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 Rule 144A ("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.



**Financial**  
Highlights



## FINANCIAL HIGHLIGHTS

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
<b>MAJOR PROFIT OR LOSS ACCOUNT ITEMS</b>	<b>N'000</b>	<b>₦'000</b>	<b>N'000</b>	<b>₦'000</b>
Interest income	212,955,337	175,830,860	212,479,848	175,511,056
Interest expense	(83,051,553)	(57,866,159)	(83,887,239)	(58,611,570)
Other operating income	(7,013,486)	(13,497,046)	(7,371,142)	(13,930,876)
Net fees and commission income	(675,601)	578,123	(1,537,748)	166,713
Impairment charges	(4,345,662)	(9,095,180)	(4,337,860)	(9,074,738)
Total operating expenses	(45,880,175)	(33,670,449)	(44,689,448)	(32,912,394)
Profit before tax	71,988,860	62,280,150	70,656,411	61,148,191
Taxation	(19,085,225)	(8,863,336)	(18,496,958)	(8,539,821)
Profit after tax	52,903,635	53,416,814	52,159,453	52,608,370
<b>MAJOR BALANCE SHEET ITEMS</b>				
Loans and advances	805,456,300	780,477,268	803,595,387	779,297,001
Borrowings	1,719,617,570	1,125,303,560	1,717,687,690	1,124,761,517
Share capital	147,371,321	147,371,321	147,371,321	147,371,321
Total Equity	429,828,883	384,846,310	426,768,371	382,519,218
Total assets	2,376,023,482	1,712,020,571	2,373,767,045	1,709,806,430
Earnings per share (in kobo)	72	72	71	71
Net assets per share (in kobo)	583	522	579	519
Number of employees	619	616	556	540
Total issued and paid up 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 of submitting to members, their Report and the Audited Financial Statements for the year ended 31st December 2022.

### 1. Legal Form

Bank of Industry Limited was reconstructed in 2001 out of the Nigerian Industrial Development Bank (NIDB) Limited, which was incorporated in 1959. The Bank's authorized share capital was initially set at ₦50.0 billion and in the wake of NIDB's reconstruction into BOI Ltd in 2001, it was increased to ₦250.0 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. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	₦'000	₦'000	₦'000	₦'000
Gross earnings	212,955,387	184,554,648	211,054,593	183,390,927
Profit before tax	71,988,862	62,280,150	70,656,408	61,148,191
Taxation	(19,085,225)	(8,863,336)	(18,496,957)	(8,539,821)
Profit for the period	52,903,637	53,416,814	52,159,451	52,608,370
Other comprehensive income	(29,808)	(433,064)	(19,044)	(433,163)
Total comprehensive income for the period	52,873,829	52,983,750	52,140,407	52,175,207

### 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. Simon Aranonu	- Executive Director, Large Enterprises
Mr. Shekarau D. Omar	- Executive Director, Small and Medium Enterprises
Mr. Usen Effiong	- Executive Director, Corporate Services and Commercial (Appointed on April 25, 2022)
Engr. Chukwuemeka Nzewi	- Non-Executive Director
Mr. Alexander Adeyemi, mni	- Non-Executive Director
Mr. Philip Yila Yusuf	- Non-Executive Director
Mr. Adewale R. Bakare	- Non-Executive Director
Mr. Vincent Kawahuda Wuranti	- Non-Executive Director (Independent Director) (Appointed on August 3, 2022)



## REPORT OF THE DIRECTORS cont'd

### Retired Directors

- Mr. Jonathan Tobin - Executive Director, Corporate Services and Commercial (Retired on April 24, 2022)
- Mallam Mohammed Mustapha Bintube - Non-Executive Director (Independent Director) (Retired on August 2, 2022)

### 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 year under review is set out in the Corporate Governance 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, 2022: Nil)

### 9. Analysis of Shareholding

As at 31st December, 2022, BOI's shares were held by forty four (44) shareholders as analyzed 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, 2022.

### 12. Property and equipment

Movements in property and equipment during the year are shown in Note 25. In the opinion of the Directors, the market value of the Group's properties is not less than the value shown in the Financial Statements.

### 13. Employment and Employees

#### 13.1 Employment of Physically Challenged Persons

The Group and the 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.



## REPORT OF THE DIRECTORS cont'd

### 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 ₦144.0 million (December 2021: ₦35.5 million) during the year.

### 15 Auditors

KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, has indicated its willingness to continue in office as Auditors to the Bank. Therefore, in accordance with the Companies and Allied Matters Act, 2020 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

A handwritten signature in black ink, appearing to read 'Olufunlola O. Salami', positioned above a horizontal line.

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



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

The Board of Directors accept responsibility for the preparation of the Interim 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 Board of 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 Board of Directors has made an assessment of the ability of the Bank and the Group to continue as a going concern and has no reason to believe that the Bank and the Group will not remain a going concern in the year ahead.

A handwritten signature in black ink, appearing to read 'Olukayode Pitan', positioned above a horizontal line.

Olukayode Pitan  
Managing Director/CEO  
FRC/2018/IODN/00000017947  
23 March 2023

A handwritten signature in black ink, appearing to read 'Aliyu AbdulRahman Dikko', positioned above a horizontal line.

Aliyu AbdulRahman Dikko  
Chairman Board of Directors  
FRC/2013/IOD/000000002375  
23 March 2023



## STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

Further to the provisions of Section 405 of the Companies and Allied Matters Act, 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the Audited Consolidated and Separate Financial Statements for the year ended 31<sup>st</sup> December 2022 as follows:

- (a) That we have reviewed the Audited Consolidated and Separate Financial Statements for the year ended 31<sup>st</sup> December 2022.
- (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<sup>st</sup> December 2022.
- (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 year 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, summarize 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  
23 March 2023

Akeem Olatunji Adesina  
Chief Financial Officer  
FRC/2013/ICAN/00000004532  
23 March 2023



## 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 2022 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.

A handwritten signature in blue ink, appearing to read 'Alexander M. Adeyemi', written over a horizontal line.

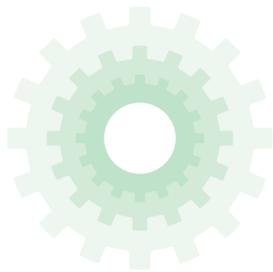
**Mr. Alexander M. Adeyemi, mni**

*Chairman*

FRC/2021/003/00000022813

### Members of the Audit Committee

- Mr. Alexander M. Adeyemi, mni - Chairman
- Mr. Philip Yila Yusuf
- Mr. Adewale R. Bakare
- Mr. Vincent Kawahuda Wuranti

**DCSL Corporate Services Limited**235 Ikorodu Road  
IlupejuP. O. Box 965, Marina  
Lagos, NigeriaTel: +234 1 2717800  
Fax: +234 1 2717801  
www.dcsf.co.ng

RC NO. 352393

**Abuja Office:**1st Floor, The Statement Hotels, Plot 1002, 1<sup>st</sup>  
Avenue,  
Off Shehu Shagari Way  
Central Business District  
Abuja, Nigeria  
Tel: +234 9 4614902-5

February 16 2023

**REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF BANK OF INDUSTRY LIMITED (“CBN Code”) FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022.**

In compliance with the provisions of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 (“NCCG”), and Section 2.9.2 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Development Finance Institutions in Nigeria issued in 2018 (“CBN Code”)**, DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of Bank of Industry Limited (“BOI”) for the year-ended 31<sup>st</sup> December 2022. The appraisal entailed a review of the Bank’s corporate and statutory documents, the minutes of Board and Board Committee meetings, policies and other ancillary documents made available to us. We also administered Board and Peer Review Surveys to the Directors.

The essence of the review was to ascertain the level of the Board’s compliance with corporate governance practices with particular reference to the provisions of the NCCG and the CBN Code and covered the following seven key corporate governance themes:

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

Following the review of the policies and processes operating in the Bank and the performance of our requisite procedures, we confirm that the Board of Directors is committed to ensuring prime corporate governance practices and adherence to the principles enshrined in the CBN Code and the NCCG as well as globally accepted best practices. Furthermore, we confirm that the Board is committed to setting the pace for observance of highest ethical standards and transparency in the conduct of the Bank’s business. Our review of from the Directors’ Peer Assessment and Chairman’s Leadership Assessment indicate that individual Directors discharged, satisfactorily, their governance responsibilities, performed creditably against the set objectives and continue to demonstrate strong commitment to enhancing the Bank’s growth. The Board demonstrates commitment to ensuring observance of highest ethical standards and transparency in the conduct of the Bank’s business.

We have brought to the attention of the Board those areas that require improvement and are satisfied that the Board has taken due notice of these.

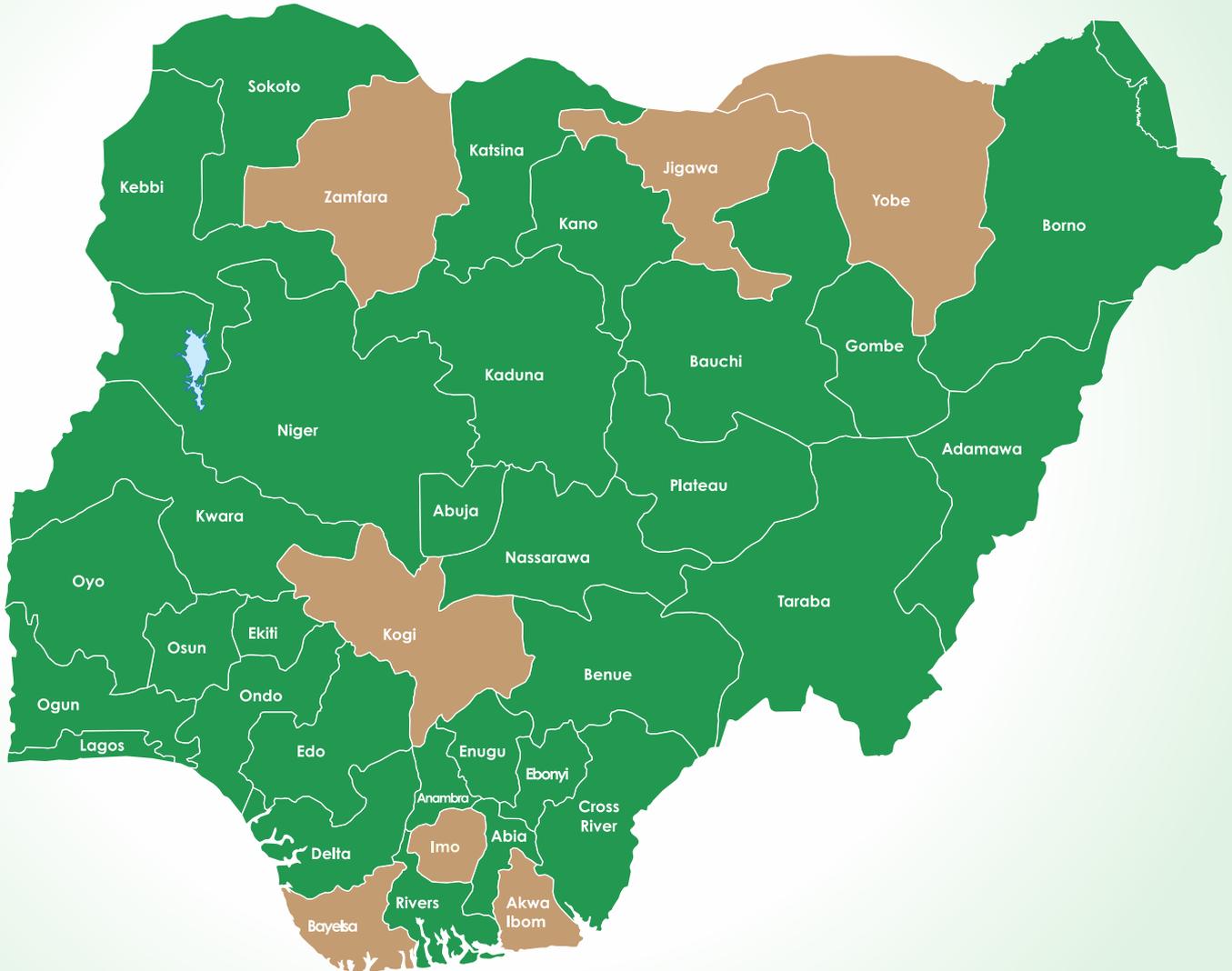
Yours faithfully,

**For: DCSL Corporate Services Ltd****Bisi Adeyemi**  
**Managing Director**  
**FRC/2013/NBA/0000002716**

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



# BOI is Present in 30 States Across Nigeria



 States hosting Bank of Industry.

visit: [www.boi.ng](http://www.boi.ng)



Head Office: **23 Marina Road, Lagos, Nigeria**  
email: [customercare@boi.ng](mailto:customercare@boi.ng)

call: **0700-CALL-BOI | 0700 225 5264**  
switchboard: **(+234)-1-2715070-71**

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Bank of Industry Limited



BOINigeria



Bank of Industry Limited Nigeria

## BOI's Presence 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

25B Adelabu Street  
Adelabu Housing Estate,  
opp. Abia State Universal  
Basic Education Board,  
Umahia, Abia State.

#### Adamawa

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

#### Anambra

37, Zik Avenue,  
Akwa,  
Anambra State.

#### Bauchi

BOI House,  
Maiduguri Road,  
Bauchi,  
PMB 245

#### 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, Karllye 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,  
Evuoriararia, 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),  
Tarauni, 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.

#### Nasarawa

No. 1 Idris Al-makura Link,  
Alkali Street,  
off Shndam Road,  
Lafia, Nasarawa State.

#### Niger

2nd floor A44 Muazu  
Mohammed Road,  
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

EWOMA House,  
along Gen. Diriyai Street, GRA  
Phase 3,  
Tombia Extension,  
Port Harcourt.

#### Sokoto

6 Ahmadu Bello way,  
Sokoto.

#### Taraba

No. 72 Hammaruwa Way,  
opposite GTBank,  
Jalingo, Taraba.

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

visit: [www.boi.ng](http://www.boi.ng)



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email: [customercare@boi.ng](mailto:customercare@boi.ng)

call: **0700-CALL-BOI | 0700 225 5264**  
switchboard: **(+234)-1-2715070-71**

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Bank of Industry Limited Nigeria



## 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 is charting the course to achieve sustainable impact by providing affordable long-term financing and counter-cyclical loans diversified across various sectors of the Nigerian economy. He has pioneered several innovative transactions in the Nigerian capital market and the international financial market towards Nigeria's economic development. To date, he has led Bank of Industry to successfully raise about US\$5.0 billion from the international market through syndications and the bond market over the last four (4) years.

Prior to his current role, he served as the 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 the Institute of Chartered Accountants of Nigeria (ICAN).

Mr. Pitan is the Chairman of the Association of Nigerian Development Finance Institutions (ANDFI); and the Director representing West Africa on the Board of the Association of African Development Finance Institutions. 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 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, and 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.

He is currently the Chairman of BOI Insurance Brokers Ltd and LECON Financial Services Ltd, which are subsidiaries of BOI Ltd.



## 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 oversees the Micro-Enterprises Directorate where she is responsible for the Bank's strategy and operations for the sector.

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

Prior to joining BOI, Mrs. Adeniji worked at the International Finance Corporation (IFC)/World Bank Group for a career spanning 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.

Mrs. Adeniji leads the Growth Platform housed at BOI. She works with a formidable team that have progressively deepened the "digital" footprint of reaching the unreached and breaking new frontiers. 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 Alitheia IDF fund, a gender focused Private Equity Fund investing in SMEs.

Mrs. Adeniji holds a Bachelor of Science (BSc.) Degree in Civil Engineering from the University of Lagos and a Master of Business Administration (MBA) Degree from the Harvard Graduate School of Business.

She is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). She is also a member of the Nigerian Society of Engineers (NSE) and an Honorary Senior Member of Chartered Institute of Bankers (CIBN).

### 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 the 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 and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

An avid scholar, Mr. Aranonu has attended various business leadership programmes throughout his career, including courses at Harvard Business School, Chicago Business School, Columbia Business School, New York and Cranfield University UK. 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 in 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.



## EXECUTIVE MANAGEMENT

### 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.

### Mr. Usen Effiong

Executive Director - Corporate Services and Commercial



Mr. Usen Effiong was appointed as an Executive Director of the Bank on April 24 2022. 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 & Procurement Departments) and the Bank's Subsidiaries.

Prior to joining the Bank, Mr. Usen Effiong served as Deputy Director in Branch Operations Department, Central Bank of Nigeria; overseeing the Service Delivery Division.

Mr. Effiong has over thirty two (32) years' work experience in Central Bank of Nigeria, out of which 20 years were in core HR functions of Performance Management, Workforce Planning, Talent Management, Change Management, Continuous Improvement and HR Transformation.

He led the team that successfully implemented the Automation of Promotion Examination process in the Central Bank of Nigeria. He was the Best Staff of Human Resources Department for 2003 and a member of Project EAGLES Communication & Culture Change Team.

Mr. Usen Effiong is passionate about value creation in business and enabling dynamic and customer focused work environment.

He holds a Bachelor of Science (Hons) Degree in Agricultural Economics from University of Calabar and a Master's Degree (M.Sc.) in Agricultural Economics from University of Ibadan.

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN), Full Member of Chartered Institute of Personnel Management (CIPM), Member of Nigerian Institute of Management (NIM), a Certified Talent Acquisition Professional (CTAP), and a Strategic Workforce Planner of the Human Capital Institute (SWP).



## EXECUTIVE MANAGEMENT

### Retired Director

#### Mr. Jonathan Tobin

Executive Director, Corporate Services and Commercial  
(Retired April 24, 2022)



Mr. Tobin was appointed as an Executive Director of the Bank in 2016. He currently oversees the Corporate Services and Commercial Directorate where his responsibilities include 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 also trained in the Project Management fast track course at Boston University, Massachusetts. He has attended Executive Training programmes at the Columbia Business School, New York and the Galilee International Management Institute, Israel.

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



## EXECUTIVE MANAGEMENT

### Mr. Akeem Olatunji Adesina

Chief Financial Officer/General Manager



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

He became the Chief Financial Officer (CFO) of the Bank in 2005 during its reconstruction from Nigerian Industrial Development Bank Ltd (NIDB) to Bank of Industry Ltd. He held this position till February 2015 when he was deployed to oversee the setting 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), set up the Bank's Disaster Recovery Site; oversaw the process of the connectivity of the Head Office and the State Offices; supervised the revamping of the Bank's Intranet and Websites and the improvement of the loan portal. It was also during his tenure as Divisional Head (O&T) that the Bank obtained ISO 27001 Certification and started the process of ISO 22301 Certification, amongst other projects implemented that fast tracked the automation of the Bank's processes. He also supervised the revamping of the Bank's cyber security protection by updating and putting in place a robust system to ensure maximum protection 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 Masters of Business Administration (MBA) Degree from Obafemi Awolowo University, Ile-Ife.

Akeem is a Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN). He is also an Honorary Senior Member of Chartered Institute of Bankers of Nigeria (CIBN).

He has attended several professional and leadership training programmes in various renowned institutions including Harvard Business School, Boston, Massachusetts, USA and Galilee International Management Institute, Israel.

### Dr. Ezekiel Oseni

Chief Risk Officer (CRO)/General Manager



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 (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 a member of the Beta Gamma Sigma Honour for distinct academics. He was the Best Graduating Student in Accounting in 1990 and a Prize Winner of the Chartered Institute of Stockbrokers' Qualifying Examinations in 2005.

His past experience span across auditing, taxation and full-time academics in some Nigeria universities. He is currently a Facilitator and an Adjunct Lecturer in University of Lagos and Babcock University, Nigeria respectively.

He joined Bank of Industry 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.

He is currently the President of the Chartered Risk Management Institute (CRMI) (established by the Acts of the Parliament).



## EXECUTIVE MANAGEMENT

### Mr. Leonard Kange

Divisional Head (Corporate Finance and Advisory)/General Manager



Mr. Leonard Kange is an accomplished Business Leader with over 30 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 currently heads the Corporate Finance and Advisory Division of the Bank. His responsibilities include raising capital locally and internationally to support BOI's lending activities as well as providing financial advisory services and solutions to its customers.

Leonard joined Bank of Industry Ltd (BOI) in 2017 as the Divisional Head/General Manager, Large Enterprises and was responsible for leading and supervising 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 until October 2022. He was 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.

Before joining BOI, Leonard gained extensive experience working for the Royal Bank of Canada (RBC) as a Senior Retail and Franchise Specialist from 2007 to 2017. In this role, he was responsible for Business Development & management of major client relationships, negotiating and implementing complex financing structures, portfolio management, risk assessment and monitoring on behalf of RBC for the benefit of clients. He was also responsible for developing Business Plans, distilling target markets and converting new clients.

Prior to joining Royal Bank of Canada, Leonard had a brief stint as a Financial Advisor at Freedom 55 Financial, Toronto, where he developed solid financial plans for individual and corporate clients.

Leonard invested over 13 years at FSB International Bank Plc (1992-2005) before seeking international banking experience. At FSB, he occupied several Senior Management roles including leading the Relationship Management teams in Corporate and Investment Banking, heading the Strategy and IT functions and Executive Assistant to the Chairman/CEO of the Bank. At the point of his voluntary exit in 2005, he was the Group Head, Corporate & Investment Banking.

Leonard earned a BSc 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 while in Canada.

Leonard has also attended several professional development 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; Galilee International Management Institute, Israel.

Leonard is a Certified Member of the Project Management Institute (PMI), USA and a member of the Institute of Directors of Nigeria (MIoD).



## EXECUTIVE MANAGEMENT

### Dr. Rislaudeen Muhammad

Divisional Head - Small and Medium Enterprises – North/General Manager



Dr. Rislaudeen holds a Bachelors Degree in Economics (Second Class Upper) from Bayero University, Kano, 1985; an MSc. Degree in Economics from Ahmadu Bello University, Zaria, 1991 and a Ph.D in Economics from Bayero University, Kano, 2019 (where he graduated with Distinction). He is an Adjunct Lecturer in the Department of Banking and Finance, Bayero University, Kano and Department of Economics, Nile University, Abuja.

Dr. Rislaudeen has had extensive professional training, both in Nigeria and abroad, and is an alumnus of four (4) prestigious Business Schools – Lagos Business School, Harvard Business School and London Business School as well as the Galilee International Management Institute, Israel.

He is an Honorary Senior Member, Chartered Institute of Bankers of Nigeria (CIBN); a Fellow, Nigerian Institute of Management Consultants; Fellow, Association of Enterprise Risk Management Professionals; a Fellow, Nigerian Institute of Fiscal Studies; Life Member, Nigerian Economic Society; Fellow, Institute of Service Excellence and Good Governance; Fellow, Chartered Institute of Loan and Risk Management; Fellow, Nigerian Institute of Training and Development; Fellow, Institute of Business Administration and Knowledge Management; Fellow, Nigerian Institute of Corporate Administration; Fellow, Nigerian Institute of Training and Development; Member, Nigerian Institute of Management; Technical Advisor, Commonwealth Women in Business Board and Member, Daily Trust Newspapers Board of Economists, among others.

He has over 33 years' experience in Budget and Economic Planning, Corporate Banking, Credit and Operations, Retail and e-Banking, Risk Management and Investment Advisory Services.

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

### Ms. Mabel Ndagi

Divisional Head (Communication & External Relations/General Manager (till March 19, 2023)

Executive Director, Micro Enterprises Directorate (from March 19, 2023)



Ms. Mabel Ndagi is currently the Executive Director of the Micro Enterprise Directorate at the Bank of Industry (BOI). She oversees the implementation of tailored financial and non-financial solutions created for Nigerians at the bottom of the economic pyramid as well as Micro Enterprises operating in the country.

Ms. Ndagi possesses deep financial services expertise that has spanned over 30 years across various functions including treasury management, corporate finance, project finance, integrated marketing communications, special products management, strategic alliances as well as gender development.

Prior to being appointed as an Executive Director, Ms. Ndagi served as the pioneer Divisional Head of the Bank's Communications and External Relations Division. In that capacity, she was responsible for maintaining a positive brand image for the Bank.

Before this role, Ms. Ndagi led several business groups within the Bank such as the Public and Multilateral Desk, Monitoring and Supervision Group of the Central Bank of Nigeria (CBN) Intervention Funds Desk as well as the Gas & Petrochemicals Group of the Bank's Large Enterprise Directorate. Ms. Ndagi spearheaded the setup of a dedicated Gender Desk within the Bank in furtherance of the Bank's deliberate efforts to promote gender empowerment. She remains committed to this mandate through her leadership of the Bank's Women Programmes as well as local and international representations at women-led sessions.

Prior to BOI, Ms. Ndagi had worked in Banking and Financial Services Institutions including the erstwhile International Merchant Bank (IMB), a former affiliate of First National Bank of Chicago.

She has attended various professional and leadership trainings around the world. These include New York Institute of Finance, New York; Centre for Finance Strategy, Cambridge Massachusetts, City University Business School, London as well as Institute de Francaise, France.

Ms. Ndagi holds a Bachelor of Law Degree from the Ahmadu Bello University, Zaria. She was called to the Nigerian Bar in 1987. She is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN).



## EXECUTIVE MANAGEMENT

### **Dr. Isa Emmanuel OMAGU,**

Divisional Head (Large Enterprises – I)/General Manager



Dr. Isa Omagu joined Bank of Industry Ltd (BOI) in October 2022 and is currently the Divisional Head in-charge of Large Enterprises 1. He is responsible for leading and directing the origination and coverage of relationships in Food and Beverages, Oil & Gas, Creative and Digital, and Chemicals and Industrial Minerals strategic business groups.

Prior to joining BOI, Isa was the Director, Marketing & Sales in Unified Payment (UP) Services Limited, a FinTech company owned by key Banks in Nigeria, where he was responsible for Agency Networks across Nigeria, Payment Solutions and UP's Payment Gateway, Payarena.

He had a brief stint in a turnaround role as the Chief Operating Officer (COO) of Glo Mobile Ghana in 2019.

Isa is a GTBank veteran with over thirteen (13) years in different roles including Non-Executive Director of Guaranty Trust Bank (Sierra Leone) Limited while doubling as the General Manager & Divisional Head responsible for Guaranty Trust Bank's Commercial Banking business on Lagos Mainland until January 31, 2019.

Isa has over 34 years' professional work experience spanning teaching, auditing, foreign trade supervision, telecommunications sector, payments industry and over 20 years of extensive banking experience in Institutional and Commercial Banking across top Banks in Nigeria starting with FSB International Bank through NAL Bank Plc to Guaranty Trust Bank Plc.

Isa was the Global Chairperson of University of Stellenbosch Business School (USB) Alumni Association and an Advisory Board Member of USB in Cape Town between 2014 and 2019. He is also a Member of the Executive Council of Lagos Business School Alumni Association (LBSAA)

Isa is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (HICB), a Member of the Institute of Directors (MIoD), an Associate of the Certified Pension Institute of Nigeria (ACIP), a Member, Nigeria Institute of Management (MNIM) and a Chartered Development Finance Analyst (CDFA).

Dr. Omagu graduated as the Best Student in Chemistry with a Bachelor of Science Degree from Ahmadu Bello University in 1988. He obtained a Post Graduate Diploma and a Master of Science Degree in Economics from University of Lagos, Nigeria, Master of Business Administration from IESE Business School, Spain, Master of Development Finance from the University of Stellenbosch Business School, South Africa and is a Graduate of the Advanced Management Programme of Lagos Business School/Pan African University, Lagos. He also holds a Doctorate in Business Administration with specialization in Entrepreneurship and Small Business Management from Babcock University.

Dr. Omagu has attended Executive Education Programmes at Cranfield School of Management in the United Kingdom; Kellogg School of Management, Illinois; and Ross Business School, Michigan, United States of America.



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

BOI has a mandate to transform Nigeria's industrial sector by providing financial assistance for the establishment of large, medium and small enterprises, 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 our state offices nationwide.

### VISION, MISSION AND MANDATE

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

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

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

# Building Businesses, Changing Lives



At Bank of Industry, we offer innovative financial solutions to advance the growth of small, medium and large enterprises across various sectors.

We are committed to driving sustainable change by supporting projects that create jobs and alleviate poverty for developmental impact.

visit: [www.boi.ng](http://www.boi.ng)



Head Office: **23 Marina Road, Lagos, Nigeria**  
email: [customercare@boi.ng](mailto:customercare@boi.ng)

call: **0700-CALL-BOI | 0700 225 5264**  
switchboard: **(+234)-1-2715070-71**

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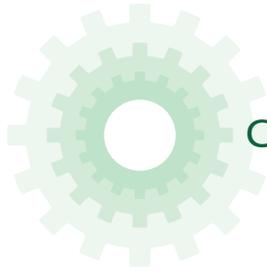
Bank of Industry Limited



BOINigeria



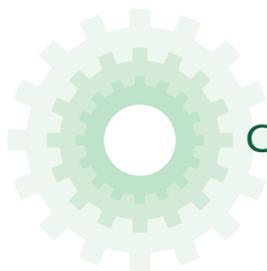
Bank of Industry Limited Nigeria



## CORPORATE PROFILE

### Brief History & Developmental Milestones

<b>1959</b>	<ul style="list-style-type: none"> <li>Incorporated as Investment Company of Nigeria</li> </ul>
<b>1964</b>	<ul style="list-style-type: none"> <li>NIDB was established under the guidance of the World Bank with an authorised share capital of £2 million</li> <li>International Finance Corporation held 75% equity</li> </ul>
<b>1976</b>	<ul style="list-style-type: none"> <li>Equity structure of NIDB was diluted with the Federal Government owning more shares as part of its indigenisation Decree</li> </ul>
<b>2001</b>	<ul style="list-style-type: none"> <li>BOI emerged from the merger between NIDB, NBCI and NERFUND with an authorised share capital of ₦50 billion</li> </ul>
<b>2007</b>	<ul style="list-style-type: none"> <li>Authorised share capital was increased to ₦250 billion, in order to put the Bank in a position to better address its mandate</li> </ul>
<b>2014</b>	<ul style="list-style-type: none"> <li>Secured credit rating of A- from Augusto &amp; Co.</li> <li>Launched the ₦5 billion Cottage Agro-processing Fund (CAPFund)</li> <li>Signed ₦3.44 billion MOU with the Federal Ministry of Agriculture &amp; Rural Development (FMARD) for on-lending to cassava bread producers</li> <li>Signed a ₦13.6 billion MOU with FMARD for the establishment of ten integrated rice mills and six integrated cassava mills</li> <li>Launched the BOI Hall of Fame</li> <li>Engaged 122 SME Consultants to support SMEs</li> <li>Entered a strategic alliance with 10 SME-friendly Commercial Banks</li> </ul>
<b>2015</b>	<ul style="list-style-type: none"> <li>Obtained ISO 9001-2008 Quality Management Certification</li> <li>Secured credit rating of AA+ from Fitch Ratings</li> <li>Expanded offices from 7 to 15 State Offices</li> <li>Increased number of SME Consultants from 122 to 200</li> <li>Launched the ₦2 billion Graduate Entrepreneurship Fund (GEF)</li> <li>Rolled out 40 SME clusters across different sectors of the economy</li> <li>Obtained \$100 million line of credit from African Development Bank to fund export-based projects</li> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <li>Fitch re-affirmed AA+ National Credit rating</li> <li>Moody's assigned Aa1.ng/NG-1 rating</li> <li>Increased SME Consultants to 200</li> <li>Launched the ₦10 billion Youth Entrepreneurship Support (YES) Programme</li> <li>Signed a ₦1 billion MOU with Ecobank for on-lending to MSMEs</li> <li>Signed a ₦1 billion Legacy Fund with the House of Oduduwa</li> <li>Increased State Matching Fund partnership from 17 to 21</li> <li>Appointed as executing agency for the implementation of the Government Enterprise and Empowerment Programme (GEEP)</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>Obtained ISO 9001-2015 Quality Management Certification</li> <li>Expanded from 20 to 24 State Offices</li> <li>Launched the \$200 million local content fund in partnership with Nigerian Content Development &amp; Monitoring Board (NCDMB)</li> <li>Secured \$750 million syndicated loan through partnership with AFREXIM</li> <li>Launched the ₦2.5 billion Nigerian Artisanal and Small-Scale Miners (ASM) Finance Support Programme</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>Fitch re-affirmed AA+ National Credit rating</li> <li>Moody's assigned Aa3.ng/NG-1 rating</li> <li>Agusto maintained Aa rating</li> <li>Secured strategic partnership with InfraCredit by providing a ₦10 billion line of credit for issuing local currency guarantees for infrastructure projects</li> <li>Signed an MOU with the Export-Import Bank of China on a \$500 million line of credit for importation of equipment from China</li> <li>Partnered with Brazilian Development Bank (BNDES) on a \$20 million line of credit for importation of equipment from Brazil</li> <li>Part-sponsored the inaugural Intra-Africa Trade Fair (IATF) in Cairo, Egypt and supported over 50 Nigerian SMEs to participate in the fair</li> <li>Maintained ISO 9001-2015 Quality Management Certification</li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>Partnered with All-On Energy to set up a ₦1 billion fund to finance deployment of off-grid energy solutions in Niger-Delta region</li> <li>Invested \$10 million in Alitheia Fund to support women-led enterprises</li> </ul>



## CORPORATE PROFILE

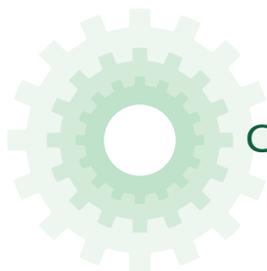
### Brief History & Developmental Milestones

<b>2019</b>	<ul style="list-style-type: none"> <li>• Appointed executing agency for the Islamic Development Bank's Business Resilience Assistance for Value-adding Enterprise (BRAVE) for Women project</li> <li>• Created a ₦2.4 billion North East Rehabilitation Fund to support the rejuvenation of enterprises and business activities in the region</li> <li>• Signed MoU with AfDB to execute Affirmative Finance Action for Women in Africa (AFAWA)</li> <li>• Secured sovereign guarantee from the Federal Executive Council to access €750 million from the international debt market</li> <li>• Financed the establishment of 3 technology hubs in Lagos and Bayelsa States</li> <li>• Increased SME Consultants to 300</li> <li>• Obtained ISO 27001 Information Security Management System (ISMS) Certification</li> <li>• Expanded from 24 to 26 state offices</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>• Raised €1 billion CBN Guaranteed Facility. The loan was initially for €750 million but was over-subscribed and thereafter up-sized</li> <li>• 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</li> <li>• 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</li> <li>• The Nigerian Content Development &amp; Monitoring Board (NCDMB) approved the expansion of the Nigeria Content Intervention (NCI) fund from \$200 million to \$300 million</li> <li>• BOI was appointed by the Federal Government to manage the ₦75 billion MSME Survival Fund</li> <li>• Partnered with State Governments on the State Enterprise and Empowerment Program (SEEP), a ₦2 billion Microcredit initiative</li> <li>• Appointed as the implementation agency for the ₦500 billion National Liquefied Petroleum Gas (LPG) Energy Fund</li> <li>• Participated in the Private Sector Coalition Against Covid-19 (CACOVID) initiative with a contribution of ₦700 million</li> <li>• Obtained the ISO 9001:2015 Quality Management System (QMS) Re-certification</li> <li>• Expanded from 26 to 28 state offices</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>• Launched a ₦2 billion matching fund with the Edo State Government to support enterprises.</li> <li>• Appointed as implementing partner of CBN's Tertiary Institutions Entrepreneurship Scheme (TIES).</li> <li>• Invested \$10m in equity into AFREXIM Medical Centre of Excellence to provide world class healthcare and offer a full spectrum of medical services, as well as other essential services.</li> <li>• Obtained the ISO 9001:2025 Quality Management System Re-certification</li> <li>• Financed the completion of ICT and Science laboratories in Delta, Ogun, Yobe and Lagos States</li> <li>• Commissioned two new offices in Ekiti and Lagos (Lekki) states respectively, bringing the total state offices to 30 across 29 states of the federation</li> <li>• Became an official signatory to the UN Principles for Responsible Banking</li> </ul>

### 2022 - Key Achievements

#### Developmental Impact

- Disbursed ₦210.7 billion to 418,436 beneficiaries through BOI direct and indirect lending platforms as well as various social intervention funds managed on behalf of the Federal Government and multi-lateral institutions. Some of these include the following:
- Smallholder Farmer Financing Product is a value-chain financing product of the Bank that connects farmers to guaranteed market off-takers. In 2022, 20,391 farmers received financial support of ₦5.1 billion under this fund. Since inception, disbursement totalling ₦13.6 billion has been made to 71,261 farmers.
- MSME Distributor Finance Programme was introduced by the Bank in 2020, to support distributors of supermarkets. In 2022, ₦3 billion was disbursed to 3,000 micro-retailers through this product. ₦4 billion has been disbursed in total to 7,000 micro-retailers since inception.
- Fintech/Digital Lending Product was introduced by the Bank in 2021, to support micro enterprises by leveraging collaborations with credible Fintech platforms. Through this product, the Bank disbursed ₦550 million disbursed to 1,215 beneficiaries in 2022. Since inception, ₦700 million has been disbursed to 1,415 beneficiaries.
- The Bank also manages several social intervention funds on behalf of the Federal Government and other multilateral institutions namely:
- ₦75 billion MSME Survival Fund Scheme (under the Nigerian Economic Sustainability Plan launched in 2020). In 2022, ₦8.8 billion was disbursed to 376,240 beneficiaries. Since inception, ₦67.5 billion has been disbursed to 1,258,188 beneficiaries under the programme.
- The \$750 million Nigeria COVID-19 Action Recovery and Economic Stimulus (CARES) program is a state-driven, World Bank financed program that is expected to empower businesses affected by the COVID-19 pandemic. The Program, which is a World Bank/Nigerian



## CORPORATE PROFILE

Government collaboration, aims to deliver targeted relief, restore livelihoods and stimulate the economic recovery of vulnerable households and MSMEs in Nigeria. Following the flag-off of the programme by the Federal Government in 2021, the World Bank has released an advance of ₦35 billion to state governments to implement the programme. At present, 28 states have indicated interest in leveraging BOI's on-lending infrastructure to execute the program. In 2022, grants of ₦2.2 billion were disbursed to 14,046 beneficiaries.

- BOI is the local executing agency for the \$14.27 million BRAVE (Business Resilience Assistance for Value adding Enterprise) Women Nigeria programme, on behalf of the Islamic Development Bank Group (IsDB). This initiative was designed to support women-owned businesses in economically disadvantaged regions of the country. So far, the bank has achieved the disbursement of ₦2.51 billion to 932 beneficiaries in the pilot states of Kano, Gombe and Edo.
- The Bank manages the State Empowerment Enterprise Programme (SEEP), a ₦2 billion micro-credit initiative to empower micro and small businesses in participating states of the Nigerian federation. The pilot of the programme kicked off in Osun State, where ₦47.2 million was disbursed to 827 beneficiaries in 2021. Edo State also committed ₦500 million for the programme, out of which ₦85.6 million was disbursed to 320 MSMEs in 2022. A total of ₦132.8 million has been disbursed to 1,147 beneficiaries since the inception of this programme.
- As the implementing partner for the CBN's Tertiary Institutions Entrepreneurship Scheme (TIES), a programme that is aimed at addressing youth unemployment in Nigeria. The programme commenced in 2022 and as at December of the year, ₦345.5 million has been disbursed to 96 beneficiaries.

### 2022 Financial Performance Summary (the bank)

- Profit Before Tax improved by 16% to ₦70.7 billion, from ₦61.1 billion in the prior year 2021
- Loans and Advances grew to ₦803.6 billion, from ₦779.3 billion in 2021
- Interest income improved by 21% to ₦212.5 billion, from ₦175.5 billion in 2021
- Total Equity also improved by 12% to ₦426.8 billion, from ₦382.5 billion in 2021
- Total Assets increased by 39% to ₦2.37 trillion, from ₦1.71 trillion in 2021

### BOI Corporate Strategy

- 2022 was the first year of the implementation of the bank's 2022-2024 Corporate Strategy. Significant progress have been made with respect of execution of same.
- We surpassed our Financial Growth and Sustainability target of €500 million in 2022 by raising a total of €1.85 billion from the international market, despite the slowdown in the global market and rising costs of borrowing.
- We also achieved significant milestones with respect to other themes. In terms of Operational Excellence, the full automation and integration of our business processes and digital assets continues to gain traction.
- In achieving Superior Customer Excellence, we put in place a robust Customer Experience strategy to ensure convenience for our esteemed customers in all their interactions with us.
- In enhancing our Developmental Effectiveness, we continuously seek and strengthen valuable strategic partnerships across various local and international private, public and multilateral institutions towards fulfilling our mandate.

### Other Achievement and Ongoing Projects

#### Capital Raising

BOI successfully concluded three landmark capital raising transactions from the international financial market in the year 2022.

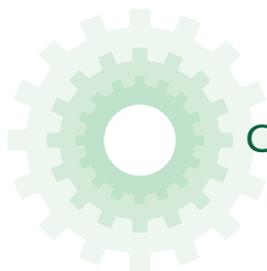
- The first of the transaction was the bank's maiden Eurobond of €750 million, which was concluded in February 2022. This transaction marked the first of its kind in several ways to the bank, our country and Africa. This deal was the bank's first Eurobond transaction, as well as the first Euro-denominated Eurobond transaction in Nigeria. The transaction was also the first Eurobond transaction that was covered by Nigeria's sovereign guarantee, and also represent the first of its kind by a national Development Finance Institution in Africa. It therefore represents a benchmark for other prospective issuers from the African continent. This transaction earned the bank, the Agency Bond Deal of the Year award at the 2023 Awards event of the Bonds, Loans and ESG Capital Markets.
- The second capital raising transaction was the €1 billion guaranteed senior loan facility, which was concluded in August of 2022. This deal also represents the first of its kind, by any Nigerian financial institution, both in terms of its size and structure. Through this transaction, the bank was not only able to raise liquidity, but was also able to diversify its funding sources by attracting new lenders, despite the fact that the international capital markets were prohibitively expensive and shut to many borrowers at the time.
- €100 million line of credit from the French Development Agency (AFD) was also concluded in August 2022. Through this credit facility, the bank shall be able to expand its financing interventions in environmentally-friendly and green projects. A grant of €2.5 million is also included in this deal to support capacity building for both our staff and customers.

#### Matching Fund Partnership with State Governments

- BOI partnered with the Nasarawa State Government to launch a ₦500 million matching fund to support enterprises in the state.

#### Investment In Digital and Creative Enterprises (iDICE) Programme

- The Federal Government of Nigeria launched the Investment in the Digital and Creative Enterprises (iDICE) on the 14th of March 2023. This is a \$617.7 million programme designed to build capacity and create more sustainable jobs in the technology and creative ecosystem.



## CORPORATE PROFILE

The primary aim of iDICE is to build capacity and upskill Nigerian youth (from ages 15-35), in technology and creativity to increase their employability, foster innovation, and support the emergence of more entrepreneurs in these ecosystems within the five-year lifespan of this programme.

iDICE also aims to focus on bridging the gender gaps that exist in access to STEM education, entrepreneurship, and access to venture capital. By the end of this 5-year programme, iDICE would have invested in over 80,000 women in skills, mentorship and startup funding.

With the support of major stakeholders such as the African Development Bank (AfDB), the Agence française de développement (AFD), Islamic Development Bank (IsDB), the Bank of Industry and other private investors, iDICE seeks to do the following:

- Train and certify 175,000 youth in basic, intermediate and advanced ICT skills.
- Increase the capacity of at least 75 Enterprise Support Organizations, while providing coaching/mentorship support to small businesses.
- Create over 800,000 direct and indirect jobs in the country
- Provide equity and debt-based financing for startups
- Upscale the national data centres and sandbox infrastructure
- Create an enabling regulatory framework.

The Bank of Industry has been appointed as the executing agency for this programme.

### Others

- AfDB Special Agro-Processing Zones (SAPZ)- Partnered with AfDB as the implementing agency for the SAPZ programme
- Commissioning of Tower 2 of BOI Corporate Office Abuja by President Muhammadu Buhari. The commissioning of this 12-storey edifice represents a significant milestone in our history.

### Credit Ratings

- Augusto & Co.: Credit rating was maintained at Aaa with a Stable Outlook
- Fitch: National Long-Term rating was maintained at 'AAA (nga)' from 'AA+ (nga)'; Long-Term Issuer Default Rating was downgraded to 'B-' from 'B' with a Stable Outlook
- Moody's: Long-Term Issuer Default rating was downgraded from B2 to B3 with a Stable Outlook.

### ISO Certifications

- ISO 9001:2015 Quality Management System (QMS) certification, demonstrating continuous and consistent improvements in our business structures, processes, and operations;
- ISO/IEC 27001-2013 Information Security Management System certification, highlighting our preparedness for any possible cyber-attacks;
- ISO 22301 Business Continuity Management Systems certification, which demonstrates that we shall be able to carry on our business operations in the event of unforeseen disruptions.

### Awards & Recognitions

- Best Development Bank in Africa at the International Banker Awards 2022
- Best Company in Diversity, Equity and Inclusion at the Sustainability, Enterprise and Responsibility Awards (SERAS CSR Awards) 2022
- International Syndicated Loan Deal of the Year at the Bonds and Loans Africa Awards
- Debt Deal of the Year at the African Banker Awards
- 2022 Banker of the Year award by Sun Newspapers
- Best SME Funding DFI in Nigeria by the All Africa Association for Small and Medium Enterprises
- Most Sustainable Bank 2022 – Nigeria at the World Finance Banking Awards 2022
- Best SME Partner Bank of the Year at the European Magazine Global Banking and Finance Awards 2022
- Banking CEO of the Year 2022 at the European Magazine Global Banking and Finance Awards, October 2022
- Special Recognition Award by the Nigerian Microfinance Platform 2022
- Cyber Security Experts Association of Nigeria Sponsor Award

### Corporate Social Responsibility

The under-listed are some corporate social responsibility initiatives that we funded in the year:

- 'Water for All' program executed in partnership with the WASH MATA initiative and the Federal Ministry of Water Resources. This initiative aims to ensure sustainability and cost-effectiveness in water supply provision in Nigeria.
- Rehabilitation and transformation of the Mega Primary School in Loburo, Lagos – in partnership with Habitation of Hope.
- Women and Youth Empowerment Project in partnership with Human Development Initiatives.
- Capacity-building programme for the Lagos State Health Service Commission (HSC).
- Renovation/Equipping of Community Primary School and Community Health Center at Tudun Wada Dunu, Katsina State.
- Renovation/Furnishing of Central Primary School at Makarfi, and Primary Health Center at Taban Sani, Kaduna State.
- Commissioning of BOI-ICAN (Institute of Chartered Accountants in Nigeria) Tech Hub in March 2022.



# Sustainable Impact, Global Recognition

The Bank of Industry is honoured to have received global recognition for our contribution to the transformation of Nigeria's economy. We look forward to doing more.



**Agency Bond Deal of the Year**  
 by Bonds, Loans & ESG Capital Markets  
 Banking and Finance Awards  
 Africa Awards, Cape Town, South Africa,  
 March 2023



**Best Company in Diversity,  
Equity and Inclusion**  
 at the Sustainability, Enterprise and  
 Responsibility Awards (SERAS CSR Awards)  
 Lagos, Nigeria, December 2022



**Best Development Bank - Africa 2022**  
 by the International Banker Banking Awards  
 London, UK, October 2022



**Best SME Partner Bank of the Year**  
 by the European Magazine Global  
 Banking and Finance Awards  
 London, UK, October 2022



**Best SME Partner Bank of the Year**  
 by the European Magazine Global  
 Banking and Finance Awards  
 London, UK, October 2022



**Banking CEO of the Year**  
 by the European Magazine Global  
 Banking and Finance Awards  
 London, UK, October 2022



**Best SME Funding DFI in Africa**  
 by All Africa Association for SME,  
 Cairo, Egypt, July 2022



**Deal of the Year – Debt**  
 BOI's Maiden €750mn Eurobond Issuance,  
 Feb. 2022. African Banker Awards 2022  
 Accra, Ghana (AfDB Annual Meetings), May 2022



**International Syndicated  
Loan Deal of The Year**  
 Cape Town, South Africa, March 2022

visit: [www.boi.ng](http://www.boi.ng)



Head Office: **23 Marina Road, Lagos, Nigeria**  
 email: [customer@boi.ng](mailto:customer@boi.ng)

call: **0700-CALL-BOI | 0700 225 5264**  
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Bank of Industry Limited Nigeria



**Corporate**  
Governance Report



## CORPORATE GOVERNANCE REPORT

The Board of Directors of Bank of Industry Limited (“the Board”) ensure 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 three (3) Board Committees, namely:

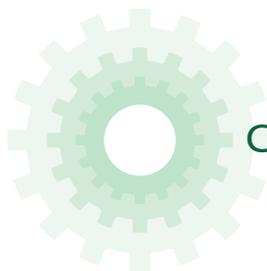
- (A) Board Credit, Investment and Governance (BCIG) Committee.
- (B) Board Audit and Risk Committee (BARC).
- (C) Board Strategy and Compliance Committee.
  - The Board Adhoc Committee on BOI Ltd and Group Properties was dissolved by the Board at its meeting on March 17, 2022 and its mandate and functions were transferred to the Board Strategy and Compliance Committee.

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 (“the Board”)

- (I) The Board is collectively responsible for the long-term success of the Bank. It achieves this by setting out strategies and monitoring its implementation.
- (II) 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.
- (III) 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.
- (IV) The roles of the Board Chairman and the Managing Director/Chief Executive Officer (MD/CEO) of the Bank are separated and do not reside with one (1) single individual.
- (V) The Board makes available to its new members, a suitable induction process, and ongoing training for its existing members.



## CORPORATE GOVERNANCE REPORT

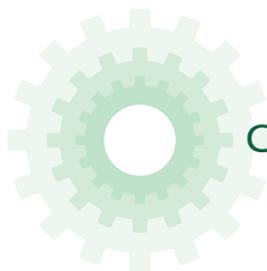
### ATTENDANCE AT BOARD MEETINGS

The Board of Directors of Bank of Industry Limited held five (5) meetings in 2022 (physical, virtual and via circularization). The record of attendance is provided in Table I hereunder:

TABLE I (JANUARY – DECEMBER, 2022)

Name	Position	March 17	May 18	July 21	Oct. 20	Dec. 15
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)	✓	N/A	N/A	N/A	N/A
Mr. Simon Aranonu	Executive Director (Large Enterprises)	✓	✓	✓	✓	✓
Mr. Shekarau D. Omar	Executive Director (Small and Medium Enterprises)	✓	✓	✓	✓	✓
Mr. Usen Effiong *	Executive Director (Corporate Services & Commercial)	N/A	✓	✓	✓	✓
Engr. Chukwuemeka Nzewi	Non-Executive Director (Representing Manufacturers Association of Nigeria (MAN))	✓	✓	✓	✓	✓
Mallam Mohammed Mustapha Bintube *	Independent Non-Executive Director	✓	X	✓	N/A	N/A
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)	✓	X	✓	✓	✓
Mr. Adewale R. Bakare	Non-Executive Director (Representing Federal Ministry of Trade and Investment)	✓	✓	✓	✓	✓
Mr. Vincent K. Wuranti*	Independent Non-Executive Director	N/A	N/A	N/A	✓	✓

- Mr. Jonathan Tobin retired from the Board of Directors of the Bank on April 24, 2022.
- Mr. Usen Effiong joined the Board of Directors of the Bank on April 25, 2022.
- Mallam Mohammed Mustapha Bintube retired from the Board of Directors of the Bank on August 2, 2022.
- Mr. Vincent K. Wuranti joined the Board of Directors of the Bank on August 3, 2022.
- X – on official assignment.
- N/A – The Director had not joined or had retired from the Board of Directors of the Bank as at the date of the meeting.



# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES:

### Board and Committee Governance Structure

#### Board Credit, Investment and Governance (BCIG) Committee

##### Membership

1. Engr. Chukwuemeka Nzewi – Chairman *(wef. September 1, 2022)*.
2. Mr. Alexander M. Adeyemi, mni – Member
3. Mr. Philip Yila Yusuf – Member
4. Mr. Adewale R. Bakare – Member
5. Mr. Vincent K. Wuranti – Member *(wef. September 1, 2022)*

\* Mallam Mohammed M. Bintube – Former Chairman *(up till August 2, 2022)*

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

The Board Credit Investment and Governance Committee held nine (9) meetings (physical, virtual and via circularization) during the financial year ended December 31, 2022.



**Engr. Chukwuemeka Nzewi**  
Chairman *(wef. From September 1, 2022)*



**Mallam Mohammed M. Bintube**  
Chairman *(up till August 2, 2022)*

#### Attendance at the Board Credit, Investment and Governance (BCIG) Committee Meetings in 2022

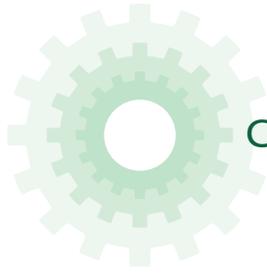
Name	Feb. 22	May 6	May 11	May 17	July 5	Sep. 27	Oct. 5	Nov. 21	Nov. 30
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alexander M. Adeyemi, mni	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Philip Yila Yusuf	✓		✓	✓	✓	✓	✓	✓	✓
Mr. Adewale R. Bakare	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vincent K. Wuranti	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Mallam Mohammed M. Bintube	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A

- Mallam Mohammed Mustapha Bintube retired from the Board of Directors of the Bank on August 2, 2022.
- Mr. Vincent K. Wuranti joined the Board of Directors of the Bank on August 3, 2022.
- X – On official assignment.
- N/A – The Director had not joined or had retired from the Board of Directors of the Bank as at the date of the meeting.

#### Key Responsibilities

The key responsibilities of the BCIG Committee include the following:

- (I) Considering and approving specific loans above the Executive Management Committee (EMC) approval limit, as may be determined by the Board from time to time.
- (II) Recommending for Board approval, specific loans above the BCIG Committee approval limit, as may be determined by the Board from time to time.
- (III) Reviewing, approving and/or recommending for Board approval, all investment issues involving the Bank.
- (IV) Recommending to the Board for approval, the Board Governance and Board Committee frameworks/mechanisms and conducting its periodic review as it deems appropriate.
- (V) Ensuring that the Bank complies with rules and procedures regarding the governance of its operations.
- (VI) Evaluating the overall system of Corporate Governance for the Bank and proposing any changes to the Board for approval.
- (VII) Proffering advice to the Board on corporate governance standards and policies.
- (VIII) Reviewing and recommending for Board approval, all the policies of the Bank.
- (IX) Handling any other issues as may be referred to it by the Board.



# CORPORATE GOVERNANCE REPORT

## Board Audit & Risk Committee (BARC)

1. Mr. Alexander M. Adeyemi, mni - Chairman
2. Mr. Philip Yila Yusuf - Member
3. Mr. Adewale R. Bakare - Member
4. Mr. Vincent K. Wuranti - Member (wef. September 1, 2022)



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 seven (7) times (physically, virtually and via circularization) during the year ended December 31, 2022.

## Attendance At The Board Audit & Risk Committee (BARC) Meetings in 2022

Name	Feb. 23	Mar 14	April 27	July 4	Sept. 26	Nov. 23	Dec. 13
Mr. Alexander M. Adeyemi, mni	✓	✓	✓	✓	✓	✓	✓
Mr. Phillip Yila Yusuf	✓	✓	✓	✓	✓	✓	✓
Mr. Adewale R. Bakare	✓	✓	✓	✓	✓	✓	✓
Nr. Vincent K. Wuranti*	N/A	N/A	N/A	N/A	✓	✓	✓

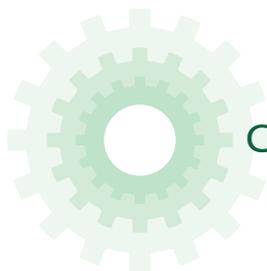
- Mr. Vincent K. Wuranti joined the Board of Directors of the Bank on August 3, 2022.
- N/A – The Director had not joined the Board of Directors of the Bank as at the date of the meeting.

## Key Responsibilities

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

- (I) Monitoring and assessing the overall integrity of the Financial Statements and disclosures of the financial condition and results of the Bank's operations.
- (II) Assisting the Board of Directors in fulfilling its oversight responsibilities with regard to the Bank's Risk Management, Internal Audit and Internal Control Framework.
- (III) 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).
- (IV) Monitoring Management's responsibilities to ensure that an effective system of financial and internal controls are in place.
- (V) Reviewing and assessing the integrity and adequacy of the overall Risk Management function of the Bank.
- (VI) Monitoring and evaluating on a regular basis, the qualifications, independence and performance of the Internal Audit & Investigation and Internal Control and Compliance Divisions as well as the Bank's External Auditors.
- (VII) Setting Credit Approval Limits for the EMC, BARC and the Board and recommending same for Board approval.
- (VIII) 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.
- (IX) Considering and approving specific matters presented by the Executive Management Committee (EMC) or the Executive Risk Management Committee (EMRC) and recommending same for Board approval.
- (X) 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.



# CORPORATE GOVERNANCE REPORT

## BOARD STRATEGY AND COMPLIANCE COMMITTEE

### Membership

1. Mr. Adewale R. Bakare - Chairman (wef. September 1, 2022)
2. Mr. Olukayode Pitan - Member
3. Mrs. Toyin Adeniji - Member
4. Mr. Simon Aranonu - Member
5. Mr. Shekarau D. Omar - Member
6. Mr. Usen Effiong - Member
7. Engr. Chukwuemeka Nzewi - Member (Former Chairman) (Up till September 1, 2022)
8. Mr. Vincent K. Wuranti - Member (wef. September 1, 2022)



**Mr. Adewale R. Bakare**  
Chairman (wef September 1, 2022)

- Mr. Jonathan Tobin - Member (up till April 24, 2022)
- Mallam Mohammed M. Bintube - Member (up till August 2, 2022)

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

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

The Committee held six (6) meetings during the year ended December 31, 2022.



**Engr. Chukwuemeka Nzewi**  
Chairman (up till September 1, 2022)

## Attendance At The Board Strategy and Compliance Committee Meetings in 2022

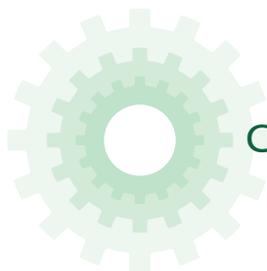
Name	Feb. 24	May 5	Jul. 6	Sep 26	Nov. 21	Dec. 8
Engr. Chukwuemeka Nzewi	✓	✓	✓	✓	✓	✓
Mallam Mohammed M. Bintube*	✓	✓	✓	N/A	N/A	N/A
Mr. Olukayode Pitan*	✓	✓	X	✓	X	X
Mrs. Toyin Adeniji	✓	✓	✓	X	✓	X
Mr. Jonathan Tobin*	✓	N/A	N/A	N/A	N/A	N/A
Mr. Simon Aranonu	✓	✓	✓	✓	✓	X
Mr. Shekarau D. Omar	✓	✓	X	✓	✓	X
Mr. Usen Effiong *	N/A	✓	✓	✓	✓	✓
Mr. Vincent K. Wuranti*	N/A	N/A	N/A	✓	✓	✓

- Mr. Jonathan Tobin retired from the Board of Directors of the Bank on April 24, 2022.
- Mr. Usen Effiong joined the Board of Directors of the Bank on April 25, 2022.
- Mallam Mohammed Mustapha Bintube retired from the Board of Directors of the Bank on August 2, 2022.
- Mr. Vincent K. Wuranti joined the Board of Directors of the Bank on August 3, 2022.
- X – on official assignment.
- N/A – The Director had not joined or had retired from the Board of Directors of the Bank as at the date of the meeting.

## Responsibilities

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

- (I) Reviewing the overall strategic and financial plans of the Bank, including capital expenditure plans.
- (II) Monitoring the Bank's strategic direction and business development activities.
- (III) Formulating and shaping the strategy of the Bank and making recommendations to the Board accordingly.
- (IV) Monitoring the Bank's compliance with the laws and regulations as may be passed by the relevant regulatory authorities.
- (V) Reviewing and making recommendations to the Board of Directors with regard to the Bank's Annual Budget and policies relating to capital expenditure.



# CORPORATE GOVERNANCE REPORT

## BOARD ADHOC COMMITTEE ON BOI AND GROUP PROPERTIES (DISSOLVED)

### Membership

1. Engr. Chukwuemeka Nzewi – Chairman
2. Mr. Olukayode Pitan – Member
3. Mr. Jonathan Tobin – Member
4. Mr. Shekarau Omar – Member



Engr. Chukwuemeka Nzewi  
*Chairman*

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 once during the year ended December 31, 2022 before it was dissolved and its mandate transferred by the Board of Directors to Board Strategy and Compliance Committee at its meeting on March 17, 2022.

### Attendance At The Board Adhoc Committee on BOI and the Group Properties Meeting in 2022

Name	Feb 24
Engr. Chukwuemeka Nzewi	✓
Mr. Olukayode Pitan	✓
Mr. Jonathan Tobin*	✓
Mr. Shekarau Omar	✓

\* Mr. Jonathan Tobin retired from the Board of Directors of the Bank on April 24, 2022.

### Key Responsibilities

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

- (I) Overseeing the management of the Bank and the Group’s properties.
- (II) Reviewing and making recommendations to the Board regarding the acquisition and/or disposal of the Bank and the Group’s real properties.
- (III) Reviewing and recommending for Board approval, all issues regarding capital projects that the Bank has or intends to embark upon.
- (IV) 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 Standing Management 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).



## CORPORATE GOVERNANCE REPORT

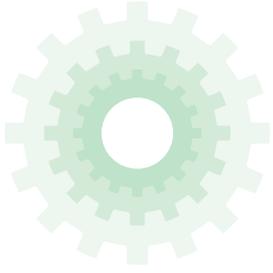
### THE COMPANY SECRETARY

The key responsibilities of the Company Secretary include the following:

- (I) Maintenance of the company's Statutory Books.
- (II) Facilitating all Board Meetings, Board Committee Meetings, Executive Management Committee Meetings, Annual General Meetings etc.
- (III) Ensuring that the Minutes Books for the Board, Board Committee(s) and Management Meetings accurately capture the discussions and decisions at such meetings.
- (IV) Facilitating compliance with the Bank's Memorandum and Articles of Association, the Codes of Corporate Governance as well as other laws and regulations.
- (V) Filing of Statutory Returns at the Corporate Affairs Commission.
- (VI) Facilitating the induction of newly appointed Directors to the Bank's Board and ongoing training for the existing members of the Board of Directors.
- (VII) Providing effective and efficient support to all Directors.
- (VIII) Effectively liaising with the Bank's shareholders and relevant stakeholders.



**Developmental**  
and Social Impact Report



# DEVELOPMENTAL AND SOCIAL IMPACT REPORT



## 2022 IMPACT AT A GLANCE



*₦201.7bn disbursed to micro, small, medium and large enterprises nationwide\**



*₦69.2bn disbursed to micro, small and medium enterprises nationwide\**



*419,436 beneficiaries supported across various sectors of the economy\**



*₦2.5bn disbursed to 932 women beneficiaries under the BRAVE program*



*1,255,974 jobs created through our support for enterprises\**

\*Includes MSME Survival Fund, BRAVE Program, NG-Cares Program & SEEP fund

Agriculture continues to play an important role in driving Nigeria's economic growth. The sector remains a viable source of foreign exchange earnings for both the government and private sector players. According to the NBS report, the agriculture sector contributed 25.58% to Gross Domestic Product (GDP) as at 2022 and remains the highest employer of labour, prevalent with smallholder activities.

Activities in the Agri-business sector in 2022 were shaped by the negative effects of the Russia-Ukraine conflict, insecurity, drought and flood issues thus affecting global food supply shortages and rising food prices across the world. Nigeria was worse hit because of its huge importation of food supplies to augment domestic needs.

However, the Agribusiness sector holds a huge potential and presents opportunities for investments at all levels across the entire value chain. Over time, the Federal Government has prioritised investments and sought collaborations through provision of raw materials and inputs towards improving productivity and efficiency of players in its quest to diversify the economy. Some of these include the Anchor Borrowers' Program which saw the unveiling of Rice Pyramids, Presidential Fertilizer Initiative, and Agricultural Promotion Policy and so on.

Though remarkable progress has been achieved through these interventions, the sector requires further market-driven interventions to address emerging climate issues and ensure sustainability of agricultural production and distribution systems towards ensuring food self-sufficiency in Nigeria.

## 2022 BOI SUPPORT FOR SUSTAINABLE AGRIBUSINESS



*₦67.6bn in loan disbursement to support the Agribusinesses sector\**



*Additional ₦5.1bn disbursements to 20,391 smallholder farmers*

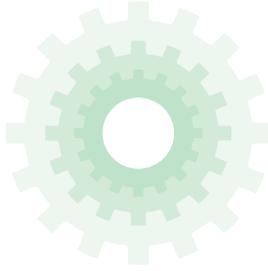


*About 1,238 Agro & Food processing enterprises supported\**



*Estimated 321,072 new Agribusiness jobs in total*

\*Excluding Smallholder Farmers



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

During the year, the bank funded 1,238 agro and food processing businesses with ₦67.6 billion in loan facilities. In the year, the sum of ₦5.1 billion was disbursed to 20,391 smallholder farmers through the Agriculture Value Chain Financing (AVCF) programme. This intervention provides financial and technical support to small-holder farmers whose activities serve as inputs for our direct customers.

### Agro processing Customer Testimonial: Dahua Paper Company Nigeria Limited



Dahua Paper Company Nigeria Limited (DPCNL) is a subsidiary of Huawang Group. The Company has been operating in Nigeria since 2016. The company is located in Ogun State and is engaged in the production of packaging paper made from scrap and recycled paper waste.

The packaging paper is used in a variety of paper-based packaging products, including cartons, cereal boxes, shoe boxes, frozen food packs, corrugated boxes, brown paper shopping bags, paper shipping sacks, and so on.

As a result of the bank's intervention, DPCNL has been able to procure modern paper processing equipment to enable it run two production lines. The first production line can produce a daily output of 300 tons at a maximum capacity of 100,000 tons per annum of corrugated papers, coated Kraft paper, and cardboard papers while the second production line with a much-bigger capacity can produce 400,000 tons of base paper annually. In total, the company has an installed capacity of 500,000 tons of all kinds of packaging paper annually.

The company's capacity utilization increased from 100,000 - 500,000 tons while the number of staff (direct and indirect) increased from 100,150 to 200,150. The company also recycles 100% of waste generated from its operations.

### Food Processing Customer Testimonial: Seven Up Bottling Company



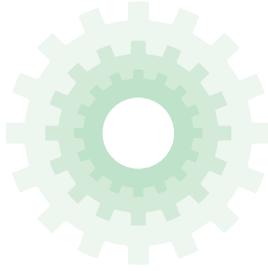
Seven Up Bottling Company Limited has been investing and operating in Nigeria since 1960. Seven- Up is a major producer of international brands of carbonated beverages such as Pepsi Cola, Pepsi Lite Up, H2Oh, Miranda Orange, Miranda Pineapple, Teem Bitter Lemon, Mountain Dew, Lipton Ice Tea, Teem Tonic, Teem Soda, Supa Commando and Aquafina water.

Over the years, the company has expanded operating in a single factory to nine (9) plants in Aba, Abuja, Benin, Enugu, Ibadan, Lagos, Ilorin, Kaduna, and Kano states. It also exports its products to the West African sub-region, which continue to enjoy increased market loyalty through over 700 distribution centers spread across Nigeria.

In the last decade, the company has experienced stiff competition in the carbonated drink segments, hence the need to re-strategize its product development efforts. This has resulted in the emergence of new product variants packaged in PET bottles and cans, in line with modern trends and standards.

The Bank of Industry supported the company with new state-of-the-art equipment, leading to a 20% increase in production capacity on a monthly basis. In addition, the company's turnover improved significantly while the staff strength increased from an estimated 604 to 3,877 employees (direct and indirect). The company is now able to recycle about 30,000 tons of its waste on a monthly basis.

This expansion project has not only generated employment for job seekers, it has also provided opportunities for middlemen and other valuable players along the distribution chain, thus creating a multiplier effect across the different communities where they are located.



# DEVELOPMENTAL AND SOCIAL IMPACT REPORT

## SUPPORTING THE CREATIVE INDUSTRY



*₦20.2bn in loan disbursement to support the Creative Industry*



*Estimated 90,094 new jobs facilitated in the sector*



*About 200 enterprises within the sector supported in the year*

The creative industry in Nigeria today is a major contributor to youth employment and empowerment. A study conducted by Statista in Nigeria revealed that the music sector’s revenue grew from \$26 million in 2014 to \$34 million in 2018. This figure is expected to grow to \$44 million by 2023. This shows that the sector possesses the capacity to support millions of teeming youths and generate considerable revenue for the economy.

Nollywood, Nigeria’s film industry, is also a major contributor to the country’s creative sector as it produces thousands of films each year and is the second-largest film industry in the world, after Bollywood.

The industry has created jobs for many Nigerians and has contributed significantly to the country’s economy. Other sub-sectors in the creative industry, such as fashion and art, have also been growing in recent years, as they continue to gain global recognition for their unique and vibrant styles.

Despite its growth potential, the sector still faces various challenges, including inadequate infrastructure, limited access to finance, and piracy. However, the government has implemented various policies and programs to support the growth of the sector, such as the Creative Industry Financing Initiative and the National Endowment for the Arts.

Overall, the creative sector in Nigeria has the potential to contribute significantly to the country’s economic growth and development. With more investment, better infrastructure, and increased support from the government and other stakeholders, the sector can overcome its challenges and achieve its full potential.

In 2022, BOI provided ₦20.2 billion in loans to about 200 enterprises in the sector, which enabled the creation of an estimated 90,094 jobs directly and indirectly.

## Creative Industry Customer Testimonial: Avalon Intercontinental Nigeria Limited

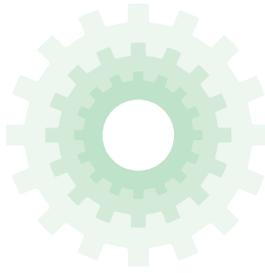


Avalon Intercontinental Nigeria Limited is a company with business interest in the hospitality and construction industry.

BOI’s partnership with the company which started in 2019, led to the establishment of its Radisson brand hotel collections located in Ikeja and Victoria Island, Lagos State. The company now stands as one of the foremost indigenous firms with three hotel developments – Radisson Hotel, Victoria Island, Park Inn by Radisson, Victoria Island and Radisson Blu, Ikeja, Lagos; all operated and managed in line with global best standards

The support from BOI led to the upgrade and establishment of the company’s facilities as an upscale hotel serving both local and international clients with world-class experience in Nigeria’s hospitality sector.

Through the loan, the hotel upgraded 204 rooms to international standards, created 612 direct jobs and over 2,500 indirect jobs, and increase in the operational efficiency and reach from one to two major business hubs in the country.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### BOI SUPPORT FOR THE SOLID MINERALS SECTOR



*₦13.7bn in loan disbursement to support the Solid Minerals sector*



*Estimated 60,965 new jobs facilitated in the sector*



*33 enterprises within the sector supported in the year*

Nigeria is endowed with numerous mineral resources. In 2022, the mining sector contributed 5.88% in real terms, lower than the 7.41% reported in 2021.

Across the globe, miners have evolved the traditional business-to-business mining model into a business-to-consumer one. This provides an opportunity to establish a reliable point of sale, and for consumers, it means the chance to secure a steady supply of materials.

According to PwC, the global need for critical minerals is expected to grow over the next three decades, with annual demand from clean energy technologies estimated at more than \$400bn by 2050. These critical minerals and raw materials will be required to power the global economy of the future.

In Nigeria, the Federal Government has implemented reforms aimed at improving the regulatory framework, increasing transparency, and attracting more investment into the sector. In 2016, a new Mining and Minerals Act was passed, which established a legal and regulatory framework for the sector, including provisions for community participation, environmental protection, and revenue sharing.

In addition, the government established the Nigerian Mining Cadastre Office (NMCO), which is responsible for the administration and management of mineral titles, as well as the Nigerian Mining and Geosciences Society (NMGS), which promotes research and development in the sector.

Despite these efforts, the Nigerian mining sector still faces some challenges such as inadequate infrastructure, insufficient funding for exploration, limited access to finance, etc. However, with continued investment and government support, the sector has the potential to contribute significantly to the economy and create employment opportunities.

In 2022, BOI disbursed ₦13.7 billion in loans to 33 enterprises in the sector. In addition, an estimated 60,965 direct and indirect jobs were created in the sector. The bank also continues to support the artisanal mining value-chain of the sector.

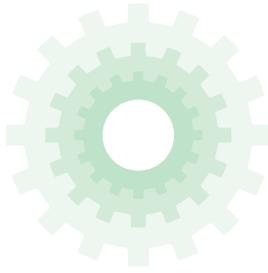
### Solid Minerals Customer Testimonial: Avon Crowncaps & Containers Nigeria Limited



Avon Crowncaps and Containers Nigeria Limited located in Ogun State was incorporated in September 1981 to produce various types of metal closures and metal cans used in the packaging of soft drinks and beer, pilfer-proof caps for pharmaceuticals, other food products and chemicals.

From 2020 to date, BOI has provided the company with three loan facilities for the purchase of plant and machinery required for production. The company controls 70% of total market share.

Through the loan, the company has significantly increased its turnover. In addition, capacity utilization has increased from 128,200 metric tons per annum to 166,560 metric tons per annum while the number of direct and indirect employees increased from 484 to 550 workers.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### RENEWABLE ENERGY SOLUTIONS

*₦823m worth of financial support provided to renewable energy enterprises*



*Estimated 3,662 jobs facilitated in the Renewable Energy space*



*6 Renewable Energy businesses were supported in 2022*



According to the 2021 World Bank report, Nigeria has the largest energy deficit on the continent, with over 90 million people unconnected to the national grid. This presents huge business opportunities for the renewable energy sector in Nigeria. During the year, Nigeria witnessed some investments in the energy space geared towards accelerating renewable energy adoption and increasing capacity utilization.

According to research by Power for All, Nigeria has built a strong market position in decentralized renewable energy (DRE) and is poised to reap the benefits as it addresses energy poverty and rural unemployment.

The renewable energy sector in Nigeria has been growing and has continued to deliver clean and affordable energy, particularly to remote rural communities. It is also a source of employment. The report shows that Nigeria has the fastest renewable energy sector' job growth expected to exceed 76,000 in 2023, up from 32,000 in 2019.

In addition, the sector is getting a boost following the Nigeria Energy Transition Plan, which outlines the country's ambitions and plans to achieve net-zero emissions by 2060, while also ending energy poverty. This would not only help accelerate the country's renewable energy access agenda but also alleviate unemployment, especially in rural areas.

Despite these efforts, there are still some challenges in the sector, which include limited access to finance, lack of infrastructure, etc. However, with continued investment and government support, Nigeria has the potential to become a major player in the global renewable energy market and provide sustainable and affordable energy to its citizens.

In 2022, BOI provided ₦823 million in loans to support 6 emerging renewable energy players in Nigeria and which has enabled the creation of an estimated 3,662 jobs directly and indirectly.

### Renewable Energy Customer Testimonial: Royal Power Services Limited



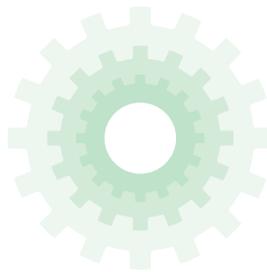
Royal Power Services Limited (RPSL) is part of the Royal Power Group of companies. In line with its 5-year strategy, the Royal Power Group is diversifying its services by establishing RSPL to manage and operate its Power as a Service (PaaS) portfolio.

Through BOI funding, the company was able to provide solar solutions under the company's Power-as-a-Service (PaaS) scheme to 30 branches of Unity Bank across the country.

The company intends to procure and install hybrid solar and battery backup inverter solutions for the bank's onsite ATM locations, Network Router/ Switches, branch CCTV, signage lights and fence perimeter lights uninterrupted during working- days, public holidays and weekends.

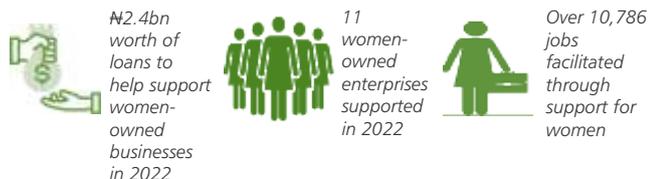
The facility has enabled the creation of more power generation sites from 79 to 114 while capacity utilization has increased from 300 kilowatts hours to 415 kilowatts hours.

In addition, the company's reach across Nigeria has increased from 45% to 65%.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### PROMOTING GENDER PARTICIPATION TOWARDS ENSURING ECONOMIC DEVELOPMENT



The gender participation in Nigeria encompasses the policies, programs, and initiatives designed to promote gender equality, empower women and girls, and address the challenges faced by marginalized groups in society. Nigeria has made significant progress in advancing gender equality, but there are still significant challenges that need to be addressed.

According to an IFC report, women represent 17% of Board Chairs in Nigeria (higher than the global average of 6%), 7% of CEOs (in line with the global average of 7%) and 17% of CFOs (higher than the global average of 13%). In addition, the average percentage of women in the workforce is 33%. This is lower than the global average of 37%.

According to a PwC report, Nigeria’s educational attainment for women is low with female literacy rate at 53%, when compared with men at 71%. There is also a gender gap in school enrolment rate with more male pupils being enrolled when compared to females. Yet, some African countries have attained equal or almost equal enrolment of both sexes in schools. Nigeria falls below South Africa, Rwanda, Ghana and Ethiopia on this index.

While women in Nigeria face significant barriers to economic empowerment, including limited access to finance, education, and training, there are significant opportunities for progress and positive change, and the government and civil society organizations continue to work towards achieving gender equality and empowering women and girls in Nigeria.

In 2022, BOI disbursed ₦2.4 billion to 11 female-led businesses with an estimated 10,786 direct and indirect jobs. BOI continues to support women entrepreneurs through a dedicated Gender Desk where loans and partnerships that empower and improve the well-being of women are coordinated.

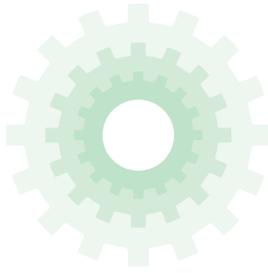
### Gender Support Testimonial: Exclusive Uniform and Corporate Design Limited



Exclusive Uniform and Corporate Design Limited was incorporated as a Private Limited Liability Company in June 2015 to establish a factory whose principal activities are the Designing and Sewing of Uniforms for Corporate Organisations across the Lagos Metropolis and beyond, and to become a major player in the Fashion Industry.

BOI supported the company with a loan for the procurement of a fusing machine and working capital for raw materials to further improve on the quality of their products.

Due to the Bank’s intervention, the company has created eight additional direct and indirect jobs from 61 to 69 employees.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### Gender Support Testimonial: BRAVE Women Project



The Business Resilience Assistance for Value-adding Enterprises (BRAVE) Women Project in Nigeria is targeted at training an estimated 600 Women-led or owned SMEs (WSMEs), and 40 lead firms and business associations. In addition, it will also provide grants for about 500 WSMEs.

The BRAVE project has witnessed a number of success stories, challenges facing beneficiaries, and positive changes on the resilience, sustainability and growth of beneficiary businesses in 2022.

One of the beneficiaries, Anisa Model School in Gombe State provides qualitative education services to students at primary school level, through modern learning methods, conducive classrooms, playground with trees, computer center, science laboratories, examination hall, etc.

For the school, success factors have been production / service capacity, diverse customer base, supplier network and low cost. The market value of capital employed in the business is projected to increase by about 96%, when the firm completes the purchase of capital assets with BRAVE funds.

Another beneficiary, Mix Condiment Paste Nigeria Limited located in Kano is a tomato processing and packaging company. The tomato products are packaged in 70grams sachets and 400grams bottles, available in all seasons.

The current market value of capital employed is projected to increase by 100%, when the firm completes the purchase of capital assets with BRAVE funds.

The BRAVE Women Nigeria project has provided an avenue to monitor and fast-track the growth of the WSMEs in these locations.

In 2022, the Bank disbursed ₦2.51 billion to 932 beneficiaries in the pilot states of Kano, Edo and Gombe.

### SUPPORT FOR ENGINEERING & TECHNOLOGY SECTOR



About **₦23.8bn** worth of loans to help support technology businesses in 2022



235 engineering & technology projects supported



Over 105,910 jobs facilitated in the sector

The engineering sector in Nigeria is an important and growing industry that plays a vital role in the country's economic development.

The sector has contributed significantly to Nigeria's infrastructure development, including the construction of roads, bridges, power plants, and telecommunications infrastructure.

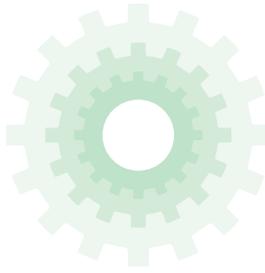
With particular reference to the telecommunications sub-sector, the introduction of 5G is expected to usher in a new era of connectivity, speed and possibility. Mobile networks will be up to 100 times faster and have 1,000 times the capacity than we experience today.

With 5G, telecommunications companies can create new revenue streams, by adapting their network and delivery to suit different clients. This will help boost their revenue potential.

Despite the growth and potential of the engineering sector in Nigeria, there are several challenges facing the industry, including limited access to funding and technology, inadequate training and development opportunities, and a shortage of skilled professionals.

However, with continued investment and government support, the sector has the potential to become a major driver of economic growth and development in Nigeria.

In 2022, BOI disbursed ₦23.8 billion to 235 businesses in the engineering and technology sector with the potential to generate 105,910 direct and indirect jobs.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### Engineering & Technology support Testimonial: Viathan Group



Viathan Group is a conglomerate of power generating and distribution companies, and a gas company – Gasco Marine Limited (GML). It maintains a leading role in Nigeria’s energy transition program, which seeks to leverage Nigeria’s vast natural gas resource to meet Nigeria’s energy needs in alignment with the 2030 net zero goal.

The company’s current investment supports over 12,000 megawatts hour per month, refills over 50 haulage trucks with natural gas daily and saves about 21.9 billion grams of carbon dioxide emission per annum (about 46% saving when compared to expected emission from diesel).

It also contributes significantly to energy access improvement programs in Nigeria with socio-economic projects like the electrification of Sura Market, hospitals, waterworks, street lights, schools, etc.

GML recently commissioned its flagship Compressed Natural Gas (CNG) mother station, with an installed capacity of 144,000 standard cubic meter per day. The company’s CNG plant is strategically cited near Nigerian Gas Marketing Company’s gathering and distribution station which significantly improves CNG quality and availability.

Through the loan, the company has increased its turnover while capacity utilization has increased from 35.58MW, 8 trucks and 17 skids to 36.88MW, 10 trucks and 19 skids respectively.

In addition, the number of direct and indirect employees increased from 122 to 153 workers, production lines has increased from 5 to 7 plants, level of clean energy adoption has increased from 30,300 to 35,883 metric tons of carbon dioxide and reach has also increased from 2 to 4 states.

### SUPPORT FOR HEALTHCARE & PETROCHEMICAL SECTOR



The healthcare sector in Nigeria is a critical component of the country’s social and economic development. Recent developments in the sector include increasing telemedicine adoption, automation, artificial intelligence, analytics and increasing participation of health maintenance organizations (HMOs).

In Nigeria, the sector is characterized by high import dependence, short operating cycles, increasing technology adoption and high capital requirements.

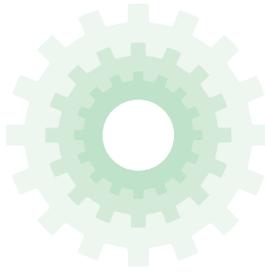
However, its contribution to GDP in Nigeria has been comparatively low, at below 1% in the last five years. The underperformance of the healthcare sector is attributable to poor infrastructure, insufficient budgetary allocation, shortage of healthcare professionals and outbound medical tourism amongst other factors.

In addition, the Nigerian health insurance industry is currently underdeveloped in terms of market penetration, with out-of-pocket spending accounting for more than 70% of total healthcare spending, compared with 36% in Ghana and 17% in the UK. In Nigeria, there are over 60 HMOs with about 600 branches nationwide, compared to 907 HMOs in the United States as at 2017.

The healthcare sector in Nigeria presents significant investment opportunities, particularly in areas such as pharmaceuticals, medical devices, and telemedicine. The Nigerian government has introduced several incentives to attract investment in the sector, including tax exemptions, import duty waivers, intervention funds and investment guarantees.

With continued investment and government support, the sector has the potential to improve health outcomes for Nigerians and contribute to the country’s economic growth and development.

In 2022, BOI disbursed ₦42.5 billion to 187 businesses in the sector with an estimated 189,160 direct and indirect jobs.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### Healthcare & Petrochemical support Testimonial: Reddington Hospital Group



The Reddington Healthcare Group is a leading healthcare provider in Nigeria for medical excellence. Founded in 2006, it has grown over the years with multiple facilities spread across Lagos.

Recently, the group embarked on a massive quality improvement drive deploying huge capital investment into branch expansion, facility upgrades, process and human capital development. It has over 40 full time and 35 part time consultants and specialists - the largest by any independent hospital in Nigeria.

The group in partnership with GE Healthcare also acquired several state-of-the-art technologies, opened new specialist facilities and expanded their directory of specialists and consultants.

In addition, the group recently launched its biggest project, the Duchess International Hospital aimed at providing excellence across all specialties, patient satisfaction and improved clinical outcomes.

The BOI loan has enabled the group increase number of services from 20 to 50, number of facilities from 2 to 9 and number of businesses from 3 to 17. The number of direct and indirect employees also increased from 690 to 1,190.

In addition, installed capacity improved from 34 beds to 160 beds, with patients spread across the country.



### SUPPORT FOR OIL AND GAS SECTOR



About ₦22.9bn worth of loans to help support oil & gas businesses in 2022



27 oil & gas projects supported



Over 101,798 jobs facilitated in this sector

The oil and gas sector remains a critical sector of the economy - although contributing lower than 10% of Nigeria's GDP, it accounts for almost 90% of foreign currency earnings and contributes about 80% of the Federal Government revenue.

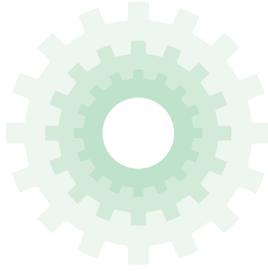
Asides oil and gas exports which accounts for the bulk of the country's revenue, a significant part of domestic demand for gas comes mainly from the power sector. Other potential domestic demand come from commercial, residential and industrial sectors. By building the countrywide gas distribution network, the government aims to tap into the potential of the oil and gas sector.

In line with the Energy Transition Plan of the Federal Government, Nigeria is relying on gas as a transition fuel to achieve net zero emissions by 2060. However, the sector has faced several challenges in recent years, including falling oil prices, declining production, oil theft, environmental degradation, etc.

To address these challenges, the Nigerian government has introduced a number of reforms aimed at increasing transparency, promoting local content and attracting more investment into the sector. With continued investment and government support, the sector has the potential to continue to play a critical role in Nigeria's economic development.

Additionally, the Nigerian Content Development and Monitoring Board (NCDMB) has appointed the bank to manage the \$50 million Nigeria Oil and Gas Parks Scheme (NOGAPS) Manufacturing product.

In 2022, BOI disbursed ₦22.9 billion to 27 oil and gas projects with the potential to generate an estimated 101,798 direct and indirect jobs.



## DEVELOPMENTAL AND SOCIAL IMPACT REPORT

### Oil & Gas support Testimonial: Librod Energy Services Limited



Librod Energy Services Limited was incorporated in 1997 with its main focus in the procurement and supply of both chemical and raw materials used by plastics manufacturing companies during their production operations.

In 1999, the company commenced the provision of services to the oil and gas Industry. The service was majorly focused on the supply of commodity chemicals for drilling and all production related operation.

In 2010, it added the rental and sales of Cargo Carrying Units that are designed, built and certified for the transportation and storage of products and equipment at oilfield locations.

In 2012, the company evolved into the provision of a full-fledged multi-disciplinary oilfield services. This decision ultimately resulted in the need to change the name from Librod Chemicals Limited to Librod Energy Services Limited as it is now known today.

The company has achieved significant market share in drilling, production, logistics and engineering. Through the BOI loan, the company's turnover has almost doubled.

In addition, number of employees has increased from 14 direct and indirect workers to 19 while the production capacity has increased from 2 rigs and 550 drums to 5 rigs and 1,100 drums respectively. The company currently operates from Lagos and Rivers States.

# Propelling Growth for a Sustainable Future



At Bank of Industry, we are passionate about supporting enterprises by delivering innovative financing solutions to accelerate economic growth. Through our global network of funding partners, we are expanding our capacity to provide access to finance for sustainable development. A better future for business is a better tomorrow for the Nigerian economy.

**Co- financing & Syndications -Equity Financing – Funds Management – Short , Medium and Long- term Financing**

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**Sustainability**  
Report

# SUSTAINABILITY REPORT

## Our Approach to Sustainability

In line with our corporate strategy, the Bank of Industry is truly committed to driving sustainable development through responsible business practices. This objective aligns with our overall vision of being Africa's leading development finance institution, and our mission to transform the Nigerian industrial sector. Thus, as an institution, we strive to adopt strategies, innovate products and services and implement interventions aimed at protecting our environments, developing our communities and improving our economy.



Our business model has been designed to position us for immense success on this mission for sustainable development as we provide financial assistance for the establishment of large, medium and small enterprises, and rehabilitation of ailing ones. This is evident in our mandate which is geared towards supporting projects with potential developmental impact such as: industrialization, job creation and poverty alleviation, which have significant positive effects on the environment, economy and communities we serve.

In the execution of our strategy, the Bank has over the years, created impact-driven, far-reaching interventions, programs, products and services geared towards environmental management, economic development and social impact. In doing so, we are contributing to global efforts geared towards developmental impact for the creation of a sustainable future. We have an integrated triple-bottom-line approach to implementing our sustainability strategy which enables us create prolonged value to our customers, shareholders, investors and other key stakeholders as we address the material issues of importance.

To ensure that our efforts align with the needs of our communities and the challenges of the global society, we align our sustainability strategy with relevant global, regional and local frameworks and guidelines for sustainable development. These frameworks drive the Bank to address the negative impact of our business operations whilst empowering us with tools and strategies for improving the positive social, economic and environmental footprints of our service delivery.

In the execution of our sustainability strategy, we operate in accordance with leading frameworks to ensure continuous high performance. Some of these frameworks include: 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



## SUSTAINABILITY REPORT

Governance (ESG) Policy, and the Corporate Social Responsibility (CSR) Policy. These guides the Bank's activities around managing the ESG risks within our institution and the businesses we finance. It also directs our efforts towards giving back to the communities we serve through interventions aimed at improving our social, economic and environmental footprints.

These frameworks are embedded into our business practices and operations; guides our planning and strategy, informs our decision-making, inspires our products and services enabling us to create Africa's most sustainable Development Finance Institution transforming the industrial sector and building a sustainable future for the next generation.



### IMPACTING SOCIETY

Social responsibility for us transcends beyond merely 'giving back', it is a commitment to improving lives and building communities, eliminating the challenges of our people, environment and economy through strategic investments and interventions that enables us reduce hunger, promote good health and wellbeing, drive quality education for all, fight for gender equality, and ensure peace, justice and strong institutions across regions. Through this approach, we address Sustainable Development Goals: 2, 3, 4, 5 and 16 by:

**Creating a Diverse and Inclusive Workforce:** we understand that as an organization we must strive to build a work environment that creates opportunities for all - one that does not segregate or discriminate on the basis of gender, cultural background, religion or age. This drives us to create policies and strategies that ensure our workforce is truly inclusive and diverse, attracting the right people from all works of life and providing an environment that enables growth for everyone.

**Women Economic Empowerment and Gender Equality:** at the Bank of Industry, we are dedicated to building a gender-balance society where women have equal opportunities for economic empowerment. Our approach to drive gender

parity in our community is two-pronged with efforts made internally and externally. Internally, our policies like the Human Rights policy provide clear guidance on the practices and standards of the Bank regarding female empowerment. Through unique initiatives such as: capacity building and mentoring for female employees, equal pay, paid maternity leave and other female-focused interventions, the Bank continues to create an enabling environment for women attracting more female professionals as an equal opportunity employer. Beyond this, the Bank continues to make effort towards the economic empowerment of women through its Gender Business Group created to provide women-focused financing designed for women, women-owned and women-led businesses. Through this division the Bank also provides more economic empowerment opportunities for women. Furthermore, the Bank supports women-focused programmes and initiatives targeted at improving gender equality and driving women empowerment in community. Through these strategic efforts, we are able to contribute to the promotion of gender equality and the empowerment of all women and girls at all levels.

**Improving Good Health and Wellbeing:** we are cognizant of the importance of a healthy community for fostering economic growth and improving wellbeing of society. This is why we continue to invest in products, services and initiatives focused on improving the health of the communities we serve. The Bank's Healthcare and Petrochemicals Group provides support and services to companies that fall under the Healthcare and Personal Care sector. Through this group, we provide funding for businesses developing healthcare solutions to address key health issues locally. Additionally, the Bank continues to partner with and support local and international programmes and interventions of civil society organizations aimed at addressing the pressing health challenges of our communities. Through these strategic partnerships, the Bank has been able to contribute to creating innovative health solutions tackling: COVID-19, HIV/AIDS, Breast Cancer, Malaria, Drug Abuse, Maternal Mortality, and Clean/Potable Water Sanitation, amongst others – thereby, ensuring healthy lives and promoting well-being for all at all ages.

**Making Strategic Investments in Communities:** In line with our Corporate Social Responsibility policy, we continue



## SUSTAINABILITY REPORT

to 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 2022:

In the year 2022, 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 thousands of vulnerable and disadvantaged 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:

### Hope for Vulnerable Youths

**Focus Area:** Social Welfare (Youth)

**Overview:** Habitation of Hope is 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. The Bank partnered with Habitation of Hope to provide shelter, care and sustenance for disadvantaged youths in the youth shelter. Through this partnership the Bank was able to provide adequate resources for the youth facility driving poverty eradication and youth empowerment. Over 2,500 boys have been rescued through this initiative and its system of rehabilitation and education, with over 1,200 youths educated and trained in vocational skills in baking, tailoring, photography, leather works, computer engineering, welding, iron fabrication driving youth empowerment.

### The School Rehabilitation Project

**Focus Area:** Education and Enterprise

**Overview:** the Habitation of Hope Initiative set up the Habitation of Hope Mega Primary School, in Loburo, Lagos to provide free education, catering to the less privileged in the community as a non-fee paying school. In 2022, the Bank of Industry partnered with Habitation of Hope to rehabilitate and transform the Mega Primary School purchasing school equipment that would be utilized in the provision of free education to the disadvantaged members of the community. Through this initiative, over 500 students were able to access tools and resources to gain free quality education in a conducive school environment.

### Fighting Drug Abuse in Vulnerable Youths

**Focus Area:** Social Welfare (Youths)/Health

**Overview:** The I Choose Life Foundation is a solution-based initiative dedicated to promoting mental wellness, physical and emotional health through innovative programmes, sensitisation and advocacy in line with the United Nations Sustainable Development Goals. The Bank partnered with the I Choose Life Foundation on the Sip, Draw and Paint initiative developed to creatively sensitize the youth on drug abuse and addiction through art and other recreational activities. This intervention was designed to meet the



## SUSTAINABILITY REPORT

pressing needs of the vulnerable youth demographic at the center of the rising drug and substance addiction challenge in the society. The programme was designed to 'Catch them Young' within the researched age of drug and substance abuse initiation (19–21 years) and was implemented across 5 locations (Abuja, Ogun, Kano, Cross Rivers and Imo state), over a 6-week period reaching at least 500 students. This initiative contributes to the fight against drug addiction in Nigeria.

### Empowering the Women of Imoru Community

**Focus Area:** The Human Development Initiatives is a 25 year old institution committed to social development, governance, development rights and advocacy, with a focus on orphans, youths and women especially adolescent girls and widows. The Bank partnered with Human Development Initiatives and the Ben Suyi Associates on its 'Women and Youth Empowerment Project' aimed at empowering an estimated 100 indigenes from Imoru community with income-generating skills aimed at creating self-reliant contributors to the local economy. The training was conducted for 50 women drawn from three (3) communities in Ose LGA of Ondo State: 35 women from Imoru, 5 women from Ijagba, 5 women from Ute, and 5 women from Okeluse, Ose LGA, Ondo State. Through this initiative, beneficiaries were able to:

- Acquire knowledge and skills on how to manage small scale businesses as well as for setting up a cottage business: requirements, record keeping and micro credit loan.
- Build skills in confectionery making, local textile preparation, liquid and bar soap production, and cosmetic production for domestic or commercial purposes.
- Develop skills for income generation to boost family income and improve well-being, particularly the well-being of children.
- Each participant was presented with a certificate of participation and start-up kit.

This initiative has impacted over 100 women and youths with vocational skills enabling them achieve financial independence and self-sufficiency. It also helped vulnerable groups generate revenue through small business enterprises, thereby reducing inequalities and alleviating poverty.

### The 'Water for All' Program

**Focus Area:** Environment and Health

**Overview:** 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. The impact achieved thus far includes:

- Provision of water supply systems for vulnerable communities at the City of Hope Youth orphanage in Northern Nigeria
- Rehabilitation of over 40 water systems in FCT
- Provide operation and maintenance tools to community-based youth artisans
- Built capacity of up to 51 youths including females to operate and maintain water supply systems
- Conducted operational research to generate evidence-based findings about sustainability & cost effective water supply provision

This initiative was 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.

### Capacity Development for Health Workers - Lagos Health Service Commission

**Focus Area:** Health and Education

**Overview:** The Bank partnered with the Lagos State Health Service Commission (HSC) to build capacity of 50 Healthcare leaders of the secondary health facilities in Lagos state for the Health management program (HMP) of the Enterprise Development Center (EDC) of the Pan Atlantic University, Lagos (PAU).

The program which commenced on the October 11th, 2022 created an opportunity for the beneficiaries to build their capacity in the key areas of Quality Delivery, Service



## SUSTAINABILITY REPORT

Operations management, Finance and Business management. The HMP is also designed to address the business capacity gap that currently exists among healthcare professionals in our public hospitals, using various methodologies and components including presentations, case studies, role plays and lectures. This is further complemented with a support component that involves coaching and advisory from seasoned professionals and faculty that cut across various sectors of the economy, thus helping participants utilize and apply their new knowledge to solve challenges and problems in their current roles.

This intervention will help evolve an efficient business climate in Lagos state public hospitals, while also ensuring the entrenchment of a service delivery culture, in line with international best practices.

### **MEDICAID Walkaway Cancer Initiative:**

**Focus Area:** Health

**Overview:** The Medicaid Cancer Foundation (MCF) was conceived out of the need to create a much-needed support system for patients, families and caregivers dealing with cancer in Nigeria. Since 2009, the foundation has become a platform where challenges affecting cancer patients are tackled with collective and sustained efforts. Since 2015, its cancer awareness and screening program has reached 500,000 individuals and carried out 4,366 free diagnostic screenings (974 mammograms).

The Bank of Industry partnered with the Medicaid Cancer Foundation (MCF) on the #WalkAwayCancer initiative aimed at saving lives and reducing the alarming statistics for Cancer mortality by creating awareness, raising funds, and providing free cancer screenings and education to at-risk individuals. The campaign provided information about risk factors, signs and symptoms, and treatments for this devastating disease. Through this initiative the following impact was achieved:

- 20 beneficiaries reached with free prostate cancer screening (40 years and above)
- 20 beneficiaries reached with free breast cancer screening
- 20 beneficiaries reached with free cervical cancer screening slots, and
- Facilitation of the data collation process for research and advocacy.

This partnership enabled the Bank contribute to local efforts addressing SDG 3 promoting Good Health and Well-being for all.

### **The Fashion Souk**

**Focus Area:** Social Welfare, Education and Enterprise

**Overview:** Over the past 5 years, the Fashion Souk initiative, convened by Eventful, has successfully empowered the Nigerian Fashion Industry to engage both nationally and internationally with delegates from across the globe. The initiative creates a platform for indigenous Nigerian fashion entrepreneurs across the value chain (from manufacturers to designers and retailers in clothing, textiles, leather and skin products, jewelry, accessories etc.) to showcase their talents, products and services to key stakeholders locally and internationally (including: buyers, retailers, investors, collaborators etc.).

The Bank partnered with Eventful on the seventh edition of the Fashion Souk which took place in December, 2022. The two-day fashion fair was designed to promote indigenous brands of fashion manufacturers and retailers to a global audience – creating opportunities for networking, fundraising, investments and collaboration for impact between creators and consumers. The initiative also organized the 'Business Pitch' exercise – a workshop aimed at providing mentorship and empowering younger fashion entrepreneurs with the knowledge, tools and resources required to scale up their productivity and profitability. The 'Business Pitch' exercise included pitch presentations from rising fashion entrepreneurs in need of funding to scale-up their business outputs. The exercise concluded with the presentation of business grants to the best performing entrepreneurs. Through this initiative, the Bank was able to achieve the following:

- Over 50 local Nigerian fashion entrepreneurs across the value chain showcase their products, talent and services to over 100,000 local and international stakeholders of the industry.
- Over N2million (Two Million Naira Only) in business grants provided to 3 local rising fashion entrepreneurs
- Over 15 young local fashion entrepreneurs accessed mentorship receiving education and empowerment on the knowledge, tools and resources for increased business productivity.



## SUSTAINABILITY REPORT

### The Green Water, Sanitation & Hygiene Initiative

**Focus Area:** Environment and Health

**Overview:** The Human Development Initiatives (HDI) is a non-profit committed to social development, governance, development rights and advocacy, with a focus on vulnerable groups in rural communities. In recognition of the rising lack of clean and potable water provision facilities in the rural communities of South-West Nigeria, HDI developed the 'Green Water, Sanitation & Hygiene Initiative' aimed at leveraging clean energy to provide sustainable clean water provision solutions to local communities in South-West Nigeria.

This intervention involves the installation of 2 (two) solar-powered boreholes in two major local communities in South-west Nigeria, utilizing clean energy to power the borehole systems, and ensuring renewable energy generation for a more sustainable solution to the lack of clean and potable water in those localities. Beyond the installation of the solar-powered boreholes in these communities, strategic workshops were executed to educate the youth on how to manage and maintain the clean energy water system, and utilize it for revenue generation. This was a form of capacity development for the disadvantaged youths in the community. This initiative which commenced at the end of 2022 is set to reach over 3,000 people in the South West region of Nigeria over the next 2 years.



We are committed to protecting our environment through the management of our negative footprints and improvement in our positive effort. We do so because we understand that the sustainable future of our planet depends on the choices we make today. This cognizance drives us to implement programs and initiatives aimed at providing affordable and clean energy, promoting responsible consumption and production, driving climate action, whilst protecting life on land and life below water.

These initiatives enable the Bank to contribute to local and global efforts saving the planet for future generations.

**Climate change and Greenhouse Gas emissions reduction:** We are conscious about energy efficiency, this drives us to promote and utilize renewable power generation in our business and operations. We adopt responsible standards and practices in operating and maintaining our facilities and offices to support our efforts towards being energy efficient. Furthermore, our Large Enterprise directorate leads the Bank's efforts to promote the adoption of renewable energy in our local community and business environments. 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. These products, services and initiatives enables the Bank to reduce its greenhouse gas emissions whilst combating climate change as an organization and within our community.

**Reduction in Energy consumption:** We understand the impact and benefits of reducing our energy consumption, on our bottom-line and on our carbon emissions, this knowledge drives our commitment to adopting new ways of conserving energy consumed in our business operations. We have transitioned to energy-efficient equipment and appliances across our branches and offices, utilizing resources such as: LED lighting, eco-friendly cooling systems and green work tools to reduce our energy consumption and emissions. The solar-powered energy generators at our offices help us reduce our energy consumption from the national grid whilst reducing our diesel consumption and further cutting costs. Through these efforts and initiatives, the Bank is able to conserve energy whilst further reducing its carbon emissions.

**Water Efficiency:** We are deliberate about our water usage and consumption because we want to protect life below water by being conservative in our water consumption whilst reducing our water waste and the negative effects on our environment. In doing so, we make use of water efficient cisterns in our offices to minimize our water waste and reduce our water consumption. This enables us improve our resource efficiency.

**Waste Management:** The negative effects of waste production on the environment is damaging both on the



# SUSTAINABILITY REPORT

natural ecosystems and the health or hygiene of the people and communities. This knowledge drives us to adapt strategies aimed at efficiently managing our waste through the promotion of the recycling of paper, plastic, glass and aluminum as integral component of sustainable waste management as a cultural practice for the Bank and its employees. Furthermore, we reduce our paper usage by automating several processes that not only improve efficiency, but also limit our paper consumption (e.g. automated memo approvals, automated payment systems amongst others. This enables us reduce the negative impact of the environmental degradation from waste creation locally.

**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 through the business activities of its subsidiaries. The Bank continually assesses its operations to identify 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.



At the Bank of Industry, our mandate is clear – to transform Nigeria’s industrial sector by providing financial assistance for the establishment of large, medium and small enterprises, and rehabilitation of ailing ones. By the very design of our strategy the Bank is positioned to make a direct positive developmental impact on the economy through the support for local projects and businesses with the capacity to drive job creation and poverty alleviation, improving the socio-economic condition of the communities reached. Through our innovative

products, services and solutions, we are able to address pressing socio-economic issues in line with the sustainable development goals including: fighting hunger, alleviating poverty, promoting decent work and economic growth, whilst reducing inequalities.

**Enhancing financial inclusion and financial health:** Enhancing financial inclusion and financial health: the Bank of industry is truly committed to driving financial inclusion locally whilst improving the financial health of its customers. This focus has driven the Bank to develop strategic programmes, initiatives, products and services aimed at making financial services and solutions more accessible and available to grass root, disadvantaged and vulnerable societies.

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 Bank is also 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. BOI is also on the UNEP FI’s Working Group for the development of the Financial Health & Inclusion Common Indicators for the Global Banking Industry.

**Driving responsible performance within our supply chain:** Our service providers are key stakeholders in our value chain. They are the source of the goods, services and materials required to effectively run our operations meeting the needs of our stakeholders. Thus, we work closely with our service providers to ensure that the best standards and practices are employed in the running of their operations. In doing so, we empower our service providers to contribute positively to the environment and society at large whilst delivering products and services that align with global best



## SUSTAINABILITY REPORT

practices such as the United Nations Global Compact Principles, which are focused on the protection of human rights, environmental protection, good labour relations and anti-corruption.

### **Sustainability in our Business Operations:**

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 finances 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 finances 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.



At the Bank of Industry, we believe that strategic local, regional and global partnerships enable us expand our commitment to sustainability by creating opportunities to

scale up the reach and impact of our sustainability strategy. In the last year, the Bank continued to leverage its partnerships whilst forging new coalitions with leading local and international organizations to champion programmes, interventions and initiatives aimed at driving social, economic and environmental impact.

### **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 continued its active membership to 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 participated in the activities of the local network Nigeria, collaborating to address social, environmental and economic development issues locally through strategic interventions and programmes.

**Human Rights:** as signatories to the UNGC, the Bank, through its various strategic business units examine the implementation of labour and human rights practices across the Bank. We work with our vendors/suppliers/customers to uphold labour laws and protect human rights in all their operations. This has helped in reducing the risk of our customers, suppliers or vendors being involved in any social or environmental malpractices.

**Labour Practices:** we understand that as an organization we must strive to build a work environment that creates opportunities for all - one that does not segregate or discriminate on the basis of gender, cultural background, religion or age. This drives us to create policies and strategies that ensure our workforce is truly inclusive and diverse, attracting the right people from all works of life and providing an environment that enables growth for everyone. We have a zero tolerance for discrimination on the basis of gender, age, race, religion, country of origin, and disability in our recruitment policy.



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



# Harnessing Partnerships, Promoting Development



At Bank of Industry, we are committed to partnerships that promote sustainable growth for Nigeria's enterprises.

We are proud to be the first DFI in Nigeria to become a signatory of the UN Principles for Responsible Banking. Through this pioneering alliance, we are leading the development finance industry in Nigeria and the continent at large, as we commit to become more socially, economically and environmentally accountable.

**Proud to be a signatory of the Principles for Responsible Banking**

visit: [www.boi.ng](http://www.boi.ng)



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## SUSTAINABILITY REPORT

**Environment:** the Bank continues to make concerted efforts towards reducing its gas emissions including - reducing our diesel consumption by complementing our power supply with solar power at our head offices and other branches. We have targeted efforts aimed at improving our resource efficiency including - water efficient cisterns at our offices to reduce our water consumption, reducing our paper use through automated processes, and promoting waste recycling among our employees. We reduced business travels to reduce our carbon emissions by embracing virtual meetings as opposed to in-person ones. We also continue to review our credit for Environmental, Social and Governance (ESG) issues in line with our ESG policy.

**Anti-Corruption:** 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.

The Bank participated in the 77th United Nations General Assembly which took place in New York, USA in September, 2022, promoting international co-operation in the economic, social, cultural, educational, and health fields through strategic side-events and activities including: UNGA Investment Summit, UN Global Compact Private Sector Forum amongst others.

### 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 its strategy to further align its business with global best practice for sustainable development. Through this partnership, we were able to achieve pioneering impact for the Bank and our industry at large. 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). BOI emerged as the first Development Finance Institution in Nigeria to do so. In the same year, the Bank also joined the 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.

This year, the Bank continued to leverage this partnership to scale up impact for sustainable development on a global level, reaching more people through targeted interventions and strategic approaches:

- **UNEPFI's Principles for Responsible Banking Academy (PRBA) Curriculum Advisory Committee:** BOI took on a leadership role as a **member of the UNEPFI's PRBA Curriculum Advisory Committee** for the development of a consistent global framework of learning and development to build capacity among banking institutions to adopt sustainable business models. The committee had a soft-launch of the demo website of the Principles for Responsible Banking Academy in partnership with the Chartered Banker Institute and the German Agency for International Cooperation (GIZ) at the UNEP FI Global Roundtable in October. The committee has now transitioned from a Curriculum Committee to a Standing Committee for the Principles for Responsible Banking Academy tasked with the responsibility of fostering learning and development for the global industry, in line with best practices. This global committee consists of 18 Banks from 15 countries around the world.
- **Financial Health & Inclusion Common Indicators Working Group:** the Bank also continued its leadership role as a member of the Financial Health & Inclusion Common Indicators Working Group tasked with the responsibility of developing a common set of indicators for financial health and inclusion for PRB members and the global Banking community. The working group published the final draft of the Financial Health & Inclusion Common Indicators for UNEP FI member banks and the general public at the end of 2022.
- **Participation at the 17th UNEP FI Global Roundtable**



## SUSTAINABILITY REPORT

**(30th Anniversary):** UNEP FI hosted its 17th Global Roundtable virtually in October 2022, as part of its 30th anniversary celebrations. UNEP FI's biennial Global Roundtable, held in partnership with Climate Action and stood as a major agenda setting event on sustainable finance in 2022. The Bank of Industry participated in the Global Roundtable held under the theme of "Transforming Finance, Accelerating Change", the Bank joined the key decision-makers, experts and thought leaders present to help shape approaches to integrating environmental, social and governance (ESG) issues and accelerating sustainable banking, insurance and investment.

### PROGRESS REPORT ON THE PRINCIPLES FOR RESPONSIBLE BANKING:

As members of the UNEP FI, the Bank became an official signatory of the UN Principles for Responsible Banking (PRBs) in 2021, emerging as the first Nigerian DFI. As signatories, we have completed the requisite Impact Analysis exercise to ascertain the Bank's positive and negative impact and footprints in the execution of our business operations and processes. This exercise also helped us identify impact areas for positive improvements informing the Bank's targets for the next five years in the execution of its commitment to the PRBs. We continue to uphold the requirements and guidelines of this membership and the overlying principles. Below is an overview on our progress in the implementation of the Principles for Responsible Banking:

Reporting Self-Assessment	Summary of Activities
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>The Bank of Industry is Nigeria's development finance institution tasked with the responsibility of stimulating private-sector growth mainly through the provision of access to finance for micro, small and medium-sized enterprises in Nigeria.</p> <p>Our Sustainability Strategy sets out the areas where we believe we can create sustainable, long-term value for our stakeholders, aligning with the Sustainable Development Goals and the Paris Agreement. Building on this, we align our business strategy with the most relevant goals in the SDGs, the Paris Agreement, and relevant national frameworks like the Nigerian Sustainable Banking Principles (NSBPs).</p>
<p><b>Principle 2: Impact and Target Setting</b> We will work to continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	<p>There are two identified priority areas for which we have set sustainability targets given the impact that attaining these targets can have on the attainment of the other sustainable development goals:</p> <ul style="list-style-type: none"> <li>• Goal 1 - Financial Inclusion</li> <li>• Goal 2 - Women's Economic Empowerment</li> </ul> <p><b>Goal 1: Financial Inclusion</b> Our goal is to ensure that more people have access to the financial system through the provision of accessible and affordable financial products and services. This includes disadvantaged groups who are underserved by the formal financial sector.</p> <p>The overall aim of financial inclusion is to enable financial stability and reduce exposure to shocks and impacts of life. Financial literacy is an essential tool for financial inclusion where people understand money and how to manage it and make the right decisions concerning their finances.</p>



## SUSTAINABILITY REPORT

### Goal 2 : Women's economic empowerment

Our goal is to achieve gender equality and to increase efforts that promote women's economic empowerment. We will work to enable more women achieve their potential and fulfil their economic and social desired outcomes. We will foster an inclusive workplace culture within our business operations and work to provide more products and services designed for the wellbeing of women.

#### Rationale

The priority areas have been decided based on Nigeria's development priority areas and the catalytic impact these two focal areas can have on the attainment of the other priority goals. BOI expects to continue to work to meet its targets and review the avenues to expand sustainability outcomes for customers and the wider communities.

#### Target Setting

When setting our targets, we looked at extending and deepening our level of impact to make sure that we are able to achieve the necessary level of impact for sustained development.

Based on the recommendations above, we have proposed the following targets which have been developed in line with global best practices, and adapted to the Nigerian context for financial health and inclusion and women's economic empowerment, to ensure sustained impact.

Based on the recommendations above, we have proposed the following targets which have been developed in line with global best practices, and adapted to the Nigerian context for financial health and inclusion and women's economic empowerment, to ensure sustained impact.

#### Target 1 - Financial Health and Inclusion:

The target for financial health and inclusion has been developed to account for the growth in the rate of financial inclusion from the estimated current rate of financial inclusion in Nigeria (45 per cent) towards the global financial inclusion target of 61 per cent of the population.

*Our overall target* is to increase the impact of the Bank's products, services and interventions aimed at driving financial health and inclusion over the next 5 years.

*Specifically, we aim to increase the number of unbanked or underbanked businesses gaining access to business and financial support from the Bank by at least 87% by 2027* empowering these businesses to increase their annual revenue generation by 10% year-on-year.

This we will achieve by scaling up the Bank's Smallholder Farmer Cluster Financing Product as follows:



## SUSTAINABILITY REPORT

	Current Baseline	In 2022, the Smallholder Farmer Cluster Financing Product reached 20,391 smallholder farmers through intermediary organizations. These farmers grew rice and maize and are located in various states including Oyo, Nasarawa. These farmers have been able to grow over 190,000 MT of grains (rice and maize) for the Nigerian manufacturing sector.
	Target Baseline 2007	Between 2023 and 2027, the Directorate plans to continuously grow the reach of the product with the aim to finance the procurement of farm inputs to 158,000 Smallholder Farmers. It is expected that this will support the growth of revenues of these farmers with a 10% year on year growth largely because of the use of high quality improved farm inputs and farmer education.
	Estimated Number of Household to impact	With an average of 3 people per household, this product is projected to impact 474,000 people by 2027.
<p>In addition to this we will continue to implement new and innovative interventions, programs and initiatives aimed at banking the unbanked and underbanked businesses in our communities whilst facilitating financial literacy and driving education and sensitization to improve the financial health of businesses in the grassroots.</p>		
<p><b>Target 2 - Women Economic Empowerment:</b> To achieve this goal, we will ensure that initiatives and investments that support women’s economic empowerment are actively supported within the bank and across its key stakeholders.</p>		
<p><i>Our overall target</i> is to increase the impact of the Bank’s programs and initiatives aimed at driving gender equality and women economic empowerment over the next 5 years.</p>		
<p><i>Specifically, we aim to increase the number of women-owned businesses gaining access to business and financial support from the Bank by at least 6.5% by 2027</i> empowering these businesses to increase their annual revenue generation between 5 - 8% year-on-year.</p>		
	Current Baseline	<ul style="list-style-type: none"> <li>• NGN68.82bn disbursed</li> <li>• 767 women-led business impacted</li> <li>• Over 23,000 jobs created</li> </ul>
	Target Baseline	<p><b>50 additionally women-led businesses</b> to access business and financial support by 2027 empowering these businesses to increase their annual revenue generation (or EBITDA, Profits etc.) between 5 – 8 % year-on-year, providing approximately 60,000 jobs.</p>



## SUSTAINABILITY REPORT

	<p>Estimated Number of Households to be impacted</p>	<p>With an average of 3 people per household. The value chain impact between 100,000 - 120,000 dependants</p>
<p><b>Principle 3: Clients and Customers</b> We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	<p>In addition to this, we will also execute other strategic programs, interventions and initiatives aimed at driving gender equality and women economic empowerment for the women in our community.</p> <p><b>Monitoring and Evaluation of Targets</b> We have set up within the sustainability desk a monitoring and evaluation team responsible for the internal and external tracking of the activities to ensure that the targets are met.</p> <p>The Bank's business directorates are dedicated to providing sustainable finance for developmental growth across sectors of the economy responsible for driving sustainable development.</p> <p>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.</p> <p>Our Small &amp; Medium Enterprises directorate is financing undeserved and budding sectors including: Youth and Gender focused businesses (e.g. Fashion &amp; Beauty, Food &amp; Agro Commodity Processing, Light Manufacturing, Engineering, Healthcare, Greenhouses, Arts &amp; Craft, Solar (off grid).</p> <p>Finally, our Micro Enterprises directorate is financing disadvantaged and vulnerable sectors in the grass root, formal, semi-formal as well as informal businesses and groups e.g. market women, traders and artisans, farmers, agriculture workers and enterprise youth.</p> <p>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 &amp; gender equality, creating decent work and economic growth, and transforming industry, innovation and infrastructure.</p> <p>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.</p>	



## SUSTAINABILITY REPORT

<p><b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>We understand the importance of engaging with our key stakeholders to understand the material issues of our community, environment and economy. These engagements enable us develop strategies that are designed with the needs of our communities taken into consideration as we develop solutions to address these socio-economic and environmental challenges.</p> <p>Our stakeholders are multifaceted with varying expectations, requirements and demands. From our employees, to our customers, suppliers, investors, regulators, communities and other bodies, we derive a vast knowledge of data from our engagements regarding what is required from the Bank to contribute to the pressing issues affecting our society.</p> <p>Our engagements with communities are frequent and periodic to ensure that material issues raised remain relevant, keeping our strategies effective in meeting the sustainable developmental goals. We are moving beyond just communicating with stakeholders, to consulting and collaborating with them to develop solutions that are improving our business operations and service delivery whilst contributing to global sustainable goals.</p> <p>We engage with our employees through employee surveys, periodic employee engagement sessions and retreat. Through in-person interactions at our offices, online engagements via our website, customer surveys, periodic publications, social media, engagement forums and brand activations, we engage with our customers to understand their needs and priorities. For our shareholders and investors, our annual reports and accounts, public announcement of quarterly results, Annual General Meetings (AGMs), shareholder meetings and deal/non-deal roadshows enables us to engage and understand the expectations of this group.</p> <p>For our suppliers, we engage through e-mails and letters, forums, events and exhibitions, visits to their business sites etc. With our communities, we engage through community outreaches, partnerships with community-facing Non-Governmental Organisations (NGOs), charitable donations and sponsorships. Engaging with our regulators, we communicate through regulatory consultations, industry working groups and committee meetings, onsite meetings/supervisory visits by representatives of regulatory bodies, periodic reporting and so on.</p>
<p><b>Principle 5: Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>	<p>The Bank's sustainability policies and frameworks (e.g. ESG, Human Rights, Corporate Social Responsibility (CSR) policies) are designed in line with various sustainability principles. These policies and frameworks are publicly stated and managed by a strong governance structure led by the Board, which has governance oversight for sustainability management.</p>



## SUSTAINABILITY REPORT

	<p>Highlighting the importance of giving back to the organization, the Bank's Board of Directors has oversight of the Bank's CSR strategy and policies, led by the Managing Director/CEO and implemented by a dedicated team driving impact at scale to address the key challenges of our local communities whilst contributing to global efforts to achieve the SDGs.</p> <p>Also, to fully adopt and implement the ESG policy, BOI understands that all stakeholders (Board &amp; Management, Staff, Customers, Vendors and other third parties) along the Bank's value chain must be involved in a strategic manner. Hence, the ownership and responsibility of this commitment lies with the Board and Top Management of the Bank (i.e. the Managing Director or his/her designate(s)) and appropriate steps are taken from time to time to achieve this purpose.</p>
<p><b>Principle 6: Transparency &amp; Accountability</b> We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>	<p>At the Bank of Industry, transparency and accountability are embedded in our culture and practices, ensuring that the bank remains best in class in the delivery of service to our stakeholders. This practice is executed through effective and timely reporting and disclosures to key stakeholders as expected by the frameworks guiding our operations, which we are signatory to. Our performance is also reported internally to Management and to the Board on a quarterly basis to ensure that the Bank is meeting its sustainability targets and implementing the principles improving on impact.</p>

### 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.

- **Participation in the Mobilizing Investments for Clean Energy in Emerging Economies (MICEE):** in 2022, WEF launched the Mobilizing Investments for Clean Energy in Emerging Economies (MICEE) which aims to mobilize efforts and investments to significantly contribute to clean energy transitions and towards achieving SDG7 in key emerging and developing economies. The MICEE initiative commenced a Country Deep Dive in Nigeria in August, 2022 in partnership with the Renewable Energy and Energy Efficiency Associations - Alliance (REEEA-A). The workshop reviewed the Climate Change Act, Energy Transition Policy, Energy Policy from Energy Commission, and Electricity Act/Bill.
- **Participation at WEF's Sustainable Development Impact Meetings at the 77th UN General Assembly:** Convening at the same time as the United Nations General Assembly, the Sustainable Development Impact Meetings of WEF brought together communities of purpose that integrate business leaders, policy-makers, international and civil society



## SUSTAINABILITY REPORT

organizations, innovators and entrepreneurs. These meetings advanced progress on the Sustainable Development Goals (SDGs) whilst building momentum on other key milestones through carefully curated impact-driven dialogues. The Bank participated in the Meeting of the Forum Friends of the Africa Continental Free Trade Area which aimed to develop a shared understanding and common framework for how global business and public sector leaders can support implementation of the AfCFTA. The Bank also participated in the 'Scaling Collaborative Efforts to Advance Clean Energy Transition in Developing Economies' session which was focused on convening leaders to discuss financing and policy efforts to accelerate the transition to affordable, reliable and green energy for all.

### 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 Sustainability. This highlights our continued commitment to driving sustainable development through strategic social, environmental and economic investments and interventions across Nigeria.



### WINNING SUSTAINABLY

During the year, the Bank of Industry was recognized for its developmental impact globally and locally driving environmental management, economic growth and social development through its business practices and operations. Some of the most notable awards on sustainability received by the Bank include:

- 'Most Sustainable Bank' award at the 2022 World Finance Awards, October 2022
- 'Best SME Partner Bank of the Year' by the European Magazine Global Banking and Finance Awards, October 2022
- 'Best Development Bank Africa 2022 award' at the International Banker 2022 Banking Awards, October 2022
- 'Best Company in Diversity, Equity and Inclusion' at the Sustainability, Enterprise and Responsibility Awards (SERAS CSR Awards), December 2022

## President Buhari commissions BOI Tower II building



L-R: Minister of Industry, Trade and Investment, Otunba Adeniji Adebayo CON; Chairman, Board of Bank of Industry (BOI), Mallam Aliyu Abdulrahman Dikko; Minister of Finance, Budget and National Planning, Hajia Zainab Ahmed; Minister of Women Affairs, Dame Pauline Tallen; Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele; and the Managing Director/CEO, BOI, Mr. Olukayode Pitan during commissioning of BOI Tower 2 in Abuja in March 2022

President Muhammadu Buhari commissioned the second tower of the Bank of Industry (BOI) building located in the Central Business District of Abuja, on the 31st of March, 2022, charging the Bank to take its developmental strides to the next level through business empowerment.

BOI Tower 2 is a state-of-the-art innovative building with 12 lettable floors, a backup power system.

The President, who participated in the commissioning virtually, expressed optimism and confidence in the Bank's capacity to continue to support economic development initiatives.

He said: "I am particularly impressed that this world-class building will finance the internally-generated revenue (IGR) of the Bank. BOI has continued to successfully execute its mandate as a policy institution of the Federal Government. Through the Bank, the government has extended single-digit interest rate loans to businesses."

He also described the contributions of the Bank as "very significant to the industrialization" of the Nigerian economy. He commended the management of the bank for its focused leadership in achieving the mandate to diversify the economy through the provision of single-digit interest loans to small, medium and large-scale enterprises.

Buhari said that over N1.4 trillion has been disbursed by the Bank to businesses in Nigeria, adding that the impacts of its funding have led to the creation of over nine million jobs.

## BOI and Afreximbank partner to boost trade and investment flows in Nigeria

The Bank of Industry and the African Export-Import Bank (Afreximbank), on the 3rd of November, 2022, signed a Memorandum of Understanding for the establishment of a Joint Project Preparation Facility (JPPF), which is yet another extension in the rich history of partnership between the two Banks.

This facility will offer technical support services and early-stage project preparation financing to public and private sector organizations operating in Nigeria, with both the Afreximbank and BOI mobilizing funds to open investment doors in industries including energy, transportation and logistics, ICT, special economic zones, industrial parks, solid minerals, healthcare, hospitality and tourism, the creative economy and services in line with the terms of the MoU they signed on November 3rd, 2022.

The MoU, which was signed by Mr. Olukayode A. Pitan, Managing Director and Chief Executive Officer of BOI, and Mrs. Oluranti Doherty, Director - Export Development, Afreximbank, aims to de-risk projects and attract crucial private sector investments that will stimulate industrialization and propel value-added exports in the nation. The JPPF is a direct response to Nigeria's initiatives to address the COVID-19 pandemic and current macroeconomic issues brought on by the nation's dependence on crude oil revenues, which make up 50% of the country's total government revenues, 30% of the banking sector's credit, and 90% of export earnings.

The MoU will harmonize efforts with Afreximbank for the promotion of trade and investment flows; undertake business development activities; and share project preparation pipelines in sectors of mutual interest. BOI will be better positioned to provide technical, financial and legal services that will culminate in the supply of bankable projects, while promoting and raising awareness of project preparation activities in Nigeria and Africa at large.



L-R: Mr Olukayode A. Pitan, Managing Director/CEO, BOI; Prof. Benedict O. Oramah, President, Afreximbank; Mrs. Oluranti Doherty, Director - Export Development, Afreximbank; and Mr. Rene Awambeng, Director & Global Head, Client Relations, Afreximbank; at the signing ceremony.

## BOI IN ACTION

### BOI partners with Lagos Business School to establish the Entrepreneurship Innovation Centre



L-R: Legal Adviser, Bank of Industry, Mr. Hassan Osuwa; Chief Risk Officer, Bank of Industry, Dr. Ezekiel Oseni; Deputy General Manager, SME South, Mr. Obaro Osah; Director, Entrepreneurship Innovation Centre (EIC), Dr Henrietta Onwuegbuzie; Managing Director/CEO, BOI, Mr. Olukayode Pitan; Board Chair, Entrepreneurship Innovation Centre (EIC), Ms. Evelyn Oputu; Founder/CEO, Wilz-Boye Investment and Development Advisers, Mr. Abdul-ganiyu Mohammed; and Board Member, Entrepreneurship Innovation Centre (EIC), Mr. Charles Ivenso, at the inauguration of the Governing Council of the Entrepreneurship Innovation Centre (EIC) at BOI Lagos Head Office in June 2022

The Bank of Industry (BoI) and the Lagos Business School (LBS) reaffirmed their commitment, through their Entrepreneurship Innovation Centre (EIC) collaboration, to strengthening Nigeria's Micro, Small and Medium Enterprises (MSME) sector at the October Graduation Ceremony of the Cohort 1 of the 2022 LBS-BOI Entrepreneurship Development Program of the EIC themed, "Transforming Nigeria via Impact Driven Entrepreneurship," following the formal signing of the MoU for the programme, which held in June, also in Lagos.

Speaking at the graduation event, the Managing Director/CEO, Bank of Industry (BOI), Mr. Olukayode Pitan, observed that entrepreneurs in sub-Saharan Africa have to confront a variety of difficulties which establishing the EIC was intended to solve.

He stated that it was crucial to offer the necessary financial and business advising support services in a sustainable way to allow the growing number of young and creative entrepreneurs to succeed.

By providing possibilities for information exchange, he said the EIC will strengthen entrepreneurs' capacities and promote the development of an environment that supports entrepreneurship.

The Dean, Lagos Business School, Prof. Chris Ogbechie, said making a substantial influence on management practice, which is essential to the success of any organization, large or little, is a

key component of LBS's goal. As a result of the realization that today's society required more job creators than job searchers, he pointed out that enhancing entrepreneurial results was a key component of the school's strategic aim.

The Governing Council of the Centre was inaugurated at the Bank of Industry's Lagos Head Office, with former Managing Director of the Bank, Ms. Evelyn Oputu as the pioneer Board Chairman of the Council. Other board members include Dr Ezekiel Oseni (Deputy Board Chair), Mr Obaro Osah (Secretary), Mrs Ireti Daramola (Member), Alhaji Abdul Ganiyu-Mohammed (Member), Mr Charles Ivenso (Member) and Dr Henrietta Onwuegbuzie (Member).

### BOI hosts AADFI SSCI Roundtable in Abuja

The Bank of Industry played host to local and international development finance stakeholders at the 2nd Regional Roundtable on Creating World Class Sustainable Development Financial Institutions through embracing holistic sustainability.

Speaking at the event, the Managing Director/CEO, BOI, Mr. Olukayode Pitan reiterated the Bank's plan to take full advantage of the funding opportunities available to it – including the €100m line of credit under the Transforming Financial Systems for Climate (TFSC) programme of the agency, in collaboration with the Green Climate Fund (GCF), as well as the \$600m Global Environment Fund (GEF)/ Resource Efficiency and Cleaner Production (RECP) credit guarantee scheme – to provide financial support for climate-friendly businesses and projects.



L-R: Secretary-General, Association of African DFIs (AADFI), Mr. Cyril Okoye; Chairman of the International Council of Sustainability Standards and CEO, European Organisation for Sustainable Development (EOSD) Mr. Arshad Rab; MD/CEO BOI, Mr. Olukayode Pitan; 1st Vice President, Association of African DFIs (AADFI), Mrs. Patricia Ojangole; and Chairman, Association of African DFIs (AADFI), Mr. Thambo Thamane; at the 2nd Regional Roundtable on Creating World Class Sustainable Development Financial Institutions hosted by the Bank of Industry at the Transcorp Hotels in Abuja recently

## BOI IN ACTION

### BOI wins Four Awards for International Banking & Sustainability



Mr. Olukayode Pitan, MD/CEO, BOI receives the International Banker Banking 2022 Awards 'Best Development Bank Africa 2022' award from Mr. Simon Brown, Editor-in-Chief, Finance Publishing at the London Stock Exchange.

The Bank of Industry (BOI) bagged four international awards in recognition of its developmental impact, commitment to sustainable banking principles and innovative capital raising activities.

The Bank won the "Best Development Bank- Africa 2022" prize at the International Banker 2022 Banking Awards, "Most Sustainable Bank 2022, Nigeria" at the World Finance Banking Awards, "Best SME Partner Bank of the Year" at the European Magazine Global Banking and Finance Awards, and "CEO of the Year" at the World Finance Banking Awards. The final week of October 2022 saw the awards being given out in the financial district of London.

These top awards follow BOI's extraordinary capital-raising streak, which has seen \$5 billion raised in total over the last five years, all under Pitan's direction. Pitan also gained recognition for his accomplishments from The European Magazine Global Banking and Finance Awards, where he won the title of "Banking CEO of the Year" for a second time (first received in 2019).

Speaking about his award, Mr. Olukayode Pitan, Managing Director/Chief Executive Officer, Bank of Industry, stated: "We are committed to driving impact in Nigeria's industrial sector by supporting micro, small, medium, and large enterprises to achieve sustained growth that generates considerable multiplier effects such as industrialization, job creation, and poverty alleviation for the economy."

"Our commitment to creating a resilient organization that can address both operational issues and customer requirements is steadfast. We have raised more than \$5 billion from the international debt market over the last five years to strengthen our capital base and assist our clients and Nigeria's real estate market. This has considerably increased the Bank's ability to continue offering the crucial financing that Nigerian businesses need to grow and expand, according to Mr. Pitan.

### BOI wins SERAS CSR Award for Diversity, Equity and Inclusion



The Bank of Industry (BOI) emerged winner of the 'Best Company in Diversity, Equity and Inclusion' at the Sustainability, Enterprise and Responsibility Awards 2022 also known as the SERAS CSR Awards which took place on Sunday, December 4th, 2022 in Lagos Nigeria. BOI received this award in recognition of its impact in improving the financial health of disadvantaged groups in the grass root.

We are committed to creating more strategic and impactful interventions aimed at addressing financial inclusion and diversity in the local context, in line with the global sustainable development goals" said Mr. Olukayode Pitan, Managing Director/Chief Executive Officer, Bank of Industry, commenting on this recognition.

"As a truly responsible developmental finance institution, we continue to embed sustainable business practices in our processes and operations. This guides our overall strategy enabling us develop strategic products, interventions and initiatives aimed at protecting our environment, developing our economies and impacting our communities. This award corroborates our efforts towards driving developmental impact in line with our mission of transforming Nigeria's industrial sector". Mr. Pitan added.

The SERAS is Africa's first and foremost recognition for Corporate Social Responsibility and Sustainability. Over the last 16 years, it has grown to become the gold-standard award and the most credible industry ceremony in Africa with representation from 19 African countries.

Earlier in the year, the Bank of Industry received the award for 'Most Sustainable Bank 2022, Nigeria' at the World Finance Awards. In August 2022, in line with its sustainability efforts, the Bank of Industry (BOI) and the French Development Agency (AFD) built a partnership for a €100mn credit-line for the expansion of green finance in Nigeria.

The Bank is committed to driving sustainable development through responsible business practices in line with its corporate strategy. This objective aligns with its overall vision to be Africa's leading development finance institution operating under global best practices.

## BOI IN ACTION

### BOI, NGX sign MoU to deepen capital market penetration

The Bank of Industry (BOI) and Nigerian Exchange Limited (NGX) signed a partnership agreement on June 29th, 2022 in Lagos, that will help deepen capital formation for the benefit of investors and the Nigerian economy.

The partnership will see BOI and NGX collaborate on driving capital market solutions through the promotion of retail participation and listings, enhancing information flow to stakeholders, and supporting market development that deepens capital market advocacy initiatives.

Speaking about the MoU, the MD/CEO, Bank of Industry, Mr. Olukayode Pitan emphasized that the MoU will allow BOI and NGX to collaborate on the creation of initiatives that will inform all stakeholders—particularly large and small businesses—on how to access alternative financing choices. “Through this partnership with NGX, BOI will encourage companies in which it has equity holdings as well as its pool of current and past borrowers to approach The Exchange for initial public listings which will serve as a veritable window for divestments and access to wider funding options”, he added.

The CEO, NGX, Mr. Temi Poopola noted that, “in furtherance of The Exchange’s aim to promote the interest of stakeholders operating in the capital market, the collaboration will support various advocacy initiatives to develop the Nigerian capital market, promote information flow to small and medium enterprises (SMEs) about the capital market listing procedures and facilitate training for potential issuers on the various product initiatives. NGX will work closely with BOI to create a seamless avenue for divestments through the listings of any of its investee companies on the Boards of NGX.”



L-R: Chief Risk Officer BOI, Dr Ezekiel Oseni (left); Executive Director, Micro Enterprise, Toyin Adeniji; Managing Director/Chief Executive Officer, Olukayode Pitan; Chief Executive Officer, Nigerian Exchange Limited (NGX), Temi Poopola; Divisional Head, Business Support Services, Irene Robinson-Ayanwale and Divisional Head, Capital Markets, Jude Chiemeka during the signing ceremony of the Memorandum of Understanding between BOI and NGX in Lagos in June 2022

### BOI Wins Bonds, Loans & SUKUK Africa ‘international Syndicated Loan Deal of the Year’ Award

The Bank of Industry (BOI) received the highly coveted award for the ‘International Syndicated Loan Deal of The Year’ at the Bonds, Loans & Sukuk Africa Awards ceremony which took place on Wednesday, March 9th, 2022 in Mount Nelson, Cape Town. BOI was presented this award in recognition of its \$1bn Syndicated Term Loan Facility successfully raised in the international market in December 2020.

“This recognition highlights our impact as Nigeria’s leading Development Finance Institution galvanizing industrialization by raising and deploying the funds that enhance our capacity to support our customers” said Mr. Olukayode Pitan, Managing Director/Chief Executive Officer, Bank of Industry, on receiving the award. “We look forward to intensifying our efforts to catalyze sustainable economic growth for Nigeria and the continent at large. ”

The exhaustive selection process for the awards involved close examination of deal size, tenor, structure, and distribution; analysis and background of the borrower and their accessibility to financing; with extra credit for deals that demonstrate high-quality execution, accessing new pools of liquidity, innovative structuring, and opening-up new markets.

Mr. Pitan acknowledged the significant role that myriad strategic partners played in the consummation of this deal in spite of the challenges posed by the COVID-19 pandemic: “We are especially grateful for the support of our lead arrangers, underwriters and book runners; Afreximbank, Credit Suisse A.G, Rand Merchant Bank and Sumitomo Mitsui Banking Corporation; and The Central Bank of Nigeria which provided a 100% currency swap that allowed us to mitigate foreign exchange rate risks.”



Legal Adviser BOI; Mr. Hassan Osuwa, Chief Risk Officer; Dr. Ezekiel Oseni, Chief Compliance Officer; Mr. Taiwo Kolawole, Divisional Head Large Enterprises 1; Mr. Leonard Kange, MD/CEO BOI; Mr. Olukayode Pitan, Executive Director, Large Enterprises; Mr. Simon Aranonu, Treasurer; Mr. Ayo Bajomo, Head Communications & External Relations; Ms. Mabel Ndagi with members of partner institutions at the awards ceremony in Cape Town, South Africa.

## BOI IN ACTION

This award came on the back of BOI's successful issuance of a €750mn Senior Eurobond (the first by any African national DFI) in February 2022). In the last four years, the Bank of Industry raised about \$3.8bn from the international financial market: This includes the awarded \$1bn syndicated loan in December 2020; a €1bn syndicated loan in March 2020; and a \$750mn syndicated medium-term loan in 2018 which has been fully paid off.

The Bonds, Loans & Sukuk Awards has been recognizing the most innovative and ground-breaking deals from Sovereign, Corporate and Financial Institution issuers and borrowers since 2014 and brings together the industry's most high-profile figures thereby raising the profile of the African financial markets with the international investment community.

### BOI launches EUR700m Eurobond, first-ever Euro-denominated in Nigeria

The Bank of Industry issued a EUR700m Eurobond by way of 144A/RegS Senior Note Participation Notes, irrevocably and unconditionally guaranteed by the Federal Government of Nigeria, with assistance from Rand Merchant Bank (RMB); thus becoming the first African National DFI to issue a public Eurobond, and the first-ever Euro-denominated Eurobond issued in Nigeria

According to a statement by RMB, "BOI's mandate is guided by Nigeria's National Development Plan 2025 and Agenda 2050, which have the objective of lifting a hundred million Nigerians out of poverty in 10 years. The institution is tasked with providing financing for the development of micro, small and large enterprises. This deal represents the institution's first Eurobond, the provision of the sovereign's first Eurobond guarantee, as well as the first Euro-denominated transaction from Nigeria, creating a benchmark for other prospective issuers from the region."

The statement explains that the five-year, Euro-denominated senior note instrument is guaranteed by the Federal Government of Nigeria and issued at a yield of 7.500%.

"BOI's plan is to raise up to EUR500m, but successfully raised EUR700m after a 1.5 times oversubscribed order book comprising of high-quality buy-and-hold international investors. The transaction was preceded by an extensive three-day global virtual roadshow, including a global investor call, primarily involving engagement with investors across UK, Continental Europe and the US.

"RMB was appointed as global coordinator and active book-runner for the transaction alongside other banks, with RMB assisting the issuer to ensure that BOI's unique credit story and developmental impact was best articulated to a diverse global investor base."

### BOI HOSTS ANDFI 2nd General Assembly In Abuja

The Managing Director/CEO of the Bank of Industry, Mr Olukayode Pitan, called for increased investments in key economic sectors by all Development Finance Institutions (DFIs) in Nigeria in order to tackle some of the challenges facing the country and push it towards economic development.

Pitan who is also the Chairman of the Association of Nigerian Development Finance Institutions (ANDFIs), made the comment at the opening session of the association's 2nd annual general assembly, which held at the Fraser Suites, Abuja in May 2022, with the theme: "Innovative financing for sustainable growth and development."

According to him, the fact that Nigeria currently has an estimated 200 million people and is expected to have a massive population expansion to 400 million people by 2050 has made it critical for DFIs to increase their level of engagement.



L-R: Chief Risk Officer, BOI/Coordinator, Technical Committee, Association of Nigerian Development Finance Institutions (ANDFI), Dr. Ezekiel Oseni; Vice President, North Central, ANDFI, Dr Adum T. Alex; Vice President, South South, ANDFI, Dr. Elijah Akpan; 1st Vice President, Association of African DFIs (AADFI), Mrs. Patricia Ojangole; Managing Director/CEO, BOI/Chairman, ANDFI, Mr. Olukayode Pitan; Vice President, North East, ANDFI, Hajiya Rabi Ahmad; Vice President, South West, ANDFI, Mr. Abiodun Amokomowo; and Vice President, North West, ANDFI, Mr. Idris Isa; in a group photo of the ANDFI Technical Committee at the 2nd annual General Assembly of the Association of Nigerian Development Finance Institutions (ANDFI), which held at the Fraser Suites in Abuja in May 2022

He claimed that, despite the fact that the country's economy has improved significantly over the years as a result of numerous intervention programs and infrastructure investments, the World Bank's forecast for this year predicted that Nigeria would have 95.1 million poor residents.

Pitan said what this means is that more efforts are required in the area of poverty alleviation, infrastructural and human capital development, agriculture, and industry among others.

"The actions of all of us at this event shall have a significant

## BOI IN ACTION

input to determine whether the growth of Nigeria's population will promote prosperity and improve the livelihood of the Nigerian people or become a source of fragility, social tension, and increased economic hardships.

"Nigerian DFIs have the potential to address these issues working in synergy with the organised private sector as well as the three tiers of government and collectively, we can deliver the level of sustainable social and economic development that we desire," he said.

In an update on the secretariat of the Association of Nigerian Development Finance Institutions (ANDFI), the Chairman stated that a new and furnished workspace had been established at the BOI, Abuja Corporate Office, and a number of employees had been hired and assigned the task of working hard to ensure efficient service delivery.

Pitan thanked ANDFI members for their accomplishments thus far, and urged them to fulfill their obligations in terms of timely payment of annual fees and other committed efforts.

## BOI Holds 62nd Annual General Meeting in May 2022



L-R: Non-Executive Director, Adewale, Bakare; Non-Executive Director, Philip Yila Yusuf; Non-Executive Director, Chukwuemeka Nzewi; Non Executive Director, Corporate Services and Commercial, Usen Effiong; Executive Director, Large Enterprises, Simon Aranonu; Company Secretary, Olufunlola Salami; Chairman, Board of Directors, Allyu Abdulrahman Dikko; Managing Director/CEO, Olukayode Pitan; Executive Director, Micro Enterprises, Toyin Adeniji; Executive Director, Small and Medium Enterprises, Omar Shekarau; Non-Executive Director, Mohammed Mustapha Bintube; and Non-Executive Director, Alexander Adeyemi; all of the Bank of Industry during the Bank's 62nd Annual General Meeting which held at the Transcorp Hilton, Abuja in May, 2022

## BOI Participates in the Greek-Nigerian Chamber of Commerce & Technology Investment Forum

Bank of Industry participated in the Greek-Nigerian Chamber of Commerce and Technology Forum which took place in Athens, Greece from 22nd -24th November, 2022.

At the forum the Managing Director/Chief Executive Officer, Bank of Industry, Mr. Olukayode Pitan spoke on the topic "Nigeria: Leapfrogging Challenges to a Sustainable Future". Mr Pitan in his speech gave an overview of the Nigerian macro-economic environment and highlighted Initiatives by the Federal Government of Nigeria geared towards ensuring sustainable economic development and growth.

Mr. Pitan also highlighted opportunities for sustainable growth in Nigeria which he stated are present in the tech, media and telecommunications, agriculture and creative industries. He rounded off his speech by stating that the Greek-Nigerian business community can look forward to long-term and affordable loans from BOI to support their investment. He further mentioned that BOI has raised over \$5bn in debt capital in the last five years and supports all key growth sectors in the Nigerian economy.



L-R: Mr. Michael Economakis; Executive Chairman of the Board of Directors of Petros Petropoulos Group of Companies, Mr. Olukayode Pitan; MD/CEO BOI, Mrs. Nimi Akinkugbe; Ambassador of Nigeria to Greece at the Forum in Athens, Greece.



A cross section of attendees at the forum

## BOI IN ACTION

### BOI joins the United Nations and other African Business Leaders to commit to climate action at COP 27



November 10th, 2022, Sharm El-Sheikh, Egypt – Mr. Olukayode Pitan, Managing Director/Chief Executive Officer, Bank of Industry joined the United Nations Global Compact (UNGC) and other members of the Africa Business Leaders Coalition (ABLC) to commit to climate action through the ABLC Climate Statement in support of COP27, anchored in the goals of the Paris Agreement, the Sustainable Development Goals, and the Ten Principles of the UN Global Compact.

This came on the back of the UNGC’s ‘Climate Action Now: A Critical Priority for African Business Leaders’ event which took place on November 9th, 2022 on the side of the 27th Conference of the Parties of the UN Climate Change Conference (COP 27) in Sharm El-Sheikh, Egypt. The UN side-event brought together Africa Business Leaders Coalition CEOs to present their Climate Statement and the ambitious commitments made, while highlighting the actions they are already taking across sectors and African geographies.

“We are honored to join other African leaders and the global public and private sector who are committed to developing strategies, shaping policies and innovating solutions for climate action” said Mr. Olukayode Pitan, Managing Director/Chief Executive Officer, Bank of Industry.

“As an institution, we strive to adopt strategies, innovate products and services and implement interventions aimed at protecting our environment, developing our communities and improving our economy, as we work to transform Nigeria’s industrial sector. In doing so, we are contributing to global efforts geared towards progress on the sustainable development goals”. Mr. Pitan added.

The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change – COP27 brought together heads of state, ministers and CEOs in Sharm El-Sheikh, Egypt, for the largest annual gathering on climate action.

COP 27 also provided a unique opportunity for the African private sector to commit to ambitious climate actions for the continent. The Africa Business Leaders Coalition is a CEO-led initiative emanating from the UN Global Compact Africa Strategy, committed to advancing sustainable growth, prosperity, and development in Africa by bringing measurable impact to its most pressing issues.

### BOI Participates at the Presidential Dialogue: Nigeria Business and Investment Forum

Mr. Olukayode Pitan, MD/CEO, Bank of Industry, along with other CEOs, senior private sector leaders, and government representatives at the "Presidential Dialogue: Nigeria Business and Investment Forum," a high-level gathering that can impact U.S.-Nigeria trade, investment, and business hosted by the Corporate Council on Africa.

The Nigerian president, H.E. President Muhammadu Buhari, opened the Forum, a side event at the US Africa Leaders’ Summit 2022 which featured initiatives and policies implemented to encourage investment into the Nigerian economy and highlighted investment opportunities in Nigeria.



L-R: Mr. John G. Coumantaros, Chairman of the Board of Directors, Flour Mills of Nigeria Plc (FMN); Ms. Saratu Umar, Executive Secretary/Chief Executive Officer of Nigerian Investment Promotion Commission (NIPC), H.E. AbdulRahman AbdulRazaq, the Executive Governor of Kwara State; Ms. Temitope Iluyemi, Director, Global Government Relations for Africa, P&G; Mr. Olukayode Pitan, MD/CEO BOI; H.E. Bala Mohammed, the Executive Governor of Bauchi State.



## BOI IN ACTION

### BOI, ICAN unveils Technology Innovation Hub

The Bank of Industry (BOI) in partnership with the Institute of Chartered Accountants of Nigeria (ICAN), commissioned a multi-million-naira technology innovation hub domiciled at the facility of ICAN in Ebute Metta, Lagos. The event took place on the 24th of May 2022

The project tagged 'ICAN-BOI technology innovation hub' consists of 250 co-working spaces, meeting rooms, private offices and hybrid areas for organizing competitions. It will also provide facilities to innovate, debate, ideate, incubate and scale up new ideas and businesses that will create new jobs and deliver greater economic benefits to the country.

Speaking at the commissioning, The Managing Director, Bank of industry, Mr. Olukayode Pitan, said in realization of the critical role of technology in development, the Bank, through its Corporate Social Responsibility, proactively supported the establishment of 10 technology hubs so far in six states across the country.

He said the Bank is committed to making available all its financing products and services to bankable projects that emanate from builders in the tech hub. Pitan said the environment will provide a conducive atmosphere for young accountants to set up their businesses, build, incubate, collaborate and scale up and become employers of labour as well as contributors to national development.



L-R: Executive director, Corporate Services, BOI, Usen Effiong; ICAN President, Mrs Comfort Olu Eytayo; MD BOI, Mr Olukayode Pitan; ICAN member, Governing council, Seun Oderinde; and chief finance officer, Akeem Adesina, during the commissioning of ICAN-BOI Innovation Hub, held in Lagos, yesterday



L-R: Past President of ICAN, Otunba Abdul Lateef Owoyemi; ICAN President, Mrs Comfort Olu Eytayo, and MD BOI, Mr Olukayode Pitan, during the commissioning of ICAN-BOI Innovation Hub, held in Lagos, yesterday.



L-R: Past President of ICAN, Otunba Abdul Lateef Owoyemi; ICAN President, Mrs Comfort Olu Eytayo; MD BOI, Mr Olukayode Pitan; Past President ICAN Prof. Francis Ojaide, and past president ICAN, Alhaji Razak Jaiyeola, during the commissioning of ICAN-BOI Innovation Hub, held in Lagos, yesterday

The Bank's 2022 celebration of International Women's Day gathered female leaders and featured interactive panel discussions, an awards ceremony and various exhibitions of female owned businesses.

The Chief Host, Minister of State for Industry, Trade and Investment, Ambassador Mariam Yelwaji Katagum spoke on the imperative of women empowerment towards the achievement of faster and more sustainable economic growth for Nigeria and the rest of the world.

BOI's MD/CEO Mr. Olukayode Pitan said: "At the Bank of Industry, we are constantly working to close the gaps created by bias. We are committed to providing equal opportunities to our employees and we strive for increased representation of women in senior positions to ensure that they make the valuable contributions we know them to have. BOI plays an important role in advocating for women-owned businesses by focusing on impact, as we recognise that economic opportunities these businesses present, and their contribution to national development."



Hon. Minister, State for Industry, Trade and Investment, Amb. Miriam Yalwaji Katagum (centre); the Managing Director/CEO, Bank of Industry, BOI, Mr. Olukayode Pitan (first right); in a group photograph with other special guests and panelists at the 2022 BOI International Women's Day celebration at the Eko Hotel in March 2022.



L-R: Managing Director/CEO, Bank of Industry, BOI, Mr. Olukayode Pitan; Hon. Minister, State for Industry, Trade and Investment, Amb. Miriam Yalwaji Katagum; former Pauline Tallen; and the Hon. Minister, State for Industry, Trade and Investment, Amb. Miriam Yalwaji Katagum as Dame Tallen Alade; and an exhibitor during a tour of exhibitor stands at the 2022 BOI International Women's Day celebration at the Eko Hotel in March 2022.





**Internal Control**  
and Risk Management System

## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

**B**OI 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 three Board committees within BOI (Board Audit and Risk Committee; Board Credit, Investment and Governance Committee and Board Strategy and Compliance Committee) with oversight functions on the Bank's Risk Management Processes. These committees are responsible for setting risk management policies that ensure material risk

inherent in the Bank's business are identified and mitigated or controlled. The oversight functions of the committees include among others; ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect frauds and material errors in financial reporting.

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

The 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.



## 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 and ensures that the Bank operates within its risk appetites

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

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

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



### BOI RISK APPETITE

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

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

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

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

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

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



### BOI RISK CULTURE

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

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

#### BOI 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.



# ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

## RESPONSIBILITIES AND FUNCTIONS

### Risk Management Division

- Implement and maintain a sustainable and robust ERM process
- Inculcate a culture of risk awareness throughout the organization
- Assist with developing and reviewing the Bank's risk appetite and aligning it with its mandate.
- Provide independent analysis of investment and credit proposals
- Develop and update risk rating and pricing methodologies
- Design portfolio strategy and recommend various portfolio limits for Board Approval (concentration, portfolio rating, exposure limits)
- Ensure effective and efficient loan processing, documentation, monitoring and reporting
- Establish underlying criteria for creating strategic partnerships to provide business support and design business support programs based on identified needs
- Establish selection criteria for external service providers (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.



## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

### 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.
- 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.



## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

- 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) Risk

- 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.

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. These begins with the institutional transformation of the bank. As a responsible FI, Bank of Industry will gain good reputation, attract useful 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.

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.



## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

- 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



## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

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

### 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 2022 are summarized below.

- Successful re-certification of ISO 27001 Information Security Management Standard (ISMS) for the period 2023 – 2025
- 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 seminar 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 components, some of which are highlighted below.

#### CBN'S RISK-BASED CYBERSECURITY GUIDELINE FOR OTHER FINANCIAL INSTITUTIONS

During the year, the Central Bank of Nigeria published the Risk-Based Cybersecurity Framework and Guidelines for Other Financial Institutions (OFIs) with a compliance date of January 2023. The Bank of Industry had earlier implemented a similar framework for deposit money banks (DMBs) in 2019 and is currently in compliance to the version issued for OFIs.



## INFORMATION AND CYBER SECURITY



### GOVERNANCE

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 advising 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 and operations 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 has 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.

Cyber drill exercises was conducted for staff at the regions/state offices as well as head office groups in line with the 2022 cybersecurity awareness plan. The exercise was held from September to November 2022 at various state offices within the country for both staff and ad-hoc staff. These ad-hoc staff comprises cleaners, drivers and security guards.

The cyber drills were designed with a dual purpose: as a platform for interaction, information sharing, and discussions on current cybersecurity issues, as well as to provide hands-on exercise for the employees. The interactions and discussions enhance the cybersecurity capacity and awareness to ensure continued collective efforts against cyber threats. Overall, the employees gained insights on the Bank's operational procedures that are in place to prevent and respond to various cyber incidents. The main topics highlighted were:

- ISMS Policy
- Password & Wifi Security
- Social engineering
- Incident Response & Reporting
- Data Protection & NDPR

The team in the past year attended relevant industry conferences at various locations and successfully completed certification exams to enhance their knowledge and skills in cybersecurity. Some of the conferences and examinations are as follows: CRISC, CISM, ISACA Conference, CSCS cybersecurity conference etc.



### 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



## INFORMATION AND CYBER SECURITY

in 2019 and has since maintained certification to the standard through annual surveillance audit.

In 2022, the Bank went through a recertification audit exercise successfully with no major or minor conformity found, however, there were couple of opportunities for improvement.

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

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.



The Bank has been compliant to the requirements of the NDPR and by extension GDPR since 2019. Data privacy practices are being integrated in to processes within the Bank, relationships with customers, vendors and even programs where we serve as implementing partner. The Bank has met the measures stipulated in the National Data Protection Adequacy Program (NaDPAP) issued by the–Nigeria Data Protection Bureau (NDPB).

To further drive the maturity of the privacy practice, the Bank is implementing and integrating the ISO 27701 (Privacy Information Management System) into its information security system.

### 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.



**Business**  
Focus



## **Micro Enterprises Directorate**

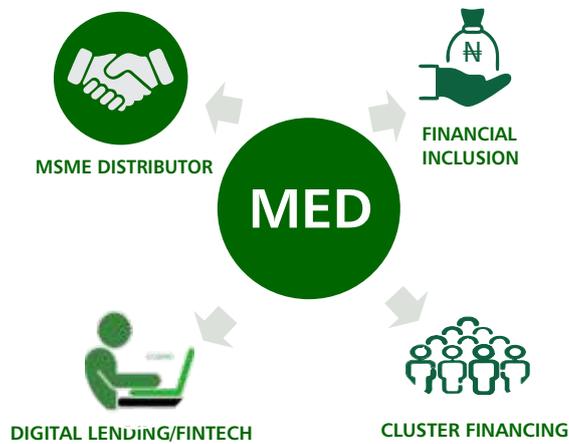
We leverage strategic partnerships, intermediary channels and technology to deliver tailored low-interest loan products, and other non-financial services to Nigeria's micro enterprises in the informal, semi-formal and formal sectors.



## 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 2022, 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 4 strategic groups:



### FINANCIAL INCLUSION

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

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 \$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 aims to deliver targeted relief, restore livelihoods and stimulate 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.



## MICRO ENTERPRISES DIRECTORATE

- **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. NG-CARES Highlights in 2022:**

Following the flag-off of the NG-CARES program by the Federal Government, the World Bank has released an advance of ₦35billion to the states for implementation to deliver on the programme.

At present, 28 states in the federation have executed MOUs with the bank to use the BOI Growth Platform for program delivery, and have commenced delivery engagement.

BOI has made significant progress in preparing individual states for program execution, with customised application portals set up for all 28 states, through which over 1,100,000 MSME applications have been received. Agent Networks have also been set up and activated across 26 states in preparation for the commencement of pilot execution.

In addition, the Bank has received funding from 25 States to the tune of ₦4.56bn for the execution of the pilot programme. So far, 15,076 beneficiaries across 20 states have received grants worth ₦2.39billion under the programme. Implementation is imminent in other States which have made funding commitments.

Building on the foundation of an authentic and accurate digital MSME register, each state has access to a 24/7 web-based platform that provides transparent data records to critical stakeholders, such as the State Government, World Bank, Federal Committee, and Independent Verification Agents (IVAs).

A number of states took it a step further by deploying **Command Centres** to aid program monitoring and evaluation. These Command Centres provide each state with real-time program visualization, field monitoring, integrated technology stack, and interactive data management. It serves as a one-stop showcase for the state's progress in the RA3 component of the NG-CARES program.

### B. MSME Survival Fund

The MSME (Micro Small and Medium Enterprise) Survival Fund is a ₦75 Billion 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

### NG-CARES BENEFICIARIES IN PICTURES



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

### MSME Survival Fund Highlights:

- Disbursed payroll support of between ₦30,000 - ₦50,000 to 459,344 employees from 69,732 businesses worth



## MICRO ENTERPRISES DIRECTORATE

**43.9 billion Naira.** Benefiting businesses cut across several industries - manufacturing, education, information technology, e-commerce, agriculture, retail etc.

- Disbursed a 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.
- The program actively promotes gender inclusion - with a beneficiary which comprises of 45% women.

### MSME SURVIVAL FUND BENEFICIARIES IN PICTURES



### 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 ₦500,000.00 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 each state contributing a part of their state managed funds with matching funds from the Bank of Industry.

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 in the BOI Matching Fund Programme.

Qualified micro-enterprises will be able to access a minimum of ₦50,000.00 and a maximum of ₦500,000.00.

### SEEP 2022 Highlights:

- The Edo State Government partnered with BOI to provide MSME loans of between N100,000- N500,000. A total of ₦85.6 million was disbursed to 320 beneficiaries in 2022



### CLUSTER FINANCING

Cluster Financing identifies and evaluates value chains strategic to the growth of the Nigerian Manufacturing sector. This Group finances micro businesses along these value chains that Manufacturers or Processors depend on to guarantee seamless



# Smallholder Farmer Cluster FINANCING PROGRAMME



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

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

## Beneficiaries

- Farm Aggregators
- Processors
- Manufacturers

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



## Focus Crops

Short cycle crops including:



Maize



Sorghum



Soya Beans



Rice Paddy



Groundnut



## Features

Tenor: Maximum of 24 months

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## MICRO ENTERPRISES DIRECTORATE

flow of their production activities. Lending products are tailored to consider the roles of the various stakeholders with a view to de-bottlenecking the access to finance challenges experienced in their operational activities. Ultimately designed to reach beneficiaries predominantly in the informal sector, intermediaries, or an anchor market to guarantee product offtake are engaged to ensure that complimentary non-financial service offerings are provided alongside the Bank's lending solutions.

### SMALLHOLDER CLUSTER FINANCING

The Smallholder Cluster Financing programme guarantees the production of high quality agricultural produce in sufficient quantities as raw material feedstock to Nigerian Manufacturers. The lending product has encouraged efficient collaboration between key stakeholders in the agricultural value chain including manufacturers, market aggregators, farm input suppliers 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.

### Summary of Small Holder Cluster Finance 2022 Performance

S/N	Description	Report
1.	Crops of focus	Rice & Maize
2.	New crops added	Soya & Groundnut
3.	Impact Summary	A total of 29,125 farmers were financed in 2022.

### 2022 Customer Focus

#### • Owotoro Irapada Investment Limited

Owotoro Irapada Investment Limited (OILL) is a company set up with the objective to provide a platform to support wealth creation for local farmers in Oyo state; who ordinarily will not have access to credit that will support their businesses. The company launched its Farmers' Support Program (FSP) in 2019, an initiative aimed at supporting farmers grow maize and soybeans in larger quantities and realize higher profits through access to ready markets. Its mode of operation is to provide



required inputs in kind to the farmers to grow maize and soybean. Farmers are then able to enjoy higher yields, storage

facilities, and ultimately gain a higher profit from access to guaranteed markets secured by offtake agreements with manufacturers in the Nigerian Food sector.

The impact of BOI's intervention in their operations and productivity can be summarised in these few points:

1. **Cost of capital** – Cost of capital from individuals is at an average rate of 30% per annum at not only short term duration, but the increasing dollarization of Nigeria economy has made it very difficult to raise additional finance that can sustain the project and growth aspirations. The BOI facility has addressed this challenge and permitted long-term planning.
2. **Employment** - There has been an increase in Direct and indirect employment, the number of farmers in the 2022 farming cycle increased to 455 farmers from the 83 farmers in the network as at 2019.
3. **Capacity** - Land productivity and ability to cultivate more lands has increased significantly as the company was able to cultivate about 1,053 hectares in 2022. This was as a result of the BOI financing.
4. **Productivity** – The customer was able to increase production for Maize & Soybeans to 719 MT and 106 MT respectively.

### Farmer Testimonials

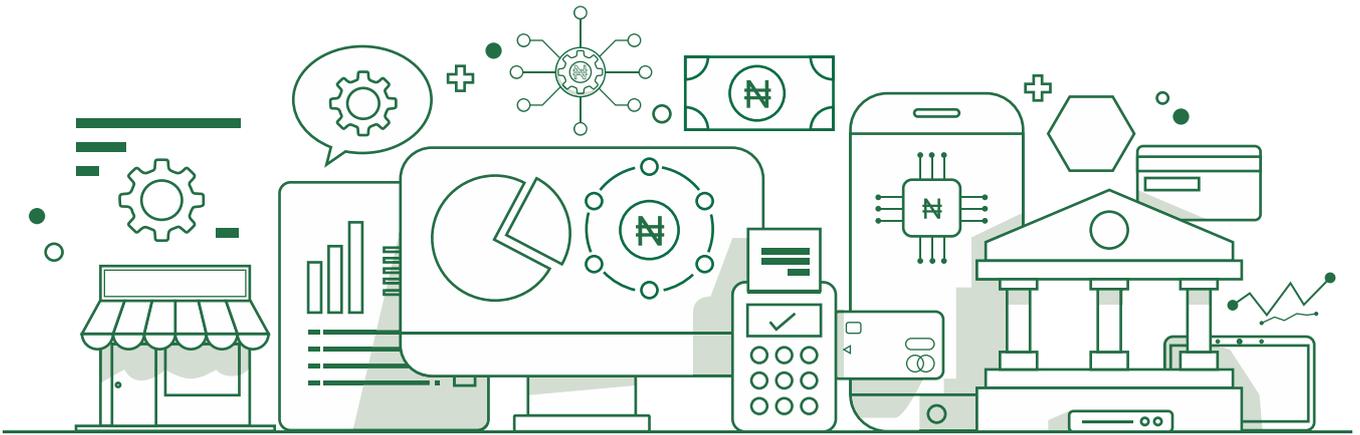
- Adeniran Ezekiel – Before he joined Owotoro in 2021, he farmed on 4 acres of land which produced 8 bags of maize (1.2 MT) earning him less than ₦150,000. With Owotoro in the 2022 planting cycle he produced 49 bags of maize (6.86 MT) on a 7 acre land size earning him ₦1,470,000.



- Omidokun Olusola - Before he joined Owotoro in 2022, he farmed on 6 acres of land which produced 14 bags of maize (1.96 MT) earning him a little above two hundred thousand naira. With Owotoro in the 2022 planting cycle he produced 63 bags of maize (8.82 MT) on a 10 acre land size earning him ₦1,890,000.

- Raji Isa - Before he joined Owotoro in 2019, he farmed on 4 acres of land which produced 11 bags of maize (1.54 MT) earning him less than ₦150,000. With Owotoro in the 2022 planting





## FINTECH/DIGITAL LENDING PRODUCT

The Fintech/Digital Lending Product provides financing to Fintech companies that lend money to MSMEs. We aim to help MSMEs get access to fast and secure funding for their business.

### Who Can Apply?

Fintech/Digital lending companies regulated by the CBN.

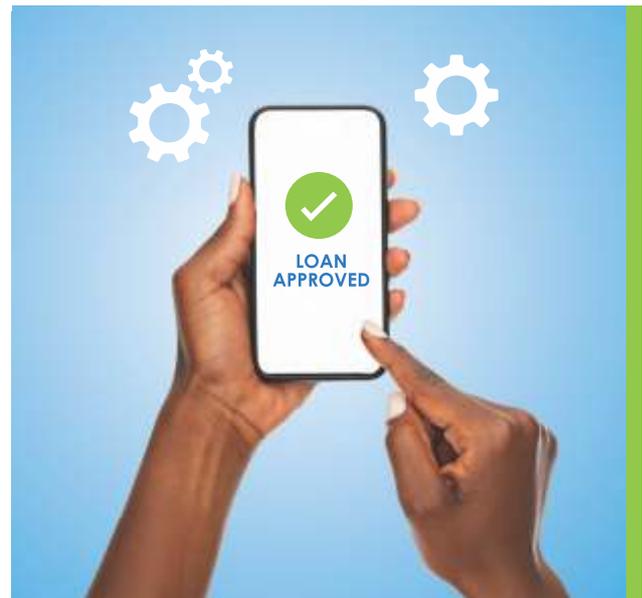
### Features

**Loan Amount:**

Up to ₦500 million

**Maximum Tenor:**

12 months



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## MICRO ENTERPRISES DIRECTORATE

cycle he produced 63 bags of maize (8.84 MT) on an 11 acre land size earning him ₦1,680,000.



- **Oyebisi Olayiwola** - Before he joined Owotero in 2019, he farmed on 4 acres of land which produced 15 bags of maize (2.10 MT) earning him less than ₦150,000. With Owotero in the 2022 planting cycle he produced 57 bags of maize (7.98 MT) on an 13 acre land size earning him ₦1,710,000.



### TECHNOLOGY

#### THE FINTECH DIGITAL LENDING PRODUCT

The Fintech/ Digital Lending product leverages the technology platforms of regulated FINTECH companies to on- lend to Nigerian Micro Enterprises. The product aims to alleviate the challenges experienced by this business segment in accessing financial services nationwide through the provision of digital loans.

This product further aims to encourage the Bank's mandate to promote industrialization in Nigeria by providing quick, affordable and seamless financing to Micro Enterprises who are the major drivers of job creation in the country. The FINTECH partners also benefit from the partnership with the Bank through increased customer base and loyalty.

#### Summary of impact in 2022

- Number of micro-enterprises reached: 1,215
- Value of loans disbursed: ₦550 million

#### Testimonials

**Business Name:** Ariyo Textile Store

**Chief Promoter:** Ariyo Mojeed

#### Status of the business before BOI's intervention

Ariyo Textile Store is a family-owned textile business that had been struggling to stay afloat in the highly competitive market. The business had been in operation for over 40 years, but due to

a lack of innovation and investment, was losing its market share to newer, more modern competitors. There was low customer demand and supply due to the unavailability of funds and as a result, the business was underperforming.

#### Status of the business after BOI's intervention

Following the BOI intervention, and with the newfound capital, the business was able to invest the new capital in the latest textile and fabrics for more customers' consumption. With this loan, Ariyo could stock additional fabrics which enabled it to meet customers' demand for School uniform materials, Guinea fabrics, Trousers materials, Plain materials, and other ceremonial clothes.



Ariyo Textile Store had completely transformed its business model and is a leading player among the textile materials in its environment. The loan has provided the business with the opportunity to revitalize its operations and has ultimately led to its success.

**Business Name:** Albushra Fashion Institute

**Chief Promoter Yusuf:** Iliyasu Albashura

#### Status of the business before BOI's intervention

Albushra Fashion Institute is a small fashion business that had been struggling to expand due to limited resources. The business had been in operation for 25 years but was unable to purchase new equipment or hire additional staff due to financial constraints. The business had a few machines and was unable to scale or meet the standard of the market in terms of new technology and machinery to meet customers' tastes and operations

#### Status of the business after BOI's intervention



Albushra Fashion Institute is able to purchase machinery to increase its production capacity, improve its quality control, and expand its product line. The improved facilities and equipment also attracted new customers who were interested in purchasing high-quality clothing and accessories. The loan was

also used to hire additional staff, including skilled, fashion designers, tailors, and salespeople. The new staff members helped to improve the overall quality of the products and



## MICRO ENTERPRISES DIRECTORATE

services offered by the business and also helped to increase customer satisfaction.

With the new machinery, Albushra Fashion Institute is now able to produce higher quality fabrics of different styles at a faster pace, which helped to grow its customer base. The business is also able to develop new textile styles used in different parts of the world. This has given it access to customers in the northern and eastern parts of Nigeria and In addition, business customers who consult it from other countries like India, and Saudi Arabia.



### MSME DISTRIBUTOR FINANCE PROGRAM

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.

### Summary of MSME Distributor Finance 2022 Performance

S/N	Description	Report
1.	Area of focus	FMCG Distributors
2.	Emerging Sub-sector	Healthcare, Construction
3.	Impact Summary	- A total of 5,300 retailers were financed in 2022.

### 2022 Highlights of MSME Distributor Finance:

- **Omniretail Technologies Limited**

Omniretail Technologies Limited is a technology-enabled company that provides a unified distribution platform digitizing the chain from distributors to retailers. The company has active operations in 10 cities across Nigeria such as Abuja, Kaduna, Port Harcourt, Ijebu-Ode, Abeokuta, Ibadan, and Lagos. Omniretail deploys technology in on boarding as many retailers on their platform, 'Omnibiz'. This facility is a working capital facility for the supply of made in Nigeria products to over 89,000 retailers managed on their platform.

BOI successfully provided financial services to this company, which is expected to be used to support over 2700 micro-retailers in Nigeria.

The working capital facility was successfully disbursed in September 2022 and so far, the company has been able to reach out to 500 retailers and spot checks have been carried out on some of the retailers.

Below are some of the testimonials and pictures from the visits.

### Testimonials

- **Iya Lawal- Surulere** - I was unable to access a loan from the banks due to my inability to provide collateral. The "Buy Now Pay Later" feature on the Omnibiz app enabled me to expand my stock inventory and better my profit margins.



- **Toheebat - Surulere** - I opted for the "Buy Now Pay Later" from Omnibiz when I was almost closing shop as I could not restock my business. Since taking my first loan with Omnibiz, my business has witnessed significant growth in turnover and profit margins. Furthermore, depleted stocks are no longer a concern, as Omnibiz will restock my store within 24 hours after my order is placed.





# 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.

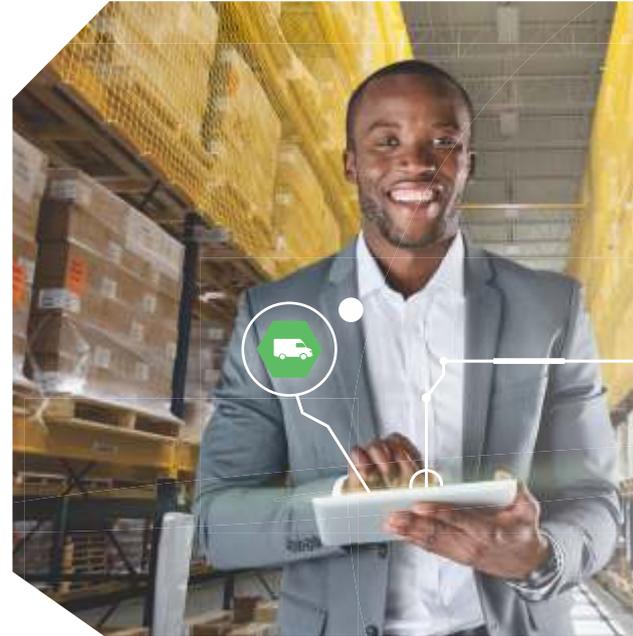
## Features

Tenor: maximum of 24 months

## Focus Sectors

### Distribution Companies in these sectors:

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



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**BANK OF INDUSTRY**

*...transforming Nigeria's industrial sector*



## **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 and Medium Enterprises (SME) Directorate was established in 2015 as a Strategic Business Group saddled with the responsibility of improving access to finance by SMEs through the provision of innovative and competitive financial products and advisory services. The Directorate's operations align with the Federal Government's National Industrial Revolution Plan (NIRP) and the Economic Growth Plan (EGP) which focus on priority and high impact sectors of the economy. The rationale is to develop sustainable Business Models for SME's that will assist to unlock the inherent potentials of the SME sector in the areas of production, GDP growth, employment generation, exports expansion, and import substitution. The role of SMEs in job creation has become even more critical given the Nation's huge youth population and the growing level of unemployment. The Bank and her strategic partners are committed to developing tailored products that provide both financial and business advisory services/support at concessionary rates and longer tenors to small businesses. These services are available through the Bank's network of 31 State Offices spread across the country.

### Core Objective

The key objective of the Directorate is to enhance the Bank's SME loan portfolio and expand its impact across all geopolitical zones of Nigeria. This will be achieved by utilizing the Bank's extensive branch network to offer customized and demand-driven financial products, as well as proactive support services, aimed at stimulating SME growth and development throughout the country.



### STRATEGY

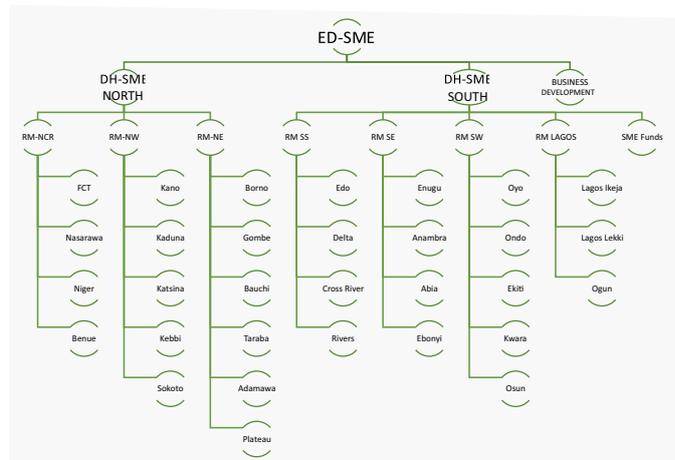
The Directorate's operational strategy is comprehensive and encompasses business advisory and lending services in collaboration with strategic partners to enhance SMEs' contribution to national economic growth, job creation, value chain development, poverty reduction, skills and entrepreneurial development. This is hinged on a two-pronged approach – identifying and nurturing SMEs that focus on value addition to local raw materials and are export oriented; and developing their capacity to create business linkages with Large Enterprises (LEs) for increased market share to generate revenue and create wealth. The Bank currently operates in 30 States including the FCT and plans to expand its operations to all States of the

Federation in order to get closer to the numerous SME businesses spread across the country.

The projects are funded using BOI's own resources and by collaborating with funding partners under diverse terms and conditions in our quest to scale up economic activities and support the operations of SMEs across the country.

To this end, the Bank has developed ingenious partnerships with Corporate Institutions, High Net-worth Individuals (HNIs) and State Governments for the provision of financial, skills development and business advisory support in line with the terms and conditions of the different Memorandum of Understanding (MoUs) through our Matching and Managed Fund Schemes. The Memorandum of Understanding (MoU) executed, guides the operation and management of each fund and applicable programmes to create growth and development along the focus value chain or target sector.

### SME Corporate Structure



### Business Advisory Services:

The Directorate harnesses its internal expertise and partnerships with local and International Development Organisations (IDOs), service-focused Ministries, Departments and Agencies (MDAs) to provide cutting edge capacity building programmes in areas such as financial management, business planning, technical training, entrepreneurship development, value chain financing, corporate governance and business linkages to enhance the skill set of owners/managers of SMEs.

### Lending Services:

The SME Group leverages its knowledge of the business environment and footprint across 30 State Offices, spread across the six geopolitical zones of the country, to offer SMEs loans with longer tenors (3 to 5 years) than are generally available and offered at below market rates. Moratorium periods are usually between 3-12 months depending on the project implementation schedule.

# Empowered | Stronger Youths | 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](http://www.cbnties.com.ng)

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## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

Our lending products are customised to meet the short, medium to long term financing needs of SME's. The loans are disbursed in four ways, namely project based lending, cluster based product programmes, on-lending facilities and special intervention funds.

The State Offices serve as the primary contact centres for SMEs' diagnostics, implementation support, knowledge sharing and advocacy. As the customer-facing Units of the Directorate, their primary responsibilities are to identify, align requests with suitable funding programmes/services, appraise, secure approvals, implement projects, administer and recover the loans.

Major target sectors include Solid Minerals, Printing and Publishing, Agro and Food processing across different value chains, Healthcare, Light manufacturing, Education, Quick Service Restaurants (QSR), Aquaculture, Bakery, Fashion and Beauty, Youths, Gender etc.

The Bank reaches out to the economically active poor at the bottom of the economic pyramid through on-lending programmes in collaboration with licensed financial institutions, including Microfinance Banks (MFBs), commercial banks offering traditional and non-interest banking products to a diverse customer base. This initiative has enabled the SME Directorate to increase its impact and support to small businesses in Nigeria.



### SPECIAL INTERVENTION AND YOUTHS & GENDER FUNDS

The SME Directorate has initiated/implemented several special intervention funds to bridge identified economic gaps in Nigeria. The Graduate Entrepreneurship Fund (GEF), Youth Entrepreneurship Support Programme (YES-P), North-East Rehabilitation Fund and Business Assistance For Value Adding Enterprises (BRAVE) Women Programme are some of the initiatives aimed at addressing challenges in entrepreneurship development, youth unemployment, gender growth and development, business resuscitation, job creation and poverty alleviation.

Additionally, the Bank was also appointed by the CBN as the Implementing Partner for the pilot phase of the Tertiary

Institutions Entrepreneurship Scheme (TIES). The Scheme is designed to provide financial support to Nigerian graduates who have successfully completed the mandatory National Youth Service Corp Programme (NYSC) not more than 7 years ago. The objective is to channel their youthful energy into productive use and grow our GDP.



### CUSTOMER ENGAGEMENT SESSION

In 2022, the SME Directorate in fulfilment of her strategic customer-centric focused mantra of "Make It Easy for all" held her annual customer engagement session on the 11th of October 2022 with the theme "*Strategic Initiatives for SMEs Survival and Growth in Today's Dynamic and Challenging Macro-Economic Environment*".

Key topics discussed during the session attended by over 550 participants include;

- General business outlook
- Strategic business operation amidst the global crisis
- Business development for SMEs
- Business structuring and administration
- Tax management, financial auditing, regulations and incentives
- BOI's activities and opportunities
- Alternative power sources (focus on renewable energy)
- Opportunities in the solid minerals sector
- Requirements and process of making insurance claims
- Business Outlook for MSMEs in the short to medium term.

### Performance of the SME Directorate in 2022

The SME Directorate obtained approvals for 834 customers with a combined loan value of ₦96.8bn representing a significant improvement from the ₦60.8bn achieved in 2021. The disbursement for 2022 stood at ₦32bn compared to the disbursement figure of ₦22.89bn recorded in 2021 due to the impact of the covid-19 pandemic and resultant lockdown and restrictions on small businesses.

Looking ahead, the Directorate is optimistic that the Group's performance will continue to improve in 2023 as the operating business environment improves.



# Giving Young Entrepreneurs a **YES**

Is the  
Bank of Industry's  
Youth Entrepreneurship  
Support Programme



**YES-P is aimed at equipping young people with the skills and knowledge to be self-employed by starting and managing their own businesses.**

#### Criteria for Eligibility:

- Participants will be drawn from young aspiring entrepreneurs between the ages of 18 and 35 years.
- Minimum educational qualification of an Ordinary National Diploma (OND) or its equivalent.

#### The YES-P Programme Comprises:

- 8 weeks extensive online Entrepreneurship and Business Management training which has the ability to test participants' understanding and track their progress.
- 5 days in-class Entrepreneurship and Business Management training covering the following five (5) modules:
  - The business idea (value proposition & competition analysis)
  - Business model (how will the business make money)
  - Sales and marketing
  - Running a successful business (ethics, compliance, operations, etc.)
  - Financial plan
- Financing of the businesses by BOI under its SME Cluster initiative.

#### Features:

- ✓ Single-Digit Interest Rate
- ✓ 12 month Moratorium
- ✓ 3 – 5 years Loan Tenor



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## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### **KHALIQUES GLOBAL INVESTMENT SERVICES LIMITED (Abuja FCT)**

Khaliques Global Investment Services Limited is a limited liability company incorporated with Corporate Affairs Commission in 2015, to carry on the business of estate, property management and corporate managers.

The company was granted a long-term facility under BOI Fund for furnishing the rooms and kitchen equipment for restaurants.

The company established a standard hotel called Yanna Apartments; for the purpose of business or leisure located at Utako, Abuja-FCT. It is customer-centric hotel with a service culture that is deeply rooted in the fabric of their organizational structure.

The hotel consists of 48 one-bedroom apartments and 8 two-bedroom apartments, Business Centre, 150 capacity Event Halls/Conference room, Restaurants, VIP Lounge, Pool area, Fitness room and self-service Laundry. The guest rooms provide a warm and comfortable home away from home experience. The restaurants have Chinese, Intercontinental cuisine and a Cafe. .



### **DYNACTIC INDUSTRIES LTD (Abuja FCT)**

Dynactic Industries Limited is a family-owned business focused on furniture manufacturing, and operating in Abuja FCT. Due to the ever changing preferences and taste of furniture for consumers of woodwork products in this dynamic market, the Company sought to position itself to cater to these requirements. Prior to BOI's intervention, the business operated mainly as a Furniture Design and Support Service Company. Having acquired industry/market experience, as well as funding to meet its Capital investment requirements, the business has expanded its business scope to include Furniture Production and is now able to meet wholesale demand. The Business now provides furniture solutions on a large scale to such clients as Estates, Hotels, and Corporate Buildings.



### **ZOLANT MEDICAL LABORATORIES LTD (Abuja FCT)**

Zolant Medical Laboratories Ltd was incorporated in 2014 to carry on the business of providing medical laboratory services such as diagnoses, scans and other health tests. Due to its growing client base, the Company sought a Credit Facility from BOI for the purchase of modern Equipment. In line with its strategic plans, the Company set itself apart through the timely delivery and accuracy of test results achieved with the use and constant upgrade of State-of-the-art equipment. In line with this objective, the Company moved to a bigger location and requested an additional Facility for the equipping of the new Clinic. The Clinic has moved from servicing an average 600 clients monthly, to over 2000 clients monthly and conducting medical outreach programs, while growing its employment register from 4 staff to 17 staff.



### **HSM INTERNATIONAL LIMITED (Abuja FCT)**

HSM International Limited is a limited liability company which was incorporated July 2nd, 1992 to carry on the business of confectioneries.

Long term facility was granted to HSM International limited and fully disbursed in 2022 for the purchase of state of the art equipment used in production of Bread, biscuit and other confectioneries. The Business was financed as a start-up with only a few Admin Staff prior to the disbursement of the loan.

The Company has created about 27 employments consisting of 12 direct and 15 indirect staff and are still planning on employing additional staff as the production capacity increases gradually.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### NICEN INDUSTRIES LTD (Abia State)

Nicen Industries Ltd is a company situated at Osisioma Industrial Area of Aba, Abia State. The business is into manufacturing of various types of paints, household plastic wares. The company is a beneficiary of BOI fund Loan for expansion of its production capacity.

The company was previously operating with diesel generators, however with the loan facilities granted to the company, it now utilizes gas generators for power generation for its equipment and machines and also raw materials, which has made for efficiency and profitability of the business. The company now produces 150,000 units/month of household plastics wares, which is an improvement from 40,000 units/month. They also produce 750,000 units per annum of various types of paints, which is an improvement from 650,000 units per annum. The business expansion is accompanied by an increase in employment, which is now 150 staff as against 100 staff, to match improved production capacity of the company.



### DAILY GREAT FOODS PROCESSING COMPANY (Abia State)

Daily Great Foods Processing Company is rice processing company located in Aba, Abia State. The company is a beneficiary of BOI loan for expansion to meet demands of its customers.

The company was previously operating with only one rice processing machine and inadequate working capital, however, with the loan facilities it now has rice destoning machine and rice polishing machine, thereby improving the quality of rice produced. Before the loan facility, the company which produced 600 Bags of rice per month, now produces 1,000 bags of rice per month. The staff strength also increased from 10 to 14 employees.



### OKLAND MANUFACTURING COMPANY (Abia State)

Okland Manufacturing Company is located in Aba, Abia State. The company produces underwear for children and adults. The company is a beneficiary of BOI loan for expansion of its garment production.

The company was operating with 20 different types of sewing machines, however with the loan from BOI it now operates with additional 9 industrial sewing machines, industrial tapping machine, additional bandage cutting machine and 1 additional electric scissors as well as improved working capital. Its production per month has increased from 90,000 units to 120,000 units.

The expansion also led to employment of 24 additional staff, bring the total number of staff to 69 from 45.



### ODIKAS PLASTIC INDUSTRY (Adamawa State)

Odikas Plastic Industry is an indigenous company incorporated on the 13th of April 2021. The company is into the production and recycling of plastics from waste items.

Odikas Plastic Industry recycles various waste products into plastic pellets which are used as raw materials in the production of plastic cups, kegs, spoons, bowls, etc. The company is among the only 3 recycling companies located in Adamawa State. BOI provided machinery for the company to boost its production of various sizes and colours of plastic items.

Prior to accessing the BOI facility, the company had a staff strength of 15. After the financing, the company's staff strength increased to 20.





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

### CHABEES CLASSIC INTERIORS (Adamawa State)

Chabees Classic Interiors is a fashion design business. The company was incorporated on the 16th of April 2020.

The company approached BOI for financing of new machineries for the business to enable them scale up production. Some of the company's trademark products includes clothings, bedsheets, duvets, throw pillows and curtains. Since the financing from BOI, the company has been able to compete favorably with other competitors within Adamawa State.

After the implementation of the project, the company was able to employ 4 additional staff to its existing workforce of 6 Staff.



### TOP TASTE SUPER LOAF BREAD AND SONS (Adamawa State)

Top Taste Super Loaf Bread and sons was incorporated on the 9th September 2013. The company is into the production of bread, snacks and other confectionaries.

Top Taste Super Loaf Bread and Sons produces various types and shapes of bread for consumption in Adamawa State. The company approached BOI for financing of modern equipment for its bakery. The new machines provides the company with a cutting edge among its peers in the industry. This has led to increase in daily bread production.

Before the intervention of the Bank, the company had 22 staff, this number has risen to 30 after disbursement of the loan.



### SACAM AGRO PROCESSING MILL NIG LTD (Akwa Ibom State)

Sacam Agro Processing Mill Nig Ltd is a wholly indigenous company registered with the Corporate Affairs Commission (CAC) in June 2018, with its location in Uyo, Akwa Ibom State. The company is solely engaged in rice processing with an installed full production capacity of about 7,500 Metric tons of rice/annum) but currently produces at about 50% capacity utilization.

The financial support from BOI has resulted in the significant expansion of the company's rice processing business at quite a significant commercial scale as equipment were procured and installed, as well as the provision of working capital for raw materials for the company. This has tremendously impacted the business landscape of its host community.

The financial support from BOI also led to the creation of additional fifty (50) jobs, consisting of twenty (20) direct Jobs and thirty (30) indirect jobs.



### EL-ZIBA VENTURES (Akwa Ibom State)

El-zibar Ventures is an indigenous business enterprise registered with the Corporate Affairs Commission (CAC) in 2018, with its location at Uyo, Akwa Ibom State. The enterprise is a Poultry Farm engaged in the production of eggs with an average egg production of about 20,000 crates/annum). The enterprise sells eggs on a daily basis, sells the droppings from the birds bi-annually and also the old layers are sold every 2 (two) years to generate revenue for the enterprise. The farm at full capacity can stock 4,000 birds but currently has 2500 birds.

The financial support from BOI has resulted in a significant expansion of the enterprise business operations as a result of the additional funding support from BOI for the procurement and installation of bird cages, birds, feeds among other ancillary items for the enterprise. This has significantly improved the business confidence level of the chief promoter and the capacity to meet up with the high demand for eggs by customers.

The financial support from BOI also led to the creation of additional ten (10) jobs, consisting of Six direct Jobs and four (4) indirect jobs.





# SMALL AND MEDIUM ENTERPRISES DIRECTORATE

## FRIENDS INDUSTRIES LIMITED (Anambra State)

Friends Industries Limited is a private limited company that is engaged in manufacturing of quality PVC pipes, utilized for the installation of plumbing systems in building construction. The project is situated and operates from Anambra State, however, its reach spreads across the entire nation leveraging on its network of distributors across the nation.

The business commenced commercial operations in 2018 at the instance of a loan facility from the Bank of Industry. The Bank has since funded other expansion projects for the company with noticeable economic impact observed in terms of growth and job creation.



## PERSONIFIED CLOTHING (Bauchi State)

Personified Clothing is a business that offers boutique services with a focus on selling contemporary clothing. The company has been around for a while and mainly focused on selling clothes for men.

The business has gradually customized its inventory to match the unique requirements of its audience by attentively monitoring generational fashion trends as well as their consumers' purchasing preferences. The enterprise has a wide variety of high quality, and most trending items available. Their primary product range consists of clothing items such as casual clothing, jeans, shirts, slippers, etc.

Bank of Industry helped the company by funding its business expansion through the North East Restoration Fund (NERF), allowing it to expand its product offering to include corporate apparel and meet the ever increasing customer demand. This has allowed the company to grow its customer base and increase its employability.



## SAN PEIRRE LIMITED (Bauchi State)

San Peirre Limited's business interests spans several industries. As a conglomerate, its main focus is solution driven, whether in the quest to solve industrial problems in the construction sector via the provision of design-build services or the creation of bespoke solutions for individuals and communities, the customer-focused business venture thrives in solving everyday problems in several sectors of the Nigerian economy.

Established as a private limited liability company, San Peirre Ltd. has commercial interests in the construction, oil and gas, transportation and explorative industries. BOI supported the company's diversification into Liquefied petroleum gas distribution. This has contributed to the company's ability to create jobs (currently the business hires 10 direct employees).



## DNA TRACES (Benue State)

DNA Traces Empire is a business enterprise established to meet the printing needs of North- central Nigeria and have had a major footprint in Benue State. The company's reputation for its quality printing and customer service precedes its far reaching into other region of the country. The company received permit to run its business as a limited liability company at No 2, barracks road, Makurdi, Benue state. DNA Traces Empire prides in the printing and publishing business by virtue of the good quality of work, timely delivery and exceptional customer service it offers.

The business approached the Bank for procurement of equipment and since securing the facility, it has been able to produce improved quality printings as well as match the high existing demand within the state and the country at large.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### FELLYMIK MULTIPURPOSE COOPERATIVE SOCIETY (Benue State)

Fellymik multipurpose Coop. society Limited is an integrated livestock farm located in North-Bank, Makurdi, Benue State. The farm is an integration of Poultry and fishery and the business secured a loan facility for the expansion of its fish farm under the BOI-BNSG matching fund.

The loan facility has aided the business to rehabilitate and stabilize financially. The business is now able to breed about 10,000 fish in a year with the help of the provided working capital.



### GREEN SOURCE FARM PRODUCE (Benue State)

Green Source Farm Produce Limited is a business whose interest includes agro-processing and agricultural commodities marketing and is located at Makurdi. The company approached Bank of Industry for a facility to enable the processing of cassava and mango into flakes. Since benefiting from Bank of Industry's intervention, it is now able to produce about Five (5) Tonnes per day thereby meeting the existing demand.



### Health Recipe-Plus Integrated Service Nig. Ltd (Borno State)

Health Recipe-Plus Integrated Service Nigeria Limited provides pharmaceutical products and services to its customers in Borno State. The business operates in line with regulating the pharmacy business in Nigeria as set by the pharmaceutical society of Nigeria (PSN) and the National Agency for Food, Drug Administration and Control (NAFDAC).

The Bank financed a working capital loan to the customer to purchase drugs and other health-related products under the Northeast Rehabilitation Fund. The intervention has revived the pharmacy, even though insurgency and insecurity affected its operations and services. With the support of the Bank, It has fully resumed operations with a renewed enthusiasm to serve and provide professional pharmaceutical services.



### BUBA SHOES FACTORY (Borno State)

BUBA SHOES FACTORY - Shoe footwear located in Maiduguri, Borno State, Nigeria. It was established by Alhaji Aminu Buba some years back to manufacture High-quality footwear. Over the years, the Company has evolved enormously and provided job opportunities to people. It produces casual and formal shoes, making the brand one of the most popular footwear in the North East region. It sells high-quality shoes, making it the most preferred shoe brand in Maiduguri.

With the support of the Bank, the Company has increased its production capacity and augmented its sales volume. The loan has helped the Company expand its distribution network and recruit more personnel. Also, it caused a surge in profit by a 50% increase.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### TRAVEL HAVEN GUEST HOUSE (Borno State)

Travel Heaven Guest House was registered with the Corporate Affairs Commission on 22nd January 2020. It is a company primarily engaged in providing hospitality of all kinds. Before BOI intervention, the hotel had a capacity of 7 rooms, a restaurant, a shop and a Bar, with an average occupancy rate of over 98% daily, which necessitated an expansion plan of additional 11 standard suits.

The Bank disbursed a loan to travel heaven to procure Furniture and fittings; Matresses, Bed frames, Air conditioners, Televisions, Fridges, CCTV Cameras, Printers, and a Generator. The rooms are furnished and specifically designed to cater for the need of both the corporate and public markets. The proposed expansion has created additional ten (10) jobs.



### MUSTADAM GLOBAL VENTURES LTD. (Borno State)

Mustadam Global Ventures Limited is a Limited Liability Company that is licensed to carry out the business of Liquefied Petroleum Gas/Compressed Natural Gas. The Company's standard cooking gas plant is located along Damboa Road, Maiduguri, Borno State.

A working capital loan was financed to the customer to procure Liquefied Petroleum Gas under the North-east Rehabilitation Fund. The Bank's intervention helped in boosting the working capital of the Company and increase staff strength from six (6) to eighteen (18) and increased revenue by a high percentage.



### DANDANI FARMS NIGERIA LIMITED (Delta State)

Dandani Farms Nigeria Limited is a Poultry Farm of 3,500 birds laying eggs as raw materials for its hatchery session which has a capacity of 70,000 per month. The products of the hatchery session are Day Old Chicks (DOC). These DOC are sent to its farm at Saniko (12,000 capacity), Etefe (45,000 capacity) and Orokpe (30,000 capacity), where they are nurtured for 5-6 weeks before they are culled, then processed to frozen chicken at the Etefe facility.

The farm approached Bank of Industry Limited for a multiple loan facility for procurement of equipment and raw material to further expand the production capacity of its frozen chicken business. This was necessary after its operation was adversely impacted by Covid-19 Pandemic. The intervention of Bank of industry has enabled the Business to successfully expand, thereby resulting to increase in staff strength as more manpower became necessary to match the improved capacity.



### PHEFA FARMS NIGERIA ENTERPRISE (Delta State)

Phefa Farms Nigeria Enterprise is a Poultry Farm engaged in the production of eggs (80,000 unit/annum). It sells eggs on a daily basis, sells the droppings from the birds bi-annually, also the old layers are sold every 2 (two) years to generate revenue for the enterprise. The farm at full capacity can stock 3168 birds but currently has 2500 birds.

In a quest to maximize the capacity of the farm, the enterprise requested a loan facility for the procurement of additional items of equipment (battery cages) and feeds required for its business. The chief promoter has over 8 years experience in poultry farming and has 8 direct staff and 10 indirect staff.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### CONDAVOT FARMS LTD (Ebonyi State)

Condavot Farms Limited is an integrated Agro-processing company, its business ranges from a livestock/feed mill production plant, a poultry farm with capacity for more than five thousand birds, a hatchery for fingerlings as well as egg incubators to produce day old chicks. In recent years the company expanded into wood processing for furniture and construction use.

The Business was able to acquire additional equipment for its wood processing production line as a result of BOI's support. The company's wood processing division has shown promise and driven the company's revenue above 75%. The company has its customers from furniture makers, construction industry, builders as well as all wood users located in Abakaliki and its environs. The expansion has been accompanied by an increased staff strength, increased capacity of production as well as additional revenue. Its businesses are done using environmental friendly processes which also ensures environmental protection and preservation.



### HAPPY CHERRYFOODS INTEGRATED SERVICES (Ebonyi State)

Happy Cherryfoods Integrated Services is an agro based business which is into the processing of Paddy rice into a polished edible rice. The business approached Bank of Industry Ltd for the funding of its modernization/ expansion proposal.

With BOI's funding it was able to procure and acquire high-end machines to enable it meet its customers rising demand. Its major off takers are now enhanced beyond the state to neighboring states and as far as Lagos, Rivers and Abia states. With the BOI loans its products include well destoned, and well-polished rice in very attractive packaging. It has also engaged additional staff as machine operators as well as sales staff.



### DAPRECE OZONIZED TABLE WATER (Ebonyi State)

Daprece Ozonized Table Water produces clean ozonized table water that is uniquely packaged in 50cl sachet. The customer has been in the business over a period of four years after being established under the BOI's GEF Fund. As a success story of the GEF Fund, the customer has also received a second funding from the Bank for its expansion.

BOI's loan has enabled the enterprise to build a good network within the water producing industry in its coverage area. It is able to reach out to its customer base directly with the delivery truck acquired for the business. The enterprise has also been able to recruit and employ additional qualified individuals as its own quota contribution to employment generation in Afikpo town, Ebonyi State.



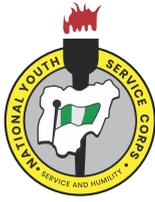
### SUGAR WORLD ENTERPRISE (Edo State)

Sugar World Enterprise is a Company, located in GRA, Benin City, Edo State. The company is into the production of Bakery and confectionery materials such as Bread, Cakes, Snacks. They also offer Training services for caterers. One of its novel product is the Sugar Bash Bread, which is of high demand within and outside Benin City.

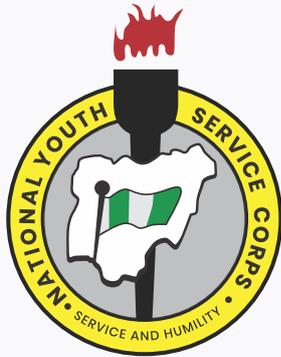
Prior to BOI's intervention, the business was solely a micro enterprise running its daily activities to meet the bread and confectionery needs of customers within its vicinity. The Bank's financial intervention through its partnership scheme with the Edo State Government has positively impacted the daily activities of the business and improved their production capacity with the introduction of the new processing equipment such as Rotary Ovens, Ice-cream machines etc.

The company which is promoted by a Woman has also generated job opportunities for additional 15 employees as its new ultramodern outlet located within GRA in Benin City, Edo State.





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



# GEF

## GRADUATE ENTREPRENEURSHIP FUND

A special fund to encourage young Nigerian graduates of tertiary institutions who are currently serving under the National Youth Service Corps (NYSC) programme to start up new businesses as well as expansion of existing ones.

Available to serving NYSC members that have successfully passed through the following stages:

- Selection and screening of eligible serving corps members
- Capacity building programme
- Submission of bankable business plans
- Financing of viable businesses

### Key Highlights

- Zero Interest
- Loan tenor: 3 to 5 years
- Moratorium period: 6 months from disbursement
- Obligor Limit: ₦3 million



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## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### PROSPECT FARMS (Edo State)

Prospect Farms is a business enterprise located in Benin city, Edo State with special interest in poultry farming. They provide high quality and affordable chickens and eggs to its teaming customers in Benin City and environs. The business leverage reasonably on technology in driving sales through e-marketing. The Chief Promoter who is a female and retired civil servant has over 7 years' experience in poultry farming. She is a committed member of the Poultry Association Of Nigeria (PAN) Edo State Chapter, and the Association has provided her with a veritable platform for regular training on poultry production and mentorship.

In a bid to expand her business operation, the Chief Promoter approached the Bank of Industry under the BOI-EDSG MSME Funding scheme and financial assistance was offered for the procurement of Point-of-lay birds and high quality Chicken feeds.

Through Bank of Industry, the enterprise has experienced rapid increase in its profitability and clientele base.



### THE SKYLARK SCHOOLS (Edo State)

The Skylark Schools is a privately owned school located in Benin City, Edo State and fully accredited by the Ministry of Education in Edo State. It was registered with CAC in 2017 to provide Educational services.

The school has an excellent record of delivering quality educational service within Benin City. In other for the school to maintain this standard and move ahead of the competitions, the school had to approach Bank of Industry for financial intervention to acquire modern facilities.

The Bank through its partnership scheme with the Edo State Government assisted the school in acquiring new educational facilities such as Artificial Turf Grass, Outdoor Children Play Houses as well as modern School furniture and fittings.

Following the Bank's intervention, the School has been able to achieve her goals of providing quality educational services, increased pupils intake capacity and create more employment opportunity for teachers and caregivers.



### DUBAI PLACE & SPA (Ekiti State)

Dubai Place & Spa is an enterprise that was established to provide Haircut and Spa treatment services. The business is a beneficiary of the FGN NEDEP fund provided by the Bank.

The promoter has almost 20years experience in the business. The company was previously operating from one branch; However, since the intervention of the Bank, the company has been able to open another branch and maximize its profit. The business was financed with different equipment used for Spa services, going from its Spa chairs to the pedicure seats.



### AFE BABALOLA UNIVERSITY (Ekiti State)

Afe Babalola University, Ado-Ekiti (ABUAD), a Federal Government-licensed, Non-Profit Private University, has a well-structured industrial park where factory for producing Herbal Product Factory, Recycling Factory, FESTO Facts Centre, MDF/HDF Wood Factory, Intravenous Infusion Production Plant, Rice Processing Factory, Yam (Poundo) Factory, Cassava Processing Factory, and Pepper Drying Factories are established.

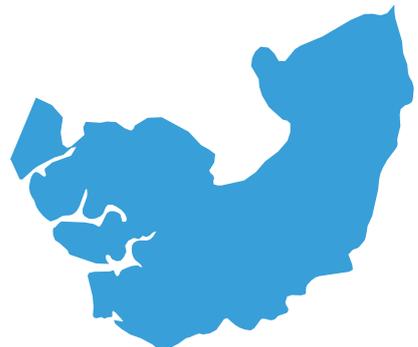
The School approached Bank of Industry under the CBN Industrial Fund for the funding of its procurement of items of machinery for Recycling Plants to enable it recycle the increasing waste plastics in Ekiti State. The company has 100 - Direct and 50 - Indirect Staff.





BOI / Delta State Government

# HEALTHCARE 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

### TOP HEIRS DIAGNOSTICS CENTRE (Ekiti State)

Top Heirs Diagnostics Centre is an enterprise that is established as a community based medical and diagnostics center. This business is a beneficiary of the NEDEP funds provided by the Bank. The Chief Promoter of the business has been a consultant Physician and Nephrologist with the Federal Teaching Hospital for up to 5 years.

The business approached the Bank of Industry for the funding of its diagnostics machine, to meet the needs of its immediate demand in Ekiti. The Chief Promoter has been a medical doctor for more than 15 years with a lot of experience in the field of medical diagnostics. The company has 8 direct and 6 indirect staff.



### PHEBEAN BEKKY MULTI\_BIZ COMPANY (Ekiti State)

Phebean Bekky multi-Biz company is a fish farming business located in Ado- Ekiti, Ekiti State. The business is a returning customer who was availed a facility under Graduate Entrepreneurship Fund (GEF fund) and was fully liquidated.

The business again approached Bank of Industry under the Federal Government NEDEP fund for the funding of its expansion of the farm farming business. The Chief Promoter has over 7 years fish farming experience and currently has 5 - Direct and 2 - Indirect Staff. The impact of BOI funding has significantly grown the business



### BONS INDUSTRIES LIMITED (Enugu State)

Bons Industries Limited has been incorporated since 1989 as a limited liability company to carry on business as a manufacturer of various types of high quality bakery materials and food ingredients importer of Bakery materials and Food ingredients, overseas manufacturer's agent and distributor of general goods. The company has its corporate office in Lagos and factory office in Enugu, all in Nigeria, with branches spread across the six geopolitical zones of the country.

Prior to BOI's intervention, Bons Industries Limited had a total of 178 employees and with the expansion, its staff strength is increased to 203 employees.



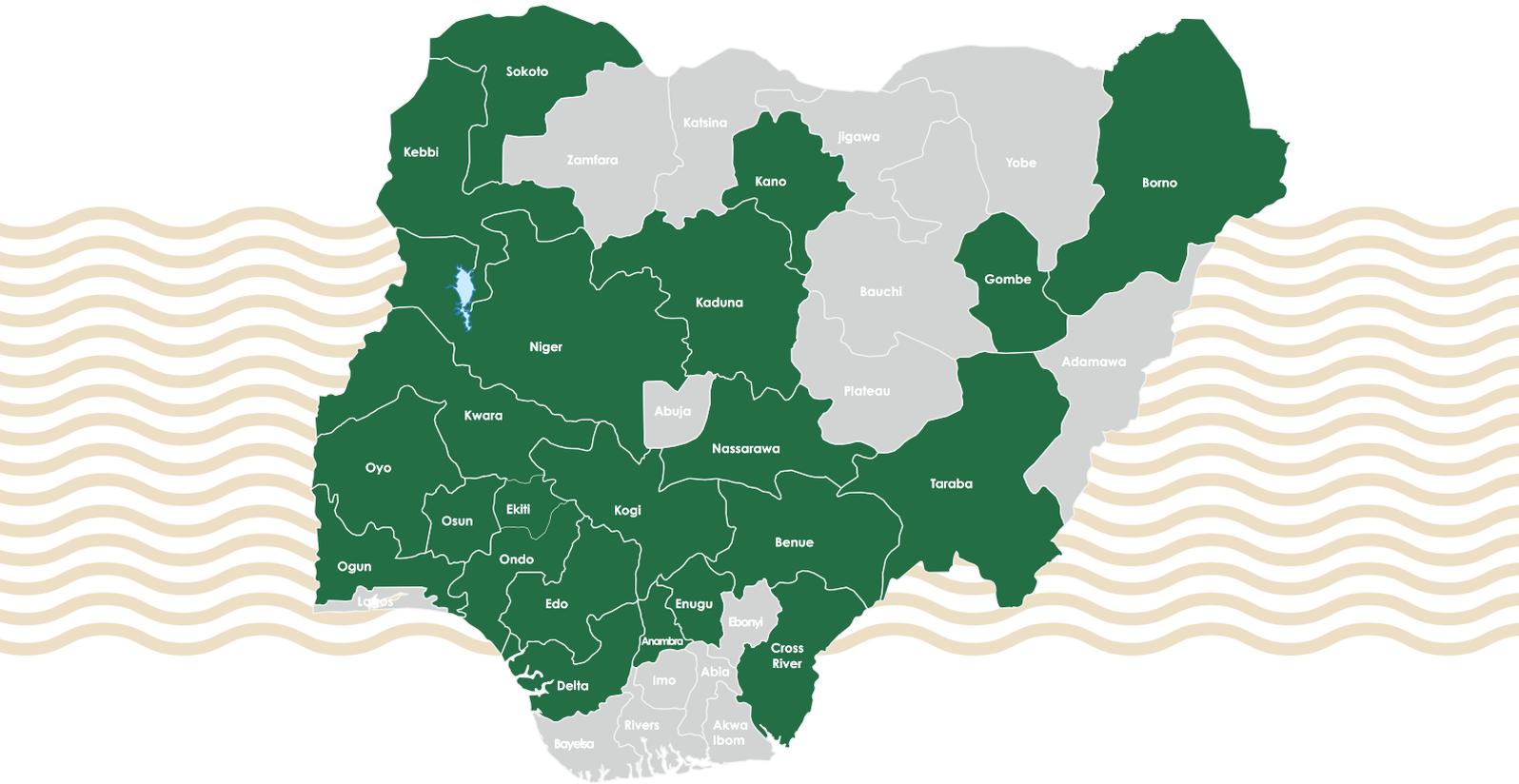
### AARONS PLACE LTD (Enugu State)

Aarons Place is a hotel which was incorporated in October, 2012. Prior to obtaining a loan from the Bank of Industry, Aarons Place had 75 rooms, a Gym, Lounge, Swimming Pool Facilities and restaurant. Since the disbursement of the loan facility, the hotel has expanded, now boasting 100 rooms, a multipurpose hall and more modern amenities. The staff strength has also increased from 62 staff to over a 100 employees.





# 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
- Benue
- Borno
- Cross River
- Delta
- Edo
- Ekiti
- Enugu
- Gombe
- Kaduna
- Kano

- Kebbi
- Kogi
- Kwara
- Nasarawa
- Niger
- Ogun
- Ondo
- Osun
- Oyo
- Sokoto
- Taraba

**Features**

- **Single obligor limit:** ₦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

### FINEST ROYAL INTERIORS (Gombe State)

Finest Royal Interiors is a business enterprise established in Gombe that provides easy and affordable access to quality furniture products and related services in Gombe State.

The business approached Bank of Industry under the North East Rehabilitation Fund (NERF) for the funding of its modernization/expansion of high-end raw materials to enable it meet its customers rising demand. The Chief Promoter has more than 5 years' experience in the furniture business.

Prior to the disbursement of the facility, the company had 8 staff and increased to 15 (direct and indirect) after the disbursement.



### ATLANTIS MILESTONE ADVANTAGE INVESTMENT LTD PROFILE (Gombe State)

Atlantis Milestone Advantage Investment Ltd was incorporated as a Limited Liability Company on February 15, 2016 with Share Capital of 1,000,000. The Company is among the first indigenous businesses that produce bottle water in Gombe State. The establishment of the company was prompted by the need to boost table water production in the State with the aim of providing quality water and employment to meet local demand and further capture larger market share.

The company accessed a working capital facility in 2022 to expand its production business due to the high demand for its products (Atlantis Water).

After the disbursement of the facility, the Company increases its staff workforce (direct and indirect) from 200 to 300 which translated 50% increase on employment generation.



### ALIBSON FURNITURE AND INTERIOR DECORATION. (Gombe State)

Alibson Furniture and Interior Decoration is a business enterprise registered on 17 September 2020. The aim of the company is to provide quality and affordable furniture's to its customers.

In 2022, the business approached Bank of Industry under the North East Rehabilitation Fund (NERF) for the funding of furniture business to acquire high-end machines to enable it meet its customer rising demand. The loan was disbursed on November 2022.

Prior to the disbursement of the facility, the company had only ten (10) staff and had increased to seventeen (17) after the disbursement.



### DIYYO INT'L ENERGY LTD. (Gombe State)

Diyyo Int'l Energy Ltd is a limited liability company and was registered in 2017 with the aim of carrying out business of Long - Span Aluminum Zinc Roofing Sheets corrugation in Gombe State. The company is one of the most preferred indigenous aluminium roofing sheet in Gombe due to its products quality, affordability and after sale service.

The MD/CEO of the company is a civil Engr. with over 12 years managerial experience in Long - Span Aluminum/Alu-Zinc Roofing Sheets corrugation business. The company started relationship with the bank in 2017 (Micro credit loan). Due to the high demand of their product and quality services, the Company approached BOI for additional facility in 2022. Currently, the Company accessed its fourth facilities in BOI.

Prior to the disbursement of the facilities, the company had 15 staff and increased to 20 staff after disbursement (direct and indirect).





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### HOMEPIES POULTRY EGG FARM (Gombe State)

Homepies Poultry Egg Farm is a business Enterprise registered in Gombe with the aim of providing quality and affordable poultry egg. The company is one of the most preferred indigenous poultry farm in Gombe due to its products affordability and availability.

The Company In 2022 approached BOI to access facility under the North East Rehabilitation Fund. Moreover, the facility was disbursed in March 2022.

The company had increased its staff from four (4) to ten (10) after the disbursement of the facility.



### OMA EMBROIDERY PRODUCTS LIMITED (Imo State)

Oma Embroidery Products Limited is a private limited company engaged in the delivery of all manner of embroidery services. The company operates from Owerri, Imo State, however, it has been able to extend its services to various organizations and institutions located around and within the South-East and South-South regions. Its clients include religious organizations, Schools, Hotels etc.

The company approached the Bank of Industry to finance the acquisition of modern equipment in the embroidery space, to enhance the quality of their products to meet global standards. The company targets to be home to one of the best embroidery services in the country, and all its investments and expansions so far has strategically positioned the company to achieve this vision.



### THEDA ALUMINUM LIMITED (Kaduna State)

THEDA Aluminum Ltd is a registered aluminum manufacturing company located in Kaduna State. The Company specializes in the fabrication of a variety of durable aluminum products mainly aluminum roofing sheets and accessories. They currently manufacture, fabricate, assemble, supply and export these aluminum products with in Nigeria and other neighboring countries.

Prior to BOI's intervention, the Company made use of some equipment that under-served the real purpose of the fabrication process producing only 40 tonnes / month of the aluminum products. However, with the intervention of BOI, THEDA Aluminum has been able to upgrade its facilities by producing 60 tonnes / month of these products and this in turn has led to an increased staff strength of 10 additional direct jobs and 5 indirect jobs to match the increased capacity. The loan disbursement to THEDA Aluminum Ltd has truly assisted the company in unlocking its true potential in maintaining good quality product at a competitive price.



### HARMONY HOSPITAL LIMITED (Kaduna State)

Harmony Hospital Limited is a standard, licensed and certified health service provider. The company is in the business of providing health services such as in-patient care, out-Patient care, Anatomical pathology services, diagnostic x-ray services, clinical laboratory services, operating room services and other medical services. The hospital provides /delivers excellent healthcare services to people within and outside Kaduna State. Harmony Hospital delivers excellent health services by complying with laws and health regulations within the country and in the state.

Harmony Hospital Limited is well-equipped and has a staff strength of about 45 employees. Access to equipment financing through BOI has seen the growth of their staff to about 13 employees (both direct & indirect) to man the new equipment.

The Bank's intervention has given the hospital a major boost by providing state-of-the art equipment that caters for the needs of peculiar patients.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### AL-BABELLO TRADING COMPANY LTD (Kaduna State)

Al-Babello Trading Company Ltd is an indigenous Nigerian company which was incorporated at CAC on 3rd May, 1998, with its corporate head office situated at Sabon Gari Zaria.

The Company produces paint products according to the Nigerian Industrial Standards specification for Emulsion and Gloss paints. Al-Babello paints has a competent production quality control process that ensures production of quality paint products.

Prior to BOI's intervention, the Company is already known in the market and its products are transported to any part of the country with ease. However, since the loan was disbursed, the factory now serves both the northern and southern market effectively. More so, they have a trucking and logistics line that guarantees product spread, and has gained increased patronage which in turn, led to the creation of 20 new direct jobs and 25 indirect jobs.



### AMHADS FARM AND GENERAL ENTERPRISE (Kano State)

Amhads Farm and General Enterprise, a Central Bank of Nigeria - Tertiary Institution Entrepreneurship Scheme (CBN-TIES) Beneficiary operates a modern cottage poultry farm in Kano where it rears day old broilers chicks for household and commercial consumption.

The promoter upon Graduation ventured into small scale hatching of day old broiler chicks which are grown over 18-22 weeks and sold off during festive periods. However, with the support of the Bank through the purchase of birds, feed as well as equipment for the farm, the promoter has been able to constantly stock birds thereby increasing the cash conversion cycle as well as output of the farm. This has in turn increase the number of man-power employed by the business.



### CHARLES MEKUS PHARMACEUTICAL AND STORES NIG. LTD (Kano State)

Charles Mekus Pharmaceutical and Stores Nig. Ltd is one of the pioneer pharmaceutical company granted license to produce over the counter Antibiotics and suspension in Kano, Nigeria. The products of the company include Ampiclox 500mg, Ampicillin 250mg, Amoxicillin 500mg and Tetracycline 250mg.

The Company with over a decade in trading of the products has successfully penetrated the distribution channels of the local markets and has since gained significant market recognition. The company has dealers in about 15 States Including Kano, Katsina, Sokoto, Kebbi, Edo, Kaduna, Niger and the Federal Capital Territory, FCT-Abuja.

The support from the Bank enabled the company to commence commercial operations with the acquisition of the State of the art and high end modernized machinery. Currently, the operations of the company have stabilized and bid to expand to enable the company serve the readily available market.



### GABO RICE FARMS MULTI-PURPOSE VENTURES (Kano State)

The company operates an integrated rice mill at its purpose built factory site in Kura Town, Kano - one of the renowned rice/wheat clusters and also engaged in mechanized farming of rice & wheat.

The company being a key member of the Agro-value chain player in its vicinity approached the Bank for the acquisition of a fully automatic harvester to enable the company deepen its reach in the sector by providing harvest services to small scale millers which reduce harvest loses across the rice/wheat value chain and in turn boost rice milling operations through the use of the modern machinery financed by the Bank.

The company has made impact by reducing post-harvest losses to less than 5% in the first Six (6) months of operations, increased the income of value chain players at the farm gates, lowered harvest processing from 3-days per Hectare to about 8hours per Hectare.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### AA AGRO ENTERPRISE (Katsina State)

AA Agro Enterprise was incorporated as an enterprise on 2nd March, 2021 with the Corporate Affairs Commission. The company is into Animal fattening business located at No. 188 Maiduguri Road dutsin Amare Katsina, Katsina State. The company commenced operation in 2022 with a working capital loan intervention from BOI/CBN TTIES. The company has an open market structure and also supplies to different markets such as Mashi, kaita, charanci and dankama etc.



### JUA POLY BAGS (Katsina State)

Jua poly bags and integrated services is into production of polythene bags from virgin and recycle materials in Katsina. The company started production 4 years ago, though was registered with the Corporate Affairs Commission in year 2019.

The company produces black poly bags of sizes 5:9 and 8:11, which are packed in 60pieces, 80 pieces and 100 pieces bundles. It also seldom produces white polythene bags. It presently produces 25-30 bags of ten (10) bundles of poly bags each in its 2 daily shifts. Its production puts more emphasis on the use of recycled material from its and other companies in similar business in its bid to carry out an environmental friendly production activities.

However, given high demand for a white polythene bags in the market, the company now intends to acquire an extruder machine to be dedicated for the production of white polythene bag. Hence the need for this loan facility for the company's strategic plan.



### CROWNHERIT MULTIREOURCES (Kwara State)

Crownherit Multiresouses is a returning customer of the bank that produces table and sachet water. The Bank has supported the company with loan facility for machineries as well as working capital for packaging materials in order to increase its production capacity and meet market demands.



### INNAWURO FARMS LIMITED (Kebbi State)

Inna Wuro Farms Limited is a leading agro-allied company with over 8 years of experience in commercial egg production. The company's mission is to emerge as a key stakeholder in the industry by providing high-quality eggs in the North-Western region of Nigeria. Located in Dole Kaina, Arewa Dandi Local Government of Kebbi State, the farm boasts a capacity of 10,000 birds and is well-positioned to serve a vast market that spans Kebbi, Niger, Sokoto, as well as Benin and Niger Republics. To support its strategic growth plan, the company has secured a credit facility from BOI to finance the acquisition of additional battery cages and working capital. With its impressive size and well-integrated operations, Inna Wuro Farms is one of the largest farms in the state and is poised for continued success.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### DEDAYOUR MULTIBIZ ENTERPRISE (Kwara State)

DeDayour Multibiz Enterprise is a fish farming business located at Ajase Ipo Road, Adisco Area, Ilorin, Kwara state. The company approached BOI to request a loan facility to enable the farm stock up fish feed in bulk so as to combat the negative effects of inflation on the business. This facility has enabled the business to reduce cost of production as well as increase the profitability of the business.



### RALADEX GLOBAL SERVICES LTD (Kwara State)

Raladex Global Services Ltd. located at Baba-Ode Village, Coca-cola road, Ilorin, Kwara state. It has been in the business of production of Corrugated Aluminum Roofing Sheets for the past five years. Due to an increased demand for its products, the customer requested a loan facility from BOI to acquire additional machines as well as raw materials (aluminum coils).

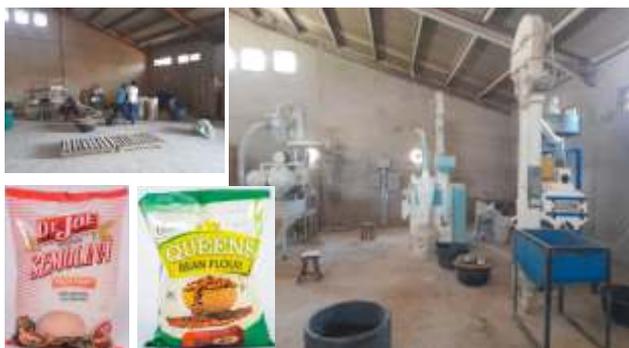
This expansion project has increased the production capacity of the company by 50% enabling the company to meet more market demands as well as generate at least 20 direct/indirect new jobs.



### PROMAKAR FARMS NIGERIA LIMITED (Kwara State)

Promakar Farms Nigeria Limited is a food processing and packaging company in Kwara State, Nigeria. It was commissioned in 2016 with a milling capacity of 12 metric tons per day. This agribusiness acquires selected local grains and processes them into fine quality flours with improved the shelf life.

The company reached out to Bank of Industry for additional working capital (raw material) to support production of its product. The major products of the company are De Joe Sorghum Semolina, Queen Beans Flour and De Joe rice.



### THE ART HOTEL (Lagos State)

The Art Hotel is a hospitality business located in the Victoria Island area of Lagos. The business was established to satisfy the high-end hotel market. It is a five-storey building with 46 rooms, a lounge bar, restaurants, a swimming pool, a business centre, Gym and Spa. The Art Hotel is 100% indigenous with a vision of consolidating the leading status of Nigeria in the West African Hospitality Industry.

Bank of Industry part funded their expansion request to furnish and equip the hotel with ultra-modern facilities as well as furnishing. With the BOI facility, they were able to kick start their business and have created employment opportunities in Lagos.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### TRIPPLE GEE & COMPANY PLC (Lagos State)

Tripple Gee & Company are manufacturers of secure financial and commercial instruments, labels and flexible packaging materials and high end authentication and verification services. Our range of products and services cater for industry sectors from the Banking, Oil and Gas, FMCG Manufacturers, Pharmaceuticals to Government Regulatory Bodies. They over 40 years in the print business and a solid track record working with Financial Institutions, Multi-National organizations, Governments and Research Institutes. Tripple Gee has evolved and improved the security and quality of the transactional and commercial instruments space over the years.



### HEALTH PRODUCTS AND 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.



### MASULAS NIGERIA LIMITED (Lagos State)

Masulas Nigeria Limited commenced operations in 2021 trading on commodities. By December 2022, with part funding from BOI, they expanded their operations to own an Italian franchise restaurant brand called CiGustal!, displaying gelato flavours, ranging from delicious creams to refreshing fruit, milkshakes decorated with crunchy crumbles or colourful smoothies cuisine all with a blend of Nigerian taste, perfect for enjoyment during and after a long day at work.

Upon expansion of its business, the company staff strength grew from 5 to over 50 direct labour with over 10 indirect labour created as of date. They remain the only Italian-styled gelato parlour in Nigeria, offering the same quality as the best Italian gelato parlour in the world. Masulas brand blends the culture and passion for artisanal gelato with the help of expert chefs, just to delight every local.



### BLUE CORAL HEALTHCARE SERVICES LIMITED (Lagos State)

Blue Coral Healthcare Services (BCHS) Limited was incorporated in March 2017, by a group of Indigenous investors who identified the gap and untapped potential in the healthcare industry. They seek to provide quality healthcare of international standard that is affordable and easily accessible in a safe and right environment that is warm and welcoming. The company began full operations after the commissioning of its imaging equipment in October 2019. BCHS's core business is the provision of medical diagnostics services (pathology and imaging services) as well as Optical, Dental and Physiotherapy Services.

With the expansion funded by Bank of Industry, they acquired machinery for Dialysis and Blood-banking. This expansion has led to increased staff strength, exposure and ability to reach more patients.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### TL BAKER NIGERIA LIMITED (Lagos State)

TL Baker Nigeria Limited recently launched an upscale restaurant in the heart of Victoria Island Lagos. Kaly Restaurant bar and lounge is situated on the rooftop of Number one Lagos and it's an upscale restaurant with an amazing rooftop lounge overlooking Eko Atlantic. The rooftop lounge décor is inspired by the provincial garden of southern France and its spectacular view. The open-kitchen restaurant showcases high culinary standards. It has a 250 guests sitting capacity. Before BOI facility, Kaly had an active staff strength of 35 and increased its staff strength to 150.



### MULTISOAP INDUSTRIES NIGERIA LIMITED (Lagos State)

Multisoap Industries Nigeria Limited was established and registered in 2018 and commenced operations in 2019. The company is engaged in the manufacturing of varieties of soap, which is made from 100% vegetable oil. Multisoap recently acquired a loan from Bank of Industry and that has greatly impacted productivity and business as a whole in its short period. Before the facility, the company produces 799,200 cartons per annum after the facility the company produces 1.170m cartons per annum.

The newly purchased soap line translated to an increase in production and manpower employment which grew from 50 staff to 75 staff which increased the annual gross remuneration structure for direct and casual staff of the company.



### OSE DIGITAL PHOTO LAB (Nasarawa State)

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

Before the intervention of BOI, the Business could only print basic and passport 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%.



### JENZ CONCERNS LTD (Niger State)

The Company produces and packages JENZ ICE CREAM in cups of various sizes, including 150ml, 250ml, 500ml, and 1 litre. The ice cream contains a minimum of 10% milk fat and at least 20% total milk (creamed) solids, as well as safe and appropriate sweeteners, emulsifiers, stabilizers, and flavouring materials. The ice cream is frozen for customer satisfaction and is available in different flavours such as vanilla, strawberry, coconut, and banana.

With a significant customer base in Niger state and 15 other States in Nigeria, as well as the Federal Capital Territory, the company purchased more freezers to expand to other states where distributors have already been identified and are awaiting the ice cream.

Initially, the factory could produce 8-10 vans of ice cream per month, each consisting of 8,000 cups per van. Now, with BOI's support, the company has doubled its production capacity to 16 vans per month.





# Bottom of Pyramid

Our Bottom of the Pyramid (BOP) scheme provides loans to support business expansion for micro-entrepreneurs including local transportation, miners, soap and cream producers, block moulders, adire/tie and dye makers, salons, welders, and more.

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.

**Get your loan support.**

## Features

- ▲ Interest Rate:
  - BOI to Microfinance Bank: 1% per month
- ▲ Tenor: BOI to MFB - 3 years
- ▲ Moratorium: 3 - 6 months from date of loan disbursement
- ▲ Average loan size of ₦250,000 per ultimate obligator

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## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### GUFH-LAND GLOBAL INVESTMENT LIMITED (Niger State)

Gufh-Land Global Investment Limited is a rice milling company that is situated in Suleja, Niger State. The company is a beneficiary of BOI fund and produces parboiled rice in various sizes, including 10kg, 25kg, and 50kg. While the factory initially had a capacity of 5 tonnes of milled rice per day, the company has since received support from BOI, enabling it to increase production to 25 tonnes per day. The company's goal is to become one of the top producers of rice under the Gufh Land Rice brand name, and as a result, it intends to expand its capacity to cater to existing and new customers.



### AGRICON WEST AFRICA LTD (Ogun State)

Agricon West Africa LTD was incorporated in 2015, it is a food and agriculture business primarily focused on rice farming, processing, packaging, and distribution across Africa. They engage well over 1000 farmers locally and have two separate rice processing plants in the country. Annually the mill approximately 100,000 tonnes of long grain parboiled rice for local consumption and export.

In 2022, a loan disbursed by the Bank of Industry to the Company for the procurement of plant and machinery for its rice processing business.



### SYGEN PHARMACEUTICAL LIMITED (Ogun State)

Sygen Pharmaceuticals Limited is an indigenous pharmaceutical company incorporated in March 2019 and commenced operations in February 2020. The Company produces and distributes pharmaceuticals products covering Analgesic, Anti-diabetics, antifungal, Anti-spasmodic, cough medications and Hematinic drugs segments under the NGC brand name. The company also manufactures beverages and bottled water.

In 2022, loan facility was disbursed to Sygen Pharmaceuticals Limited for the procurement of equipment towards the expansion of its pharmaceuticals and beverages business. The facility enabled Sygen Pharmaceuticals Limited expand the popular lines of products as well as lead to expansion of job creation.



### LLOYDS INDUSTRIES LIMITED (Ogun State)

Lloyds Industries Limited was incorporated on 12th May, 2009. The company's major business is manufacturing of Aluminum ingots and copper ore for local usage and export. The idea behind this business was to create wealth for the country from waste/ scrap (waste to wealth) using aluminum scrap and copper scrap as its basic raw material.

To achieve its growth plan, Lloyds obtained a credit facility from BOI which enabled them to acquire additional plant and machinery for recycling of aluminum scraps, expansion of capacity utilization and employment creation.





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### Tunji Favour Nigeria Limited (Ondo State)

Tunji Favour Nigeria Limited is a piggery farm located at Irese Community in Akure, Ondo State. The company also successfully commenced the feed mill arm of the business in 2018.

Since the intervention of Bank of Industry under BOI Fund, the company has increased its production capacity to 7.5 tons per hour from 1.5 ton per hour, and this expansion is accompanied by an increase in staff strength to match the improved capacity of the company.



### SAMDEK INVESTMENTS LIMITED (Ondo State)

Samdek Investments Limited was incorporated to produce different sizes and grades of Aluminium roofing sheets. The company intends to actualize its mandate of the company by producing Aluminium Roofing Sheet in commercial quantities for both local and international markets, using Aluminium Coil procured from its suppliers. The company approached the Bank under the BOI Fund for the funding of its expansion to acquire high-end machines to enable it meet its customers rising demand. The company created additional 12 new jobs in addition to the 18 jobs already created, thus contributing to poverty alleviation and economic development of Ondo State.



### ONWARD HOSPITAL LIMITED (Osun State)

Onward Specialist Hospital is a leading healthcare facility that provides accessible, affordable, and quality health care services including specialist care in Nigeria. The Hospital is an accredited healthcare provider for the National Health Insurance Scheme (NHIS) with patients from all over the Southwestern states of Nigeria.

During the Covid-19 pandemic, the Management of the Hospital saw the need to enhance and improve its services and with the Bank of Industry's intervention, the Hospital was able to increase its bed space, employed capable hands, and has also been able to include other services to the services they already render.



### TOP CELL NIGERIA LIMITED (Osun State)

Top-Cell Nigeria Limited started its business of crushing palm kernel nuts into palm kernel oil and palm kernel cake in February 2020 with a capacity of 30 tons of oil per day.

The business has also evidenced a steady growth and plans to upgrade its business into a refinery that will offer quality products with sustainable technology. The company has accessed the Bank of Industry's facility twice for the procurement of equipment for its palm kernel oil business.

The business which is located at Akoda, Ede, Osun State has now increased its capacity to over 60 tons of oil per day after the Bank of Industry's intervention.



# ON-LENDING TO SMEs THROUGH COMMERCIAL BANKS



**A fund for the financing of eligible\* MSMEs within the Participating Commercial Bank's Portfolio.**

**The facility is availed to end users as either a Term Loan or Working Capital:**

## Term Loan

Interest Rate: all in rate of 15% per annum

- BOI On-lending: 9% per annum
- Commercial Bank: Max spread of 6% per annum

Moratorium:

- 6 months

Tenor:

- Up to 5 years but not exceeding the tenor of the Participating Bank's facility (moratorium inclusive)

## Working Capital

Interest Rate: all in rate of 15% per annum

- BOI On-lending: 10% per annum
- Commercial Bank: Max spread of 5% per annum

Moratorium:

- 3 months

Tenor:

- Maximum of 24 Months (moratorium inclusive)

## Collateral

- Treasury Bills/ FGN Bonds

## Up to ₦250m per obligor

## Target Market

- \*Commercial banks can on-lend to MSMEs who:
- have projects with value addition to our local raw materials
  - are Manufacturing companies
  - trade in locally produced goods
  - want to procure plants and machinery
  - want to procure raw materials
  - require Solar Energy financing
  - are in Service Industries relevant to the manufacturing sector
  - are in any of BOI's SME Clusters\*\*

\*\* Bank of Industry SME Clusters:

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

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## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

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

Ife Iron & Steel operates in a vital industry that supports other manufacturing and construction industries. The company recycles metal scraps by smelting them into ingots which are further processed to other products by their customers.

The company has a long standing relationship with the Bank of Industry having obtained a long-term loan facility twice for the purchase of iron processing plants and machineries and input materials. This support has significantly increased their production capacity leading to the engagement of more hands to handle the increased output.



### EXTREME MANUFACTURING NIGERIA LIMITED (Oyo State)

Extreme Manufacturing Nigeria Limited is a limited liability company registered in 2017 to carry out the business of manufacturing and sales of soaps, detergent and other home products.

Following the intervention of the Bank of Industry, the business has been able to increase its production capacity significantly. Furthermore, this expansion was accompanied by an increase in staff strength as more man power became necessary in order to meet the increased capacity of the company.



### FOLABAG INTERNATIONAL (Oyo State)

Folabag International is a bag production company located in Ibadan, Oyo State.

The organization is supported by BOI under BOI/Oyo State Government Matching Fund which has played a significant role in the growth and success of their organization. Their production unit is well-resourced with the most-modern machinery and that enables them to complete ample orders of clients within the committed period of time. They have recruited a highly qualified and skilled team of professionals that assists them to fabricate their comprehensive range of products.



### ALL 4 LESS MULTI-BIZ RESOURCES LTD (Plateau State)

All 4 Less Multi-biz Resources Ltd (A4L) was fully incorporated in August, 2021. The company is into furniture making, metals and fabrication.

A4L's location is Gwarandok-Jos and it confers several advantages including proximity to source of raw materials, proximity to market, availability of the required human resources, reliable supply of electricity and a good road network to move the finished products to clients.

The company was offered a term loan by the bank for the purchase of equipment which has made the company have necessary equipment for production, thereby meeting customer demand. The company has been able to grow significantly having a staff strength increase from 5 to 12





## SMALL AND MEDIUM ENTERPRISES DIRECTORATE

### TOMMA GLOBAL PRESS LTD (Plateau State)

Tomma Global Press Ltd is an indigenous printing firm and is presently one of the largest modern printing press in Plateau State. They have been in the business since 1997

The Bank offered the company a credit facility for the purchase of the equipment as well as working capital to meet that need and ever since the firm has been able to work at full capacity increasing their sales and profitability and also increase their staff from 23 to 35.



### FUGARD MINING AND MINERAL PROCESSING COMPANY (Plateau State)

Fugard Mining and Mineral Processing Company Ltd is an indigenous company licensed to operate in the mining industry. The business focuses on mining, processing and delivery of Barite to its customers. The Company also mines other minerals such as Quartz, Kaolin, Feldspar, Calcium, Carbonate, Mica etc.

A working capital facility was disbursed to the customer under the ASM Fund for the procurements of raw materials to upscale its production capacity. The company had 25 direct staff and 40 indirect staff, with BOI's intervention, the company increased its staff strength to 32 direct staff and 50 indirect staff.



### LIFE RESOURCES NIGERIA LIMITED (Rivers State)

Life Resources Nigeria Limited is a wholly indigenous company incorporated in November 17, 1987 (RC 102742). It began tissue paper and serviette napkin conversion on October, 2015. The company sought the assistance of the Bank of Industry to enable it finance the procurement of plant and machineries to be used in setting up a Jumbo Reels manufacturing plant as a means of backward integration for its already existing tissue and serviette conversion business. In 2022, through the assistance of the Bank, the company began the production of Jumbo Reels which now serves other tissue converting companies within Port Harcourt and South-South Region.



### BRIM ENERGY SERVICES LTD (Taraba State)

Brim Energy Services Ltd is an integrated energy solutions company with a focus on LPG. The company is an indigenous limited liability company incorporated in September 2019. The company has been engaged in sales of LPG.

Brim Energy Services Ltd is one of the dominant players in the LPG market in Taraba State and its environs and is committed to deepening its domestic usage. The company plays a strategic role in enhancing the LPG value chain in Taraba, investing in varied initiatives to improve access to LPG and support quality and healthy living.

Prior to accessing the BOI facility, the company had a staff strength of 15 after the financing, the company's staff strength increases to 20.





# SME Youth Entrepreneurship Programmes

We provide the help you need for a sure start in business.  
We build capacity in Nigerian youths.  
We fund bankable ideas and support business growth.

**Go ahead. Become an employer of labour.**

**Graduate  
Entrepreneurship  
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(GEF)**

**Obligor Limit: ₦3 million  
Interest Rate: 0%**

**Youth  
Entrepreneurship  
Support (YES)  
Programme**

**Obligor Limit: ₦5 million  
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**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, and positively impact the overall economic development of the country.

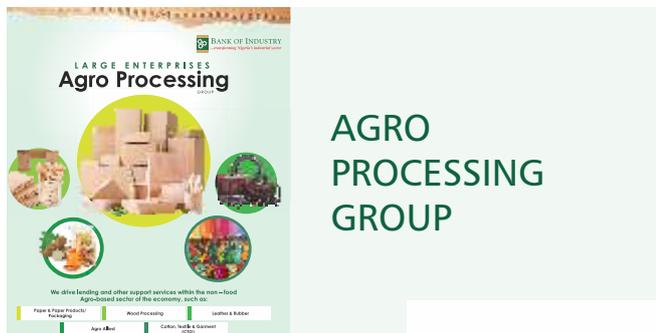


## LARGE ENTERPRISES DIRECTORATE

The Large Enterprises Directorate provides low cost, long-term funding and financial advisory to large businesses operating in the critical sectors of the Nigerian Economy. The Directorate operates in line with the Federal Government's Economic Recovery and Growth Plan and focuses on key sectors of the economy such as the Agro Processing (non-food processing), Food and Beverages, Health and Pharmaceuticals, Mining and Metals, Chemicals and Industrial Minerals, Renewable Energy, Oil and Gas, Creative and Digital, Hospitality and Tourism, Engineering and Technology, Gender Business (Women entrepreneurs) and Infrastructure.

The Directorate also manages special intervention funds provided by critical stakeholders such as the Central Bank of Nigeria (CBN) special intervention funds to revitalize the Power, Aviation, Manufacturing, Cotton, Textile and Garment sectors of the economy, the Nigerian Content Intervention Fund (NCI Fund) specifically designed to build efficiency in local supply chain in the oil and gas industry and the Nigerian Artisanal & Small Scale Miners Support Fund (ASM) aimed at supporting the mining sector for greater economic growth.

The Directorate comprised of 12 strategic business groups and focuses more on developmental impact such as job creation, backward/forward integration and foreign exchange conservation (local sourcing of raw materials).



Agro Processing Group (APG) is a Business Unit under the Large Enterprises Directorate with key focus on providing financial and business support services 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. The group also supports Agro-based businesses to build local capacity and competencies by driving key interventions within the sector.

Over the years, the Bank of Industry has emphasised the growth of Agro processing and related agricultural businesses because the sector not only inspires the cycle of increased agricultural productivity and industrialization along the value chain, but also provides creation of high domestic employment, poverty

reduction, linkages, and is a major frontier in Nigeria's economic transformation.

The Bank, through the Group, supports the Federal Government in the implementation of the Nigerian Industrial Revolution Plan through strategic partnerships with a number of Agencies, including the Central Bank of Nigeria and the African Development Bank, focusing on the establishment of Special Agro Processing Zones, amongst other strategic objectives.

As at December 31, 2022, BOI loan facilities to agro-processing large corporates stood at ₦118.5 billion inclusive of the Cotton, Textile & Garment (CTG) sector.

The Group intends to sustain its strategic initiative and expand its customer outreach to support businesses in the leather sub-sector and the packaging industry expected to grow at a CAGR of approximately 8% between 2021 and 2026.

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

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



# LARGE ENTERPRISES DIRECTORATE

## AGRO PROCESSING



SUNFLAG GROUP

CTG SUBSECTOR



LUCKY FIBRES

CTG SUBSECTOR



GATIMO LIMITED (RUFF'NTUMBLE)

CTG SUBSECTOR



BEL IMPEX LIMITED

PAPER SUBSECTOR



STUDIO PRESS LTD

PAPER & PACKAGING



STUDIO PRESS LTD

PAPER SUBSECTOR



DAHUA PAPER COMPANY LTD

PAPER SUBSECTOR



MASTERSTROKE PACKAGING

PACKAGING



GB TANNERY LTD

LEATHER SUBSECTOR



ORBIT WOOD & ALLIED INDUSTRIES LTD

WOOD SUBSECTOR



ORBIT WOOD & ALLIED IND LTD

WOOD SUBSECTOR



ORBIT WOOD & ALLIED IND LTD

WOOD SUBSECTOR

**LARGE ENTERPRISES  
Chemicals &  
Industrial Minerals  
GROUP**

We support projects in the areas of Plastics, and Petrochemicals.

Our focus areas are:

Basic Chemicals	Specialty Chemicals	Agricultural Chemicals
<ul style="list-style-type: none"> <li>• Polypropylene</li> <li>• Polyethylene</li> <li>• Polyethylene Glycol</li> <li>• Polyethylene Oxide</li> <li>• Polyethyleneimine</li> <li>• Polyethyleneimine</li> </ul>	<ul style="list-style-type: none"> <li>• Lubricants</li> <li>• Paints and coating</li> <li>• Aerosols</li> </ul>	<ul style="list-style-type: none"> <li>• Fertilizer blending</li> <li>• Agrochemicals</li> </ul>

## CHEMICALS & INDUSTRIAL MINERALS GROUP

The Group was created on the 1st of January 2023 out of the Healthcare & Petrochemicals Group. It is one of the Groups in the LE 1 Division.

The Chemical and Industrial minerals industry occupies a central position in the Nigeria's industrial sector as it is a primary raw material producer which are feed-stock for the manufacturing of wide range of products.

The Group's major focus areas are:

### Basic Chemicals:

- Plastic resin
- Recycling of plastic products
- Foams and mattresses
- Polyethylene products

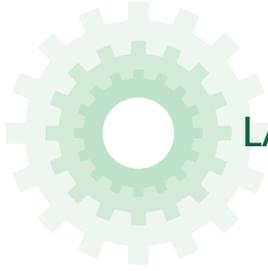
### Specialty Chemicals:

- Lubricants
- Paints and coating
- Aerosols

### Agricultural Chemicals:

- Fertilizer blending
- Agro chemicals such as pesticides/herbicides.

The Bank disbursed the sum of N12.7billion to 9 companies that operates in the Chemicals and Industrial Minerals sub-sector of the economy. This intervention has led to the creation of 1000 jobs (direct & indirect). The Group will disburse N20billion to these sectors in 2023.



## LARGE ENTERPRISES DIRECTORATE

### ROYAL FOAM PRODUCT NIGERIA LIMITED

Royal Foam Product Nigeria Limited was incorporated in 1980 and is engaged in the production of high quality flexible/rigid foam, fiber products and textile linens in Nigeria. The products are also sold in Lebanon and Benin Republic. The product range includes: mattresses, pillow, foam blocks, rolls and duvets.

The company operates from two production facilities i.e. from Sharada Industrial Estate in Kano and Otta in Ogun State. The company has over thirty (30) comfort centers (distribution/collection outlets).

Bank of Industry supported the company in its expansion drive by extending a long term loan for the acquisition of plants and machinery at the newly commissioned factory in Otta, Ogun State. The expansion drive is aimed at increasing the company's footprint in south west Nigeria and Benin Republic.

The expansion has helped in generating employment for over 100 people and improvement in capacity utilization by 20%.



### SACVIN NIGERIA LIMITED

Sacvin Nigeria Limited was incorporated as a Limited Liability Company on September 17, 1981 as manufacturer of household and industrial plastics. Sacvin produces rigid plastic packaging products including food packaging containers, jerry cans, jars, bottles, caps and closures, and pail containers. In addition, the Company produces a wide range of PVC pipes, pressure pipes, waste pipes, borehole casing pipes to conduit pipes, different sizes of tanks (ranging from 500 litres to 10,000 litres).

The company is well experienced in plastic manufacturing and has recorded an impressive growth in the plastic industry in Nigeria. Over the years, it has diversified into basically all kinds of plastic products including household and industrial plastic. It has a well-established distribution network that cuts across the country.

The company accessed a long term loan facility from BOI for the expansion of its operations in 2022. As a result of BOI intervention, the project shall create one hundred and twenty (120) jobs in addition to the existing three thousand, five hundred (3,500) jobs.



### INDUSTRIAL METALIZING & PACKAGING COMPANY LIMITED

Royal Foam Product Nigeria Limited was incorporated in 1980 and is engaged in the production of high quality flexible/rigid foam, fiber products and textile linens in Nigeria. The products are also sold in Lebanon and Benin Republic. The product range includes: mattresses, pillow, foam blocks and rolls and duvets.

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## LARGE ENTERPRISES DIRECTORATE



### CREATIVE INDUSTRIES

The Creative Industry Group (CIG) was set up in 2011 to enable the Bank intervene in the sector by financing projects that are not only viable and consistent with the institution's development mandate, but also align with National Economic Priorities of the Federal Government. The Bank's decision to establish this Group was further justified following the release of 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 CIG covers the Hospitality & Tourism Industry as well as the Creative & Digital Industry (which focuses on four broad areas namely Entertainment Infrastructure, Media Communications, Arts

& Crafts, as well as Digital & Creative Technology).

As at 31st December, 2022, the CIG had grown its risk assets to N88 billion with a cumulative disbursement of over N100 billion, covering 16 sectors of the creative economy. The respective size of the industry segments has spotlighted the Bank as the most impactful DFI in Nigeria's creative and cultural sectors.

The Bank's successes in financing the creative economy has earned it several accolades, especially given its low Non-performing loan (NPL) ratio. BOI's intervention in this sector has also helped to create employment across the value chain of sectors financed, generating employment opportunities for thousands of Nigerians.

The Bank has also established a number of partnerships with various local and international financial institutions and Development Agencies including the International Finance Corporation (IFC), Agence Francaise De Development (AFD), Africa Development Bank (ADB) and has received numerous mentions for innovative initiatives in the creative industry at various international forums.

### GENESIS CINEMAS

Genesis Deluxe Cinemas (GDC) is one of the top three (3) cinema chains in the country - commenced operations at the Palms Shopping Mall, Lekki, Lagos in 2008.

The company has since grown and currently operates in nine (9) locations across Nigeria with 35 screens and over 3400 seats. GDC is a member of the Genesis Group, a Nigerian owned Catering, Hospitality & Entertainment Conglomerate with business interest in Hotels, Restaurants, Cinemas, Shopping Malls, Outdoor Catering, Industrial Catering & Housekeeping Management and Food Production.

The company currently has two (2) performing Term loan facilities with BOI apart from other liquidated facilities, which makes him a returning customer across sector portfolios including Food & Beverages, Hospitality & Tourism, as well as Creative & Digital Industry Groups.

The trends suggest that although the top three (3) cinemas in the country (Silver bird Cinemas, Film House and Genesis Deluxe Cinemas) have expanded their capacity to enable them maximize their economies of scale, there is still need for more screens to meet the growing demand in the country as the total number of existing screens is grossly insufficient. There is therefore a significant market opportunity for new entrants.

The socio-economic benefit of the projects includes the creation of direct and indirect employment opportunities for over 400 individuals.





## LARGE ENTERPRISES DIRECTORATE

### GREOH LIMITED

Greoh Limited is a film and content Production Company with a vision to become a powerhouse media company at the forefront of African storytelling through cost efficient, but high quality and groundbreaking cinema content.

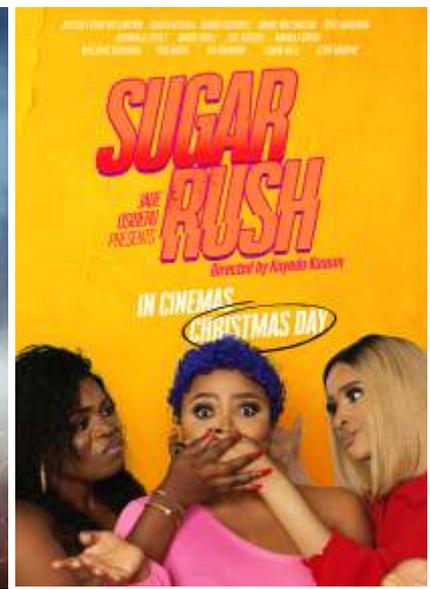
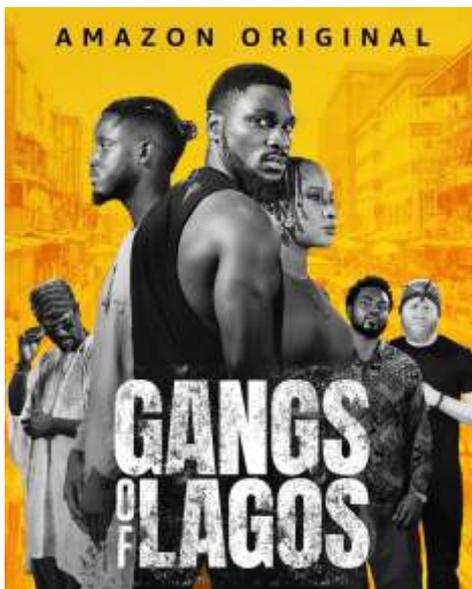
The company is a returning customer and a potential candidate for the BOI's Hall of Fame, based on excellent debt service history of three successful loan repayments record which were executed ahead of the maturity dates of the respective loans.

Over the period, the company had produced several record breaking movies which include, but not limited to the following;

- ✓ Isoken, which was one of the top 3 box office revenue grossing film in 2017,
- ✓ Sugar Rush, was the highest box office revenue grossing Nollywood Film of 2019,
- ✓ Brotherhood, was one of the highest box office revenue grossing Nollywood film of 2022,
- ✓ The Film, Gangs of Lagos, which was also produced by the company has been acquired by Amazon as the first Prime Video Original Film from Africa and recently released.

Isoken, Sugar Rush and Gangs of Lagos are blockbuster movies which were financed by The Bank of Industry, topping the box office and charted as some of the highest grossing Nigerian films during the period under review. The most recent film, Gangs of Lagos, which was co-financed by the Bank with a facility that was fully repaid before maturity in February, 2023. This is the usual practice for the company as its rich expertise enables it produce block buster movies which tops the charts and record ground breaking success in the African movie industry.

The company already has a strategic partnership with FilmOne for the distribution of its films and its Chief producer, Jadesola Osiberu is also a licensed distributor with Amazon Prime. They remain committed to telling uniquely Nigerian stories with high production values.





# The Nigerian Artisanal & Small-Scale Miners Financing Support Fund

**ASM Fund**



## Supporting the Mining Sector for Greater Economic Growth

This is a managed fund between the Federal Ministry of Mines and Steel Development (FMMSD) and the Bank of Industry Limited (BOI). This fund is particularly designed to play a catalytic role in the mining sector.

### Beneficiaries

- Artisanal Miners
- Small Scale Miners

### Features of the initiative include:

- Purchase of plants and machinery
- Provision of working capital

### Minerals in Focus

- Industrial Minerals: Barite, Felspar, Kaolinitic Clay etc.
- Metallic Minerals: Precious metals; Gold, Lead & Zinc etc.
- Dimension Stones: Marble, Granite, Charnockite etc.
- Precious Stones: Topaz, Amethyst, Sapphire etc.

### Key Highlights

- Interest rate: 5% per annum
- Loan tenor: up to 5years
- Moratorium period: 6 - 12 months

Applications can be submitted at Bank of Industry offices across the country or online at: [www.boi.ng/ASMfund](http://www.boi.ng/ASMfund)  
Terms and conditions apply.

visit: [www.boi.ng](http://www.boi.ng)



Head Office: **23 Marina Road, Lagos, Nigeria**  
email: [customercare@boi.ng](mailto:customercare@boi.ng)

call: **0700-CALL-BOI | 0700 225 5264**  
switchboard: **(+234)-1-2715070-71**

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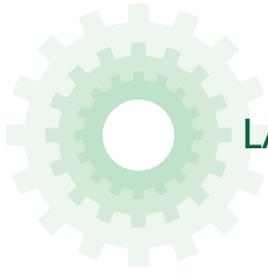
Bank of Industry Limited



BOINigeria



Bank of Industry Limited Nigeria



# LARGE ENTERPRISES DIRECTORATE



## ENGINEERING AND TECHNOLOGY GROUP

The Engineering and Technology Group is one out of BOI's twelve Large Enterprise Directorate Groups, created to serve corporate customers that engage in manufacturing or value added services within the following subsectors:

**Engineering:** Automobile Assembly and related components manufacturing, Automobile maintenance, Captive Power, Land and Aviation Logistic services, Recycling and other closely related businesses.

**Information, Communication and Technology:** Broadband Internet Service Providers, Telecommunication, production of Smart chips and security access cards etc.

In the 2022 FY, the group disbursed a total of N14.7BN to companies within the Power, ICT and Logistics sectors of the economy respectively. A couple of the beneficiaries to these Loans are listed below.

### CAVERTON HELICOPTERS

Caverton Helicopters Limited was established in September 2002 as a charter, shuttle and maintenance company. It was initially set up to bridge the gap in the onshore helicopter service sector. Since then, Caverton Helicopters has made strides into the offshore support (oil and gas) industry by providing logistics support to the major players. Caverton Helicopter operates out of a 10,000 square meter flight facility at the Murtala Muhammad International Airport in Lagos. The company also owns and operates out of several purpose-built facilities in Victoria island (The Ozumba Heliport), Port Harcourt (NAF Base), Warri and Cameroon.

The company's focus and primary business is to render logistics and environment support services to the Nigerian Oil and Gas producers, with broader to support energy operations along the West African shelf. Part of their strength in serving the oil and gas industry is based on making suited choices in the type of aircraft that they offer. With operating bases in strategic locations.



### SKYWAY AVIATION HANDLING COMPANY PLC

SAHCO, formerly known as Skypower Aviation Handling Company Limited, was carved out of the liquidated Nigeria Airways Limited as part of the Nigerian Federal Ministry of Aviation's Reform of 1996. On the 23rd of December 2009, SAHCO was handed over to the Sifax Group by the Federal Government of Nigeria, after a keenly contested privatization in which Sifax Group came first as the preferred bidder. The company was listed on the Nigerian Stock Exchange on the 23rd of April 2019.

Skyway Aviation Handling Company PLC, with its new public sector management composition and orientation has kicked off the development of business models geared towards ushering in efficient and speedy service delivery. SAHCO is RA3 and ISAGO certified and has invested in personnel development, state-of-the-art equipment, fleet replacement, and massive infrastructural development.

The duties of SAHCO involves all the actions that takes place from the time an aircraft touches down on the tarmac to the time it is airborne, also ensuring that Ground Handling assignment is carried out in an efficient, speedy and safe manner, while deploying the right tools.

Through their comprehensive passenger handling services, SAHCO is dedicated to providing exceptional personal services to each and every passenger, making their travel experience comfortable and world class.

With a firm belief and understanding that all passenger related services are one of the most crucial factors in determining the success of an airline's operations, offering excellent customer care is a critical success factor of SAHCO's ground handling operations.





## LARGE ENTERPRISES DIRECTORATE

### AXXELA LIMITED

Across all business activities, Axxela aims to impact individuals and industries by increasing gas utilisation in addition to job creation, capacity building and technology advancement towards a better tomorrow. Equally key to the company’s operations is a sustainable and environment-friendly approach to align with responsible climate action.

The company is committed to providing gas and power, and delivering value-adding energy solutions across the region, with over \$500 million invested for infrastructure development in the last 20 years. Operations span gas processing, transmission and distribution as well as power generation with the overarching goal of spurring the socio-economic advancement of key hubs across Africa. Through power generation, the company facilitates cost-effective power alternatives for over 175 industrial customers including Nigerian Breweries Plc., Chi Ltd., Dangote Sugar, Flour Mills of Nigeria Plc., BUA Group, PZ Cussons, and Nigerian Bottling Company.

In addition to being a pioneer indigenous gas and power company, Axxela has developed Nigeria’s foremost natural gas distribution network infrastructure that stretches over 300 kilometres. Our innovative strategies in the West African region are committed to improving industrial processes.

Axxela focuses on providing innovative solutions that are not only ground-breaking, but also play a big role in solving energy problems in Africa. In 2018, Axxela Limited signed a Gas Transportation Agreement with the West African Gas Pipeline Company Limited (WAGP) to transport over 15 million standard cubic feet per day of natural gas via the West African Gas Pipeline to Lome, Togo. WAGP is a 678km regional pipeline linking the Escravos-Lagos Pipeline System in Nigeria to Takoradi in Ghana, with gas delivery laterals from the main line extending to Cotonou, Benin; Lome, Togo; and Tema, Ghana.

Axxela has consistently demonstrated competitive leadership in the Nigerian energy market, and has leveraged the capability of its gas grid to build power generation plants, comprising independent power plants and embedded power plants.

Axxela is the first non-affiliated and independent shipper on the WAGP and plans to expand the supply of gas into other West African countries. Through their regional operations, they have saved more than 279,000 tons CO2e from being emitted into the atmosphere since September 2018, a monthly average of about 30,000 tons CO2e. Propelled by their professionalism, strategic partnerships, and excellence across their business enterprise, they remain firmly committed to the positioning of gas as a catalyst for socio-economic empowerment across the region’s key markets.



### TAMPUI NIGERIA LIMITED

Tampui Nigeria Limited is an innovative indigenous construction company founded to resourcefully collaborate in tackling the issues of infrastructure deficit by providing high quality and detailed services in the areas of road construction, building construction, engineering, procurement and consultancy services, deploying international best practices in these regards. Registered in Nigeria under the Companies and Allied Matters Act, the company is led by professionals versed in civil engineering as a result of several years of industry experience. They always strive to achieve excellence from design to implementation. With intelligent and highly motivated workforce, the workers are continuously trained and retained to meet the expectations of its clients in a dynamic clients and corporate standards. Their modest achievements so far are convincing, that they are truly making strides in the right direction towards their set destination where excellence and precision define our outlook. Tampui Nigeria Limited over the years have under taken all aspects of Engineering, Construction, Procurement and project development. In redefinition of its corporate goals, the company has specialized into the following areas but not limited to these areas:

- Engineering
- Civil and Building Construction
- Road Constructions
- Procurement
- Consultancy

And in order to meet the company’s objectives, the company has in its employ architects, engineers and other professionals who are members of various professional organizations and thus reflect the latest advances in technology in our designs and constructions. The company has in its employment a full complement of technical and administrative personnel, equipment, finance and logistic support for the efficient administration.





# National Automotive Design and Development Council Fund **NADDCC Fund**

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

## BENEFICIARIES

- 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

visit: [www.boi.ng](http://www.boi.ng)



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## LARGE ENTERPRISES DIRECTORATE



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 sector contributed about 23.36% to Nigeria's Gross Domestic Product (GDP) as at 2021.

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 & Beverages Group, formerly called Food Processing Group 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 ₦119 Billion as at date.

In 2022, the Group disbursed over ₦37.73 Billion for about thirteen (13) projects 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 Group's priority areas include projects, operations and activities in the following sub-sectors; cocoa processing, 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 following 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



ANIMAL FEED MILL



FLOUR MILL



RICE MILL



OIL PROCESSING



FISH AND SEA FOOD



COCOA PROCESSING



BISCUITS & CONFECTIONERIES



PASTA LINE



# LARGE ENTERPRISES DIRECTORATE

## SUMAL FOODS LIMITED

Sumal Foods Limited was incorporated on August 7, 1981 to produce varieties of high quality chewing gum/bubble gum and other confectioneries. The project location is at Plot 2A, Block J, Oluyole Industrial Estate, Ring Road, Ibadan, Oyo State.

The company has major brands like Chicles, Super Ball, Jumbo Balls, Robot, Zoom Bubble Gum amongst other top chewing gum brands.

The company is the one of the largest in the bubble gum market in Nigeria by market share and revenue. The company had initially acquired some bubble gum production lines to expand its production through BOI's intervention in 2018.

The huge success of this intervention led Sumal Foods Limited to approach the Bank again for further financial assistance to expand its bubble gum production. The approval was granted and the expansion project commenced in 2022.

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.



## SEVEN UP BOTTLING COMPANY

Seven Up Bottling Company Limited was incorporated as Private Limited Liability Company on June 25, 1959 under the name Seven-Up Limited. On May 16, 1960, the name was changed to Seven-Up Bottling Company Limited and in 1978, it became a Public Company. The company Limited is a producer of international brands of soft drinks such as Pepsi Cola, Pepsi Lite Up, H2Oh, Miranda Orange, Mirinda Pineapple, Teem Bitter Lemon, Mountain Dew, Lipton Ice Tea, Teem Tonic, Teem Soda and Aquafina water. In 2020, the Company diversified its business by launching a new business line termed the "2 Sure" line in response to the needs of the growing health and pharmaceutical sector in Nigeria.

The company has come a long way from being a one plant business to nine (9) plants located in Aba, Abuja, Benin, Enugu, Ibadan, Lagos, Ilorin, Kaduna and Kano. The company also exports its products to West Africa sub-region and the products continue to enjoy increase loyalty in the market.

The Bank of Industry intervention on the company was to enable the expansion of its operations through the procurement of equipment such as Preform Manufacturing Plant, Cap Manufacturing Plant and PET lines. Seven up currently has 3,877 employees which comprise 2,193 direct and 1,684 indirect staff. The expansion projects have created additional employment, directly and indirectly for sales and marketing personnel, wholesalers, retailers, distributors, suppliers, and other valuable players along the distribution chain with some multiplier effect in the community of the project location.



## HONEYWELL FLOUR MILLS PLC

Honeywell Flour Mills Plc was incorporated on June 21, 1983 to produce a wide range of superior quality flour, ball foods (semolina and wheat meal, pasta (spaghetti and macaroni) and instant noodles.

The company is the largest in the wheat milling market in Nigeria with about 45% market share, and the second largest in Semolina production after Flour Mills of Nigeria Plc. The company is well positioned to maintain its market share and has a well laid out structure and working environment for its operations and also deploys efficient marketing and distribution channels to get its products all over Nigeria.



The company is one of the market leaders in Wheat Meal products and Semolina.



The BOI intervention in Honeywell Flour Mills Plc enabled the acquisition of a fully operational 2,610 MT/day pasta production plant in Sagamu, Ogun State, and across its other locations. The intervention also aided in providing direct and indirect employment for 1,500 persons, in addition to the then 4,500 employees.

## APPLE AND PEARS LIMITED

Apple and Pears Limited was incorporated in 2012 as a manufacturer of soya bean meals and oil from soya bean seeds. It is a wet process company in the Food and Beverages manufacturing sector. The company has a medium scale rating and is a private liability company. It launched operations at its location in Kajola, Ogun State in December 2014 and employs a blend of state-of-the-art technology and hygienic best practices in its production process.

Apple and Pears limited began manufacturing and sales of its refined soya bean oil and meals in March 2014. It commenced commercial production and sale of mayonnaise, breakfast cereals and other condiments in January 2018. The company's brand, LAZIZ, is well accepted in the market and experiencing demand growth.

The company occupies a land mass area of 10 acres with a daily production capacity of 270 metric tonnes and staff strength of over 553 workers.

The Bank partners with the company in financing its projects and expansion of its operations. This has enabled the company's growth and created numerous employment opportunities for a number of Nigerians.





## LARGE ENTERPRISES DIRECTORATE

### ANIMAL CARE SERVICES KONSULT (NIG) LIMITED

Animal Care Services Konsult was established in 1979. It is an indigenously owned Nigerian company in the business of feed production, poultry equipment supply and installation, layer farming (egg production), processing of spent layers poultry and aquaculture farming; Animal Care also provides technical laboratory services and livestock management training for farms across the country. It has established itself as a leader and a household name in the table egg industry under the "Funtuna" brand.

It began farm operations in 1983 as a small scale poultry farm and has grown to become one of the largest layer farms in Nigeria rearing uniform Point of Lay pullets for farmers across the country while producing premium table eggs for consumers. Its operations have enabled the direct and indirect employment of over 550 Nigerians.

With over 40 years of experience in farming, Animal Care Services Konsult has proven its expertise in the sector. With recognition from the government, public and private enterprises it has positioned itself as one of the renowned players in the industry.



### AUTOSHECK OIL & GAS LIMITED

Autosheck Oil & Gas Limited was incorporated as a private limited liability company on July 23, 2008, to produce automotive lubricants, grease, Hydraulic Oil, Gear Oils, Automotive Transmission Fluid (ATF), and Coolant. The project location is at Plot C35, Amuwo Odofin Industrial Estate Lagos.

The company commenced business in 2008 as a trading company. However, in 2018 further, support from the Bank, and commenced the implementation of the backward integration of their business from trading to production of lubricants.

The Bank of Industry's intervention assisted the company in acquiring additional lubricating oil-filling machines to optimize the utilization of existing blending capacity.

The company has already created 420 direct jobs and close to 65% of the staff strength are women.



### EXCLUSIVE UNIFORMS AND CORPORATE DESIGN LIMITED

Exclusive Uniform and Corporate Design Limited was incorporated as a Private Limited Liability Company in June 2015 to establish a factory whose principal activities are the Designing and Sewing of Uniforms for Corporate Organisations across the Lagos Metropolis and its environs, and has become a major player in the Fashion Industry.

BOI supported the company with a loan for the procurement of a Fusing Machine and Working Capital for Raw Materials to further improve on the quality of its products.

As a result of the Bank intervention, the company has positively been impacted as shown below:

Status of Business before BOI Intervention	Status of Business after BOI Intervention
61 direct and indirect jobs.	69 direct and indirect jobs.



### GENDER BUSINESS GROUP

The Gender Business Group's area of focus is emerging sectors, particularly businesses led by Women and whose workforce consists predominantly women as well as whose products focus on women, across all sectors of the economy. The sectors include the following Agro-allied and Processing, Food and Beverages, Health Care, I.C.T & Engineering, Creative Industry, Gas & Petrochemical, al, and Fashion Industry amongst others.

As of December 2022, the Group has risk asset well above N17.756 billion. The intervention was to assist beneficiaries to enhance their production capacities and save foreign exchange through import substitution.

The sum of N10.000 billion has been earmarked by the Group for disbursement to gender based projects in 2023 to positively impact the sector through the creation of estimated four thousand (4,000) jobs.



## LARGE ENTERPRISES DIRECTORATE

### THREE PEES FOODS

Three Pees Foods was registered as an Enterprise company in October 2020 to establish Food Processing and Packaging Unit. The Company started production immediately focusing on Ready-to-Eat Foods in pasteurized frozen packs as well as Frozen Pastries.

BOI supported the company with a loan to finance the acquisition and installation of a new Cold Room required for the optimization of its operations.

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
61 direct and indirect jobs.	69 direct and indirect jobs.



### BLAFY INTERNATIONAL ASSOCIATES LIMITED

Blafy International Associates Limited was incorporated on December 17, 1998, to engage in the production of hotel amenities, homewares, screen-printing, monogramming, and product branding.

BOI supported the company with a loan for the procurement of plant and machinery and working capital materials for the expansion of hospitality products and services.

Consequent to 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
44 direct and indirect jobs.	78 direct and indirect jobs.



The Health and Pharmaceuticals Group provides support and services to companies. The Group's key focus are projects, operations, and activities within the Healthcare (Hospital, Diagnostics, Pharmaceuticals, and Personal Care) sector of the economy.

These sub-sectors play a critical role in jump-starting economic transformations, Employment Generation, and Wealth Creation.

#### HEALTHCARE SECTOR

The Healthcare sector has experienced a drastic increase in patronage as more people have come to realize the need to stay healthy. This is attributable to the increased awareness of healthy and hygienic living amongst the populace. Thus resulting in increased demand for pharmaceutical products and healthcare services. This sector is further split into:

1. Pharmaceuticals
2. Hospital and Medical Services
3. Diagnostic Services
4. Personal Care

#### PHARMACEUTICALS SUBSECTOR

The industry comprises enterprises that produce synthetic and plant-derived (phytochemical) preparations, antibiotics, vitamins, blood substitutes, and hormones in ampuls, tablets, lozenges, capsules, pills,

and suppositories as well as ointments, emulsions, aerosols, and plasters.

#### HOSPITAL AND MEDICAL SERVICES SUBSECTOR

It is an aggregation of sectors within the economic system that provide goods and services to treat patients with curative, preventive, rehabilitative, and palliative care.

#### DIAGNOSTICS SUBSECTOR

Diagnosis is the identification of the nature and cause of a certain phenomenon. Diagnosis is used in many different disciplines with variations in the use of logic, analytics, and experience to determine "cause and effect".

Given the vital role of the health sector, modern medical equipment is being deployed to assist medical doctors in government and private hospitals/clinics to get fast and precise results of ailments to resolve health conditions as quickly and accurately as possible. The inability of the available health institutions within this locality to provide proper diagnosis has created untold hardship for the people as minor cases that would have been arrested early enough have degenerated and in most cases jeopardized the lives of the patients.

#### PERSONAL CARE SUBSECTOR

Personal care is the industry that manufactures consumer products used for personal hygiene and cosmetics. The distinction between them is that cosmetics are luxury goods solely used for beautification, but in practice such sundries are most often intermixed in retail store aisles and sold together.

- Cosmetics (Makeup products, Skin care products, and Perfumes)
- Personal Hygiene (Disinfectants & Antibacterial, Soap & Detergents, Sanitary Products e.g. Wipes, Diapers & pads)

#### Summary of impact in 2022

The Group impacted positively on the companies under its portfolio and has not created an NPL aside from the inherited late payee customers.

As of December 31, 2022, the Group had Thirty-Four (34) active accounts (Performing Loans) valued at N49.14 billion.



## LARGE ENTERPRISES DIRECTORATE

### FIDSON HEALTHCARE PLC.

Fidson Healthcare Plc is a leading pharmaceutical manufacturing company in Nigeria. It started operations on March 1, 1995, as a local distributor of pharmaceutical products. Barely a year after, the company started importing its own brand of finished medicines – introducing Ciprotab and Peflotab brand of quinolones to the market. By July 2002, Fidson set up its first local manufacturing facility and later became the first company in sub-Saharan Africa to manufacture Antiretroviral (ARVs) drugs in March 2005.

In February 2007, Fidson set up a second manufacturing facility. It also became a publicly quoted company in 2008 and completed its 3rd Factory in the same year. With the aid of BOI intervention, Fidson completed its 4th Factory – An Ultra-Modern WHO Compliant Plant in Ota, Ogun State and increased its capacity to manufacture more products and produce IV Fluids. The company has an existing workforce of over 1,270 personnel.



### ME CURE HEALTHCARE LIMITED

Me Cure Healthcare Limited is a family of over 400 employees that was established in 2009. The group started as a diagnostic company and since have ventured into eye care, dental care, cancer management, and preventive healthcare.

Me Cure saw the opportunity in medical diagnostics and quickly offered reliable investigations for more than 2500 tests to become a household name for imaging, pathology, and cardiac-care services.

During the past four years, Me Cure has launched seven healthcare diagnostic centres in Nigeria (including three public-private partnership centres signed with Abia and Ondo) and an eye centre.

With the aid of BOI intervention, the company commenced operation at its oncology centre in January 2023. It is the first healthcare company in Nigeria to introduce a Cyclotron Machine which produces FDG-18 radiotracer, a highly advanced tool for cancer diagnosis.



### ASPIRA NIGERIA LTD.

Aspira Nigeria Ltd. is one of the largest manufacturers and distributors of Laundry Care Hygiene/Personal Care & Dental Care products in Nigeria.

The company's operations in Nigeria span over a decade with an enduring commitment to the daily lives of consumers. Aspira commenced its operations in Nigeria in 2009 and has started local production of various brands of soaps & detergents. Aspira Nigeria has its manufacturing plant & HQ based in Kano, Nigeria.

With the partnership with BOI, the company was able to increase its product portfolio to over 10 leading brands: Viva Plus, Sabil, Chic, Family Care, Baby & Me, Fizz, Manuka, MP3, Siri & Oracare.

Aspira is involved in numerous CSRs and was heavily active during the COVID-19 pandemic. The company provided free sanitary and hygienic products to its host community in Kano State and has generated over 2,675 jobs which has positively impacted its host community.



### MAY & BAKER NIGERIA PLC

May & Baker Nigeria Plc was founded on September 4, 1944, as Nigeria's first pharmaceutical company. It became a publicly quoted company on November 10, 1994.

May and Baker began an aggressive expansion and diversification programme in 2005 which has culminated in the creation of new businesses and subsidiaries. In 2005, Biovaccines, a local vaccine production subsidiary was set up in partnership with the Federal Government of Nigeria. In 2006, the company constructed a local plant for the production of anti-retroviral drugs in Nigeria while the construction of a World Health Organization Standard Pharmaceutical production facility was completed and commissioned on June 27, 2011.

The Bank of Industry Limited began supporting the business in 2017 with its expansion drive, and it has been with the company ever since. Over 1000 people have been employed over the period.





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*...transforming Nigeria's industrial sector*



# Fashion Fund

**Because Fashion is our Business!**

At Bank of Industry, we believe in the opportunities the fashion industry presents in contributing significantly to Nigeria's economy. That is why we created the Fashion Fund to help the industry thrive.

## Features

- ◆ Interest Rate: 9% pa
- ◆ Business Support Services through our BDSPs
- ◆ Moratorium: 6-12 months
- ◆ Guaranteed Working Capital

For more information, please contact  
[customercare@boi.ng](mailto:customercare@boi.ng)

visit: [www.boi.ng](http://www.boi.ng)



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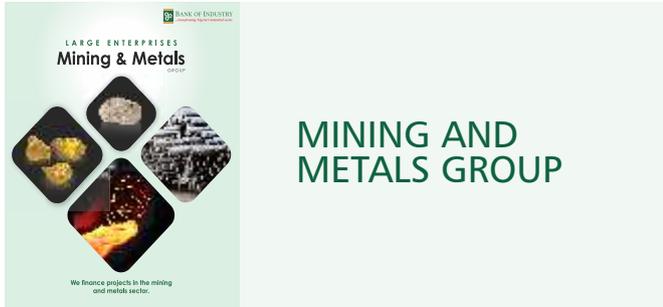
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Bank of Industry Limited Nigeria



## LARGE ENTERPRISES DIRECTORATE



Mining and Metals processing and manufacturing play a major part in the economic development of Nigeria. The sector contributed over 7% to Nigeria's Gross Domestic Product (GDP) in 2021.

In line with the Nigeria Industrial Revolution Plan (NIRP) objective of the Federal Government of Nigeria to diversify the economy away from over-dependence on oil, the Solid Minerals Group (SMG) was established in 2014 for the purpose of minerals and metals projects financing. SMG was formerly part of Energy, Mining & Infrastructure Division. However, in 2023 SMG was renamed Mining & Metals Group.

The Group's area of focus include but not limited to minerals mining, cement production, ceramic tiles, granite aggregates, roofing sheets, electricity wires and cables, steel and iron products, etc.

The Group has been able to grow its risk asset from N25.31 billion at inception to N50.28 billion as at December 31, 2022.

At the end of 2022, the Group disbursed a total sum of N13.25 billion to four (4) projects during the period. The intervention is expected to assist beneficiaries enhance their production capacities, create over two thousand (2,000) direct and indirect jobs as well as save foreign exchange through import substitution.

### COLEMAN TECHNICAL INDUSTRIES LIMITED

Coleman Technical Industries Limited was incorporated on July 1, 1975. The company manufactures quality electrical, telecommunications wires and cables that meet its customers' expectation consistent with ISO 9001:2015 requirements. Coleman is the market leader in cables and wires in Nigeria. The Bank of Industry Limited (BOI) recently supported the company with loan facility to set up a fibre optic cables production plant. The plant was commissioned in July 2022.

Since 2013, BOI has provided Coleman Technical Industries Limited with term loan and working capital facilities which enabled the company enhance its capacity and create both direct and indirect jobs to about three thousand (3,000) Nigerians.



### AVON CROWNCAPS AND CONTAINERS NIGERIA LIMITED

Avon Crowncaps and Containers Nigeria Limited was incorporated in September 1981 to produce various types of metal closures and metal cans used in the packaging of soft drinks and beer, pilfer-proof caps for pharmaceuticals other food products and chemicals.

The company commenced commercial operations in 1981 at its state-of-the-art manufacturing facility at Sango-Ota, Ogun State. Since then it has grown from strength to strength and today, with over 70% market share it is the market leader in the Nigerian metal packaging industry.

From 2020 to date, BOI has provided financing to the company to acquire plant and machineries as well as raw materials required for production. Thereby enabling company enhance its capacity and provide direct and indirect jobs to about six hundred (600) Nigerians in the process.





# Solar Energy Fund



...Enabling the acquisition of reliable solar solutions towards a cleaner, healthier environment, and a greener Nigeria.

## A ₦6 Billion fund for :

### (i) Homes & Businesses

Small, Medium and Large Enterprises (including Cooperative Societies) can access financing to acquire solar solutions for Commercial/Productive uses.

### (ii) Project Developers

They can access financing to deploy solar solutions for the different categories of end users.

### (iii) Deposit Money Banks (DMBs)/ Micro Finance Banks (MFBs) (through on-Lending).

They can access financing for on-lending to both (i) and (ii) above.

## Features

### Micro - users :

loans less than **₦5 million** per end user

### Mini - users :

loans between **₦5 million - ₦20 million** per end user

### Standard users :

loans between **₦20 million - ₦350 million** per end user

**Interest Rate: 9% pa\***

**Loan Tenor: maximum of 5 years**

### Moratorium:

For Existing Businesses: **3-6 months\***

For New Businesses: **6-12 months \***

\* These rates only apply to loans being disbursed directly from Bank of Industry. Rates for on-lending would be referred to by the participating DMBs/MFBs.

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## LARGE ENTERPRISES DIRECTORATE



### INTERVENTION & INFRASTRUCTURE FUNDS GROUP

The Intervention and Infrastructure Fund Group is responsible for managing the CBN Intervention Funds for Power & Airline (PAIF) and SME Restructuring & Refinancing Facilities (RRF). The Fund managed by the group has helped in improving access to credit for manufacturers, power generation companies, and airlines as well as improving the liquidity of Deposit Money Banks and Development Finance Institutions.

The Infrastructure Fund was recently created to build up depleting Risk Assets with key focus on but not limited to the following sectors: Power Generation, Rail & Urban Transport,

Airline, and ICT.

#### About The CBN Intervention Fund

The CBN Intervention Fund commenced in 2010. In a bid to catalyze financing of the real sector of the Nigerian Economy, the Central Bank of Nigeria approved the investment of the sum of ₦535 billion Debenture to be issued by Bank of Industry Ltd. The ₦535 billion Zero Coupon Debenture was invested in two (2) tranches with maturities as follows:

₦200 billion Restructuring/Refinancing Facility to the SME/Manufacturing Sector maturing on July 31, 2025.

₦300 billion Power and Airline Intervention Fund to the Power and Airline Sector maturing on July 31, 2025.

#### Objectives of the Fund are as follows:

Fast track the development of electric power projects, especially in the identified industrial clusters in the country

Fast track the development of the aviation sector of the Nigerian economy by improving the term of credit to Airlines

Serve as a credit enhancement instrument to improve the financial position of the Deposit Money Banks

Improve power supply, generate employment, and enhance the living standard of the citizens through consistent power supply.

#### About The Power and Airline Intervention Fund (PAIF)

The Power Sector is one of the most important sectors in Nigeria as it is the foundation stone of the modern industrial economy. Energy provides an essential ingredient for all human activities. It provides the needed catalyst to revolutionize the industrial sector and in turn the entire economy of the country.

The PAIF has funded a total of 1,662.3MW generation capacity, with 1,214.3 MW being new capacity and 448.1MW of refinanced capacity.

In the last 24 months, the PAIF also financed to return of 230MW idle capacity back to the grid under the INEZ Global and also financed 4.5MW of capacity for BU Power.

The recent introduction of the Infrastructure Fund will assist customers in financing essential infrastructures to aid production output required to drive economic growth.



# LARGE ENTERPRISES DIRECTORATE

## BEVERLY DEVELOPMENT & REALITIES LIMITED

Beverly Development & Realities Ltd, owners of the Ado Bayero Mall, Kano is one of the beneficiaries of the CBN Intervention Fund. The company accessed multiple facilities for the construction of Ado Bayero Mall, the first ultra-modern shopping mall in Northern Nigeria located in the heart of Kano city and named after the city's longest serving Monarch, His Royal Highness Alhaji (Dr.) Ado Bayero. Even though this mall has an official name, it is mostly referred to as Shoprite by just about everyone.

SHOPRITE is a chain of 'hyper-type' supermarkets that happen to be Africa's largest food retailer, so it is best known and most frequently visited location within the mall. This is a one-stop shop for just about every food item (fresh, refrigerated, frozen, packaged, etc), as well as a wide range of toiletries and household items. Another popular store is GAME; which in turn is Africa's largest discount retailer. This South African 'mega-supermarket' stocks general merchandise, home/office furniture, toys, household goods, and non-perishable food items, as opposed to Shoprite, where fresh groceries and food are sold.

Ado Bayero Mall is touted as one of the biggest malls in Nigeria, (in terms of square feet). Every store in Ado Bayero Mall is located on the ground level, and there are about 50 shops, stores, and service outlets throughout the mall.



## INEZ GLOBAL INVESTMENT LIMITED

Inez Global Investment Limited (IGIL) was incorporated in June 2014 with a mission to build a highly diversified portfolio of dynamic businesses.

IGIL negotiated and secured the purchase of nine (9) Gas Turbine Power Plant with a gross output of 324MW and signed a 10 year - Equipment Rental, Install and operate agreement with Sapele Power Plc on August 3, 2018, for generation of 230MW of electricity to be evacuated into the National Grid.

Since May 2019, IGIL has carried out the dismantling and relocation of the Power Barges via sea from Egbin in Lagos State to Koko, Delta State where refurbishment and maintenance works took place prior to commencement of operations in Sapele.

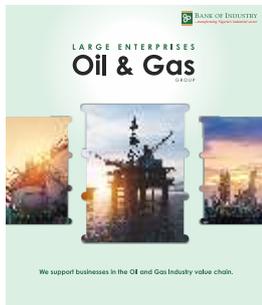
Through the Bank's N3.79 billion facility which was accessed in 2020, IGIL has been able to achieve the following:

- Complete the refurbishment of seven (7) of the nine (9) barges.
- Successfully construct 600mtrs gas pipeline for the delivery of Gas to the turbines
- Complete dredging and shore protection works for the safe mooring of the power barges.
- Carry out all EPC works including gas treatment and power evacuation.
- Employment generated by this project so far is as follows:
  - Direct Employment - 60
  - Indirect Employment EPC - 350
  - Community - 150
  - Power Generation has commenced in 2022.





# LARGE ENTERPRISES DIRECTORATE



## OIL AND GAS GROUP

### Group Focus

The oil and gas sector is one of the most important sectors in the Nigerian economy, accounting for more than 90% of Nigeria’s exports and 80% of the Federal Government’s revenue. The sector entails the exploration, transportation, development and sale of oil and gas resources including upstream and downstream oil and gas operations. The country has the largest oil and gas reserves in Africa, estimated at 37 million barrels of crude oil and 5.5 trillion cubic meters of gas.

In view of the capital intensive and risky nature of oil and gas projects and the drive to increase indigenous participation in the Nigerian oil and gas industry, the Federal Government of Nigeria in 2010, enacted the Nigerian Oil and Gas Industry Content Development Act. The Act seeks to provide for the development of Nigerian content in the Nigerian oil and gas industry, Nigerian content plan, supervision, coordination, monitoring and implementation of Nigerian content in terms of human, material and economic resources.

Implementation of the Act led to the setting up of the Nigerian Content Intervention Fund – a financing scheme which provides qualified national oil and gas industry players with loans of a five-year duration period and single digit i.e. 8% interest rates. The Fund is sourced from the Nigerian Content Development Fund (NCDF) to finance activities such as include Asset Acquisition, Loan Refinancing, Contract Finance (Single obligor limit –\$5m); Manufacturing Finance Facility, Community Contractors Finance (Single obligor limit –N20m; 5% p.a.)

The current portfolio of the group as at 31st December 2022 cuts across Gas processing, storage and distribution, Upstream support services, Logistics, Modular Refineries, Manufacturing and Fabrication plants amongst others.

The performance of the Fund was recently reviewed by a joint committee made up of top management NCDMB and BOI and it was agreed that the Manufacturing Product Facility under Fund be managed as a separate and distinct product line to address peculiar challenges with the product line.

The drive to rejig the manufacturing product line is as a result of the relative importance of the manufacturing sector to the Nigerian economy and NCDMB’s initiative to provide an enabling environment for indigenous manufacturers of goods, component parts, equipment, spare parts, chemicals and other products utilized in the oil and gas industry and its linkage sectors.

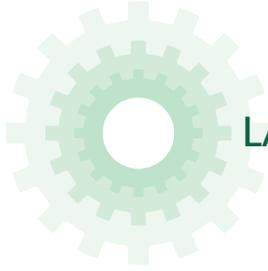
The initiative led to the establishment of Nigerian Oil and Gas Parks Scheme. Six (6) different parks have so far been established by NCDMB in the following regions: Emeyal 1; Bayelsa State, Odukpani; Cross-River State, Ilaje Ondo State, Ughelli; Delta State, Oguta; Imo State and Ikwe-Ona; Akwa-Ibom State. The Parks in Bayelsa and Cross River States, both located on 25 hectares of land are near completion and would become operational by the 4th quarter of 2022.

The Oil and Gas Group disbursed the total sum of N22.2 billion to eight (8) companies creating over 2500 direct and indirect jobs across the oil and gas value chain.

The Group plans to grow and diversify its portfolio in 2023 via the identification of and outreach to emerging players in the Manufacturing, fabrication, upstream and midstream sectors of the Oil and Gas Industry and fill the opportunity gaps identified.

In view of the aforementioned, the Group intends to aggressively seek new risk assets to grow its loan book especially the areas of manufacturing and fabrication, modular refineries, LPG and CNG projects (Companies engaged in forward integration) with a clear focus on BOI line of credit and NOGaPS Fund. The Group plans to increase its intervention in the Oil and Gas sector by disbursing N30.00 billion by the end of December 2023. This will include:

- **Marketing of New Customers:** The Group will aggressively follow-up with the prospective customers in order to seek new risk assets in 2023.
- **Repeat Customers:** This involves delivering efficient services to existing customers so as to get them to come back for additional facilities. This is in line with the Group’s vision of becoming the preferred lender in the sectors under its portfolio.
- **Specialized Funds:** Leverage on managed Funds for onward disbursement to prospective customers.
- **Customer Engagement Forum:** This is an interactive forum to obtain feedback from customers on how the Group can improve on its services as well as gather information on how to serve its customers better.
- **Referrals from Commercial Banks:** The Group intends to continue to liaise with commercial banks in order to get them to issue more BGs as well as refer customers seeking long term loans for equipment and structured working capital financing to BOI.
- **Referrals from Customers:** The Group intends to continue to deliver excellent service to its customers in order to get them to refer the Bank to other players in the industry as the preferred lender.
- **Automation:** The Bank has successfully implemented the use of technology to deliver all debit notes as well as feedback on customer-requests by e-mail efficiently and effectively.
- **Capacity Building:** Constant training of team members both locally and internationally in Oil and Gas Development.



## LARGE ENTERPRISES DIRECTORATE

### PACIFIC SILVERLINE LIMITED

Pacific Silverline Limited is an Indigenous Private Limited Liability Company incorporated in Nigeria in the year 2005. It is an integrated oil and gas services provider, whose main focus is the downstream and upstream oil and gas sector in Nigeria, providing professional services, performance-oriented customer satisfaction and high quality logistics delivery. In our quest for global reach and sustainable development, we have consistently formulated, developed and maintained strategic plans for corporate development in line with world standards and industry best practices.

Over the years Pacific has provided a variety of vessel services to international oil companies in Nigeria and presently own and operate a fleet of four (4) crew boats. The four vessels are current in a five (5) year contract with. The vessels were financed with the combination of retained earnings, bank loan, manufacturer's credit facility and other private sources. We have since established a "strategic alliance" with Damen Shipyard of Holland (Damen). Together with Damen, we operate various types of vessels to support offshore.

- Prior BOI's intervention, our credit risk was on the high side due to higher interest rate by the commercial bank.
- Our average vessel utilization capacity was between 65% to 70%
- Financial instability and lack of working capital.
- Low return on investment.

The company assessed a BOI/NCIFund in 2022 to 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:

- Our average vessel utilization capacity is now between 95% to 100%.
- Elimination of credit risk: due to low interest rate, our risk of defaulting has been eliminated.
- Drastic reduction in interest rate and cost of funds.
- Increase in our operational efficiency because we now have access to more funds to inject into the operation.
- It has de-risk our balance sheet and improved our financial competitiveness.
- It has also positioned us for future opportunities in the Oil and Gas value chain.
- Due to increase in our operational efficiency, our competitiveness as increased in the industry as we are now able to perform even better than some of our competitors.
- Improvement in our financial and operational structure.
- Improvement in staff strength and staff development: due to access to more funds we have been able to employ more staff and the existing once have been sent to various trainings.
- Improved working capital and financial stability ratios.



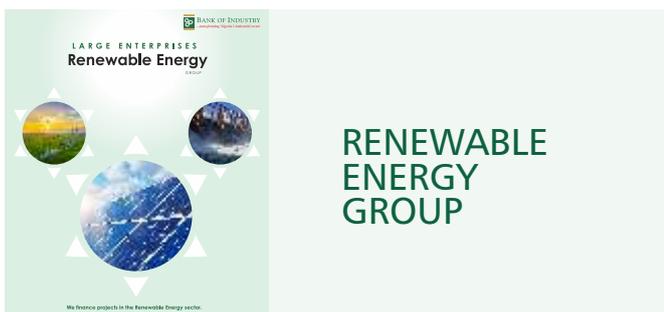


## LARGE ENTERPRISES DIRECTORATE

### GAS TERMINALLING STORAGE LIMITED

Gas Terminalling Storage limited was incorporated in 2008. They are a member of Asiko Energy group of companies and a leading provider of Propane, Liquefied Petroleum Gas (LPG), and Liquefied Natural Gas (LNG) with operations in Lagos, Abuja, Kano and Benin. The Company's objective for the last 15 years focused on making LPG products more accessible and affordable to gas consumers through downstream distribution and logistics network. Today, they are upscaling to meet more energy demands in Nigeria and as a result, expanding their energy infrastructure to include an in-land, fully mounded Propane and LNG Terminal in Ijora, Lagos.

Prior to receiving the Bank of Industry (BOI) loan, the company's 5,000MT Propane terminal project experienced funding challenges. The funding received from BOI has greatly progressed the project which is nearing completion.



The Renewable Energy space in Nigeria has multiple energy sources such as solar, hydro, wind, biomass and waste-to-energy, with the most popular source 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 is 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.

Currently the Renewable Energy Group is focused on solar based projects. The 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 capital expenditure. As at December 31st, 2022, BOI provided funding in excess of ₦5 billion in loans to support the emerging renewable energy industry in Nigeria. BOI has set aside over ₦15 billion for active investments in the sector.

Some of our key projects in the pipeline are from prospects in the waste-to-energy, wind, recycling, carbon reduction and capture technologies as well as other relevant subsectors as there is a large potential for these technologies in Nigeria.



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# The Nigerian Content Intervention Fund

## NCI Fund

### Building local supply chain efficiency and competitiveness in the oil and gas sector...

The Nigerian Content Development & Monitoring Board (NCDMB) in conjunction with Bank of Industry (BOI) has made available a pool of funds to the tune of \$300 million to be disbursed to eligible beneficiaries. 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

### Available Facilities

Asset Acquisition	Contract Financing	Community Contract Financing	Loan Refinancing
<p>maximum of US\$10M @ 8% p.a</p> <p>tenor: up to 5 years</p>	<p>maximum of US\$5M @ 8% p.a</p> <p>tenor: up to 5 years</p>	<p>maximum of ₦20M @ 5% p.a</p> <p>tenor: up to 5 years</p>	<p>maximum of US\$10M @ 8% p.a</p> <p>tenor: up to 5 years</p>

Terms and conditions apply

Applications can be submitted online at:  
[www.boi.ng/ncifund](http://www.boi.ng/ncifund)

For more information, please visit:  
[www.ncdmb.gov.ng](http://www.ncdmb.gov.ng) | [www.boi.ng/ncifund](http://www.boi.ng/ncifund)



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## LARGE ENTERPRISES DIRECTORATE

### ROYAL POWER SERVICES LIMITED (RPSL)

Royal Power Services Limited (RPSL) is part of the Royal Power Group of Companies. In line with its 5 year strategy, the Royal Power Group is diversifying its services by establishing R-Power Services to manage and operate its Energy as a Service (EaaS) portfolio.

The company has provided a number of backup, storage, conditioning and protection solutions for a wide variety of applications (end users) in the Nigerian market. The company also offers advisory and consulting services on renewable energy solutions which includes Energy management and monitoring solutions; Operations & Maintenance services; Redevelopment/Redesign of existing power systems to meet changing power needs with up-to-date technology.

Through BOI funding, the company was able to provide solar solutions under the company's Energy as a service (EaaS) scheme to 30 branches of Unity Bank across the country. The company intends to procure and install hybrid solar and battery backup inverter solutions for the bank's onsite ATM locations, Network Router/ Switches, branch CCTV, signage lights and fence perimeter lights uninterrupted during working- days, public holidays and weekends. (i.e 24 hrs daily uninterrupted)



### A4&T POWER SOLUTIONS

Conceived in 2010, to provide affordable eco-friendly renewable energy solution and backup power systems as an alternative to the unstable national grid and pollutant fuel powered generators. These are professional renewable energy solution providers that deliver unique and affordable Solar and Power backup Solutions to corporate bodies, Homes (rural & urban), SME's and Agricultural organizations.

The Company provides Solar Solutions for Off-grid Community Renewable Energy Projects. These can be used to power Villages, IDP camps, Rural Settlements etc.

The Company accessed financing from the Bank via an on-lending arrangement with FCMB. With this additional funding, the Company was able to purchase solar components that were deployed to Ilugaha and Laros project sites in Ondo state.



### VENTURA LOGISTIC SERVICES LIMITED

Ventura has 12 years of experience providing Solar energy solutions to Telecom EPC services in Nigeria. Ventura aims to develop 2 MW of mini-grid projects by 2024. 1 project in operation, 2 under construction, 7 projects at advanced stage of pipeline; another 22 projects undergoing demand assessment Current projects located in Ebonyi State Nigeria, pipeline projects located in the states of Ebonyi, Abia, Akwa Ibom, Benue, Cross River, Enugu and Adamawa.

Ventura has 12 years of technical consultancy and audit expertise in the energy access space, advising Rural electrification efforts of various state governments on projects worth 2.7billion Naira.

The Company accessed financing from the Bank via an on-lending arrangement with FCMB. With this additional funding, the Company was able to purchase solar components that were deployed to some rural mini grid project sites across the country.





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# Nigerian Oil and Gas Parks Scheme

**NOGaPS**

The Nigerian Content Development & Monitoring Board (NCDMB) in conjunction with Bank of Industry (BOI) has made available a pool of funds to the tune of \$50 million to be disbursed to eligible beneficiaries who have met the criteria to operate in any of the designated NCDMB NOGaPS Industrial Parks.

The NOGaPS Park Scheme will serve as a low cost manufacturing hub for equipment, component parts, spare parts, chemicals etc. that are utilized by the oil and gas industry and its linkage sectors.

## Available Facilities

### Term Loan

Maximum of \$3 million @ 5% p.a or ₦1.5 billion @ 9% p.a with a tenor of up to 5 years

### Working Capital

Maximum of \$3 million @ 5% p.a or ₦1.5 billion @ 9% p.a with a tenor of up to 3 years

*Terms and conditions apply*

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Bank of Industry Limited

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate 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, 2022;
- 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 Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) 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 Bank in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter applies to both the audit of the consolidated and separate financial statements.

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Registered in Nigeria No BN 998025

#### Partners:

Adigboke A. Oyelami	Bolanle S. Afolabi	Kabe O. Okunkola	Olufemi A. Babem	Tolulope A. Odukale
Aderola P. Adeyemi	Boluwa D. Apanpa	Lawrence C. Amadi	Olumide D. Olayinka	Uzochukwu N. Obiemi
Adewale K. Ajayi	Chibuzor N. Anyanadi	Martins I. Aroge	Olusegun A. Sowande	Uzodinna G. Nwankwo
Ajibola O. Odomola	Chineme B. Nwagbo	Mohammed M. Adama	Olutayo I. Ogunlowo	Victor U. Oyenikpa
Akinwale D. Alao	Dunni D. Otagbemisla	Pinke C. Eburna	Oluwatemi O. Awotoyi	Williams I. Ermona
Akinyemi J. Aashade	Elijah O. Olatunmbayo	Ogunayo I. Ogungbenro	Oluwatoyin A. Obaig	
Ayobami L. Sanni	Goodluck C. Ota	Olatimpe S. Afolabi	Omolara D. Ogun	
Ayodale A. Soyinka	Ibomi M. Adepolu	Oladimeji I. Sakaudeen	Oseme J. Olatupe	
Ayodale H. Othifirewa	Ijeoma T. Emezie-Ezibo	Olanike I. James	Temitope A. Oritiri	



### 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 in determining impairment allowances.

The Group's ECL model includes certain judgments and assumptions such as:

- the possibility of a loan becoming past due and subsequently defaulting; the rate of recovery on the loans that are past due and in default; and the market values and estimated time and cost to sell the collaterals; and
- the incorporation of forward-looking information related to the expected outlook on the country's inflation rates and the price of crude oil used in determining the expected credit losses in the loans and advances portfolios.

Impairment allowance on loans that have shown a significant increase in credit risk, is based on the Group's estimate of losses expected to result from default events over the life of the loans. Impairment allowance on other loans that have not shown a significant increase in credit risk is recognized based on an estimate of the losses expected to result from default events within 12 months. 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 2022:

- We evaluated the design and implementation of the key controls over the impairment determination process. The key controls evaluated includes management review of significant increase in credit risk and the resultant classification of loans into the various stages and management review of the accuracy of the relevant data used in the calculation of parameters included in the impairment model like the probability of default and loss given default.
- For a selected sample of loans and advances to customers, we assessed the appropriateness of the Group's determination of significant increase in credit risk and the resultant classification of loans into the various stages. For loans and advances to customers which have shown a significant increase in credit risk, we evaluated the level of past due obligations using qualitative factors such as available information about the obligor's business or project being financed and quantitative 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;



- 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, 2.1(d), 42, and 19 respectively of the financial statements.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the Financial Highlights, Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibilities for the Financial Statements, Report of the 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 IFRS Standards 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.



- 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, 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 Board of Board Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with Board Audit and Risk Committee, we determine those matters that were of most significance in the audit of the consolidated and separate 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*

- 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.
- In our opinion, proper books of account have been kept by the Company, 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.
- The Company's consolidated and separate statement of financial position, consolidated and separate statement of profit or loss and consolidated and separate statement of 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*

- The Bank and Group paid no penalties during the year ended 31 December 2022.
- Related party transactions and balances are disclosed in note 38 to the consolidated and separate statement financial statements in compliance with the Central Bank of Nigeria circular BSD/1 /2004.

Akinyemi Ashade  
FRC/2013/ICAN/0000000786  
For: KPMG Professional Services  
Chartered Accountants  
14 April 2023  
Lagos, Nigeria





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

	Note	GROUP		BANK	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
Gross earnings		<u>212,955,386</u>	<u>184,554,648</u>	<u>211,054,594</u>	<u>183,390,927</u>
Interest income	5	212,955,337	175,830,860	212,479,848	175,511,056
Interest expense	6	<u>(83,051,553)</u>	<u>(57,866,159)</u>	<u>(83,887,239)</u>	<u>(58,611,570)</u>
<b>Net interest income</b>		<u>129,903,784</u>	<u>117,964,701</u>	<u>128,592,609</u>	<u>116,899,486</u>
Fees and commission income	7	6,808,035	5,658,615	5,945,888	5,247,205
Fees and commission expense	7.2	<u>(7,483,636)</u>	<u>(5,080,492)</u>	<u>(7,483,636)</u>	<u>(5,080,492)</u>
<b>Net fees and commission (expense)/income</b>		<u>(675,601)</u>	<u>578,123</u>	<u>(1,537,748)</u>	<u>166,713</u>
Net loss from financial instruments measured at fair value	8	<u>(15,456,405)</u>	<u>(16,562,219)</u>	<u>(15,456,360)</u>	<u>(16,563,541)</u>
Gain on sale of financial assets at FVOCI		-	2,230	-	2,230
Other income	9	8,648,419	3,027,834	8,085,218	2,630,436
Share of (loss)/profit of equity-accounted investee	21	<u>(205,500)</u>	<u>35,109</u>	-	-
<b>Other Operating loss</b>		<u>(7,013,486)</u>	<u>(13,497,046)</u>	<u>(7,371,142)</u>	<u>(13,930,876)</u>
<b>Total operating income</b>		<u>122,214,697</u>	<u>105,045,779</u>	<u>119,683,719</u>	<u>103,135,323</u>
Impairment charges	10	<u>(4,345,662)</u>	<u>(9,095,180)</u>	<u>(4,337,860)</u>	<u>(9,074,738)</u>
<b>Net operating income</b>		<u>117,869,035</u>	<u>95,950,599</u>	<u>115,345,859</u>	<u>94,060,585</u>
Staff cost	11	<u>(20,409,348)</u>	<u>(15,881,931)</u>	<u>(19,868,549)</u>	<u>(15,566,892)</u>
Depreciation and amortisation	12	<u>(3,243,463)</u>	<u>(2,525,181)</u>	<u>(3,363,153)</u>	<u>(2,555,620)</u>
Other operating expenses	13	<u>(22,227,364)</u>	<u>(15,263,338)</u>	<u>(21,457,746)</u>	<u>(14,789,882)</u>
<b>Total operating expense</b>		<u>(45,880,175)</u>	<u>(33,670,449)</u>	<u>(44,689,448)</u>	<u>(32,912,394)</u>
<b>Profit before tax</b>		<u>71,988,860</u>	<u>62,280,150</u>	<u>70,656,411</u>	<u>61,148,191</u>
Taxation	29.2	<u>(19,085,225)</u>	<u>(8,863,336)</u>	<u>(18,496,958)</u>	<u>(8,539,821)</u>
<b>Profit for the year</b>		<u>52,903,635</u>	<u>53,416,814</u>	<u>52,159,453</u>	<u>52,608,370</u>
Profit attributable to:					
Owners of the Bank		52,893,604	53,409,167	52,159,453	52,608,370
Non-controlling interest		<u>10,031</u>	<u>7,647</u>	-	-
		<u>52,903,635</u>	<u>53,416,814</u>	<u>52,159,453</u>	<u>52,608,370</u>
Basic earnings per share (kobo)	34.1	<u>72</u>	<u>72</u>	<u>71</u>	<u>71</u>



## Consolidated and Separate Statement of Comprehensive Income for the year ended 31 December

	Note	GROUP		BANK	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		₦'000	₦'000	₦'000	₦'000
Profit for the year		52,903,635	53,416,814	52,159,453	52,608,370
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	20	(59,264)	(344,300)	(48,502)	(344,400)
Remeasurement of defined benefit obligation	31.2(d)	43,639	(131,501)	43,639	(131,501)
Taxes relating to components of OCI	29.6	(14,182)	42,738	(14,182)	42,738
		(29,807)	(433,064)	(19,045)	(433,163)
Other comprehensive income for the year net of tax		(29,807)	(433,064)	(19,045)	(433,163)
Total comprehensive income for the year net of tax		52,873,828	52,983,750	52,140,408	52,175,207
Total comprehensive income attributable to:					
Owners of the Bank		52,863,797	52,976,103	52,140,408	52,175,207
Non-controlling interest		10,031	7,647	-	-
		52,873,828	52,983,750	52,140,408	52,175,207

The notes on pages 192 to 283 form an integral part of these financial statements



## Consolidated and Separate Statement of Financial Position for the year ended 31 December

	Note	GROUP		BANK	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
<b>ASSETS</b>					
Cash and bank balances	14	19,586,744	9,654,268	19,447,643	9,253,905
Due from financial Institutions	15	176,300,834	114,969,349	174,976,309	113,533,311
Investment in debt securities	18	1,315,068,424	751,315,051	1,314,957,671	751,226,568
Advances under finance lease	17	81,765	51,729	-	-
Loans and advances	19	805,456,300	780,477,268	803,595,387	779,297,001
Equity securities	20	9,315,228	8,590,472	9,304,597	8,569,034
Investment in associates	21	2,829,609	3,035,109	3,000,000	3,000,000
Investment in subsidiaries	22	-	-	3,745,720	3,745,720
Other assets	23	10,921,747	9,803,141	8,482,443	8,164,961
Intangible assets	24	520,761	522,293	520,762	522,294
Property and equipment	25	32,173,872	25,361,410	26,495,589	21,862,299
Investment property	26	3,748,062	7,134,792	3,619,435	7,001,946
Deferred tax asset	29.4	-	1,105,689	-	353,830
Right-of-use assets	27	20,136	-	5,621,489	3,275,561
<b>TOTAL ASSETS</b>		<b>2,376,023,482</b>	<b>1,712,020,571</b>	<b>2,373,767,045</b>	<b>1,709,806,430</b>
<b>LIABILITIES</b>					
Derivative liability	16	109,630	1,136,937	109,630	1,136,937
Tax payable	29.1	22,100,229	8,043,213	21,898,160	7,919,064
Borrowings	30	1,719,617,570	1,125,303,560	1,717,687,690	1,124,761,517
Employee benefits	31	466,430	3,550,675	179,685	3,193,336
Deferred tax liabilities	29.4	2,141,753	-	2,849,474	-
Other liabilities	28	201,758,987	189,139,876	204,274,035	190,276,358
<b>TOTAL LIABILITIES</b>		<b>1,946,194,599</b>	<b>1,327,174,261</b>	<b>1,946,998,674</b>	<b>1,327,287,212</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	33	147,371,321	147,371,321	147,371,321	147,371,321
Retained earnings	33	118,716,403	90,681,892	116,423,032	89,081,659
Statutory reserve	33	98,245,236	82,587,137	97,565,373	81,917,538
Non - distributable reserves	33	21,392,054	20,108,862	21,255,516	19,976,546
Actuarial reserve	33	604,852	559,652	740,092	710,635
SME reserve	33	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	33	(2,501,927)	(2,453,468)	(2,506,882)	(2,458,380)
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		429,747,837	384,775,295	426,768,371	382,519,218
Non controlling interest		81,046	71,015	-	-
<b>TOTAL EQUITY</b>		<b>429,828,883</b>	<b>384,846,310</b>	<b>426,768,371</b>	<b>382,519,218</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,376,023,482</b>	<b>1,712,020,571</b>	<b>2,373,767,045</b>	<b>1,709,806,430</b>

The financial statements were approved by the Board of Directors on 22 March 2023 and signed on its behalf by:

Mallam Aliyu AbdulRahman Dikko  
Chairman, Board of Directors  
FRC/2013/IODN/00000002375

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

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

The notes on pages 192 to 283 form an integral part of these financial statements



## Consolidated Statement of Changes in Equity - Group

As at 31 December

	Note	Regulatory Reserve				Business combination under		Fair Value Reserve		Controlling Interest		Total equity N'000
		Statutory Reserves N'000	Risk Reserves N'000	Regulatory Reserves N'000	Reserve for common control N'000	Actual Reserve N'000	SME Reserve N'000	Fair Value Reserve N'000	Total N'000	Non Interest N'000		
Balance as at 1 January, 2021		147,371,321	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 or loss for the year		53,409,167	-	-	-	-	-	-	-	53,409,167	7,647	53,416,814
<b>Other Comprehensive Income</b>												
Net change in fair value	20	-	-	-	-	-	-	-	(344,300)	(344,300)	-	(344,300)
Remeasurement	31.2(d)	-	-	-	-	-	(131,501)	-	(131,501)	(131,501)	-	(131,501)
Tax on other comprehensive income	29.6	-	-	-	-	-	42,738	-	42,738	42,738	-	42,738
<b>Total other comprehensive income</b>		-	-	-	-	-	(88,763)	-	(88,763)	(88,763)	-	(88,763)
<b>Total comprehensive income</b>		-	-	-	-	-	(88,763)	-	(88,763)	52,976,104	7,647	52,983,750
<b>Transactions with owners of the Bank</b>												
<b>Contributions and distributions</b>												
Dividend to equity holders		-	-	-	-	-	-	-	-	(4,620,535)	-	(4,620,535)
Transfer to retained earnings		-	-	-	-	-	910,660	-	-	-	-	-
Transfer to statutory reserve		-	-	18,085,084	-	-	-	-	-	-	-	-
Transfer to non-distributable reserve		-	-	(3,727,708)	-	-	3,727,708	-	-	-	-	-
<b>Total Contributions and Distributions</b>		-	-	18,085,084	-	-	3,727,708	-	-	(4,620,535)	-	(4,620,535)
<b>Balance as at 31 December, 2021</b>		147,371,321	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
Balance as at 1 January, 2022		147,371,321	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
Profit for the year		52,893,604	-	-	-	-	-	-	-	52,893,604	10,031	52,903,635
<b>Other Comprehensive Income</b>												
Net change in fair value	20	-	-	-	-	-	-	-	(59,264)	(59,264)	-	(59,264)
Remeasurement	31.2(d)	-	-	-	-	-	43,639	-	43,639	43,639	-	43,639
Tax on other comprehensive income	29.6	-	-	-	-	-	(14,182)	-	(14,182)	(14,182)	-	(14,182)
<b>Total other comprehensive income</b>		-	-	-	-	-	29,457	-	(59,264)	(29,807)	-	(29,807)
<b>Total comprehensive income</b>		-	-	-	-	-	29,457	-	(59,264)	52,863,797	10,031	52,873,828
<b>Transactions with owners of the Bank</b>												
<b>Contributions and distributions</b>												
Dividend to equity holders		-	-	-	-	-	-	-	-	(7,891,255)	-	(7,891,255)
Loss on derecognition of equity securities at FVOCI transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings		-	-	-	-	-	15,743	-	10,805	-	-	-
Transfer to statutory reserve		-	-	15,658,099	-	-	-	-	-	-	-	-
Transfer to/(from) non-distributable reserve	36	-	-	(1,283,192)	-	-	1,283,192	-	-	-	-	-
<b>Total Contributions and distributions</b>		-	-	15,658,099	-	-	1,283,192	-	10,805	(7,891,255)	-	(7,891,255)
<b>Balance as at 31 December, 2022</b>		147,371,321	15,000,000	98,245,236	21,392,054	919,899	604,852	30,000,000	(2,501,927)	429,747,837	81,046	429,828,883

The notes on pages 192 to 283 form an integral part of these financial statements



## Consolidated Statement of Changes in Equity - Bank As at 31 December

	Note	Share Capital N'000	Retained Earnings N'000	Deposit for Shares N'000	Statutory Reserves N'000	Regulatory Reserve Risk Reserves N'000	Business combination under common control N'000	SME Reserve N'000	Fair Value Reserve N'000	Actuarial reserve N'000	Total N'000
<b>Balance as at 1 January, 2021</b>		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/loss		-	52,608,370	-	-	-	-	-	-	-	52,608,370
<b>Other Comprehensive Income</b>											
Remeasurement of defined benefit liability	31.2(d)	-	-	-	-	-	-	-	-	(131,501)	(131,501)
Tax on other comprehensive income	30	-	-	-	-	-	-	-	-	42,738	42,738
Net change in fair value	20	-	-	-	-	-	-	-	(344,400)	-	(344,400)
<b>Total other comprehensive income</b>		-	-	-	-	-	-	-	(344,400)	(88,763)	(433,163)
<b>Total comprehensive income</b>		-	52,608,370	-	-	-	-	-	(344,400)	(88,763)	52,175,207
<b>Transactions with owners of the Bank</b>											
<b>Contributions and distributions</b>											
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	-	-	-	-	-
<b>Total contributions and distributions</b>		-	(27,316,485)	-	18,059,876	3,725,414	-	-	-	910,660	(4,620,535)
<b>Balance as at 31 December, 2021</b>		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
<b>Balance as at 1 January, 2022</b>		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
Profit/loss		-	52,159,453	-	-	-	-	-	-	-	52,159,453
<b>Other Comprehensive Income</b>											
Remeasurement	31.2(d)	-	-	-	-	-	-	-	-	43,639	43,639
Tax on other comprehensive income	29.6	-	-	-	-	-	-	-	-	(14,182)	(14,182)
Net change in fair value	20	-	-	-	-	-	-	-	(48,502)	-	(48,502)
<b>Total other comprehensive income</b>		-	-	-	-	-	-	-	(48,502)	29,457	(19,045)
<b>Total comprehensive income</b>		-	52,159,453	-	-	-	-	-	(48,502)	29,457	52,140,408
<b>Transactions with owners of the Bank</b>											
<b>Contributions and distributions</b>											
Dividend to equity holders		-	(7,891,255)	-	-	-	-	-	-	-	(7,891,255)
Transfer to statutory reserve		-	(15,647,835)	-	15,647,835	-	-	-	-	-	-
Transfer to/(from) non-distributable reserve		-	(1,278,970)	-	-	1,278,970	-	-	-	-	-
<b>Total contributions and distributions</b>		-	(24,818,060)	-	15,647,835	1,278,970	-	-	-	-	(7,891,255)
<b>Balance as at 31 December, 2022</b>		147,371,321	116,423,052	15,000,000	97,565,373	21,255,516	919,899	30,000,000	(2,506,882)	740,092	426,768,371

The notes on pages 192 to 283 form an integral part of these financial statements



## Consolidated and Separate Cash Flow Statement For the year ended 31 December

	Note	GROUP 31-Dec-22 N'000	31-Dec-21 N'000	BANK 31-Dec-22 N'000	31-Dec-21 N'000
<b>Operating activities</b>					
Cash from operations	35	42,235,223	18,553,861	42,360,486	18,650,295
Income tax paid	29.1	(1,794,949)	(4,436,452)	(1,328,740)	(4,065,519)
Net cash from operating activities		<u>40,440,274</u>	<u>14,117,409</u>	<u>41,031,746</u>	<u>14,584,776</u>
<b>Investing activities</b>					
Purchase of equity securities	20	(784,065)	(4,532,023)	(784,065)	(4,532,023)
Dividend from equity securities	9	15,551	982	14,215	42
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	(6,511,034)	(2,043,157)	(1,889,653)	(857,438)
Purchase of intangible assets	24	(176,040)	(171,893)	(176,040)	(171,893)
Proceed from disposal of property and equipment	25.1	131,803	31,301	-	-
Proceeds from redemption of debt securities	35(b)	2,887,361,482	3,326,909,033	2,887,361,482	3,326,909,033
Acquisition of debt securities	35(b)	(3,402,804,682)	(3,206,465,020)	(3,402,782,757)	(3,206,465,020)
Investment in associates		-	(3,000,000)	-	(3,000,000)
Investment in subsidiaries		-	-	-	(200,000)
Net cash (used in)/from investing activities		<u>(522,766,985)</u>	<u>113,340,703</u>	<u>(518,256,818)</u>	<u>114,294,181</u>
<b>Financing activities</b>					
Proceeds from borrowing	30.3	910,574,982	3,882,109	909,187,145	3,882,109
Repayment on Borrowing	30.3	(351,084,369)	(190,036,996)	(351,084,369)	(189,164,771)
Dividend payment		(6,021,808)	(4,620,535)	(6,021,808)	(4,620,535)
Lease liability payment		-	-	(3,340,685)	(2,461,061)
Net cash from/(used in) financing activities		<u>553,468,805</u>	<u>(190,775,422)</u>	<u>548,740,283</u>	<u>(192,364,258)</u>
Net increase/(decrease) in cash and cash equivalents		<u>71,142,094</u>	<u>(63,317,310)</u>	<u>71,515,211</u>	<u>(63,485,301)</u>
Cash and cash equivalents at 1 January		<u>125,100,509</u>	<u>188,417,819</u>	<u>123,261,064</u>	<u>186,746,365</u>
Cash and cash equivalents at 31st December	35(a)	<u><u>196,242,603</u></u>	<u><u>125,100,509</u></u>	<u><u>194,776,275</u></u>	<u><u>123,261,064</u></u>

The notes on pages 192 to 283 form an integral part of these consolidated and separate financial statements



# Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December

### 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 and an SPV; they include LECON Financial services, BOI Microfinance Bank, BOI Insurance Brokers and BOI Investment and Trust Company and BOI Finance B.V. The consolidated and separate financial statement as at 31 December 2022 comprise the Bank and its subsidiaries together referred to as "the Group"

### 2.1 Basis of preparation

#### (a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011 and the Banks and other Financial Institutions Act, 2020, 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 22 March 2023.

#### (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.

<i>Items</i>	<i>Measurement basis</i>
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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### (d) Use of judgement and estimates

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is included in the following notes below.

#### - Business model assessment

Classification and measurement of financial assets depends on the contractual cashflow characteristics of financial assets and the Bank's business model for managing financial assets. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### - Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial assets contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates)

The Group holds a portfolio of short, medium and long-term loans for which the borrower has the option to prepay at par. The Group has determined that the contractual cash flows of these loans are solely payment of principal and interest because the interest represent consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. In addition, the right to prepay merely results in the acceleration of the payment of principal outstanding plus accrued interest since the last interest payment due.



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

### - 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 2022 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



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

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 28.4

### - **Recognition and measurement of provisions and contingencies**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. See note 27.1

### - **Depreciation and carrying amount of property and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. See note 24

### - **Determination of impairment of property and equipment, and intangible assets**

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its property and equipments and intangible assets. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed. See note 23 and 24

## 3.1 **New and Revised Standards issued but not yet effective**

The Group has not applied the below listed new and revised IFRSs that have been issued but are not yet effective. In addition, the new and revised standards are not expected to have a significant impact on the Group's consolidated and separate financial statements.

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- IFRS 17 Insurance Contracts
- Amendments to IAS 8 - Definition of Accounting Estimate
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

## 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



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to gross basis.

For financial instruments that were credit-impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the financial asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Interest income is recognized in the profit or loss and it is included in the "interest income" line item.

#### ii. 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.

#### iii. Calculation of interest income and expense

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.

#### iv. 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.



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

### 4 Significant accounting policies

–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.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

#### (c) Dividend income

Dividend on investments in equity instruments are recognised in profit or loss when the Bank's right to receive the dividends is established in accordance with IFRS 15 Revenue from contracts, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

#### 4.2 Determination of fair value

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield curves, option volatilities and currency rates. When such evidence exists, the Group recognises a gain or loss on inception of the financial instrument, being the difference between the transaction price and the fair value. When unobservable market data have a significant 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.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 4 Significant accounting policies

#### 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 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 foregoing, 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

##### a. Equity instruments designated as at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

A financial instrument is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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 instruments 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.



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

### 4 Significant accounting policies

During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

#### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the income statement unless required or permitted by any accounting standard or interpretation.

#### (b) 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

##### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

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 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

##### (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.

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.



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

### 4 Significant accounting policies

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this 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.



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

### 4 Significant accounting policies

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

#### (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
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank, in full (without taking into account any collateral held by the Bank).

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

#### (b) Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

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:

- 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

##### (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 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

- 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.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. Where significant parts of an item of property and equipment has different useful lives, they are accounted for as separate components of property and equipment. All other repairs and maintenance are charged to the profit and loss statement during the period in which they are incurred.

##### (b) Depreciation

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. The depreciable amount is the gross carrying amount, less the estimated residual value at the end of its useful economic life.

The firm depreciates its assets over the following period

Freehold Buildings	50
Freehold land	Not depreciated
Leasehold land	Not depreciated
Construction Work in progress	Not depreciated
Motor vehicles	4
Furniture, fittings and Equipment	4

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Bank takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

##### (c) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised in the income statement during the period in which they were incurred.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

##### 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 when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost and accounted for in a manner similar to IAS 16 requirements. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group depreciates its investment property over a 50 year period.

##### 4.7 Intangible assets

###### (a) Computer software

Computer software is stated at cost, less amortisation and accumulated impairment losses, if any.

The identifiable and directly associated external and internal costs of acquiring and developing software are capitalized where the software is controlled by the Group, and where it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense during the period when they are incurred.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for computer software is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

##### 4.8 Impairment of non-financial assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets, are assessed for indicators of impairment. If indicators are present, these assets are subject to an impairment review. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which management monitors the return on investment on assets. The impairment review includes the comparison of the carrying amount of the asset with its recoverable amount. The recoverable amount of the asset is the higher of the assets or the cash-generating unit's fair value less cost to sell and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of tangible and intangible assets, excluding goodwill, are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. In subsequent years, the Group assesses whether indications exist that impairment losses previously recognized for tangible and intangible assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating income as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

##### 4.9 Share capital

###### (a) Issued and paid up capital

All shares issued and paid up as at year end has been recognized as part of Share capital in the Statement of Financial Position

###### (b) Issued but not yet paid up capital

Issued but not yet paid up capital: This comprises shares issued as at year end but no payment has been made, hence no financial assets has been recognized for issued but not yet paid up capital.

###### (c) Called Share capital but not paid

Called issued share capital are only recognized as financial assets once the share capital has been issued, called but not yet paid

###### (d) 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.

###### (e) 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.



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

### 4 Significant accounting policies

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.

#### (b) Short term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### (c) Other long term employee benefit

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 4.11 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the firm from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.



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

### 4 Significant accounting policies

#### 4.12 Taxes, including deferred taxes

Income tax comprises current income tax, education tax, information technology tax, national agency for science and engineering infrastructure levy, nigeria policy trust fund levy and deferred tax.

##### (a) Income 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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits.
- Tertiary education tax is computed on assessable profits.
- National Information Technology Development Agency levy is computed on profit before tax.
- National Agency for Science and Engineering Infrastructure Levy (NASENI) is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on profit before tax.

##### (b) Deferred tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted at the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously

##### (i) Deferred tax asset

The recognition of a deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies. Recognition of deferred tax assets is based on the evidence available about conditions at the balance sheet date, and requires significant judgments to be made regarding projections of loan impairment charges and the timing of recovery in the economy. These judgments take into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income, future reversals of existing taxable temporary differences, tax planning strategies and the availability of loss 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.



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

### 4 Significant accounting policies

#### 4.14 Lease

##### The Group as a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recognised within Advance under finance lease as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### The Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognise the lease payments as an operating expense on a straight-line basis over the term of the unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

##### Initial Recognition

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

The incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as part of other liabilities in the consolidated statement of financial position.

Right-of-use asset are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.



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

### 4 Significant accounting policies

#### 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.

#### 4.15 Fiduciary activities

The Bank acts as fund manager and in other fiduciary capacities to some Federal Government, State Governments of Nigeria, other government agencies and high net worth individuals that results in the holding or placing of assets on behalf of these stakeholders. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group. The fees earned on these activities are recognised as management fees.

#### 4.16 Earnings per share

The Bank presents 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

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 noncontrolling 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.

##### 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 4 Significant accounting policies

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, 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.

#### b) Non-Controlling Interest (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisitions. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity.

#### c) Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### d) 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 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 loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

		GROUP 31-Dec-22	GROUP 31-Dec-21	BANK 31-Dec-22	BANK 31-Dec-21
	Note	₦'000	₦'000	₦'000	₦'000
<b>5 Interest income</b>					
Interest income on financial assets carried at amortised cost:					
Loans and advances to customers		57,886,539	51,778,173	57,535,223	51,560,246
Loans and advances to financial institutions		977,497	1,566,826	977,497	1,566,826
Placements with financial institutions		14,212,844	14,972,050	14,105,074	14,887,422
Investment in debt securities		139,868,045	107,502,913	139,862,054	107,496,562
Total interest income calculated using effective interest method					
Other Interest income:		212,944,925	175,819,962	212,479,848	175,511,056
Lease Income		10,412	10,898	-	-
		<u>212,955,337</u>	<u>175,830,860</u>	<u>212,479,848</u>	<u>175,511,056</u>
<b>6 Interest expense</b>					
Borrowings	6.1	83,051,286	57,866,159	82,797,490	57,793,109
Lease liabilities	6.2	267	-	1,089,749	818,461
		<u>83,051,553</u>	<u>57,866,159</u>	<u>83,887,239</u>	<u>58,611,570</u>
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. Lease transactions between the Bank and its subsidiaries have been eliminated at the group level.				
<b>7 Fees and commission income</b>					
Management fee on third party funds	7.1	2,353,587	1,694,322	2,353,587	1,694,322
Credit related fees		4,229,445	3,737,888	3,588,650	3,543,486
Commission on letter of credit		225,003	226,405	3,651	9,397
Fees and commission income		<u>6,808,035</u>	<u>5,658,615</u>	<u>5,945,888</u>	<u>5,247,205</u>
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.				
<b>8 Net gain/(loss) from financial instruments measured at fair value</b>					
Derivative loss - Euro Currency swap	16	(18,587,705)	(16,563,541)	(18,587,705)	(16,563,541)
Derivative gain - USD Currency swap		3,131,345	-	3,131,345	-
Fair value(loss)/gain on equity investments at FVTPL		(45)	1,322	-	-
		<u>(15,456,405)</u>	<u>(16,562,219)</u>	<u>(15,456,360)</u>	<u>(16,563,541)</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

		GROUP 31-Dec-22	GROUP 31-Dec-21	BANK 31-Dec-22	BANK 31-Dec-21
	Note	₦'000	₦'000	₦'000	₦'000
<b>9 Other income/(loss)</b>					
Loss on disposal of Investment property		-	(1,178,417)	-	(1,178,417)
Exchange gain		4,768,892	513,616	4,760,351	509,914
Rental income	9.1	413,169	549,809	389,667	519,810
LPO Finance income		543	535	-	-
Loan recoveries		2,531,612	786,644	2,531,612	786,044
Brokerage Income		128,100	101,954	-	-
Dividend from equity securities		15,551	982	14,215	42
Gain/(loss) on disposal of Property and Equipment		110,714	(9,215)	(74)	-
Other miscellaneous income	9.2	679,838	2,261,926	389,447	1,993,043
		<u>8,648,419</u>	<u>3,027,834</u>	<u>8,085,218</u>	<u>2,630,436</u>

9.1 Rental Income represents income earned from rental of the Group's investment properties and building.

9.2 Other miscellaneous income mainly includes income from insurance claims and income from leased vehicles taken over after termination of lease and subsequently sold.

		GROUP 31-Dec-22	GROUP 31-Dec-21	BANK 31-Dec-22	BANK 31-Dec-21
	Note	₦'000	₦'000	₦'000	₦'000
<b>10 Impairment charges/(write back)</b>					
Cash Balances	42(e)(i)	292	(24,725)	292	(24,725)
Due from Financial Institutions	42(e)(ii)	33,132	(33,680)	33,475	(29,297)
Investment in debt securities	42(e)(iii)	(9,021)	(190,584)	(8,676)	(190,926)
Loans and advances	42(e)(iv)	1,762,955	3,737,341	1,753,257	3,726,978
Other assets	42(e)(v)	224,852	479,592	225,696	466,581
Advances under finance lease	42(e)(vi)	(364)	1,109	-	-
Modification loss	10(a)	2,333,816	5,126,127	2,333,816	5,126,127
		<u>4,345,662</u>	<u>9,095,180</u>	<u>4,337,860</u>	<u>9,074,738</u>

10(a) The Group restructured some of its loans in 2020, 2021 and 2022 in form of interest rate reduction, moratorium extension and tenure elongation. This was necessitated due to the anticipated impact of COVID-19 on the business of its customers. In 2020, interest rate was reduced by 2%, a moratorium of three(3) months was also extended and in some cases there were additional moratorium extension of nine(9) months. The interest rate reduction by 2% for one (1) year commenced April 1, 2020 and terminated 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 terminated in March 31, 2022. The interest rate reduction was further extended to August 31, 2022. The effect of this restructuring resulted to a modification loss of ₦2.334 billion in December 2022 (December 2021: ₦5.126 billion).

		GROUP 31-Dec-22	GROUP 31-Dec-21	BANK 31-Dec-22	BANK 31-Dec-21
	Note	₦'000	₦'000	₦'000	₦'000
<b>11 Staff costs</b>					
Salaries and wages		17,183,898	13,747,497	16,719,709	13,480,614
Defined contribution plans	31.1	1,423,522	1,254,233	1,339,060	1,204,129
Income related to post-employment defined benefit plans	31.2(e)	(326,380)	(709,573)	(317,503)	(706,886)
Medical and welfare expenses		2,128,308	1,589,774	2,127,283	1,589,036
		<u>20,409,348</u>	<u>15,881,931</u>	<u>19,868,549</u>	<u>15,566,892</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Note	GROUP 31-Dec-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>12 Depreciation and amortisation</b>					
Amortisation of Intangible asset	24	177,572	178,945	177,572	178,945
Depreciation of property and equipment	25	2,884,013	2,107,258	462,819	346,437
Depreciation of investment property	26	180,200	238,976	175,981	234,756
Depreciation of right-of-use asset	27	1,678	-	2,546,781	1,795,481
		<u>3,243,463</u>	<u>2,525,181</u>	<u>3,363,153</u>	<u>2,555,620</u>
<b>13 Other operating expenses</b>					
Rent and rates		691,100	654,162	659,701	631,441
Directors' emoluments	37b	506,261	318,870	466,588	297,845
Postages and telephones		204,251	201,768	199,599	197,467
Entertainment		322,233	258,816	313,609	253,353
Motor running/ staff travelling expenses		2,418,844	1,062,741	2,385,983	1,046,512
Advertisement expenses		701,102	567,278	695,114	564,475
Professional service fees		1,359,991	1,024,012	1,286,164	1,002,344
Corporate promotional expenses		2,997,982	1,324,487	2,997,982	1,324,487
Business development expenses		2,135,508	2,161,354	2,135,508	2,161,354
MSME development		2,837,271	1,587,829	2,837,271	1,587,829
North east development expenses		-	430,808	-	430,808
Training and conference, etc		2,142,512	887,537	2,121,068	880,359
Bank charges		45,999	30,190	36,970	27,621
Insurance		319,491	533,922	250,815	485,419
Subscriptions		46,982	25,939	41,052	24,615
Donations		143,954	35,500	143,954	35,500
Repairs and maintenance		1,954,483	1,532,588	1,939,675	1,525,229
Sundry expenses		179,539	333,532	90,698	273,637
Office expenses		2,881,225	2,010,421	2,526,427	1,781,352
Printing and stationery		244,607	186,464	239,568	183,235
Audit fee		94,029	95,120	90,000	75,000
		<u>22,227,364</u>	<u>15,263,338</u>	<u>21,457,746</u>	<u>14,789,882</u>

13.1 The auditors, KPMG Professional Services performed non-audit service of N8 million during the year. The non-audit service relates to Certification of loan financial covenants and Certification of compliance with Association of African Development Financial Institutions (AADFI) Guidelines and Rating System

	Note	GROUP 31-Dec-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>14 Cash and Bank Balances</b>					
Cash in hand		33,839	12,569	1,444	2,661
Cash balances with Local Banks		2,987,508	4,439,642	2,880,802	4,049,187
Cash Balances with Foreign Banks		4,816,097	2,524,581	4,816,097	2,524,581
Cash with CBN		<u>11,750,300</u>	<u>2,678,183</u>	<u>11,750,300</u>	<u>2,678,183</u>
		19,587,744	9,654,975	19,448,643	9,254,612
Allowance for impairment	42(e)(i)	(1,000)	(707)	(1,000)	(707)
		<u>19,586,744</u>	<u>9,654,268</u>	<u>19,447,643</u>	<u>9,253,905</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Note	GROUP 31-Dec-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>15 Due from Financial Institutions</b>					
Fixed Deposit - denominated in local currency		110,747,210	67,524,634	103,121,018	66,085,552
Fixed Deposit - denominated in foreign currency		65,907,649	47,920,900	72,206,614	47,920,900
		<u>176,654,859</u>	<u>115,445,534</u>	<u>175,327,632</u>	<u>114,006,452</u>
Allowance for impairment	42(e)(ii)	(354,025)	(476,185)	(351,323)	(473,141)
		<u>176,300,834</u>	<u>114,969,349</u>	<u>174,976,309</u>	<u>113,533,311</u>

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 22			
		Fair Values			
Counterparty	Notional contract Amount N'000	Derivative Asset N'000	Derivative Liability N'000	Net N'000	
Foreign Currency swap - USD	Central Bank of Nigeria	205,366,500	1,716,396	-	1,716,396
Foreign Currency swap - EUR	Central Bank of Nigeria	1,051,404,520	1,220,997	(3,047,023)	(1,826,026)
		<u>1,256,771,020</u>	<u>2,937,393</u>	<u>(3,047,023)</u>	<u>(109,630)</u>
		31 December 21			
Counterparty	Notional contract Amount N'000	Derivative Asset N'000	Derivative Liability N'000	Net N'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)
		<u>852,981,175</u>	<u>999,980</u>	<u>(2,136,917)</u>	<u>(1,136,937)</u>

The Bank entered into various foreign currency swap contracts of Euros and US dollars notional amount with the Central Bank of Nigeria (CBN) during the year. On reporting date, the Group estimates the fair value of the derivatives transacted with the CBN using the discounted cashflow technique with the observable yield curves.

For the year ended 31 December 2022, the derivative contracts entered into by the Group generated net loss of 15.46billion (31 December 2021 net loss of N16.56billion), which were recognized in the statement of profit or loss and other comprehensive income. See note 8.

	Note	GROUP 31-Dec-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>17 Advances under Finance Lease</b>					
Gross Investment	17.1	91,374	67,722	-	-
Unearned Income	17.1	(8,695)	(14,715)	-	-
		<u>82,679</u>	<u>53,007</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	17.1	(914)	(1,278)	-	-
Allowance for uncollectible lease payments	17.1	(914)	(1,278)	-	-
		<u>81,765</u>	<u>51,729</u>	<u>-</u>	<u>-</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Note	GROUP 31-Dec-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>17.1 Advances under finance lease may be analysed as follows:</b>					
Gross investment in finance leases					
- No later than 1 year			-	-	-
- Later than 1 year and no later than 5 years		91,374	67,722	-	-
- More than 5 years		-	-	-	-
		<u>91,374</u>	<u>67,722</u>	-	-
Unearned Income		(8,695)	(14,715)	-	-
Net Investment in finance lease		<u>82,679</u>	<u>53,007</u>	-	-
Less Impairment allowance	42(e)(vi)	(914)	(1,278)	-	-
		<u>81,765</u>	<u>51,729</u>	-	-
Net Investment in finance lease					
Less than one year		-	-	-	-
Between one and five years		82,679	53,007	-	-
More than five years		-	-	-	-
		<u>82,679</u>	<u>53,007</u>	-	-

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-22 N'000	GROUP 31-Dec-21 N'000	BANK 31-Dec-22 N'000	BANK 31-Dec-21 N'000
<b>18 Investment in debt securities at amortised cost</b>					
Treasury Bills		110,800	88,875	-	-
CBN Omo Bills	18.1	1,315,018,554	751,296,126	1,315,018,554	751,296,126
		<u>1,315,129,354</u>	<u>751,385,001</u>	<u>1,315,018,554</u>	<u>751,296,126</u>
Impairment allowance		(60,930)	(69,950)	(60,883)	(69,558)
		<u>1,315,068,424</u>	<u>751,315,051</u>	<u>1,314,957,671</u>	<u>751,226,568</u>

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 2022.

<b>19 Loans and advances</b>					
Loans to customers		712,677,708	651,591,031	710,792,277	650,395,944
Loans to financial institutions		111,567,868	145,912,557	111,567,868	145,912,557
Gross loans and advances		<u>824,245,576</u>	<u>797,503,588</u>	<u>822,360,145</u>	<u>796,308,501</u>
Less ECL allowance	42(e)(iv)	(18,789,276)	(17,026,320)	(18,764,758)	(17,011,500)
Net loans and advances		<u>805,456,300</u>	<u>780,477,268</u>	<u>803,595,387</u>	<u>779,297,001</u>

## 20 Equity investment securities

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Bank 31-Dec-22 N'000	Bank 31-Dec-21 N'000
Quoted equity investments at FVTPL	4,042	4,087	676	676
Quoted equity investments at FVOCI	6,701	10,498	4,237	8,077
Unquoted equity investments at FVOCI	<u>9,304,485</u>	<u>8,575,887</u>	<u>9,299,684</u>	<u>8,560,281</u>
Total equity investment securities	<u>9,315,228</u>	<u>8,590,472</u>	<u>9,304,597</u>	<u>8,569,034</u>



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

Analysis of movement in the Group's equity investment securities are presented below:

Group	Quoted equity investments at FVTPL at N#000	Quoted equity investments at FVOCI at N#000	Unquoted equity investments at FVOCI at N#000	Total at N#000
<b>31-Dec-22</b>				
Balance as at 1 January 2022	4,087	10,498	8,575,887	8,590,472
Additions during the year	-	-	784,065	784,065
Unrealised fair value gain/(loss) recognised in P&L	(45)	-	-	(45)
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	(3,797)	(55,467)	(59,264)
Balance as at 31 December 2022	4,042	6,701	9,304,485	9,315,228
<b>31-Dec-21</b>				
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
<b>Bank</b>				
<b>31-Dec-22</b>				
Balance as at 1 January 2021	676	8,077	8,560,281	8,569,034
Additions during the year	-	-	784,065	784,065
Unrealised fair value gain/(loss) recognised in other comprehensive income	-	(3,840)	(44,662)	(48,502)
Balance as at 31 December 2021	676	4,237	9,299,684	9,304,597
<b>31-Dec-21</b>				
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



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

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

	GROUP 31-Dec-22	GROUP 31-Dec-21	BANK 31-Dec-22	BANK 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
<b>(a) Quoted equity investment securities measured at FVTPL</b>				
Union Trading Company Plc	676	676	676	676
Other Equity investments	3,366	3,411	-	-
	<u>4,042</u>	<u>4,087</u>	<u>676</u>	<u>676</u>
<b>(b) Quoted equity investment securities measured at FVOCI</b>				
GlaxoSmith Kline	311	278	311	278
I.P.W.A Plc	-	3,478	-	3,478
Thomas Wyatt Plc	-	395	-	395
Staco Insurance Plc	3,426	3,426	3,426	3,426
Gold link Insurance	500	500	500	500
Other equity investments	2,464	2,421	-	-
	<u>6,701</u>	<u>10,498</u>	<u>4,237</u>	<u>8,077</u>
<b>(c) Unquoted equity investment securities measured at FVOCI</b>				
The Group has designated some investments in equity instruments at FVOCI as these are investments that the Group plans to hold in the long term for strategic reasons.				
LADOL Integrated Logistics Free Zone Enterprises	3,297,932	3,786,437	3,297,932	3,786,437
Ketron Investment Limited	3,588,169	3,500,000	3,588,169	3,500,000
Alitheia	2,413,583	1,224,175	2,413,583	1,224,175
United Nigeria Textile Limited	-	31,096	-	31,096
Nigeria Aluminium Extrusion Limited	-	12,933	-	12,933
Other equity investments	4,801	21,246	-	5,640
	<u>9,304,485</u>	<u>8,575,887</u>	<u>9,299,684</u>	<u>8,560,281</u>
Total	<u>9,315,228</u>	<u>8,590,472</u>	<u>9,304,597</u>	<u>8,569,034</u>

## 20.2 Measurement of fair value <sup>1</sup>

### 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 trading comparables as at 31 December 2022.

The fair value measurement for the unquoted equity securities of N8.6billion (31 Dec 2021: N8.6billion) has been categorised as Level 3 fair value based on the inputs into valuation technique used.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 20.2 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 trading comparables. References were made to the investee companies historical financial performance and market multiples. The fair values are based on average market multiples of comparable companies.	-Price to Book value of comparable companies -Price to Sales value of comparable companies -Price to Earnings Before Interest Tax Depreciation and amortisation (EBITDA) -Illiquidity discount -minority discount	The estimated fair value would increase (decrease) if the following key inputs increases or (decreases): i. Price to book value ratio ii. Price to sales value ratio iii. Price to EBITDA ratio iv. Illiquidity discount v. Minority discount

### 21 Investment in equity accounted investees

Below is information on the Group's investment in associates as at 31st December 2022. The associate company (Iwosan investment limited) 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 2022 is 25%.

#### (a) Movement in investment in equity-accounted investee

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Bank 31-Dec-22 N'000	Bank 31-Dec-21 N'000
Balance as at 1 January 2022	3,035,109	-	3,000,000	-
Additions	-	3,000,000	-	3,000,000
Share of current period's result	(205,500)	35,109	-	-
Balance as at 31 December 2022	<u>2,829,609</u>	<u>3,035,109</u>	<u>3,000,000</u>	<u>3,000,000</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 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 31-Dec-22 %	Carrying Amount	
				31-Dec-22 N'000	31-Dec-21 N'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
BOI Insurance Brokers Limited	Insurance Placement and Consultancy	Lagos, Nigeria	100%	5,000	5,000
BOI Finance B.V.	Special purpose for Bond Issuance	Netherlands	100%	-	-
				<b>3,745,720</b>	<b>3,545,720</b>

#### 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.

22.2 There are no significant non-controlling interest in the group as such the group has not disclosed the summarised financial statement of each subsidiary

21.3 There was no indication of impairment on any of the subsidiaries.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

		Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
		₦'000	₦'000	₦'000	₦'000
<b>23 Other assets</b>					
Prepayments		5,342,682	4,460,413	3,586,742	3,404,264
WHT receivable		984,877	592,420	846,333	486,659
Other debit balances	23.1	455,140	329,913	419,603	323,505
Net other non-financial assets		<u>6,782,699</u>	<u>5,382,746</u>	<u>4,852,678</u>	<u>4,214,428</u>
<b>Other financial assets</b>					
Estate and rental debtors		903,952	1,002,910	465,908	562,762
UNDP receivable		37,249	37,249	37,249	37,249
Due from fund holders		140,438	359,308	140,438	359,308
Other account receivable	23.2	2,283,242	3,347,463	2,263,792	3,270,324
Accrued income		125,931	106,947	125,931	106,947
Late fee receivable		163,461	65,839	163,461	65,839
Loan fee receivable		827,385	841,608	827,385	841,608
Due from related companies		-	-	29,420	13,221
Management fees receivable	23.3	1,396,792	1,071,415	1,253,019	1,042,138
LC fees and commission receivable		-	88,979	-	88,979
Gross other financial assets		<u>5,878,450</u>	<u>6,921,718</u>	<u>5,306,603</u>	<u>6,388,375</u>
Less: Impairment allowance	42(d)	<u>(1,739,402)</u>	<u>(2,501,323)</u>	<u>(1,676,838)</u>	<u>(2,437,842)</u>
Net Other financial assets		<u>4,139,048</u>	<u>4,420,395</u>	<u>3,629,765</u>	<u>3,950,533</u>
Total other assets		<u>10,921,747</u>	<u>9,803,141</u>	<u>8,482,443</u>	<u>8,164,961</u>

23.1 Other debit balance mainly consists of fixed assets paid for but yet to be delivered

23.2 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

23.3 Management fee receivable represent fee income earned from the management of various funds by the Group from the funds under management.

		Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
		₦'000	₦'000	₦'000	₦'000
<b>23 Intangible assets</b>					
Cost					
Opening Balance		1,113,213	941,320	1,113,213	941,320
Acquired during the year		176,040	171,893	176,040	171,893
Closing balance		<u>1,289,253</u>	<u>1,113,213</u>	<u>1,289,253</u>	<u>1,113,213</u>
<b>Accumulated Depreciation</b>					
Opening Balance		590,919	411,974	590,919	411,974
Charge		177,572	178,945	177,572	178,945
Closing balance		<u>768,491</u>	<u>590,919</u>	<u>768,491</u>	<u>590,919</u>
Opening net book value		<u>522,294</u>	<u>529,346</u>	<u>522,294</u>	<u>529,346</u>
Closing net book value		<u>520,761</u>	<u>522,293</u>	<u>520,761</u>	<u>522,293</u>

Intangible asset represents purchased computer software.

All intangible assets are non current. All intangible assets of the Group have finite useful life and are amortised over 5 years. The Group does not have internally generated intangible assets.

There were no capitalized borrowing cost during the period.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 25. Property and Equipment

#### Group

	Leasehold Land N'000	Building N'000	Motor Vehicles N'000	Furniture, Fittings and equipment N'000	Construction in progress N'000	Total N'000
<b>Cost</b>						
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)
<b>At 31 December 2021</b>	<b>12,972</b>	<b>262,951</b>	<b>7,890,968</b>	<b>4,730,922</b>	<b>20,796,264</b>	<b>33,694,078</b>
At 1 January 2022	12,972	262,951	7,890,968	4,730,922	20,796,264	33,694,077
Additions during the year	-	-	4,574,404	1,734,654	201,975	6,511,034
Reclassification	-	4,302,682	-	-	-	4,302,682
Disposal	-	-	(1,944,565)	(220,601)	-	(2,165,166)
<b>At 31 December 2022</b>	<b>12,972</b>	<b>4,565,633</b>	<b>10,520,807</b>	<b>6,244,976</b>	<b>20,998,239</b>	<b>42,342,628</b>
<b>Accumulated Depreciation</b>						
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)
<b>At 31 December 2021</b>	<b>-</b>	<b>119,304</b>	<b>4,798,448</b>	<b>3,414,917</b>	<b>-</b>	<b>8,332,668</b>
At 1 January 2022	-	119,304	4,798,448	3,414,917	-	8,332,668
Charge for the year	-	12,432	2,213,123	658,458	-	2,884,013
Reclassification	-	1,096,152	-	-	-	1,096,152
Disposal	-	-	(1,923,564)	(220,513)	-	(2,144,077)
<b>At 31 December 2022</b>	<b>-</b>	<b>1,227,888</b>	<b>5,088,007</b>	<b>3,852,862</b>	<b>-</b>	<b>10,168,756</b>
<b>Net Book Value</b>						
<b>At 31 December 2022</b>	<b>12,972</b>	<b>3,337,745</b>	<b>5,432,800</b>	<b>2,392,114</b>	<b>20,998,239</b>	<b>32,173,872</b>
At 31 December 2021	12,972	143,647	3,092,520	1,316,005	20,796,264	25,361,410



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 25. Property and Equipment (contd.)

#### Bank

	Leasehold Land N'000	Building N'000	Motor Vehicles N'000	Furniture, Fittings and equipment N'000	Construction in progress N'000	Total N'000
<b>Cost</b>						
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
At 1 January 2022	12,972	262,618	16,369	3,036,574	20,796,264	24,124,797
Additions during the year	-	-	-	1,687,678	201,975	1,889,653
Disposal	-	-	-	(18,088)	-	(18,088)
Reclassification	-	4,302,682	-	-	-	4,302,682
At 31 December 2022	12,972	4,565,300	16,369	4,706,164	20,998,239	30,299,044
<b>Accumulated Depreciation</b>						
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
At 1 January 2022	-	119,145	16,231	2,127,122	-	2,262,498
Charge for the year	-	12,424	138	450,257	-	462,819
Reclassification	-	1,096,152	-	-	-	1,096,152
Disposal	-	-	-	(18,014)	-	(18,014)
At 31 December 2022	-	1,227,721	16,369	2,559,365	-	3,803,455
<b>Net Book Value</b>						
At 31 December 2022	12,972	3,337,579	-	2,146,799	20,998,239	26,495,589
At 31 December 2021	12,972	143,473	138	909,452	20,796,264	21,862,299

- (i) There were no impairment losses on any class of property and equipment during the year (31 December 2021: NIL)
- (ii) All property and equipment are non-current. There were no capitalized borrowing costs related to the acquisition of property and equipment during the year ended 31 December 2022 (31 December 2021: 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) Construction work-in-progress mainly consist of payments made for construction of BOI Tower II office complex in Abuja.
- (vi) The Group had no capital commitments during the period ended 31 December 2022 (2021: Nil) in respect of construction of BOI Tower II Office Complex in Abuja).



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 25.1 Property and Equipment

Gain/(loss) on disposal of property and equipment

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	N'000	N'000	N'000	N'000
Sales proceeds	131,803	31,301	-	-
Carrying amount	(21,089)	(40,516)	(74)	-
	<u>110,714</u>	<u>(9,215)</u>	<u>(74)</u>	<u>-</u>

### 26 Investment Property

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	N'000	N'000	N'000	N'000
<b>Cost</b>				
Opening balance	9,351,062	13,351,062	9,157,602	13,157,602
Reclassification	(4,302,682)	-	(4,302,682)	-
Disposal	-	(4,000,000)	-	(4,000,000)
Closing balance	<u>5,048,380</u>	<u>9,351,062</u>	<u>4,854,920</u>	<u>9,157,602</u>
<b>Accumulated depreciation</b>				
Opening balance	2,216,270	2,190,627	2,155,656	2,134,233
Charge	180,200	238,976	175,981	234,756
Reclassification	(1,096,152)	-	(1,096,152)	-
Disposal	-	(213,333)	-	(213,333)
Closing balance	<u>1,300,318</u>	<u>2,216,270</u>	<u>1,235,485</u>	<u>2,155,656</u>
Net book value: Opening	<u>7,134,792</u>	<u>11,160,435</u>	<u>7,001,946</u>	<u>11,023,369</u>
Net book value: Closing	<u>3,748,062</u>	<u>7,134,792</u>	<u>3,619,435</u>	<u>7,001,946</u>

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 N413.2million (December 2021: N549.8million) has been recognised in other income.

26(b) In 2021, 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 netbook value of the property on date of sale was N3.786billion, while the loss realised from this sale resulted to N1.178billion. There was no sale in 2022.

26(c) The open market value of investment properties as at 31 December 2022 is N29.17 billion (31 Dec 2021:N37.058 billion). The Group and Bank's investment properties were valued using the depreciated replacement cost, direct market and contractors test valuation methods. The valuation of the investment properties was carried out by firms of independent Estate Valuers & Surveyors, namely Jide Taiwo & Co. (FRC/2012/NIESV/000000000254), J. O. Omotosho (FRC/2014/NIESV/00000006738), A.F. Olowokure & associates (FRC/2014/NIESV/00000010101), Ora Egbunike and associates (FRC/2012/NIESV/00000000244), Jaiyeola Adeyanju Group Practice (FRC/2014/NIESV/00000008607), and Ibukun Efuntayo & Co. (FRC/2013/NIESV/0000000001771).

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.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

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.	<ul style="list-style-type: none"> <li>-Prices per square meter</li> <li>-Rate of development in the area</li> <li>-Quality of the building</li> <li>-Influx of people and/or businesses to the area</li> </ul>	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-22 N'000	Group 31-Dec-21 N'000	Bank 31-Dec-22 N'000	Bank 31-Dec-21 N'000
<b>Cost</b>				
Opening Balance	-	-	7,558,543	7,966,672
Additions during the year	21,814	-	4,892,709	1,150,448
Elimination on lease maturity	-	-	(1,065,421)	(1,558,577)
Closing Balance	<u>21,814</u>	<u>-</u>	<u>11,385,831</u>	<u>7,558,543</u>
<b>Accumulated depreciation</b>				
Opening Balance	-	-	4,282,982	4,046,078
Charge for the year	1,678	-	2,546,781	1,795,481
Elimination on lease maturity	-	-	(1,065,421)	(1,558,577)
Closing Balance	<u>1,678</u>	<u>-</u>	<u>5,764,342</u>	<u>4,282,982</u>
Net carrying amount: Opening	<u>-</u>	<u>-</u>	<u>3,275,561</u>	<u>3,920,594</u>
Net carrying amount: Closing	<u>20,136</u>	<u>-</u>	<u>5,621,489</u>	<u>3,275,561</u>

27.1 All lease transaction that gave rise to right of use asset and lease liability between the Bank and the subsidiaries are eliminated on consolidation.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 28 Other Liabilities

		Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
		₦'000	₦'000	₦'000	₦'000
Accruals and deferred income	28.1	9,735,220	5,689,716	9,258,683	5,209,056
Provision for litigation		150,000	150,000	150,000	150,000
LC payable	28.2	4,714,551	2,365,916	4,714,551	2,365,916
Amount due to debt management office	28.3	1,717,551	1,717,432	1,717,153	1,717,153
Due to fund holders	28.4	162,161,923	156,884,587	162,114,464	156,810,090
Dividend payable		1,870,221	774	1,870,221	774
Deposits from customers		1,559,124	1,066,311	-	-
De-risk grant	28.5	16,312,308	16,312,308	16,312,308	16,312,308
Lease liability	28.7	15,710	-	5,497,195	3,500,826
Other creditors	28.6	3,522,378	4,953,606	2,639,461	4,211,009
		<u>201,758,987</u>	<u>189,139,876</u>	<u>204,274,035</u>	<u>190,276,358</u>

#### 28.1 Accruals and deferred income

Accruals and deferred income comprises of:

Accrued expenses	5,414,481	3,064,722	5,375,988	3,022,107
Deferred income	1,947,223	1,103,697	1,509,179	665,652
Advance deposit for legal expenses	1,901,739	1,423,064	1,901,739	1,423,064
Rental creditors	471,777	97,459	471,777	97,459
	<u>9,735,220</u>	<u>5,688,942</u>	<u>9,258,683</u>	<u>5,208,282</u>

- 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 Federal government to enable the Bank increase lending in the SME sector due to the deteriorating performance of the SME loans. Grant income recognised in 2022:Nil (December 2021: Nil). 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 Other creditors mainly consist of unapplied funds received from customers for loan repayments.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 28.7 Lease Liabilities

		Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	Note	₦'000	₦'000	₦'000	₦'000
<b>Maturity Analysis - contractual undiscounted cash flows</b>					
Less than one year		17,373	-	2,811,341	2,038,243
One to five years		-	-	3,931,763	1,909,036
Total undiscounted lease liabilities at close of period		<u>17,373</u>	<u>-</u>	<u>6,743,104</u>	<u>3,947,279</u>
Lease liabilities included in the statement of financial position at close of period					
Current		<u>15,710</u>	<u>-</u>	<u>5,497,195</u>	<u>3,500,826</u>
Non-current		<u>-</u>	<u>-</u>	<u>2,926,821</u>	<u>1,544,281</u>
<b>Amount recognised in profit or loss</b>					
Interest on lease liabilities	6	267	-	1,089,749	818,461
Expenses relating to short lease	13	<u>691,100</u>	<u>654,162</u>	<u>659,701</u>	<u>631,441</u>
<b>29. Taxation</b>					
<b>29.1 Current tax liability</b>					
At 1 January					
Charge for the period/year		8,043,213	4,109,668	7,919,064	3,951,666
Income tax	28.2	15,851,965	8,369,997	15,307,836	8,032,917
Paid during the year		(1,794,949)	(4,436,452)	(1,328,740)	(4,065,519)
At period ended		<u><u>22,100,229</u></u>	<u><u>8,043,213</u></u>	<u><u>21,898,160</u></u>	<u><u>7,919,064</u></u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦000	₦000	₦000	₦000
<b>29.2 Tax recognised in statement of profit or loss</b>				
<b>Income Tax</b>				
Company income tax	12,820,727	4,895,491	12,802,927	4,861,961
Education tax	1,623,131	412,495	1,618,171	410,691
Information technology levy	706,564	611,959	706,564	611,482
National agency for Science and Engineering Infrastructure levy(NASENI)	176,641	152,870	176,641	152,870
Nigerian policy trust fund levy	3,533	3,057	3,533	3,057
Tax (over)/under provision	521,369	2,294,125	-	1,992,856
Tax expense	15,851,965	8,369,997	15,307,836	8,032,917
Deferred tax recognised in statement of profit or loss	3,233,260	493,339	3,189,122	506,904
Total income tax recognised in statement of profit or loss	<u>19,085,225</u>	<u>8,863,336</u>	<u>18,496,958</u>	<u>8,539,821</u>

### 29.3 Income tax reconciliation

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦000	₦000	₦000	₦000
Profit before Tax	71,988,860	62,280,150	70,656,411	61,148,191
Income tax expense calculated at 30% of PBT (2021: 30%)	21,596,658	18,684,045	21,196,923	18,344,457
Effect of income that is exempt from taxation	(3,448,056)	(33,923,740)	(3,448,056)	(33,923,740)
Effect of expense that are not deductible in determining taxable profit	3,668,285	21,371,645	3,668,285	21,371,645
Effect of information technology levy	706,564	611,482	706,564	611,482
Effect of National agency for Science and Engineering Infrastructure levy(NASENI)	176,641	152,870	176,641	152,870
Effect of Nigeria Police Trust fund levy	3,533	3,057	3,533	3,057
Effect of education tax	1,618,171	410,691	1,618,171	410,691
Effect of change in tax rate	187,002	(646,457)	187,002	(646,457)
Effect of tax incentive	-	93,549	-	93,549
Others	(5,423,573)	2,106,194	(5,612,105)	2,122,267
Income tax expense recognised in profit or loss	<u>19,085,225</u>	<u>8,863,336</u>	<u>18,496,958</u>	<u>8,539,821</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

29.4 Deferred tax assets/(liabilities)	Note	Group	Group	Bank	Bank
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		₦'000	₦'000	₦'000	₦'000
		Group	Group	Bank	Bank
At 1 January		1,105,689	1,556,290	353,830	817,996
Charge to profit or loss (Charge)/released to other comprehensive income	29.6	(3,233,260)	(493,339)	(3,189,122)	(506,904)
		(14,182)	42,738	(14,182)	42,738
At end of the year		<u>(2,141,753)</u>	<u>1,105,689</u>	<u>(2,849,474)</u>	<u>353,830</u>

29.5 Deferred tax balance	Group	Group	Bank	Bank
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Bank	Bank
Deferred tax assets	1,514,971	2,617,943	1,092,530	2,156,348
Deferred tax liabilities	(3,656,724)	(1,512,254)	(3,942,004)	(1,802,518)
	<u>(2,141,753)</u>	<u>1,105,689</u>	<u>(2,849,474)</u>	<u>353,830</u>

### 29.6 Component deferred tax

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

Group	Opening	Recognised	Recognised	Closing
31 December 2022	Balance	in profit or	in other	balance
		loss	comprehensive	
			income	
	₦'000	₦'000	₦'000	₦'000
Deferred tax (liabilities)/assets in relation to:				
Property and equipment	(1,227,885)	(763,078)	-	(1,990,963)
Employee benefit	1,127,050	(963,788)	(14,182)	149,080
Loans & advances	769,892	242,978	-	1,012,870
Exchange differences	(284,369)	(1,381,392)	-	(1,665,761)
Tax losses	351,496	(34,106)	-	317,390
Derivative	369,505	(333,874)	-	35,631
	<u>1,105,689</u>	<u>(3,233,260)</u>	<u>(14,182)</u>	<u>(2,141,753)</u>
31 December 2021				
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
	<u>1,556,290</u>	<u>(493,339)</u>	<u>42,738</u>	<u>1,105,689</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 29.6 Component of deferred tax

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

Bank 31 December 2022	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	₦'000	₦'000	₦'000	₦'000
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property and equipment	(1,636,794)	(758,094)	-	(2,394,888)
Employee benefit	1,033,624	(964,979)	(14,182)	54,463
Loans & advances	753,220	249,217	-	1,002,437
Exchange differences	(165,724)	(1,381,392)	-	(1,547,116)
Derivative	369,504	(333,874)	-	35,630
	<u>353,830</u>	<u>(3,189,122)</u>	<u>(14,182)</u>	<u>(2,849,474)</u>

31 December 2021

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
	<u>817,996</u>	<u>(506,904)</u>	<u>42,738</u>	<u>353,830</u>

### 30 Borrowings

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund (Note 30.1 (i))	150,246,530	185,408,180	150,246,530	185,408,180
AFDB Borrowing (Note 30.1 (ii))	10,071,808	15,323,294	10,071,808	15,323,294
CBN Industrial Borrowing (Note 30.1 (iii))	301,483,924	201,989,404	301,483,924	201,989,404
Syndicated Lending II (Note 30.1 (iv))	234,989,540	360,036,036	234,989,540	360,036,036
Syndicated Lending III (Note 30.1 (v))	197,954,554	362,004,603	197,954,554	362,004,603
Syndicated Bridge Facility (Note 30.1 (vi))	425,145,417	-	425,145,417	-
Euro Bond (Note 30.1 (vii))	373,618,422	-	373,618,422	-
AFD Borrowing (Note 30.1 (viii))	24,177,495	-	24,177,495	-
Other borrowing	1,929,880	542,043	-	-
	<u>1,719,617,570</u>	<u>1,125,303,560</u>	<u>1,717,687,690</u>	<u>1,124,761,517</u>



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 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. The debenture matures in 2029.

##### 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, this was extended to end on the 28th of February 2022 but was further extended to a new reversion date of 30 August 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 1 billion 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) Syndicated Lending III

The Group entered into a facility agreement through a syndicated financing from the African Export –Import Bank (Afrexim) on the 14th of December 2020. The total amount obtained by the bank was 1 billion 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%)

##### vi) Syndicated Bridge Facility

This represents facility agreement entered by the Bank on the 20th of July 2022 through a syndicated financing from a group of lenders with African Finance Corporation and Standard Chartered Bank as global co-ordinators. The total amount obtained by the bank was 1 billion Euros. This facility is fully guaranteed by the Africa Finance Corporation. 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 24 month moratorium period on principal repayment with a final maturity 24 months from the signature date. Interest payable under the facility is Euribor + a margin (1.65%)

##### vii) Euro Bond

This represents 7.5% 750million Euros senior note issued by BOI Finance B.V, Netherlands on 16 February 2022. The senior note is fully guaranteed by the Federal Government of Nigeria. The senior note has a tenor of 5 years from the date of issue and due by 2027. Interest is payable annually commencing on 16 February 2023 and ending on the maturity date (16 February 2027) while principal is payable at maturity. Interest payable under the senior note is fixed at 7.5%.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### viii) AFD Borrowing

This represents facility agreement entered by the Bank on the 23rd of August 2022 with Agence Francaise de Development. The total committed draw down on this facility is 100million euros and it is drawable in two drawdowns of 50million euros each. The first drawdown of 50million euros was drawn on the 21st of December 2022 broken down into two tranches of 29.1 million euros and 20.9million euros. Interest rate applicable on Tranche 1(29.1 m euros) is 5.3% while that of tranche 2(20.9millions euros) is 0.08%. This facility has been fully guaranteed by the Africa Finance Corporation. The proceeds of the facility is to enable the Bank to be involved in climate finance over the long term by extending loans to final beneficiaries, which will fund eligible investments complying with set criteria. The final maturity date of this facility is on the 30th of April 2032.

### 30.2 Breach of loan agreement

As at 31 December 2022, 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 31 December 2022
	Balance as at 1 January 2022	Net principal proceed and Repayments	Net Interest accrual and Repayments	
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	185,408,180	(35,161,650)	-	150,246,530
AFDB Borrowing	15,323,295	(5,348,694)	97,207	10,071,808
CBN Industrial Borrowing	201,989,403	100,000,000	(505,479)	301,483,924
Syndicated Lending II	360,036,036	(128,370,944)	3,324,448	234,989,540
Syndicated Lending III	362,004,603	(166,050,855)	2,000,806	197,954,554
Syndicated Bridge facility	-	419,796,091	5,349,326	425,145,417
Euro Bond	-	349,084,748	24,533,674	373,618,422
AFD Borrowing	-	24,154,082	23,413	24,177,495
Other borrowing	542,043	1,387,837	-	1,929,880
	<b>1,125,303,561</b>	<b>559,490,615</b>	<b>34,823,395</b>	<b>1,719,617,570</b>

#### Bank

	Financing Cash flow			Balance as at 31 December 2022
	Balance as at 1 January 2022	Net principal proceed and Repayments	Net Interest accrual and Repayments	
	₦'000	₦'000	₦'000	₦'000
CBN Intervention fund Borrowing	185,408,180	(35,161,650)	-	150,246,530
AFDB Borrowing	15,323,295	(5,348,694)	97,207	10,071,808
CBN Industrial Borrowing	201,989,403	100,000,000	(505,479)	301,483,924
Syndicated Lending II	360,036,036	(128,370,944)	3,324,448	234,989,540
Syndicated Lending III	362,004,603	(166,050,855)	2,000,806	197,954,554
Syndicated Bridge facility	-	419,796,091	5,349,326	425,145,417
Euro Bond	-	349,084,748	24,533,674	373,618,422
AFD Borrowing	-	24,154,082	23,413	24,177,495
	<b>1,124,761,518</b>	<b>558,102,778</b>	<b>34,823,395</b>	<b>1,717,687,690</b>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 31. Employee benefit obligations

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Defined Pension Contribution (see note (31.1) below)	154,753	168,387	12,110	12,957
Defined benefits (see note (31.2) below)	311,677	3,382,288	167,575	3,180,379
	<u>466,430</u>	<u>3,550,675</u>	<u>179,685</u>	<u>3,193,336</u>

#### 31.1 Defined pension contribution

At 1 January	168,387	170,139	12,957	9,910
Arising during the year	1,423,522	1,254,233	1,339,060	1,204,129
Remittance during the year	(1,437,156)	(1,255,985)	(1,339,907)	(1,201,082)
At year ended	<u>154,753</u>	<u>168,387</u>	<u>12,110</u>	<u>12,957</u>

#### 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, employees were entitled to the benefits of the gratuity as long as the employee has spent not less than 5 years in the service before he retires or withdraws. With effect from January 1st 2021, all liabilities were estimated using the emoluments existing as at December 31, 2020.

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Defined benefit obligation	4,676,393	5,140,519	4,489,132	4,874,128
Fair value of planned assets	(4,364,716)	(1,758,231)	(4,321,557)	(1,693,749)
Net liability arising from defined benefit obligation	<u>311,677</u>	<u>3,382,288</u>	<u>167,575</u>	<u>3,180,379</u>

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

At 1 January	5,140,519	6,269,083	4,874,128	5,919,271
Curtailment gain	(8,165)	(621,944)	-	(621,944)
Benefits paid	(455,961)	(506,620)	(384,996)	(423,199)
At 31 December	<u>4,676,393</u>	<u>5,140,519</u>	<u>4,489,132</u>	<u>4,874,128</u>

#### 31.2(b) Planned asset

Opening Fair value	1,758,231	1,800,634	1,693,749	1,740,308
Expected return on plan asset	318,215	87,630	317,503	84,942
Employer contribution	2,266,666	7,164	2,266,666	-
Remeasurement	43,639	(131,501)	43,639	(131,501)
Refund	(15,944)	-	-	-
Benefit paid	(6,091)	(5,696)	-	-
	<u>4,364,716</u>	<u>1,758,231</u>	<u>4,321,557</u>	<u>1,693,749</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
<b>31.2(c) Planned asset comprise of the following</b>				
FGN Bonds	2,240,739	723,802	2,197,580	723,802
Corporate Bonds	188,546	31,570	188,546	31,570
Treasury Bills	-	-	-	-
Cash and cash equivalent	1,935,431	1,002,859	1,935,431	938,377
	<u>4,364,716</u>	<u>1,758,231</u>	<u>4,321,557</u>	<u>1,693,749</u>

### 31.2(d) Amount recognised in Statement of other comprehensive income in respect of the defined benefit plans are as follows:

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Planned asset	<u>43,639</u>	<u>(131,501)</u>	<u>43,639</u>	<u>(131,501)</u>

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

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Curtailement gain	(8,165)	(621,944)	-	(621,944)
Expected return on planned assets	(318,215)	(87,630)	(317,503)	(84,942)
	<u>(326,380)</u>	<u>(709,574)</u>	<u>(317,503)</u>	<u>(706,886)</u>

## 32. Deposit for shares

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Deposit for shares	15,000,000	15,000,000	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>

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.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 33 Share Capital and Reserves

	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
	₦'000	₦'000	₦'000	₦'000
<b>(a) Share Capital</b>				
Issued capital comprises of:				
125,000,000 ordinary shares of N2 each	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Issued and paid up capital comprises of:				
31 December 2022 -73,685,660,619; (31 December 2021 -73,685,660,619) Ordinary shares of N2 each:	<u>147,371,321</u>	<u>147,371,321</u>	<u>147,371,321</u>	<u>147,371,321</u>
There was no additional capital injected during the current period.				
Issued but not yet paid up capital comprises of:				
31 December 2022 -51,314,339,381; (31 December 2021 -51,314,339,381) Ordinary shares of N2 each:	<u>102,628,679</u>	<u>102,628,679</u>	<u>102,628,679</u>	<u>102,628,679</u>

The Bank has not made a call for the issued share capital not yet paid as at 31st December 2022, hence no financial asset has been recognized.

#### (b) Retained earnings

Retained earnings comprises the undistributed profits from previous years.

#### (c) Statutory reserve

This reserve represents the cumulative appropriation from general reserves/earnings in line with Nigerian banking regulations and CBN Regulatory and Supervisory Guidelines for Development Finance Institutions in Nigeria that require the Bank to make an annual appropriation in reference to specific rules. Section 15(1) of the Bank and Other Financial Institutions Act of 2020, stipulates that an appropriation of 30% of profit after tax be made if the statutory reserve is less than the paid-up share capital and 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 cumulative net change in the fair value of available for sale financial assets until the investments are derecognised or impaired.

#### (e) Regulatory risk 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 consideration paid and the capital of the acquiree 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



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 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-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
Profit for the period attributable to shareholders (₦'000)	52,903,635	53,416,814	52,159,453	52,608,370
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	72	71	71



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Note	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Bank 31-Dec-22 N'000	Bank 31-Dec-21 N'000
<b>35 Reconciliation of profit after tax to cash generated from operation</b>					
Profit for the year		52,903,635	53,416,814	52,159,453	52,608,370
Tax expense recognised in profit or loss	29.2	19,085,225	8,863,336	18,496,958	8,539,821
		<u>71,988,860</u>	<u>62,280,150</u>	<u>70,656,411</u>	<u>61,148,191</u>
<b>Adjustment for non-cash items</b>					
Impairment charge on loans and advances	10	1,762,955	3,737,341	1,753,257	3,726,978
Writeback on leases	10	(364)	1,109	-	-
Impairment on other assets	10	224,852	479,592	225,696	466,581
Writeback on debt securities	10	(9,021)	(190,584)	(8,676)	(190,926)
Impairment/(writeback) on cash Balances	10	292	(24,725)	292	(24,725)
Impairment on due from financial institutions	10	33,132	(33,680)	33,475	(29,297)
Amortisation - Intangible assets	12	177,572	178,945	177,572	178,945
Depreciation - Investment properties	12	180,200	238,976	175,981	234,756
Depreciation - Property and equipments	12	2,884,013	2,107,258	462,819	346,437
Depreciation - Right of use assets	12	1,678	-	2,546,781	1,795,481
Loss on disposal of Investment property	9	-	1,178,417	-	1,178,417
Gain on disposal of equity		-	(2,230)	-	(2,230)
Share of loss from associate		205,500	(35,109)	-	-
(Gain)/loss from disposal of property and equipment	9	(110,714)	9,215	74	-
Dividend from equity securities	9	(15,551)	(982)	(14,215)	(42)
		<u>77,323,404</u>	<u>69,923,693</u>	<u>76,009,467</u>	<u>68,828,566</u>
<b>Changes in operating assets and liabilities</b>					
Decrease in traded equity instruments		45	170	-	-
Increase in derivative instruments		(1,027,307)	(3,558,296)	(1,027,307)	(3,558,296)
Increase in advances under lease		(29,672)	(43,244)	-	-
Decrease in loans and advances		(26,741,988)	(34,375,876)	(26,051,644)	(34,066,735)
(Increase)/Decrease in prepayment, accrued income and other assets		(49,799,904)	1,054,551	(48,999,624)	1,136,352
Increase in right-of-use assets		(21,814)	-	(4,892,709)	(1,150,448)
(Decrease)/Increase in staff gratuity		(3,040,605)	(1,219,415)	(2,970,012)	(1,127,037)
Increase/(Decrease) in other liabilities		45,573,064	(13,227,722)	50,292,315	(11,412,107)
		<u>42,235,223</u>	<u>18,553,861</u>	<u>42,360,486</u>	<u>18,650,295</u>
<b>Cash generated from operations</b>					



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	Note	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Bank 31-Dec-22 N'000	Bank 31-Dec-21 N'000
<b>35(a) Cash and cash equivalents</b>					
Cash and bank balances		19,587,744	9,654,975	19,448,643	9,254,612
Due from financial institution		176,654,859	115,445,534	175,327,632	114,006,452
Cash and cash equivalents		<u>196,242,603</u>	<u>125,100,509</u>	<u>194,776,275</u>	<u>123,261,064</u>
<b>35(b) Reconciliation of gross investment in debt securities</b>					
Opening balance of debt securities		751,385,001	872,456,031	751,296,126	872,365,010
Purchase of debt securities		3,402,804,682	3,206,465,020	3,402,782,757	3,206,465,020
Redemption of debt securities		(2,887,361,482)	(3,326,909,033)	(2,887,361,482)	(3,326,909,033)
Interest accrued and receipts		48,301,154	(627,017)	48,301,154	(624,870)
		<u>1,315,129,355</u>	<u>751,385,001</u>	<u>1,315,018,555</u>	<u>751,296,126</u>
<b>36 Statement of prudential adjustment</b>					
Provision per prudential guidelines		40,181,330	37,135,182	40,020,274	36,988,046
Impairment per IFRS		(18,789,276)	(17,026,320)	(18,764,758)	(17,011,500)
Non distributable reserves		<u>21,392,054</u>	<u>20,108,862</u>	<u>21,255,516</u>	<u>19,976,546</u>

Section 12.4 of the Prudential Guidelines (PG) 2010 requires difference between loan provision under PG and IFRS provision be treated as follows:

- 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).
- Where loan provision under PG is less than IFRS provisions, the excess should be transferred from regulatory reserve (i.e. loan impairment reserve) to retained earnings account to the extent of the non-distributable reserve previously recognized.

As at 31 December 2022, the sum of ₦1.279 billion was transferred from the Bank's retained earnings to non-distributable reserve while ₦1.283 million was transferred from the Group's retained earnings to non-distributable reserve.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 37 Employees and Directors

#### 37a Employees

The average number of persons employed by the Company during the year was as follows:

	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Number	Number	Number	Number
Managing Director	1	1	1	1
Executive Directors	4	7	4	4
Management	42	42	28	25
Non-management	572	566	523	510
	<u>619</u>	<u>616</u>	<u>556</u>	<u>540</u>

Compensation for the above staff is set out below

	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Wages and salaries	17,183,898	13,747,498	16,719,709	13,480,612
Defined contribution	1,423,522	1,254,233	1,339,060	1,204,129
Defined benefits	31.2(e) (326,380)	(709,574)	(317,503)	(706,886)
	<u>18,281,040</u>	<u>14,292,157</u>	<u>17,741,266</u>	<u>13,977,856</u>

The number of employees of the Bank, other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Number	Number	Number	Number
N300,001 - N2,000,000	19	38	2	4
N2,000,001 - N2,800,000	12	3	-	-
N2,800,000 - N3,500,000	9	8	-	-
N3,500,001 - N4,000,000	2	-	-	-
N4,000,001 - N5,500,000	10	4	-	-
N5,500,001 - N6,500,000	71	129	69	114
N6,500,001 - N7,800,000	99	94	96	93
N7,800,001 - N9,000,000	96	98	91	91
N9,000,001 - and above	301	238	298	238



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
<b>38b Directors</b>				
Remuneration paid to the directors				
Fees and sitting allowances	76,495	81,900	76,495	81,900
Other directors expenses and benefits	429,766	236,970	390,093	215,945
	<u>506,261</u>	<u>318,870</u>	<u>466,588</u>	<u>297,845</u>

Fees and other emoluments disclosed above include amount paid to:

<i>The Chairman</i>	33,071	49,997	33,071	49,997
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The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	31-Dec-22 Number	31-Dec-21 Number	31-Dec-22 Number	31-Dec-21 Number
Below N1,000,000	5	5	-	-
N1,000,000 - N2,000,000	-	-	-	-
N2,000,001 - N3,000,000	-	-	-	-
N5,500,001 - and above	6	6	6	6



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 38 Related party transactions:

##### a Parent:

Transactions between Bank of Industry and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements.

Entity	31-Dec-22		31-Dec-21	
	Effective holding %	Nominal share capital N'000	Effective holding %	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 2022	Balance as at 31 December 2021
Central Bank of Nigeria	Shareholder	Investment in OMO Bills	1,315,018,554	751,296,126
		Borrowings	(451,730,454)	(387,397,584)
		Derivatives	(109,630)	(1,136,937)
Ministry of Finance Incorporated	Shareholder	Receivable from MOFI	1,869,448	1,869,448
LECON	Subsidiary	Lease of assets:		
		Right of Use assets	5,621,489	3,275,561
		Lease liability	5,497,195	3,500,826

##### 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 remuneration of directors and other members of key management personnel during the year was as follows:

	Group	Group	Bank	Bank
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	N'000	N'000	N'000	N'000
Salaries and other short-term benefits	2,450,940	1,775,900	2,450,940	1,775,900

##### 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 N2.039billion as at 31 December 2022 (31 December 2021: N2.387billion) are secured by the underlying assets.

#### 39 Penalties for non compliance

There was no penalty in the current period.



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

### 40 Contingent liabilities and commitment

#### a. Legal proceedings

The Group is presently involved in 40 cases (31 December 2021: 45 cases) as a defendant and 6 cases (31 December 2021: 6 cases) as a plaintiff, and 45 cases (31 December 2021: 45 cases) in appeal in its ordinary course of business. The total amount claimed in the 6 cases (31 December 2021: 6 cases) instituted by the Bank is estimated at N5.249 billion (31 December 2021: N5.178billion), while the total amount claimed in the 40 cases (31 December 2021: 45 cases) instituted against the Bank is N14.8 billion (31 December 2021: N13.3billion), while the total amount claimed in the 45 cases in appeal (31 December 2021:45 cases) instituted against the Bank is N163.17 billion(31 December 2021: N162.3 billion).

#### b. Capital commitments

At the reporting date, the Group had no capital commitment as at 31 December 2022: Nil (31 December 2021: Nil) in respect of authorised and contracted capital projects.

### 41 Event after the reporting period

There are no event after the reporting date that could have had a material effect on the state of affairs of the group as at 31December 2022 and its operating results for the period then ended which have not been adequately provided for or disclosed in these financial statements.

### 42 Financial risk management

#### Introduction and overview

The Bank has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

#### Credit Risk

The Bank defines credit risks as all the risks that may lead to economic loss to the Bank as a result of the failure or inability of a customer/counterparty to meet its obligations as they fall due. The principal areas where the Bank is exposed to credit risk include: lending (in form of short term loan, medium term loan and long term loan), contingent obligations, lease financing and treasury activities. As every loan has an inherent risk of not being repaid, the Bank's main concern is to minimize credit risks.

#### Principal credit objectives

The Bank's principal credit objective is to manage risks in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) would not be jeopardized. Its credit objectives are therefore to support, manage or finance:

- i) Enterprises with potential to be profitable, competitive, sustainable and have substantial developmental
- 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 econo
- 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 market
- x) Projects that are environmentally friendly.
- xi) Projects in the services sector that support industrial development.



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

### 42 Financial risk management (contd.)

#### 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:

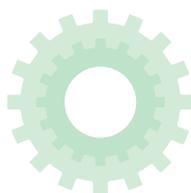
- i) Define appropriate target markets.
- ii) Determine its risk appetite and philosophy
- iii) Determine its risk acceptance criteria and returns consistent with the risk level
- iv) Have effective and efficient relationship management and credit administration systems
- v) Have effective problem loan recognition and management procedures
- vi) Partner with customers and other stakeholders based on shared responsibilities for the success of the en
- vii) Make lending decisions based on the project's expected viability and probability of loan repayment (Relationship Officers should place more emphasis on using cash flow to be generated by a project as a major criterion for recommending such project for approval).
- viii) Ensure adequacy of security and collateral for loans.
- ix) Pay attention to details and exercise due diligence in all stages of loan transactions. (A simple omission or mistake can make a loan go bad. There must be no ambiguity in any aspect of the transaction).
- x) Familiarize with requisite fiscal and monetary policies as well as the CBN Prudential Guidelines and CBN regulatory and supervisory guideline for DFIS and apply these to the evaluation of credit proposals.
- xi) Imbibe the credit culture. A credit culture is rooted in corporate attitudes, philosophies, traditions and standards which are institutionalized. The role of a well-received credit culture is to create a risk management climate that will foster an understanding of the Bank's expectations and the reasons behind its policies.

The Group also has an Executive Management Committee charged with the responsibility of:

- i) Reviewing the single obligor limit as well as the delegated approval limits from time to time and recommend same to the Board.
- ii) Reviewing and approving the submissions of all projects evidenced by requisite reports presented before it by the Lending/Business Groups within its approval limits.
- iii) Recommending to the Board Credit and Investment Committee those projects above its limits.

The Group also has the Risk Management Division(RMD). RMD has the primary responsibility of monitoring compliance with the Group's credit policies and processes. It has 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 writ



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

### 42 Financial risk management (contd.)

- 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 - 33.33% of the Group's Shareholders' Fund unimpaired by losses.
- iii) For Specialized Intervention Funds - Limit as per the underlying Memorandum of Understanding.

#### 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:

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 :

#### 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 Financial risk management (contd.)

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.

##### Group

	31 December 2022			31 December 2021		
	Total Exposure N'000	Value of Collateral N'000	Loan to Value N'000	Total Exposure N'000	Value of Collateral N'000	Loan to Value N'000
Secured against Bank Guarantees	640,169,051	644,760,706	99%	589,208,641	595,938,451	99%
Secured against Cash Collaterals, lien over fixed & Floating assets	14,932,200	15,065,125	99%	8,496,411	14,497,409	59%
Secured against Federal Government Bond	115,060,157	115,148,644	100%	151,430,040	151,652,846	100%
Secured against Trust Deed	59,033	470,618	13%	316,766	3,588,850	9%
Secured against Real Estate	49,333,249	117,548,325	42%	43,676,151	88,850,000	49%
Secured against Personal Guarantee	4,691,886	4,691,886	100%	4,375,579	3,207,913	136%
	<u>824,245,576</u>	<u>897,685,303</u>		<u>797,503,588</u>	<u>857,735,468</u>	

##### Bank

	31 December 2022			31 December 2021		
	Total Exposure N'000	Value of Collateral N'000	Loan to Value N'000	Total Exposure N'000	Value of Collateral N'000	Loan to Value N'000
Secured against Bank Guarantees	640,169,051	644,760,706	99%	589,208,641	595,938,451	99%
Secured against Cash Collaterals, lien over fixed & Floating assets	14,932,200	15,065,125	99%	8,496,411	14,497,409	59%
Secured against Federal Government Bond	115,060,157	115,148,644	100%	151,430,040	151,652,846	100%
Secured against Trust Deed	59,033	470,618	13%	316,766	3,588,850	9%
Secured against Real Estate	49,333,249	117,548,325	42%	43,676,151	88,850,000	49%
Secured against Personal Guarantee	2,806,455	2,806,455	100%	3,180,492	3,207,913	99%
	<u>822,360,145</u>	<u>895,799,872</u>		<u>796,308,501</u>	<u>857,735,468</u>	



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 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 2022	31 December 2021
<i>In thousands of Nigerian Naira</i>		
Gross amount		
<i>Concentration by sector:</i>		
Agro-Processing	69,605,454	66,571,172
Creative Industry	96,975,932	85,327,181
Engineering & Technology	74,053,559	68,116,090
Food processing	132,131,035	112,712,320
Healthcare & Petrochemicals	126,179,608	110,684,050
Oil and Gas	132,101,461	126,100,119
Solid Minerals	53,071,078	51,082,138
Renewable energy	4,682,922	4,683,399
Gender Business	10,570,264	11,473,611
Financial Institutions	117,963,274	154,300,556
Others	6,910,989	6,452,952
	<u>824,245,576</u>	<u>797,503,588</u>

	Bank	
	Loans and advances to customers	
	31 December 2022	31 December 2021
<i>In thousands of Nigerian Naira</i>		
Gross amount		
<i>Concentration by sector:</i>		
Agro-Processing	69,605,454	66,571,172
Creative Industry	96,975,932	85,327,181
Engineering & Technology	74,053,559	68,116,090
Food processing	132,131,035	112,712,320
Healthcare & Petrochemicals	126,179,608	110,684,050
Oil and gas	132,101,461	126,100,119
Solid Minerals	53,071,078	51,082,138
Renewable energy	4,682,922	4,683,399
Gender Business	10,570,264	11,473,611
Financial Institutions	117,963,274	154,339,470
Others	5,025,558	5,218,951
	<u>822,360,145</u>	<u>796,308,501</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### (d) Exposure to credit risk

The tables below detail the Group's maximum exposure to credit risk of financial assets.

#### Group

31-Dec-22	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'000
Cash and bank balances	14	19,587,744	(1,000)	19,586,744
Due from financial institutions	15	176,654,859	(354,025)	176,300,834
Investment in debt securities	18	1,315,129,354	(60,930)	1,315,068,424
Loans and advances	19	824,245,576	(18,789,276)	805,456,300
Advances under lease	17	82,679	(914)	81,765
Other assets	23	5,878,450	(1,739,402)	4,139,048
		<u>2,341,578,662</u>	<u>(20,945,546)</u>	<u>2,320,633,116</u>

31-Dec-21	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'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
		<u>1,680,963,823</u>	<u>(20,075,763)</u>	<u>1,660,888,060</u>

#### Bank

31-Dec-22	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'000
Cash and bank balances	14	19,448,643	(1,000)	19,447,643
Due from financial institutions	15	175,327,632	(351,323)	174,976,309
Investment in debt securities	18	1,315,018,554	(60,883)	1,314,957,671
Loans and advances	19	822,360,145	(18,764,758)	803,595,387
Other assets	23	5,306,603	(1,676,838)	3,629,765
		<u>2,337,461,577</u>	<u>(20,854,802)</u>	<u>2,316,606,775</u>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 43 Financial risk management (contd.)

#### (d) Exposure to credit risk

##### Bank

31-Dec-21	Note	Gross amount N'000	Loss allowance N'000	Net carrying amount N'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
		<u>1,677,254,066</u>	<u>(19,992,748)</u>	<u>1,657,261,318</u>

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



# Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December

### 42 Financial risk management (contd.)

#### Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. Explanation of the terms: stage 1 (12 month ECL), stage 2 (lifetime ECL) and stage 3 (credit impaired) are included in Note 42(e)

Group	Note	31 December 2022				31 December 2021			
		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
<b>1 Cash and Bank Balances</b>		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Performing		19,587,744	-	-	19,587,744	9,654,975	-	-	9,654,975
Gross amount		19,587,744	-	-	19,587,744	9,654,975	-	-	9,654,975
Loss allowance	42 (e)(i)	(1,000)	-	-	(1,000)	(707)	-	-	(707)
Carrying amount		19,586,744	-	-	19,586,744	9,654,268	-	-	9,654,268
<b>2. Due from Financial Institutions</b>									
Performing		176,499,567	-	-	176,499,567	115,217,847	-	-	115,217,847
Substandard – Impaired		-	-	155,292	155,292	-	-	227,687	227,687
Gross amount		176,499,567	-	155,292	176,654,859	115,217,847	-	227,687	115,445,534
Loss allowance	42 (e)(ii)	(198,733)	-	(155,292)	(354,025)	(248,498)	-	(227,687)	(476,185)
Carrying Amount		176,300,834	-	-	176,300,834	114,969,349	-	-	114,969,349
<b>3. Investment in debt securities</b>									
Performing		1,315,129,354	-	-	1,315,129,354	751,385,001	-	-	751,385,001
Watchlist		-	-	-	-	-	-	-	-
Gross amount		1,315,129,354	-	-	1,315,129,354	751,385,001	-	-	751,385,001
Loss allowance	42 (e)(iii)	(60,929)	-	-	(60,929)	(69,950)	-	-	(69,950)
Carrying Amount		1,315,068,425	-	-	1,315,068,425	751,315,051	-	-	751,315,051
<b>4 Loans and advances measured at amortised cost</b>									
Performing		780,878,162	-	-	780,878,162	764,379,010	-	-	764,379,010
Watchlist		-	12,036,979	-	12,036,979	-	6,191,247	-	6,191,247
Substandard – Impaired		-	-	31,330,435	31,330,435	-	-	26,933,332	26,933,332
Gross amount		780,878,162	12,036,979	31,330,435	824,245,576	764,379,010	6,191,247	26,933,332	797,503,589
Loss allowance	42 (e)(iv)	(2,412,944)	(695,440)	(15,680,892)	(18,789,276)	(2,172,988)	(158,877)	(14,694,456)	(17,026,321)
Carrying Amount		778,465,218	11,341,539	15,649,543	805,456,300	762,206,022	6,032,370	12,238,876	780,477,268



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

Group	Note	31 December 2022				31 December 2021			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		12 month ECL N'000	Lifetime ECL N'000	Lifetime ECL N'000		12 month ECL N'000	Lifetime ECL N'000	Lifetime ECL N'000	
<b>5 Other assets</b>									
Performing		-	-	-	-	-	-	-	-
Watchlist		-	5,878,450	-	5,878,450	-	6,921,718	-	6,921,718
Substandard - Impaired		-	-	-	-	-	-	-	-
Gross amount		-	5,878,450	-	5,878,450	-	6,921,718	-	6,921,718
Loss allowance	42 (e)(v)	-	(1,739,402)	-	(1,739,402)	-	(2,501,323)	-	(2,501,323)
Carrying Amount		-	4,139,048	-	4,139,048	-	4,420,395	-	4,420,395
<b>6 Advance under lease</b>									
Performing		82,679	-	-	82,679	53,007	-	-	53,007
Substandard - Impaired		-	-	-	-	-	-	-	-
Gross amount		82,679	-	-	82,679	53,007	-	-	53,007
Loss allowance	42 (e)(vi)	(914)	-	-	(914)	(1,278)	-	-	(1,278)
Carrying Amount		81,765	-	-	81,765	51,729	-	-	51,729



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

Bank

31 December 2022

31 December 2021

Note	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		
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
1	<b>Cash and Bank Balances</b>																
	Performing	19,448,643	-	-	19,448,643	-	-	19,448,643	9,254,612	-	-	-	-	-	-	9,254,612	
	Gross amount	19,448,643	-	-	19,448,643	-	-	19,448,643	9,254,612	-	-	-	-	-	-	9,254,612	
	Loss allowance	(1,000)	-	-	(1,000)	-	-	(1,000)	(708)	-	-	-	-	-	-	(708)	
	Carrying amount	19,447,643	-	-	19,447,643	-	-	19,447,643	9,253,904	-	-	-	-	-	9,253,904		
2.	<b>Due from Financial Institutions</b>																
	Performing	175,327,632	-	-	175,327,632	-	-	175,327,632	113,778,765	-	-	-	-	-	113,778,765		
	Substandard - Impaired	-	-	-	-	-	-	-	-	-	-	227,687	-	-	227,687		
	Gross amount	175,327,632	-	-	175,327,632	-	-	175,327,632	113,778,765	-	-	227,687	-	-	114,006,452		
	Loss allowance	(351,323)	-	-	(351,323)	-	-	(351,323)	(245,454)	-	-	(227,687)	-	-	(473,141)		
	Carrying Amount	174,976,309	-	-	174,976,309	-	-	174,976,309	113,533,311	-	-	-	-	-	113,533,311		
3.	<b>Investment in debt securities</b>																
	Performing	1,315,018,554	-	-	1,315,018,554	-	-	1,315,018,554	751,296,126	-	-	-	-	-	751,296,126		
	Gross amount	1,315,018,554	-	-	1,315,018,554	-	-	1,315,018,554	751,296,126	-	-	-	-	-	751,296,126		
	Loss allowance	(60,883)	-	-	(60,883)	-	-	(60,883)	(69,559)	-	-	-	-	-	(69,559)		
	Carrying Amount	1,314,957,671	-	-	1,314,957,671	-	-	1,314,957,671	751,226,567	-	-	-	-	751,226,567			
4	<b>Loans and advances measured at amortised cost</b>																
	Performing	778,993,318	-	-	778,993,318	-	-	778,993,318	763,183,922	-	-	-	-	-	763,183,922		
	Watchlist	-	12,036,949	-	12,036,949	-	-	12,036,949	-	-	-	6,191,247	-	-	6,191,247		
	Substandard - Impaired	-	-	-	-	-	-	-	-	-	-	-	26,933,332	-	26,933,332		
	Gross amount	778,993,318	12,036,949	31,329,878	822,360,145	-	-	822,360,145	763,183,922	6,191,247	26,933,332	26,933,332	-	796,308,501			
	Loss allowance	(2,389,013)	(695,409)	(15,680,337)	(18,764,758)	-	-	(18,764,758)	(2,158,755)	(158,846)	(14,693,901)	(17,011,501)	-	(17,011,501)			
	Carrying Amount	776,604,305	11,341,540	15,649,542	803,595,387	-	-	803,595,387	761,025,167	6,032,401	12,239,431	12,239,431	-	779,296,999			
5	<b>Other assets</b>																
	Performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Watchlist	-	5,306,603	-	5,306,603	-	-	5,306,603	-	-	-	6,388,375	-	-	6,388,375		
	Substandard - Impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Gross amount	-	5,306,603	-	5,306,603	-	-	5,306,603	-	-	6,388,375	-	-	6,388,375			
	Loss allowance	-	(1,676,838)	-	(1,676,838)	-	-	(1,676,838)	-	-	(2,437,842)	-	-	(2,437,842)			
	Carrying Amount	-	3,629,765	-	3,629,765	-	-	3,629,765	-	-	3,950,533	-	-	3,950,533			



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 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 forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses two criteria for determining whether there has been a significant increase in credit risk:

- qualitative indicators; and
- a backstop of 30 days past due

Credit monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions
- Payment record – this includes overdue status as well as a range of variables about payment ratios.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors. For most exposures, key macro-economic indicators include: GDP growth and crude oil prices.

The Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

In determining the ECL for other assets, the Group applies the simplified model to estimate ECLs, adopting a provision matrix to determine the lifetime ECLs. The provision matrix estimates ECLs on the basis of historical default rates, adjusted for current and future economic conditions (expected changes in default rates) without undue cost and effort.



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

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist.

In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Generally, facilities with loss allowances being measured as Life-time ECL not credit impaired (Stage 2) are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Lifetime ECL not credit impaired (Stage 2) to 12-month ECL (Stage 1) while credit-impaired facilities (Stage 3) are monitored for a probationary period of 180 days before migration from Stage 3 to Stage 1.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

### Definition of default

The Group considers a financial asset to be in default when

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding. In assessing whether a borrower is in default, the Group considers indicators that are:
  - qualitative - e.g. breaches of covenant;
  - quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
  - based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 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 2022 for the years 2023 to 2025, for Nigeria which is the country where the Group operates.

	2023	2024	2025
<b>Inflation</b>			
• Base scenario	18.08%	18.86%	19.64%
• Range of upside scenarios	15.37%	16.03%	16.69%
• Range of downside scenarios	20.79%	21.69%	22.59%
<b>Crude Oil Prices</b>			
• Base scenario	77.84	79.56	81.29
• Range of upside scenarios	89.51	91.50	93.49
• Range of downside scenarios	66.16	67.63	69.10

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.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

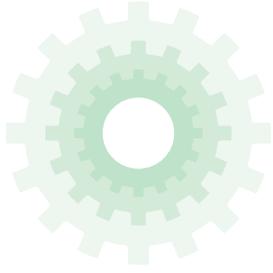
### 42 Financial risk management (contd.)

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 the contractual cash flows of each financial asset. When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- instrument type;
- credit risk grade;
- collateral type;
- date of initial recognition;
- remaining term to maturity;
- industry;
- geographic location of the borrower;
- past due information

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.



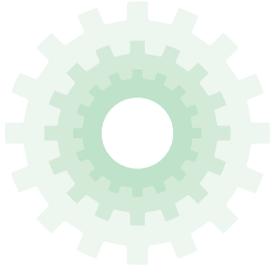
#### 42 Financial risk management (contd.)

##### (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. 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 2022				31 December 2021			
		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
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>(i) Cash and bank balances</b>									
In thousands of Naira									
Opening balance		708	-	-	708	25,433	-	-	25,433
Net remeasurement of loss allowance		292	-	-	292	(24,725)	-	-	(24,725)
Closing balance		1,000	-	-	1,000	708	-	-	708
<b>(ii) Due from financial institutions</b>									
In thousands of Naira									
Opening balance		476,185	-	-	476,185	509,865	-	-	509,865
Net remeasurement of loss allowance		33,132	-	-	33,132	33,680	-	-	33,680
Transfer to Lifetime ECL - credit impaired		(155,292)	-	155,292	-	-	-	-	-
Write off		-	-	155,292	(155,292)	-	-	-	-
Closing balance		354,025	-	-	354,025	476,185	-	-	476,185
<b>(iii) Investment in debt securities</b>									
In thousands of Naira									
Opening balance		69,950	-	-	69,950	260,534	-	-	260,534
Net remeasurement of loss allowance		(9,021)	-	-	(9,021)	(190,584)	-	-	(190,584)
Closing balance		60,929	-	-	60,929	69,950	-	-	69,950



42 Financial risk management (contd.)

iv	Loan and advances	31 December 2021						
		31 December 2021			31 December 2021			
		12month ECL	Lifetime ECL not credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Total	
N'000	N'000	N'000	N'000	N'000	N'000	N'000		
	In thousands of Naira							
	Opening balance	2,172,988	14,694,456	17,026,321	2,725,656	838,746	9,744,269	13,308,671
	Remeasurement of loss allowance	(332,877)	(105,182)	981,711	(1,099,003)	(62,947)	3,475,654	2,313,704
	Transfer to 12 month ECL	317,582	22,221	(295,361)	364,943	(256,693)	(108,250)	-
	Transfer to Lifetime ECL - not credit impaired	(434,442)	607,945	(173,503)	(58,652)	173,254	(114,602)	-
	Transfer to Lifetime ECL - credit impaired	(27,632)	(103,543)	131,175	(164,346)	(569,234)	733,580	-
	Loans repaid	(198,273)	(3,443)	(536,607)	(49,287)	(6,980)	(34,609)	(90,876)
	New loans acquired	915,598	163,007	279,462	453,676	42,731	557,922	1,054,330
	Net remeasurement of loss allowance	239,956	536,563	386,877	(552,668)	(679,869)	4,509,695	3,277,158
	Unwinding of discount	-	-	599,559	-	-	460,183	460,183
	Write off	-	-	-	-	-	(19,691)	(19,691)
	<b>Closing balance</b>	<b>2,412,944</b>	<b>695,440</b>	<b>15,680,892</b>	<b>2,172,988</b>	<b>158,877</b>	<b>14,694,456</b>	<b>17,026,321</b>

v	Other assets	31 December 2021						
		31 December 2021			31 December 2021			
		12month ECL	Lifetime ECL not credit impaired	Total	12month ECL	Lifetime ECL not credit impaired	Total	
N'000	N'000	N'000	N'000	N'000	N'000	N'000		
	In thousands of Naira							
	Opening balance	-	2,501,323	-	2,501,323	-	2,034,240	-
	Remeasurement of loss allowance	-	224,852	-	224,852	-	479,592	-
	Transfer to Lifetime ECL - credit impaired	-	(986,773)	986,773	-	(12,509)	12,509.00	-
	Net remeasurement of loss allowance	-	(761,921)	986,773	224,852	467,083	12,509	479,592
	Write off	-	-	(986,773)	(986,773)	-	(12,509)	(12,509)
	<b>Closing balance</b>	<b>-</b>	<b>1,739,402</b>	<b>-</b>	<b>1,739,402</b>	<b>-</b>	<b>2,501,323</b>	<b>2,501,323</b>







## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

	31 December 2022				31 December 2021			
	12month ECL N'000	Lifetime ECL not credit impaired N'000	Lifetime ECL credit impaired N'000	Total N'000	12month ECL N'000	Lifetime ECL not credit impaired N'000	Lifetime ECL credit impaired N'000	Total N'000
<b>Bank</b>								
v Other assets								
In thousands of Naira								
Opening balance	-	2,437,842	-	2,437,842	-	1,971,261	-	1,971,261
Remeasurement of loss allowance	-	225,696	-	225,696	-	466,581	-	466,581
Transfer to Lifetime ECL - credit impaired	-	(986,700)	986,700	-	-	-	-	-
Net remeasurement of loss allowance	-	(761,004)	986,700	225,696	-	466,581	-	466,581
Write off	-	-	(986,700)	(986,700)	-	-	-	-
Closing balance	-	1,676,838	-	1,676,838	-	2,437,842	-	2,437,842



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 Financial risk management (contd.)

##### (f) Credit definitions

###### (i) Impaired loans and investment securities

Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

###### (ii) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

###### (iii) Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected losses in its loan portfolio.

###### (iv) Write-off policy

The Group writes off a loan/security balance (and any related allowances for impairment losses) when Management determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write off decisions are generally based on a product specific past due status.

##### Liquidity risk

This is the risk that the Bank might not be able to meet with its obligation as they fall due.

##### Management of liquidity risk;

The ultimate responsibility for liquidity risk management rest with the Board of Directors, which has established an appropriate risk management framework or the management of the Bank short, medium and long term funding and liquidity management requirements. This function has be end elegated to the asset and liability management committee of the Bank. This committee meets on bi-weekly to monitor liquidity profile of the Bank. The Bank also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows on the Group and Bank's financial assets and financial liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### Liquidity risk (contd.)

#### Group

#### Residual contractual maturities of financial assets and liabilities

31 December 2022	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 1-2 years	Less than 2-3 years	Less than 3-4 years	Less than 4-5 years	Above 5 years
<b>Non-derivative assets:</b>									
Cash and bank balances	14	19,586,744	19,586,744	19,586,744	-	-	-	-	-
Due from financial institution	15	176,300,834	177,443,717	177,443,717	-	-	-	-	-
Investment in debt securities	18	1,315,068,424	1,334,400,549	1,334,400,549	-	-	-	-	-
Loans and advances	19	805,456,300	961,356,444	299,072,956	251,006,429	172,639,009	110,275,784	69,471,395	58,890,871
Other assets	22	4,139,048	4,139,048	4,139,048	-	-	-	-	-
<b>Total financial assets</b>		<b>2,320,551,351</b>	<b>2,496,926,502</b>	<b>1,834,643,014</b>	<b>251,006,429</b>	<b>172,639,009</b>	<b>110,275,784</b>	<b>69,471,395</b>	<b>58,890,871</b>
<b>Non-derivative liabilities</b>									
Other Liabilities	27	(201,758,987)	(201,758,987)	(201,758,987)	-	-	-	-	-
Borrowings	29	(1,719,617,570)	(1,954,703,600)	(464,975,118)	(630,732,952)	(71,247,747)	(40,921,918)	(395,530,656)	(351,295,209)
<b>Total financial liabilities</b>		<b>(1,921,376,557)</b>	<b>(2,156,462,587)</b>	<b>(666,734,105)</b>	<b>(630,732,952)</b>	<b>(71,247,747)</b>	<b>(40,921,918)</b>	<b>(395,530,656)</b>	<b>(351,295,209)</b>
<b>Derivative liabilities</b>		<b>(109,630)</b>	-	-	-	-	-	-	-
<b>Risk management:</b>									
Inflow		-	1,298,443,946	1,298,443,946	-	-	-	-	-
Outflow		-	(1,318,813,708)	(1,318,813,708)	-	-	-	-	-
<b>Total financial liabilities</b>		<b>(20,369,763)</b>	<b>(20,369,763)</b>	<b>(20,369,763)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap (asset - liabilities)</b>		<b>(1,921,486,187)</b>	<b>(2,176,832,349)</b>	<b>(687,103,867)</b>	<b>(630,732,952)</b>	<b>(71,247,747)</b>	<b>(40,921,918)</b>	<b>(395,530,656)</b>	<b>(351,295,209)</b>
<b>Cumulative liquidity gap</b>		<b>320,094,153</b>	<b>1,147,539,147</b>	<b>(379,726,523)</b>	<b>101,391,262</b>	<b>69,353,867</b>	<b>(326,059,261)</b>	<b>(292,404,338)</b>	<b>320,094,153</b>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 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 1-2 years	Less than 2-3 years	Less than 3-4 years	Less than 4-5 years	Above 5 years
<b>Non-derivative assets:</b>									
Cash and bank balances	14	9,654,268	9,654,268	9,654,268	-	-	-	-	-
Due from financial institutions	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	-	-	-	-	-
<b>Total financial assets</b>		<b>1,660,836,331</b>	<b>1,834,211,442</b>	<b>1,175,618,287</b>	<b>222,638,031</b>	<b>186,614,223</b>	<b>119,104,187</b>	<b>67,498,786</b>	<b>62,737,927</b>
<b>Non-derivative liabilities</b>									
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)
		(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)
<b>Derivative liabilities</b>									
Risk management: Inflow	16	(1,136,937)	-	-	-	-	-	-	-
Outflow		-	751,837,600	751,837,600	-	-	-	-	-
		-	(756,744,380)	(756,744,380)	-	-	-	-	-
			(4,906,780)	(4,906,780)	-	-	-	-	-
<b>Total financial liabilities</b>		<b>(1,315,580,373)</b>	<b>(1,393,456,933)</b>	<b>(618,151,436)</b>	<b>(360,842,002)</b>	<b>(155,368,822)</b>	<b>(38,468,819)</b>	<b>(6,264,468)</b>	<b>(214,361,386)</b>
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	

#### 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 cashflows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### Liquidity risk (contd.)

##### Bank

#### Residual contractual maturities of financial assets and liabilities

31 December 2022	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 1-2 years	Less than 2-3 years	Less than 3-4 years	Less than 4-5 years	Above 5 years
<b>Non-derivative assets:</b>									
Cash and bank balances	14	19,447,643	19,447,643	19,447,643	-	-	-	-	-
Due from financial institution	15	174,976,309	176,116,490	176,116,490	-	-	-	-	-
Investment in debt securities	18	1,314,957,671	1,334,400,549	1,334,400,549	-	-	-	-	-
Loans and advances	19	803,595,387	961,356,444	299,072,956	251,006,429	172,639,009	110,275,784	69,471,395	58,890,871
Other assets	22	3,629,765	3,629,765	3,629,765	-	-	-	-	-
<b>Total financial assets</b>		<b>2,316,606,775</b>	<b>2,494,950,890</b>	<b>1,832,667,403</b>	<b>251,006,429</b>	<b>172,639,009</b>	<b>110,275,784</b>	<b>69,471,395</b>	<b>58,890,871</b>
<b>Non-derivative liabilities</b>									
Other Liabilities	27	(204,274,035)	(204,274,035)	(204,274,035)	-	-	-	-	-
Borrowings	29	(1,717,687,690)	(1,954,703,600)	(464,975,118)	(630,732,952)	(71,247,747)	(40,921,918)	(395,530,656)	(351,295,209)
<b>Total financial liabilities</b>		<b>(1,921,961,725)</b>	<b>(2,158,977,635)</b>	<b>(669,249,153)</b>	<b>(630,732,952)</b>	<b>(71,247,747)</b>	<b>(40,921,918)</b>	<b>(395,530,656)</b>	<b>(351,295,209)</b>
<b>Derivative liabilities</b>									
Risk management:	16	(109,630)	-	-	-	-	-	-	-
Inflow		-	1,298,443,946	1,298,443,946	-	-	-	-	-
Outflow		-	(1,318,813,708)	(1,318,813,708)	-	-	-	-	-
			(20,369,763)	(20,369,763)	-	-	-	-	-
<b>Total financial liabilities</b>		<b>(1,922,071,355)</b>	<b>(2,179,347,397)</b>	<b>(689,618,915)</b>	<b>(630,732,952)</b>	<b>(71,247,747)</b>	<b>(40,921,918)</b>	<b>(395,530,656)</b>	<b>(351,295,209)</b>
Gap (asset - liabilities)		315,603,493	1,143,048,488	(379,726,523)	101,391,262	69,353,867	(326,059,261)	(292,404,338)	
Cumulative liquidity gap			1,143,048,488	763,321,964	864,713,226	934,067,093	608,007,832	315,603,494	



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### Liquidity risk (contd.)

##### Bank

#### Residual contractual maturities of financial assets and liabilities

31 December 2021	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 1 year	Less than 1-2 years	Less than 2-3 years	Less than 3-4 years	Less than 4-5 years	Above 5 years
<b>Non-derivative assets:</b>									
Cash and bank balances	14	9,253,905	9,253,905	-	-	-	-	-	-
Due from financial institutions	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	22	3,950,533	3,950,533	-	-	-	-	-	-
		1,657,261,318	1,830,630,427	1,172,037,272	222,638,031	186,614,223	119,104,187	67,498,786	62,737,927
<b>Non-derivative liabilities</b>									
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)
<b>Derivative liabilities</b>									
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)		437,191,445	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		

#### 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.



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 Financial risk management (contd.)

##### Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is majorly exposed to foreign currency risk and interest rate risk. The Group's exposure to equity market as at end of the period is very minimal with a total market value exposure of N10.7 million (31 Dec. 2021: N14.5 million).

##### 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 currency swap contracts. The Group holds currency swaps which fully covers the negative exposures gap in Euro and USD. See note 16 for the details of currency swap held.

The table below summarises foreign currency exposures of the Group as at year end.

Group		31 December 2022				
<i>In thousands of Naira</i>	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	98,276	2,982	1,647,870	17,837,615	19,586,744
Due from Financial Institutions	15	-	-	72,206,614	104,094,220	176,300,834
Investment in debt securities	18	-	-	-	1,315,068,424	1,315,068,424
Other assets	23	104,196	17,141	102,768	3,914,943	4,139,048
Loans and advances	19	-	-	93,164,703	712,291,597	805,456,300
<b>Total assets</b>		<b>202,472</b>	<b>20,123</b>	<b>167,121,955</b>	<b>2,153,206,800</b>	<b>2,320,551,351</b>
Borrowings	30	(641,815,293)	-	(287,793,725)	(790,008,552)	(1,719,617,570)
Other liabilities	28	-	-	(106,635,336)	(95,123,651)	(201,758,987)
<b>Total liabilities</b>		<b>(641,815,293)</b>	<b>-</b>	<b>(394,429,060)</b>	<b>(885,241,834)</b>	<b>(1,921,486,187)</b>
<b>Net on-balance sheet financial position</b>		<b>(641,612,821)</b>	<b>20,123</b>	<b>(227,307,105)</b>	<b>1,267,964,967</b>	<b>399,065,164</b>

		31 December 2021				
<i>In thousands of Naira</i>	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		-	-	-	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
<b>Total assets</b>		<b>608,917</b>	<b>635,598</b>	<b>153,667,181</b>	<b>1,505,924,636</b>	<b>1,660,836,332</b>
Borrowings	30	-	-	-	(1,136,937)	(1,136,937)
Other liabilities	28	(360,036,036)	-	(377,372,268)	(387,895,256)	(1,125,303,560)
Derivative liability	16	(5,940)	-	(104,656,128)	(84,477,808)	(189,139,876)
<b>Total liabilities</b>		<b>(360,041,977)</b>	<b>-</b>	<b>(482,028,396)</b>	<b>(473,510,001)</b>	<b>(1,315,580,373)</b>
<b>Net on-balance sheet financial position</b>		<b>(359,433,059)</b>	<b>635,598</b>	<b>(328,361,215)</b>	<b>1,032,414,635</b>	<b>345,255,959</b>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### Bank

31 December 2022

In thousands of Naira	Note	EUR	GBP	USD	NGN	Grand Total
Cash and Bank Balances	14	98,276	2,982	1,647,870	17,698,513	19,447,643
Due from Financial Institutions	15	-	-	72,206,614	102,769,695	174,976,309
Investment in debt securities	18	-	-	-	1,314,957,671	1,314,957,671
Other assets	23	104,196	17,141	102,768	3,405,660	3,629,765
Loans and advances	19	-	-	93,164,703	710,430,684	803,595,381
Total assets		202,472	20,123	167,121,954	2,149,262,224	2,316,606,775
Derivative liabilities	16	-	-	-	(109,630)	(109,630)
Borrowings	30	(641,815,293)	-	(287,793,725)	(788,078,673)	(1,717,687,690)
Other liabilities	28	-	-	(106,635,336)	(97,638,699)	(204,274,035)
Total liabilities		(641,815,293)	-	(394,429,060)	(885,827,002)	(1,922,071,355)
Net on-balance sheet financial position		(641,612,821)	20,123	(227,307,105)	1,263,435,222	394,535,420

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	153,667,181	1,502,349,622	1,657,261,318
Borrowings	30	-	-	-	(1,136,937)	(1,136,937)
Other liabilities	28	(360,036,036)	-	(377,372,268)	(387,353,213)	(1,124,761,517)
Derivative liability	16	(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



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

#### Foreign Currency Exchange Risk (continued)

The following table details the Group's sensitivity to an 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 2022

	Group	Bank
	N'000	N'000
<i>Naira strengthens by 1% against the US dollar</i>		
<i>Profit / (loss)</i>	<u>1,445,142</u>	<u>1,445,142</u>
<i>Naira weakens by 1% against the US dollar</i>		
<i>Profit / (loss)</i>	<u>(1,445,142)</u>	<u>(1,445,142)</u>
<i>Naira strengthens by 1% against the Pounds</i>		
<i>Profit / (loss)</i>	<u>(201)</u>	<u>(201)</u>
<i>Naira weakens by 1% against the Pounds</i>		
<i>Profit / (loss)</i>	<u>201</u>	<u>201</u>
<i>Naira strengthens by 1% against the Euro</i>		
<i>Profit / (loss)</i>	<u>11,111,600</u>	<u>11,111,600</u>
<i>Naira weakens by 1% against the Euro</i>		
<i>Profit / (loss)</i>	<u>(11,111,600)</u>	<u>(11,111,600)</u>

#### 31 December 2021

	N'000	N'000
<i>Naira strengthens by 1% against the US dollar</i>		
<i>Profit / (loss)</i>	<u>3,283,612</u>	<u>3,283,612</u>
<i>Naira weakens by 1% against the US dollar</i>		
<i>Profit / (loss)</i>	<u>(3,283,612)</u>	<u>(3,283,612)</u>
<i>Naira strengthens by 1% against the Pounds</i>		
<i>Profit / (loss)</i>	<u>(6,356)</u>	<u>(6,356)</u>
<i>Naira weakens by 1% against the Pounds</i>		
<i>Profit / (loss)</i>	<u>(6,356)</u>	<u>(6,356)</u>
<i>Naira strengthens by 1% against the Euro</i>		
<i>Profit / (loss)</i>	<u>3,594,331</u>	<u>3,594,331</u>
<i>Naira weakens by 1% against the Euro</i>		
<i>Profit / (loss)</i>	<u>(3,594,331)</u>	<u>(3,594,331)</u>



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 Financial risk management (contd.)

##### Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of forward interest rate contracts.

The Group is not exposed to interest rates risk on its financial assets, however, the Group is exposed to interest rate risk on its financial liabilities Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

##### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed rate financial assets or financial liabilities at FVTPL, they do not contain a variable cash flow, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### Cashflow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Group	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>Effect in thousand of Naira</b>				
<b>31 December 2022</b>				
Variable-rate instruments	(4,430,159)	4,430,159	-	-
Cash flow sensitivity (net)	<u>(4,430,159)</u>	<u>4,430,159</u>	<u>-</u>	<u>-</u>
<b>31 December 2021</b>				
Variable-rate instruments	(7,373,639)	7,373,639	-	-
Cash flow sensitivity (net)	<u>(7,373,639)</u>	<u>7,373,639</u>	<u>-</u>	<u>-</u>
<b>Bank</b>				
<b>Effect in thousand of Naira</b>				
<b>31 December 2022</b>				
Variable-rate instruments	(4,430,159)	4,430,159	-	-
Cash flow sensitivity (net)	<u>(4,430,159)</u>	<u>4,430,159</u>	<u>-</u>	<u>-</u>
<b>31 December 2021</b>				
Variable-rate instruments	(7,373,639)	7,373,639	-	-
Cash flow sensitivity (net)	<u>(7,373,639)</u>	<u>7,373,639</u>	<u>-</u>	<u>-</u>



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 42 Financial risk management (contd.)

##### Capital management

##### Regulatory capital

The Bank's regulator, the Central Bank of Nigeria, sets and monitors capital requirements for the Bank. In implementing current capital requirements, Central Bank of Nigeria requires the Wholesale Development Finance Institutions to maintain a minimum capital of 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:

- To comply with the capital requirements set by regulators of the Development Finance Institutions
- 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 2022 was N426.8billion (31 December 2021: N382.5billion).

##### 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 2022 and 2021:

	Bank	Bank
	31 Dec 2022	31 Dec 2021
<i>In thousands of naira</i>		
<i>Tier 1 capital</i>		
Ordinary share capital	147,371,321	147,371,321
Retained earnings	116,423,052	89,081,659
Statutory reserves	97,565,373	81,917,538
Deposit for shares	-	15,000,000
Other reserves	<u>30,919,899</u>	<u>30,919,899</u>
	<b>392,279,646</b>	<b>364,290,418</b>



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 42 Financial risk management (contd.)

<i>In thousands of naira</i>	Bank 31 Dec 2022	Bank 31 Dec 2021
<b>Capital management</b>		
Less:		
Investment in capital of financial subsidiaries	(1,872,860)	(1,872,860)
Intangible assets	(520,762)	(522,294)
Total Tier 1 Capital (A)	<u>389,886,024</u>	<u>361,895,264</u>
Tier 2 capital		
Borrowings	301,483,924	201,989,404
Other reserves	(1,766,790)	(1,747,745)
Tier 2 before deduction of investment	<u>299,717,135</u>	<u>200,241,659</u>
Tier 2 limit	130,586,295	121,256,041
Less:		
Investment in capital of financial subsidiaries	<u>(1,872,860)</u>	<u>(1,872,860)</u>
Net Total Tier 2 Capital (B)	<u>128,713,434</u>	<u>119,383,181</u>
Total regulatory capital (A+B)	<u>518,599,458</u>	<u>481,278,445</u>
Market risk	60,902,457	52,035,654
Operational risk	183,082,140	149,238,804
Credit risk	843,907,609	740,095,473
Total risk-weighted assets	<u>1,087,892,206</u>	<u>941,369,931</u>
<b>Capital ratios</b>		
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	35.84%	38.44%
Total capital expressed as a percentage of total risk-weighted assets	47.67%	51.13%



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 43 Financial assets and liabilities

##### 43.1 Classification of financial assets and liabilities, fair value and fair value hierarchy

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments. It also shows the fair values of the financial assets and liabilities and their fair value hierarchy.

Group	31 December 2022						
	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
<i>In thousands of Naira</i>							
Cash and bank balances	14	-	-	9,586,744	19,586,744	19,586,744	-
Due from financial institution	15	-	-	176,300,834	176,300,834	176,635,261	-
Investment in debt securities	18	-	-	1,315,068,424	1,315,068,424	1,328,644,164	2
Equity investment securities:							
- Quoted Equities at FVTPL	20	4,042	-	-	4,042	4,042	1
- Quoted equities at FVOCI	20	-	6,701	-	6,701	6,701	1
- Unquoted equities at FVOCI	20	-	9,304,485	-	9,304,485	9,304,485	3
Loans and advances	19	-	-	805,456,300	805,456,300	805,456,300	-
Other assets	23	-	-	4,139,048	4,139,048	4,139,048	-
Total financial assets		4,042	9,311,186	2,320,551,351	2,329,866,579	2,343,776,747	
Derivative liability	16	109,630	-	-	109,630	109,630	-
Other liabilities	28	-	-	201,758,987	201,758,987	201,758,987	-
Borrowings	30	-	-	1,719,617,570	1,719,617,570	1,548,503,800	2
Total financial liabilities		109,630	-	1,921,376,557	1,921,486,187	1,750,372,416	
<b>31 December 2021</b>							
	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
<i>In thousands of Naira</i>							
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:							
- Equity securities 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	1,660,836,331	1,669,426,803	1,680,206,028	
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	1,200,300,613	



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 43 Financial assets and liabilities

##### 43.1 Classification of financial assets and liabilities, fair value and fair value hierarchy

31 December 2022							
Bank							
	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
<i>In thousands of Naira</i>							
Cash and bank balances	14	-	-	19,447,643	19,447,643	19,447,643	-
Due from financial institution	15	-	-	174,976,309	174,976,309	175,310,736	-
Investment in debt securities	18	-	-	1,314,957,671	1,314,957,671	1,328,533,411	2
Equity investment securities:							
- Quoted equity at FVTPL	20	676	-	-	676	676	1
- Quoted equities at FVOCI	20	-	4,237	-	4,237	4,237	1
- Unquoted equities at FVOCI	20	-	9,299,684	-	9,299,684	9,299,684	3
Loans and advances	19	-	-	803,595,387	803,595,387	803,595,387	2
Other assets	23	-	-	3,629,765	3,629,765	3,629,765	-
Total financial assets		676	9,303,921	2,316,606,775	2,325,911,372	2,339,821,539	
Derivative liability	16	109,630	-	-	109,630	109,630	-
Other liabilities	28	-	-	204,274,035	204,274,035	204,274,035	-
Borrowings	30	-	-	1,717,687,690	1,717,687,690	1,546,573,920	2
Total financial liabilities		109,630	-	1,921,961,725	1,922,071,355	1,750,957,585	

31 December 2021							
	Notes	Mandatorily at FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value amount	Fair value hierarchy
<i>In thousands of Naira</i>							
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	16	-	-	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	



## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 December

#### 43 Financial assets and liabilities

##### 43.2 Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements

###### Level 1

Quoted market price (unadjusted) in an active market for an identical instrument.

###### Level 2

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

###### Level 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

##### Level 3 fair value measurements

###### Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Group Unquoted equity investments at FVOCI R'000	Bank Unquoted equity investments at FVOCI R'000
Balance as at 1 January 2022	8,575,887	8,560,281
Additions during the year	784,065	784,065
Unrealised fair value gain/(loss) recognised in other comprehensive	(55,467)	(44,662)
Balance as at 31 Dec 2022	9,304,485	9,299,684



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

### 43 Financial assets and liabilities (cont'd)

#### Fair value methods and assumptions

##### (i) Equity investment securities

Equity investment securities comprise quoted equity instruments traded on the floor of the Nigerian Stock Exchange and unquoted equity instruments for which are not traded in an active market. The fair value of quoted equity securities were derived based on trading prices of the securities as at reporting date. The fair value of unquoted equity instruments were determined using valuation techniques (adjusted net asset valuation and discounted cashflow techniques) and inputs which may not be observable in the market. References were made to the investee companies historical financial performance and financial positions, cost of capital, discount rate, illiquidity discount etc. The data obtained were analysed and adjustments was made to reflect differences in the circumstances of each investees.

Information about significant unobservable inputs used as at 31 December 2022 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.

#### Financial assets and liabilities not measured at fair value

The valuation method and assumptions for financial instruments not measured at fair value, which were included in table 43.1 are presented below:

##### (i) Cash and bank balances

Due from financial institutions represents bank placements with very short maturity, typically 30 days. The fair value of these balances is their carrying amounts.

##### (ii) Due from other banks

Due from financial institutions represents bank placements with very short maturity, typically 30 days. The fair value of these balances is their carrying amounts.

##### (iii) Investment in debt securities

Investment in debt securities includes Treasury bills and CBN Omo Bills issued by the Central Bank of Nigeria. The fair value of treasury bills at amortised cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 43 Financial assets and liabilities (cont'd)

#### Fair value methods and assumptions (cont'd)

##### (iv) Loans and advances

Loans and advances represent loans issued to customers for industrialisation and are carried at amortised cost less impairment allowance. The fair value of these loans is their carrying amounts.

##### (v) Other financial assets/financial liabilities

Other financial assets/financial liabilities represent monetary assets, which usually have a short recycle period and as such, whose fair values approximate their carrying amount.

##### (vi) Borrowings

The estimated fair value of borrowings which includes non-interest-bearing borrowings, is the discounted amount repayable.

The estimated fair values of interest-bearing borrowings are determined using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity.



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

### 44 Current and non-current classification of assets and liabilities

The following table distinguishes the current and non-current assets and liabilities as at year end

31 December 2022

	Carrying Amount N'000	Group Current N'000	Non- current N'000	Carrying Amount N'000	Bank Current N'000	Non-current N'000
<b>ASSETS</b>						
Cash and bank balances	19,586,744	19,586,744	-	19,447,643	19,447,643	-
Due from financial institutions	176,300,834	176,300,834	-	174,976,309	174,976,309	-
Investment in debt securities	1,315,068,424	1,315,068,424	-	1,314,957,671	1,314,957,671	-
Advances under lease	81,765	81,765	-	-	-	-
Loans and advances	805,456,300	274,822,119	530,634,181	803,595,387	272,961,206	530,634,181
Equity investment securities	9,315,228	-	9,315,228	9,304,597	-	9,304,597
Investment in subsidiaries	-	-	-	3,745,720	-	3,745,720
Other assets	10,921,747	10,921,747	-	8,482,443	8,482,443	-
Intangible assets	520,761	-	520,761	520,762	-	520,762
Property and equipment	32,173,872	-	32,173,872	26,495,589	-	26,495,589
Investment property	3,748,062	-	3,748,062	3,619,435	-	3,619,435
Right-of-use assets	20,136	-	20,136	5,621,489	-	5,621,489
<b>TOTAL ASSETS</b>	<b>2,376,023,482</b>	<b>1,796,781,632</b>	<b>576,412,240</b>	<b>2,373,767,045</b>	<b>1,790,825,273</b>	<b>579,941,774</b>
<b>LIABILITIES</b>						
Derivative liability	109,630	109,630	-	109,630	109,630	-
Tax payable	22,100,229	22,100,229	-	21,898,160	21,898,160	-
Borrowings	1,719,617,570	396,597,253	1,323,020,317	1,717,687,690	394,667,373	1,323,020,317
Employee benefits	466,430	-	466,430	179,685	-	179,685
Deferred tax liabilities	2,141,753	-	2,141,753	2,849,474	-	2,849,474
Other liabilities	201,758,987	201,758,987	-	204,274,035	204,274,035	-
<b>TOTAL LIABILITIES</b>	<b>1,946,194,599</b>	<b>620,566,099</b>	<b>1,325,628,500</b>	<b>1,946,998,674</b>	<b>620,949,198</b>	<b>1,326,049,476</b>



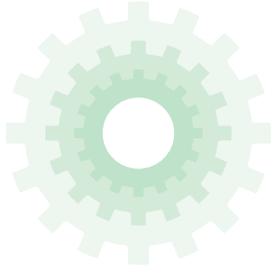
## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December

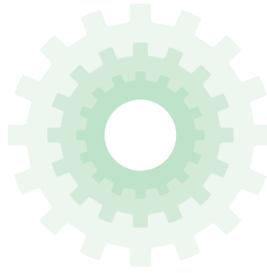
### 44 Current and non-current classification of assets and liabilities

31 December 2021

	Group			Bank		
	Carrying Amount N'000	Current N'000	Non-current N'000	Carrying Amount N'000	Current N'000	Non-current N'000
<b>ASSETS</b>						
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	-
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	-
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
<b>TOTAL ASSETS</b>	<b>1,712,020,571</b>	<b>1,150,352,424</b>	<b>558,633,039</b>	<b>1,709,806,430</b>	<b>1,145,551,362</b>	<b>561,255,068</b>
<b>LIABILITIES</b>						
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	-
<b>TOTAL LIABILITIES</b>	<b>1,327,174,260</b>	<b>621,812,415</b>	<b>705,361,845</b>	<b>1,327,287,212</b>	<b>622,282,706</b>	<b>705,004,506</b>

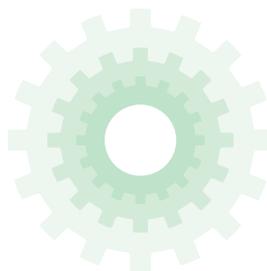


## OTHER INFORMATION



## Other Information Value Added Statement

	Group				Bank			
	31-Dec-22		31-Dec-21		31-Dec-22		31-Dec-21	
	N'000	%	N'000	%	N'000	%	N'000	%
Gross income	212,955,386		184,554,648		211,054,594		183,390,927	
Interest paid	(83,051,553)		(57,866,159)		(83,887,239)		(58,611,570)	
Fees paid	(7,483,636)		(5,080,492)		(7,483,636)		(5,080,492)	
	122,420,197		121,607,997		119,683,719		119,698,865	
Net loss from financial instruments measured at fair value	-		(16,562,219)		-		(16,563,541)	
Other losses	(205,500)		-		-		-	
Impairment charges	(4,345,662)		(9,095,180)		(4,337,860)		(9,074,738)	
Administrative overheads	22,227,364)		(15,263,338)		(21,457,746)		(14,789,882)	
<b>Value Added</b>	<b><u>95,641,671</u></b>	<b><u>100</u></b>	<b><u>80,687,260</u></b>	<b><u>100</u></b>	<b><u>93,888,112</u></b>	<b><u>100</u></b>	<b><u>79,270,703</u></b>	<b><u>100</u></b>
<b>Applied as follows:</b>								
To pay employees:								
- Salaries and wages	20,409,348	21	15,881,931	20	19,868,549	27	15,566,892	20
To pay government:								
- Taxation	19,085,225	20	8,863,336	11	18,496,958	8	8,539,821	11
Retained for future replacement of assets and expansion of business:								
- Depreciation and amortisation	3,243,463	3	2,525,181	5	3,363,153	5	2,555,620	3
- Profit retained in the business	52,903,635	55	53,416,814	66	52,159,453	60	52,608,370	66
	<u>95,641,671</u>	<u>100</u>	<u>80,687,260</u>	<u>100</u>	<u>93,888,112</u>	<u>100</u>	<u>79,270,703</u>	<u>100</u>

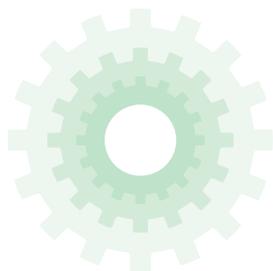


## Other Information

### Financial Summary - Group

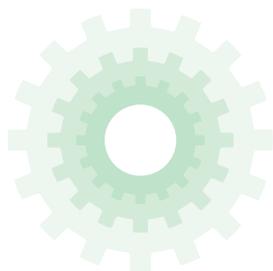
#### Consolidated statement of financial position

	2022 ₱'000	2021 ₱'000	2020 ₱'000	2019 ₱'000	2018 ₱'000
<b>ASSETS</b>					
Cash and Bank Balances	19,586,744	9,654,268	83,230,087	9,872,038	18,193,868
Due from Financial Institution	176,300,834	114,969,349	104,652,434	36,633,351	107,578,150
Derivative Asset	-	-	-	2,935,928	-
Debt securities	1,315,068,424	751,315,051	872,195,497	197,850,196	261,806,710
Loans and Advances	805,456,300	780,477,268	749,838,732	740,032,638	634,116,033
Advances under Lease	81,765	51,729	9,594	226,539	131,052
Equity securities	9,315,228	8,590,472	4,403,919	2,571,289	3,921,028
Investment in equity-accounted investee	2,829,609	3,035,109	-	-	-
Other assets	10,921,747	9,803,141	10,710,266	11,362,373	7,376,899
Intangible assets	520,761	522,293	529,346	499,937	177,855
Property and equipment	32,173,872	25,361,410	25,466,028	24,442,706	23,321,404
Investment property	3,748,062	7,134,792	11,160,435	11,427,807	11,746,299
Right-of-use assets	20,136	-	-	-	-
Deferred tax asset	-	1,105,689	1,556,290	2,330,222	675,882
<b>TOTAL ASSETS</b>	<b>2,376,023,482</b>	<b>1,712,020,571</b>	<b>1,863,752,628</b>	<b>1,040,185,024</b>	<b>1,069,045,180</b>
Derivative liability	109,630	1,136,937	4,695,233	-	1,372,808.00
Tax payable	22,100,229	8,043,213	4,109,668	2,902,622	5,073,130
Deposit for shares	-	-	-	15,000,000	15,000,000
Borrowings	1,719,617,570	1,125,303,560	1,302,479,259	598,199,128	686,730,273
Employee benefits	466,430	3,550,675	4,638,588	3,603,563	1,331,491
Deferred tax liabilities	2,141,753	-	-	-	-
Other liabilities	201,758,987	189,139,876	211,346,787	127,392,185	101,298,014
<b>TOTAL LIABILITIES</b>	<b>1,946,194,599</b>	<b>1,327,174,261</b>	<b>1,527,269,535</b>	<b>747,097,498</b>	<b>810,805,716</b>
<b>CAPITAL AND RESERVES</b>					
Ordinary share capital	147,371,321	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	118,716,403	90,681,892	64,616,711	51,427,211	30,815,531
Statutory reserve	98,245,236	82,587,137	64,502,053	50,562,471	39,326,952
Non - distributable reserves	21,392,054	20,108,862	16,381,154	14,519,142	9,049,290
Actuarial Reserve	604,852	559,652	(262,245)	27,006	1,159,305
SME reserve	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Fair value reserve	(2,501,927)	(2,453,468)	(2,109,168)	(1,794,399)	(444,945)
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Deposit for shares	15,000,000	15,000,000	15,000,000	-	-
Total equity attributable to owners of the Company	429,747,837	384,775,295	336,419,725	293,032,651	258,197,353
Non controlling Interest	81,046	71,015	63,368	54,875	42,111
<b>Total Equity</b>	<b>429,828,883</b>	<b>384,846,310</b>	<b>336,483,093</b>	<b>293,087,526</b>	<b>258,239,464</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,376,023,482</b>	<b>1,712,020,571</b>	<b>1,863,752,628</b>	<b>1,040,185,024</b>	<b>1,069,045,180</b>



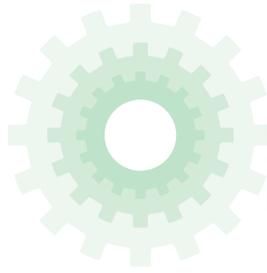
## Other Information Financial Summary (contd.) - Bank Statement of financial position

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
<b>ASSETS</b>					
Cash and Bank Balances	19,447,643	9,253,905	82,593,208	9,408,307	17,877,630
Due from Financial Institution	174,976,309	113,533,311	103,625,287	35,791,352	106,590,574
Derivative Asset	-	-	-	2,935,928	-
Debt securities	1,314,957,671	751,226,568	872,104,525	197,386,540	261,747,312
Advances under Lease	-	-	-	-	-
Loans and Advances	803,595,387	779,297,001	748,957,244	739,420,096	633,706,120
Equity Securities	9,304,597	8,569,034	4,382,411	2,550,311	3,911,426
Investment in equity-accounted investee	3,000,000	3,000,000	-	-	-
Investment in Subsidiaries	3,745,720	3,745,720	3,545,720	3,545,720	3,545,720
Other assets	8,482,443	8,164,961	9,143,024	9,931,557	6,864,505
Intangible Assets	520,762	522,294	529,346	499,937	177,856
Property and equipment	26,495,589	21,862,299	21,351,298	20,522,247	20,138,858
Investment Property	3,619,435	7,001,946	11,023,369	11,286,521	11,600,793
Employee benefit	-	-	-	-	-
Deferred Tax Asset	-	353,830	817,996	1,488,950	-
Right of use assets	5,621,489	3,275,561	3,920,594	3,344,690	-
<b>TOTAL ASSETS</b>	<b>2,373,767,045</b>	<b>1,709,806,430</b>	<b>1,861,994,022</b>	<b>1,038,112,156</b>	<b>1,066,160,794</b>
Derivative Liability	109,630	1,136,937	4,695,233	-	1,372,808
Tax Payable	21,898,160	7,919,064	3,951,666	2,613,315	4,685,306
Deposit for Shares	-	-	-	15,000,000	15,000,000
Borrowings	1,717,687,690	1,124,761,517	1,300,972,636	596,363,052	684,647,342
Employee benefit	179,685	3,193,336	4,188,872	3,177,634	1,010,279
Deferred Tax Liabilities	2,849,474	-	-	-	165,841
Other Liabilities	204,274,035	190,276,358	213,221,068	128,559,328	99,946,429
<b>TOTAL LIABILITIES</b>	<b>1,946,998,674</b>	<b>1,327,287,212</b>	<b>1,527,029,475</b>	<b>745,713,330</b>	<b>806,828,005</b>
<b>CAPITAL AND RESERVES</b>					
Ordinary share capital	147,371,321	147,371,321	147,371,321	147,371,321	147,371,321
Retained Earnings	116,423,052	89,081,659	63,789,774	51,345,947	32,447,748
Statutory reserve	97,565,373	81,917,538	63,857,662	49,952,840	38,704,011
Non-distributable reserve	21,255,516	19,976,546	16,251,132	14,396,211	9,047,144
Actuarial Reserve	740,092	710,635	(111,261)	211,106	1,280,047
SME reserve	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Available for sale reserve	(2,506,882)	(2,458,380)	(2,113,980)	(1,798,498)	(437,381)
Business combinations under common control	919,899	919,899	919,899	919,899	919,899
Deposit for shares	15,000,000	15,000,000	15,000,000	-	-
Total equity attributable to owners of the Company	426,768,371	382,519,218	334,964,547	292,398,826	259,332,789
Total Equity	426,768,371	382,519,218	334,964,547	292,398,826	259,332,789
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,373,767,045</b>	<b>1,709,806,430</b>	<b>1,861,994,022</b>	<b>1,038,112,156</b>	<b>1,066,160,794</b>



**Other Information**  
**Financial Summary (cont'd) - Group**  
**Consolidated Statement of profit and loss**  
**For the year ended**

	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000	N'000
Interest income	212,955,337	175,830,860	116,906,211	81,229,450	67,719,337
Interest Expense	(83,051,553)	(57,866,159)	(34,117,130)	(25,384,814)	(16,445,454)
<b>Net Interest Income</b>	<b>129,903,784</b>	<b>117,964,701</b>	<b>82,789,081</b>	<b>55,844,636</b>	<b>51,273,883</b>
Net fees and commission income	(675,601)	578,123	2,060,504	3,728,724	4,125,293
Net (loss)/gain from financial instruments measured at fair value	(15,456,405)	(16,562,219)	(17,816,750)	2,935,676	(2,567,866)
Share of (loss)/profit from investee	(205,500)	35,109	-	-	-
Gain on sale of financial assets at FVTPL	-	-	-	-	233,444
Loss on sale of financial assets at FVOCI	-	2,229.94	-	(33)	-
Other income	8,648,419	3,027,834	9,170,991	4,316,082	5,482,414
<b>Total Operating income</b>	<b>122,214,697</b>	<b>105,045,779</b>	<b>76,203,826</b>	<b>66,825,085</b>	<b>58,547,168</b>
Impairment writeback/(charges)	(4,345,662)	(9,095,180)	(12,847,174)	3,984,407	5,155,154
<b>Net Operating Income</b>	<b>117,869,035</b>	<b>95,950,599</b>	<b>63,356,652</b>	<b>70,809,492</b>	<b>63,702,322</b>
Staff cost	(20,409,348)	(15,881,931)	(14,111,271)	(13,997,851)	(12,183,454)
Depreciation and amortisation	(3,243,463)	(2,525,181)	(2,595,808)	(2,499,815)	(1,972,293)
Other operating expenses	(22,227,364)	(15,263,338)	(11,107,556)	(14,976,654)	(12,883,365)
<b>Total operating expense</b>	<b>(45,880,175)</b>	<b>(33,670,449)</b>	<b>(27,814,635)</b>	<b>(31,474,320)</b>	<b>(27,039,112)</b>
Profit before tax	71,988,860	62,280,150	35,542,017	39,335,172	36,663,210
Taxation	(19,085,225)	(8,863,336)	(3,944,159)	(3,834)	(4,209,382)
<b>Profit for the year</b>	<b>52,903,635</b>	<b>53,416,814</b>	<b>31,597,858</b>	<b>39,331,338</b>	<b>32,453,828</b>
Profit attributable to:					
Owners of the company	52,893,604	53,409,167	31,591,094	39,317,049	32,446,939
Non-Controlling Interest	10,031	7,647	6,764	14,289	6,889
	<b>52,903,635</b>	<b>53,416,814</b>	<b>31,597,858</b>	<b>39,331,338</b>	<b>32,453,828</b>



**Other Information**  
**Financial Summary (contd.) - Bank**  
**Statement of profit or loss**  
For the year ended

	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000
Interest income	212,479,848	175,511,056	116,671,135	80,810,850	65,208,827
Interest Expense	(83,887,239)	(58,611,570)	(34,975,683)	(25,822,536)	(16,457,823)
<b>Net Interest Income</b>	<b>128,592,609</b>	<b>116,899,486</b>	<b>81,695,452</b>	<b>54,988,314</b>	<b>48,751,004</b>
Net fees and commission income	(1,537,748)	166,713	1,690,733	3,450,283	3,888,351
Net (loss)/gain from financial instruments measured at fair value	(15,456,360)	(16,563,541)	(17,816,567)	2,935,928	(2,567,866)
Gain on sale of financial assets at FVTPL	-	2,230	-	-	219,926
Other income	8,085,218	2,630,436	8,614,005	3,111,232	4,702,514
<b>Total Operating income</b>	<b>119,683,719</b>	<b>103,135,323</b>	<b>74,183,623</b>	<b>64,485,757</b>	<b>54,993,929</b>
Impairment writeback/(charges)	(4,337,860)	(9,074,738)	(12,805,416)	4,003,964	5,010,024
<b>Net Operating Income</b>	<b>115,345,859</b>	<b>94,060,585</b>	<b>61,378,207</b>	<b>68,489,721</b>	<b>60,003,953</b>
Staff cost	(19,868,549)	(15,566,892)	(13,756,710)	(13,655,825)	(11,793,588)
Depreciation and amortisation	(3,363,153)	(2,555,620)	(2,558,247)	(2,923,277)	(530,597)
Other operating expenses	(21,457,746)	(14,789,882)	(10,714,649)	(14,507,530)	(12,326,447)
<b>Total operating expense</b>	<b>(44,689,448)</b>	<b>(32,912,394)</b>	<b>(27,029,606)</b>	<b>(31,086,632)</b>	<b>(24,650,632)</b>
<b>Profit before tax</b>	<b>70,656,411</b>	<b>61,148,191</b>	<b>34,348,601</b>	<b>37,403,089</b>	<b>35,353,321</b>
Taxation	(18,496,958)	(8,539,821)	(3,545,031)	93,006	(3,445,677)
<b>Profit for the year</b>	<b>52,159,453</b>	<b>52,608,370</b>	<b>30,803,570</b>	<b>37,496,095</b>	<b>31,907,644</b>



## Other Information Additional Disclosure on Managed Funds

This represents the net asset balances of the various funds managed by the bank as at 31 December 2022

		2022 N'000	2021 N'000
Government Enterprise and Empowerment Programme (GEEP)	(i)	22,895,615	24,709,138
CBN Textile Intervention Funds	(ii)	18,812,363	29,186,261
Cassava Bread Support Fund	(iii)	3,246,756	3,028,587
National Automotive Council fund	(iv)	2,478,480	2,355,127
Anambra State Fund	(v)	624,176	640,051
Kebbi state fund	(vi)	121,169	205,020
Niger State Funds	(vii)	193,839	181,708
Kogi State Funds	(viii)	84,183	86,547
Osun State Funds	(ix)	110,814	119,166
Edo Production Hub Managed Fund	(x)	196,508	183,192
Delta State Funds	(xi)	462,592	476,040
Kaduna State Fund	(xii)	398,052	387,454
Taraba State Fund	(xiii)	15,136	456,283
Kano State Fund	(xiv)	55,253	54,853
Kwara State Fund 1	(xv)	21,983	17,835
Kwara State Fund 2	(xvi)	157,085	160,976
Ekiti State Fund	(xvii)	6,811	5,353
SMEDAN Fund - Osun	(xviii)	(135)	(135)
Ondo State Fund	(xix)	215,142	154,911
Ogun State fund	(xx)	360,809	358,677
Dangote fund	(xxi)	3,109,203	2,826,975
Gombe Fund	(xxii)	63,694	60,437
Oyo State Fund	(xxiii)	432,826	449,315
Enugu State Fund	(xxiii)	4,267	23,856
Cross River State fund	(xxv)	205,212	202,303
Business Development Fund for Women (BUDFOW)	(xxvi)	26,210	28,146
Sugar Development Fund	(xxvii)	551,884	508,824
Sugar Levy Fund	(xxviii)	1,571,403	8,502,314
SMEDAN Fund - Oyo	(xxix)	55,068	53,447
Benue State fund	(xxx)	347,703	327,484
Ebonyi State fund	(xxxi)	20,678	20,618
Rice Processing fund	(xxxii)	1,987,994	2,002,498
National Programme for Food Security (NPAFS) fund	(xxxiii)	756,198	708,061
Federal Department of Agriculture (FDA) Cottage fund	(xxxiv)	3,164,823	2,842,554
Sokoto State fund	(xxxv)	373,027	473,542
Bayelsa State fund	(xxxvi)	10,318	10,318
Nigeria Artisanal & Small Scale Miners Financial Support Fund (ASM)	(xxxix)	3,626,383	3,372,881
Nigeria Industrial Policy & Competitiveness Advisory Council (NIPCAC) fund	(xxxviii)	58,272	50,888
MTN Foundation (MTNF) Youth enterprises	(xxxix)	20,988	78,546
Delta state Government Healthcare	(xl)	245,182	232,019
Borno State Fund	(xli)	-	405,380
IsDB Brave Women Fund	(xlii)	261,820	106,709
Textile Revival Fund	(xliii)	18,598,694	18,598,694
Northeast Rehabilitation Fund	(xliv)	197,801	273,479
NEPC (Export Expansion Facility)	(xlv)	-	5,163,704
Benue state government fund	(xlvi)	402,508	402,508
Edo Matching Fund	(xlvii)	486,761	986,761
Edo SEEP Fund	(xlvii)	9,769	-
CBN TIES Fund	(xlviii)	283,469	-
MTN Yelloprenuer	(xlix)	247,845	-
MSME survival	(l)	65,295,799	65,577,185
		<b>152,872,428</b>	<b>177,056,486</b>



## Other Information Additional Disclosure on Managed Funds

### i) 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

	2022 N'000	2021 N'000
Opening Accumulated Fund	24,709,138	27,389,183
Withdrawal from fund	-	(264,181)
Prior year events	(1,417,764)	(2,707,899)
Net Fund Generated/(Utilised)	(395,759)	292,034
<b>Closing Accumulated Fund</b>	<b>22,895,615</b>	<b>24,709,138</b>
<b>Represented by:</b>		
Bank Balances	21,281	996,738
Investment in Money Market	10,327,734	11,161,857
Loan Debtors	12,629,637	12,633,580
Other Receivables	299,715	299,715
Less Liabilities	(382,753)	(382,753)
	<b>22,895,615</b>	<b>24,709,138</b>

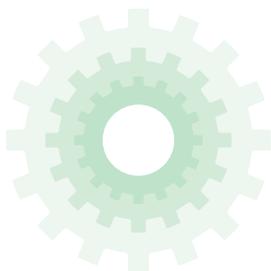
### (ii) CBN TEXTILE INTERVENTION FUND

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

	2022 N'000	2021 N'000
Opening Accumulated Fund	29,186,261	30,307,560
Net Fund Generated/(Utilized)	(10,507,013)	1,911,018
Refund to fund owners	-	(3,032,317)
Prior Year Adjustment	133,115	-
<b>Closing Accumulated Fund</b>	<b>18,812,363</b>	<b>29,186,261</b>
<b>Represented by:</b>		
Bank Balances	(93,224)	(93,224)
Investment in Money Market	-	
Loan Debtors	14,355,181	27,069,184
Other Receivable	4,550,406	2,210,301
Less Liabilities	-	-
	<b>18,812,363</b>	<b>29,186,261</b>



### iii) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	3,028,587	3,216,669
Net Fund Generated/(Utilized)	222,434	270,582
Prior Year Adjustment	(4,265.71)	(458,664)
<b>Closing Accumulated Fund</b>	<b>3,246,756</b>	<b>3,028,587</b>
<b>Represented by:</b>		
Bank Balances	16,320	31,031
Investment in Money Market	2,362,054	2,151,112
Loan Debtors	(247,778)	(214,794)
Other Receivable	1,148,432	1,078,912
Less Liabilities	(32,272)	(17,674)
	<b>3,246,756</b>	<b>3,028,587</b>

### (iv) 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

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

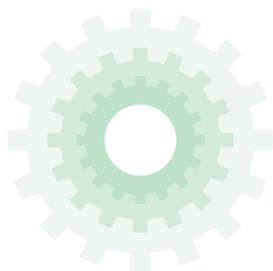


## Other Information Additional Disclosure on Managed Funds

### 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

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	2,355,127	2,870,453
Net Fund Generated/(Utilized)	123,353	(515,326)
Prior Year Adjustment		
Closing Accumulated Fund	<u>2,478,480</u>	<u>2,355,127</u>
<b>Represented by:</b>		
Bank Balances	96,112	21,953
Investment in Money Market	1,723,293	1,327,500
Loan Debtors	(1,246,849)	(808,244)
Other Receivable	1,909,166	1,817,161
Less Liabilities	(3,243)	(3,243)
	<u>2,478,480</u>	<u>2,355,127</u>



**(v) 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.

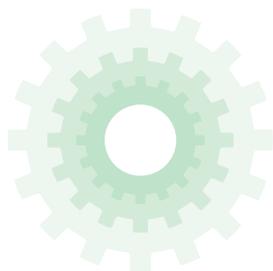
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	640,051	614,952
Net Fund Generated/(Utilised)	(15,875)	25,099
Closing Accumulated Fund	<u>624,176</u>	<u>640,051</u>
<b>Represented by:</b>		
Bank Balances	19,473	24,871
Investment in Money Market	578,353	507,479
Loan Debtors	(154,759)	(44,060)
Other Receivable	189,852	158,913
Less Liabilities	(8,743)	(7,152)
	<u>624,176</u>	<u>640,051</u>

**(vi) KEBBI STATE FUND**

Kebbi State MSME Fund (also referred to as KBSG-BOI MSME Fund) represents Kebbi State Government's share of the 50:50 Counterpart Fund by both the KBSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely: Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The KBSG signed the MOU with BOI in March 2019 and committed a sum of N1 billion to the scheme, which has been fully released. All loans granted under the KBSG MSME Fund shall be interest free. Beneficiaries shall however be required to pay an administrative fee 3.5% of the loan amount per annum. The Management Fee to be earned by the Bank is 2% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	205,020	969,596
Net Fund Generated/(Utilised)	(83,851)	(764,576)
Closing Accumulated Fund	<u>121,169</u>	<u>205,020</u>
<b>Represented by:</b>		
Bank Balances	260	260
Investment in Money Market	107,788	98,620
Loan Debtors	25,000	115,815
Other Receivable	532	351
Less Liabilities	(12,410)	(10,026)
	<u>121,169</u>	<u>205,020</u>



#### (vii) 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.

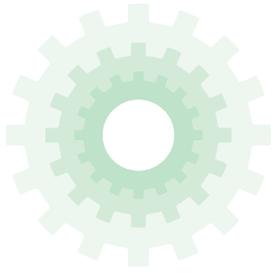
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	181,708	175,099
Net Fund Generated/(Utilised)	12,131	6,609
Closing Accumulated Fund	<u>193,839</u>	<u>181,708</u>
<b>Represented by:</b>		
Bank Balances	148	703
Investment in Money Market	196,641	184,059
Loan Debtors	-	123,468
Other Receivables	1,501	(123,266)
Less Liabilities	(4,451)	(3,256)
	<u>193,839</u>	<u>181,708</u>

#### (viii) 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	2022 N'000	2021 N'000
Opening Opening Accumulated Fund	86,547	89,031
Net Fund Generated/(Utilised)	(2,364)	(2,484)
Closing Accumulated Fund	<u>84,183</u>	<u>86,547</u>
<b>Represented by:</b>		
Bank Balances	669	669
Investment in Money Market	-	-
Loan Debtors	4,419	4,331
Other Receivables	122,595	112,419
Less Current Liabilities	(33,324)	(30,872)
	<u>84,183</u>	<u>86,547</u>



**(ix) 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.

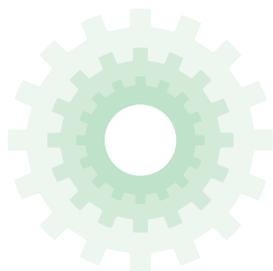
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	119,166	216,165
Transfer to Osun SEEP	-	(100,000)
Net Fund Generated/(Utilised)	<u>(8,352)</u>	<u>3,001</u>
<b>Closing Accumulated Fund</b>	<b><u>110,814</u></b>	<b><u>119,166</u></b>
<b>Represented by:</b>		
Bank Balances	10,528	11,264
Investment in Money Market	82,758	65,745
Loan Debtors	(67,727)	(37,220)
Other Receivables	88,544	82,071
Less Liabilities	<u>(3,290)</u>	<u>(2,694)</u>
	<b><u>110,814</u></b>	<b><u>119,166</u></b>

**(x) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	183,192	184,465
Net Fund Generated/(Utilised)	<u>13,317</u>	<u>(1,273)</u>
<b>Closing Accumulated Fund</b>	<b><u>196,508</u></b>	<b><u>183,192</u></b>
<b>Represented by:</b>		
Bank Balances	5,964	6,394
Investment in Money Market	137,327	164,438
Loan Debtors	41,452	1
Other Receivables	20,759	19,251
Less Liabilities	<u>(8,995)</u>	<u>(6,892)</u>
	<b><u>196,508</u></b>	<b><u>183,192</u></b>



**(xi) DELTA STATE MANAGED FUND**

Delta State MSMEs Fund (also referred to as DTSG-BOI MSME Fund) represents Delta state Government's share of the 50:50 Counterpart Fund by both the DTSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The DTSG signed the MOU with BOI on 23rd March, 2008 and committed a sum of 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.

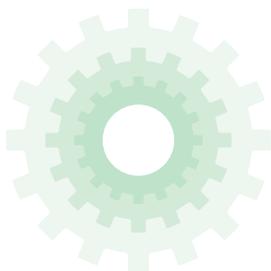
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	476,040	489,923
Net Fund Generated/(Utilised)	(13,448)	(13,883)
Closing Accumulated Fund	<u>462,592</u>	<u>476,040</u>
<b>Represented by:</b>		
Bank Balances	107	216
Investment in Money Market	14,190	24,274
Loan Debtors	(59,748)	(54,948)
Sundry Debtors	515,991	511,202
Less Liabilities	(7,948)	(4,704)
	<u>462,592</u>	<u>476,040</u>

**(xii) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	387,454	391,386
Net Fund Generated/(Utilised)	10,598	(3,932)
Closing Accumulated Fund	<u>398,052</u>	<u>387,454</u>
<b>Represented by:</b>		
Bank Balances	11,869	9,083
Investment in Money Market	345,105	338,044
Loan Debtors	43,963	43,744
Other Receivables	5,825	2,137
Less Liabilities	(8,710)	(5,554)
	<u>398,052</u>	<u>387,454</u>



### (xiii) 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.

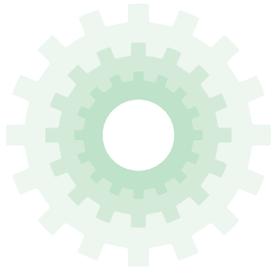
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	456,283	440,418
Refund to Fund Owners	(433,334)	(36)
Net Fund Generated/(Utilised)	<u>(7,814)</u>	<u>15,902</u>
Closing Accumulated Fund	<u>15,136</u>	<u>456,283</u>
<b>Represented by:</b>		
Bank Balances	988	571
Investment in Money Market	10,252	451,116
Loan Debtors	1,400	53,924
Sundry Debtors	6,094	(44,744)
Less Liabilities	<u>(3,600)</u>	<u>(4,585)</u>
	<u>15,136</u>	<u>456,283</u>

### (xiv) 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 interest on loan shall accrue to BOI. The Management Fee to be earned by the Bank is 5% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	54,853	61,614
Net Fund Generated/(Utilised)	<u>400</u>	<u>(6,760)</u>
Closing Accumulated Fund	<u>55,253</u>	<u>54,853</u>
<b>Represented by:</b>		
Bank Balances	1,315	755
Investment in Money Market	36,838	35,457
Loan Debtors	1281,672	
Other Receivables	23,139	23,113
Less Liabilities	<u>(7,321)</u>	<u>(4,472)</u>
	<u>55,253</u>	<u>54,853</u>



**(xv) 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 kickstart Kwara State 2 Managed Fund.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	17,835	4,328
Prior year adjustment	(996)	-
Net Fund Generated/(Utilised)	<u>5,144</u>	<u>13,507</u>
Closing Accumulated Fund	<u>21,983</u>	<u>17,835</u>
<b>Represented by:</b>		
Bank Balances	839	839
Investment in Money Market	5,780	7,379
Loan Debtors	(90,334)	(85,243)
Other Receivables	108,452	97,450
Less Liabilities	<u>(2,754)</u>	<u>(2,591)</u>
	<u>21,983</u>	<u>17,835</u>

**(xvi) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	160,976	161,972
Net Fund Generated/(Utilised)	<u>(3,890)</u>	<u>(996)</u>
Closing Accumulated Fund	<u>157,086</u>	<u>160,976</u>
<b>Represented by:</b>		
Bank Balances	-	-
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	169,057	169,057
Less Liabilities	<u>(11,971)</u>	<u>(8,081)</u>
	<u>157,085</u>	<u>160,976</u>



## Other Information Additional Disclosure on Managed Funds

### (xvii) EKITI STATE MANAGED FUND

Ekiti State MSMEs Fund (also referred to as EKSG-BOI MSME Fund) represents Ekiti state Government's share of the 50:50 Counter-part Fund by both the EKSG and BOI to address the dearth of funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of Funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The EKSG signed the MOU with BOI on 2nd February, 2010 and committed a sum of N500.0 million to the scheme. However, only the sum of N100.0 million has been released by EKSG. Interest rate attributable on the disbursed portion of the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% on outstanding balance of the Fund payable quarterly.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	5,353	7,086
Prior year adjustments	3,000	-
Net Fund Generated/(Utilised)	(1,542)	(1,733)
Closing Accumulated Fund	<u>6,811</u>	<u>5,353</u>
Represented by:		
Bank Balances	1,319	143
Investment in Money Market	18,809	19,633
Loan Debtors	(82,780)	(76,783)
Other Receivables	82,868	68,540
Less Liabilities	(13,405)	(6,180)
	<u>6,811</u>	<u>5,353</u>

### (xviii) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	(135)	(132)
Contribution Received	-	-
Net Fund Generated/(Utilised)	-	(3)
Closing Accumulated Fund	<u>(135)</u>	<u>(135)</u>
Represented by:		
Bank Balances	598	598
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	-	-
Less Liabilities	(733)	(733)
	<u>(135)</u>	<u>(135)</u>



## Other Information Additional Disclosure on Managed Funds

### (xix) 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 Counter-part 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	2022 N'000	2021 N'000
Opening Accumulated Fund	154,911	131,961
Net Fund Generated/(Utilised)	60,231	22,950
<b>Closing Accumulated Fund</b>	<b>215,142</b>	<b>154,911</b>
<b>Represented by:</b>		
Bank Balances	9,017	12,941
Investment in Money Market	158,826	128,749
Loan Debtors (Net)	(63,430)	(53,571)
Other Asset	118,410	72,938
Less Current Liabilities	(7,681)	(6,146)
	<b>215,142</b>	<b>154,911</b>

### (xx) 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 Counter-part 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	2022 N'000	2021 N'000
Opening Accumulated Fund	358,677	359,413
Prior year adjustment	(3,500)	(3,500)
Net Fund Generated/(Utilised)	5,632	2,764
<b>Closing Accumulated Fund</b>	<b>360,809</b>	<b>358,677</b>
<b>Represented by:</b>		
Bank Balances	3,086	1,586
Investment in Money Market	373,079	361,281
Loan Debtors	(30,938)	136,527
Other Receivables	32,570	(133,247)
Less Liabilities	16,988)	(7,470)
	<b>360,809</b>	<b>358,677</b>



## Other Information Additional Disclosure on Managed Funds

### (xxi) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	2,826,975	5,337,084
Fund Withdrawal by its Owner		(2,910,357)
Net Fund Generated/(Utilised)	282,228	400,248
Closing Accumulated Fund	<u>3,109,203</u>	<u>2,826,975</u>
<b>Represented by:</b>		
Bank Balances	8,640	25,937
Investment in Money Market	3,064,785	2,751,084
Loan Debtors	18,360	34,484
Other Receivables	33,374	25,176
Less Liabilities	(15,956)	(9,706)
	<u>3,109,203</u>	<u>2,826,975</u>

### (xxii) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	60,437	58,002
Prior year adjustment	374	-
Net Fund Generated/(Utilised)	2,883	2,435
Closing Accumulated Fund	<u>63,694</u>	<u>60,437</u>
<b>Represented by:</b>		
Bank Balances	37	(162)
Investment in Money Market	64,670	60,609
Loan Debtors	-	184,184
Other Receivables	191	(183,396)
Less Liabilities	(1,205)	(798)
	<u>63,694</u>	<u>60,437</u>



## Other Information Additional Disclosure on Managed Funds

### (xxiii) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	449,315	448,058
Prior year adjustments	5,567	-
Net Fund Generated/(Utilised)	(22,056)	1,257
<b>Closing Accumulated Fund</b>	<b>432,826</b>	<b>449,315</b>
<b>Represented by:</b>		
Bank Balances	71,497	41,527
Investment in Money Market	162,622	270,835
Loan Debtors	204,505	144,694
Other Receivables	5,214	8,105
Less Liabilities	(11,012)	(15,846)
	<b>432,826</b>	<b>449,315</b>

### (xxiv) ENUGU STATE MANAGED FUND

Enugu State MSME Fund (also referred to as ENSG-BOI MSME Fund) represents Enugu state Government's share of the 50:50 Counterpart Fund by both the ENSG and BOI to address the dearth of Funding support to small business owners in the State. Under this scheme, entrepreneurs of Micro, Small and Medium scale Enterprises (MSMEs) with production capacities within the State would have access to the Fund by way of funding equipment supply and requisite working capital. These entrepreneurs are basically divided into two major categories namely; Cooperatives (i.e. micro) and SMEs both with distinct eligibility requirements and loan servicing terms/conditions.

The ENSG signed the MOU with BOI on 17th August, 2012 and committed a sum of N500.0 million to the scheme, of which only N141.8 million has been released. The interest rate attributable on the Term loan is 10% per annum and 12.5% per annum on the Working Capital Loans. The Management Fee to be earned by the Bank is 3% per annum on the outstanding Fund payable quarterly.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	23,856	176,774
Fund Withdrawal by its Owner	(24,547)	(158,042)
Prior year adjustments		
Net Fund Generated/(Utilised)	4,958	5,124
<b>Closing Accumulated Fund</b>	<b>4,267</b>	<b>23,856</b>
<b>Represented by:</b>		
Bank Balances	2,321	(149,003)
Investment in Money Market	(0)	11,829
Loan Debtors	1,219	4,332
Other Receivables	2,246	157,519
Less current liabilities	(1,518)	(821)
	<b>4,267</b>	<b>23,856</b>



## Other Information Additional Disclosure on Managed Funds

### (xxv) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	202,303	200,279
Net Fund Generated/(Utilised)	2,909	2,024
Closing Accumulated Fund	<u>205,212</u>	<u>202,303</u>
<b>Represented by:</b>		
Bank Balances	1,569	1,120
Investment in Money Market	213,102	207,460
Loan Debtors	(10,641)	32,112
Other Receivables	11,622	(30,443)
Less Liabilities	(10,440)	(7,947)
	<u>205,212</u>	<u>202,303</u>

### (xxvi) 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	2022 N'000	2021 N'000
Opening Accumulated Fund	28,146	33,891
Net Fund Generated/(Utilised)	(1,936)	(5,744)
Closing Accumulated Fund	<u>26,210</u>	<u>28,146</u>
<b>Represented by:</b>		
Bank Balances	2,105	561
Investment in Money Market	28,849	28,884
Loan Debtors	(25,732)	70,861
Other Receivables	25,964	(69,668)
Less Liabilities	(4,976)	(2,492)
	<u>26,210</u>	<u>28,146</u>



Other Information  
Additional Disclosure on Managed Funds

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## Other Information Additional Disclosure on Managed Funds

### (xxix) 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 quarterly to BOI as management fee payable.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	53,447	52,550
Net Fund Generated/(Utilised)	1,621	896
Closing Accumulated Fund	<u>55,068</u>	<u>53,447</u>
<b>Represented by:</b>		
Bank Balances	334	334
Investment in Money Market	56,518	54,264
Loan Debtors	(520)	(445)
Other Receivables	687	564
Less Liabilities	(1,951)	(1,270)
	<u>55,068</u>	<u>53,447</u>

### (xxx) BENUE STATE FUND

The BNSG State MSME Fund (also referred to as BNSG-BOI MSME) represents Benue State Government's share of the 50:50 Counter-part Fund contributed by both Benue State Government and BOI to support the growth of businesses in the state. The BNSG MSME is a business and development fund designed to assist Benue State indigeneous entrepreneurs 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	2022 N'000	2021 N'000
Opening Accumulated Fund	327,484	1,188,734
Fund Withdrawal	-	(800,000)
Net Fund Generated/(Utilised)	20,219	(61,250)
Closing Accumulated Fund	<u>347,703</u>	<u>327,484</u>
<b>Represented by:</b>		
Bank Balances	18,160	25,350
Investment in Money Market	61,070	82,909
Loan Debtors	247,687	218,000
Other Receivables	34,316	11,947
Less Liabilities	(13,529)	(10,722)
	<u>347,703</u>	<u>327,484</u>



## Other Information Additional Disclosure on Managed Funds

### (xxxi) EBONYI STATE FUND

The Ebonyi State MSME Fund (also referred to as EBSG-BOI MSME) represents Ebonyi State Government's fund contributed by the State Government and BOI to support the growth of businesses in the state. The fund provides financial assistance to Ebonyi State indigeneous entrepreneurs 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 tranches 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 cessation of the program.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	20,618	20,621
Net Fund Generated/(Utilised)	60	(3)
<b>Closing Accumulated Fund</b>	<b>20,678</b>	<b>20,618</b>
<b>Represented by:</b>		
Bank Balances	13	1,915
Investment in Money Market	2,019	-
Loan Debtors	-	35,765
Other Receivables	18,645	(17,061)
Less Liabilities	-	-
	<b>20,678</b>	<b>20,618</b>



## Other Information Additional Disclosure on Managed Funds

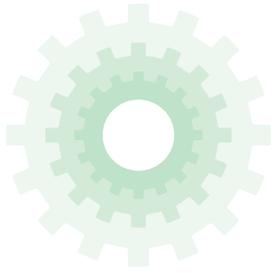
### (xxxii) RICE PROCESSING INTERVENTION FUND

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	2022 N'000	2021 N'000
Opening Accumulated Fund	2,002,498	1,888,718
Prior year adjustments	2,270	1,961
Net Fund Generated/(Utilised)	(16,774)	111,820
<b>Closing Accumulated Fund</b>	<b>1,987,994</b>	<b>2,002,498</b>
<b>Represented by:</b>		
Bank Balances	57,345	68,961
Investment in Money Market	1,314,539	1,079,724
Loan Debtors	91,600	427,398
Other Receivables	567,328	434,746
Less Liabilities	(42,818)	(8,332)
	<b>1,987,994</b>	<b>2,002,498</b>



(xxxiii) **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	2022 N'000	2021 N'000
Opening Accumulated Fund	708,061	655,459
Net Fund Generated/(Utilised)	48,137	52,602
<b>Closing Accumulated Fund</b>	<u>756,198</u>	<u>708,061</u>
<b>Represented by:</b>		
Bank Balances	522	744
Investment in Money Market	720,560	661,915
Loan Debtors	-	-
Other Receivables	37,277	50,788
Less Liabilities	(2,162)	(5,387)
	<u>756,198</u>	<u>708,061</u>



## Other Information Additional Disclosure on Managed Funds

### (xxxiv) 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 preselected 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.

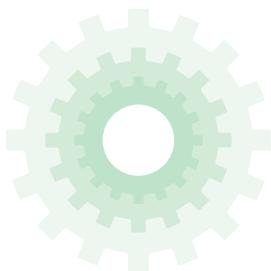
The Fund is available for the construction of cottage factory building and procurement of equipment for the processing of three (3) crops namely Oil Palm, Cassava and Rice.

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

	2022 N'000	2021 N'000
Opening Accumulated Fund	2,842,554	2,580,210
Net Fund Generated/(Utilised)	322,269	262,344
Closing Accumulated Fund	<u>3,164,823</u>	<u>2,842,554</u>
<b>Represented by:</b>		
Bank Balances	202	14
Investment in Money Market	3,110,049	2,777,096
Loan Debtors	-	-
Other Receivables	87,496	98,180
Less Liabilities	(32,923)	(32,736)
	<u>3,164,823</u>	<u>2,842,554</u>



#### (xxxv) SOKOTO STATE FUND

The Sokoto State MSME Fund (also referred to as SOSG-BOI MSME) represents Sokoto Government's share of the 50:50 Counterpart 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 indigeneous entrepreneurs 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.

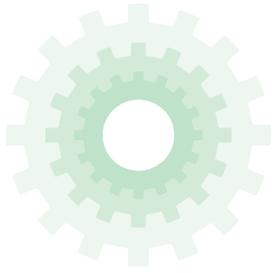
Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	473,542	516,406
Net Fund Generated/(Utilised)	(100,515)	(15,107)
Prior year adjustment		(27,757)
<b>Closing Accumulated Fund</b>	<b>373,027</b>	<b>473,542</b>
<b>Represented by:</b>		
Bank Balances	56,403	3,732
Investment in Money Market	47,126	16,440
Loan Debtors	265,169	451,782
Other Receivables	11,875	7,017
Less Liabilities	(7,546)	(5,429)
	<b>373,027</b>	<b>473,542</b>

#### (xxxvi) 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 Counterpart 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 been 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	2022 N'000	2021 N'000
Opening Accumulated Fund	10,318	10,254
Net Fund Generated/(Utilised)		64
<b>Closing Accumulated Fund</b>	<b>10,318</b>	<b>10,318</b>
<b>Represented by:</b>		
Bank Balances	10,318	10,318
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	-	-
Less Liabilities	-	-
	<b>10,318</b>	<b>10,318</b>

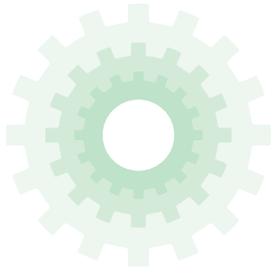


(xxxvii) **NIG. ARTISANAL & SMALL SCALE MINERS FIN. SUPPORT FUND - ASM**

The Nigerian Artisanal and Small-Scale Miners Financing Support Fund (also referred to as ASM Fund) represents Federal Ministry of Mines and Steel Development (FMMSD) provided by the Ministry to be managed by BOI to provide funding support to registered mining Cooperative Society, Association, Business Enterprises or Limited Liability Company who is engaged in artisanal or small scale mining business involving Industrial Minerals, Precious Stones, Precious Metal (Gold), Diamond Stone and such other solid minerals in Nigeria as shall be approved by owners in the State. The ASM Fund shall be available in form of Term loans or Working Capital to be utilized for: a) Purchase of requisite item of plant and machinery; b) Payment for drilling, geological and other services related to mining business as may be required; c) Working Capital for purchase materials/other expenses; and d) Leasing of equipment. The single obligor limit of loans to be granted under the fund shall be a) Artisanal Scale Miners- from N100,000.00 to N10,000,000.00; and b) Small Scale Miners - from 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	2022 N'000	2021 N'000
Opening Accumulated Fund	3,372,881	3,222,098
Prior year adjustment	86,963	(128)
Net Fund Generated/(Utilised)	166,539	150,910
Closing Accumulated Fund	<u>3,626,383</u>	<u>3,372,881</u>
Represented by:		
Bank Balances	53,946	10,800
Investment in Money Market	3,398,087	3,166,290
Loan Debtors	222,240	301,312
Other Receivables	15,752	(18,559)
Less Liabilities	(63,641)	(86,963)
	<u>3,626,383</u>	<u>3,372,881</u>



**(XXXVIII) NIGERIA INDUSTRIAL POLICY AND COMPETITIVENESS ADVISORY COUNCIL (NIPCAC) FUND**

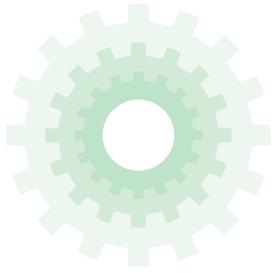
The Federal Executive Council meeting of Wednesday, 15th March, 2017 approved the establishment of Nigeria Industrial Policy and Competitiveness Advisory Council (NIPCAC) to enable the successful implementation of the Nigeria Economic Recovery and Growth Plan and the Nigeria Industrial Revolution Plan. The objectives of this council would be achieved through the active participation of the Public-Private Sector Partnership.

The council has the following Terms of References:

- (a) Identify and implement project(s)/initiative(s) to differentiate, accelerate and boost power supply to industries.
- (b) Identify and implement project(s)/initiative(s) to improve road access to areas which benefit the Nigerian business community as a whole
- (c) Identify and implement initiatives to improve Broad Bank coverage
- (d) Identify and implement initiatives to bridge the gap between the skills demanded by industry and supply by Nigerian Education Institutions.
- (e) Identify and implement initiatives to improve access to Nigeria's priority markets
- (f) Identify initiatives to improve access and cost of finance in Nigeria businesses,
- (g) Identify and implement initiatives to minimize smuggling and incentivize investment

The Bank has committed the sum of N50.0 million as its contribution to the funding of the Council. This fund will be accounted for as Managed Fund with additional funding from the private sector participants.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	50,888	(86,111)
Net Fund Generated/(Utilised)	7,383	6,000
Additional Contribution/(Withdrawal)	<u>          </u>	<u>131,000</u>
<b>Closing Accumulated Fund</b>	<b><u>58,272</u></b>	<b><u>50,888</u></b>
<b>Represented by:</b>		
Bank Balances	346	(18,870)
Investment in Money Market	132,436	71,076
Loan Debtors	-	-
Other Receivables	1,097	372
Less Liabilities	<u>(75,606)</u>	<u>(1,690)</u>
	<b><u>58,272</u></b>	<b><u>50,888</u></b>



(xxxix) **DELTA STATE GOVERNMENT HEALTHCARE FUND**

The Delta State Government of Nigeria represented by the Delta State Contributory Health Commission (also referred to as "DTSG" Fund) represents Delta State Government Healthcare's share of the 50:50 Counter-part Fund by both the DTSG and BOI. This is to implement access to finance schemes for the revitalization of Government Health Facilities in the Delta State and the Delta Central Hospital, Asaba, also referred to as the "framework".

DTSG has empowered the Delta State Contributory Health Commission (DSCHC) via the Delta State Contributory Commission Law to enhance access to the quality and affordable healthcare services leveraging on private sector financing and participation to protect, promote and facilitate access to quality healthcare services without financial or other barriers.

BOI and DTSG are desirous of setting up a matching fund for the revitalization of 25 health facilities operating in Delta State, at an interest rate of 9% , which shall be dedicated for the provision of financial assistance to Delta State indigenous Entrepreneurs who are engaged in Healthcare Services situate in Delta State. DTSG signed MOU with BOI on 14th March 2019 and committed a sum of 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	2022 N'000	2021 N'000
Opening Accumulated Fund	232,019	224,426
Net Fund Generated/(Utilised)	13,163	7,593
<b>Closing Accumulated Fund</b>	<b>245,182</b>	<b>232,019</b>
<b>Represented by:</b>		
Bank Balances	8,284	21,649
Investment in Money Market	225,841	179,512
Loan Debtors	13,017	31,442
Other Receivables	2,384	1,996
Less Liabilities	(4,344)	(2,580)
	<b>245,182</b>	<b>232,019</b>

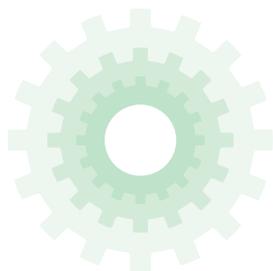
(xl) **MTN FOUNDATION**

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 entrepreneurship 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 Entrepreneurship Development Programme will involve entrepreneurial 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 entrepreneurs, administer small business loans to top 50 successful loan applicants and monitor the loan repayment process which BOI has agreed to provided the loan beneficiaries satisfy BOI's Risk Acceptance Criteria.

The Agreement between MTNF and BOI shall commence on the date of the last Party signing and shall inure for a period of 4 years except otherwise terminated earlier in accordance with the Provisions of the Agreement. MTNF may elect to renew the agreement for further periods by giving notice to BOI in writing, not later than one (1) month prior to the expiration of the term or any additional period.

MTNF signed the MOU with BOI on 2nd May, 2018 and committed a sum of 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	2022 N'000	2021 N'000
Opening Accumulated Fund	78,903	82,041
Net Fund Generated/(Utilised)	(57,915)	(3,138)
Closing Accumulated Fund	<u>20,988</u>	<u>78,903</u>
Represented by:		
Bank Balances	352	3,568
Investment in Money Market	15,324	58,806
Loan Debtors	2,078	15,361
Other Receivables	5,735	3,326
Less Liabilities	(2,502)	(2,159)
	<u>20,988</u>	<u>78,903</u>

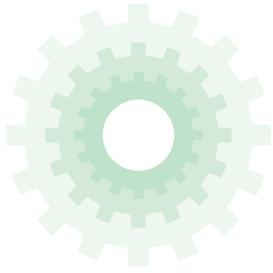
(xii) **BORNO STATE GOVERNMENT FUND**

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 Entrepreneurs (hereinafter referred to as "BRSG BOI Fund") which shall be dedicated for the provision of financial assistance to Borno State Indigenous Entrepreneurs 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. The Management Fee to be earned by the Bank is 5% per annum on the managed Fund payable quarterly in arrears.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	405,379	962,728
Net Fund Generated/(Utilised)	(405,379)	(557,349)
Initial Contribution		
Closing Accumulated Fund	<u>-</u>	<u>405,379</u>
Represented by:		
Bank Balances	273	273
Investment in Money Market		
Loan Debtors	23,582	424,784
Other Receivables		
Less Liabilities	(23,855)	(19,677)
	<u>-</u>	<u>405,380</u>



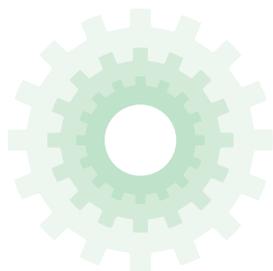
(xiii) **IsDB BRAVE WOMEN FUND**

The Women Entrepreneurs 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).

<b>Summary of Fund</b>	<b>2022</b> <b>₦'000</b>	<b>2021</b> <b>₦'000</b>
Opening Accumulated Fund	106,709	185,809
Net Fund Generated/(Utilised)	(305,952)	(171,519)
Contribution Received	461,064	92,418
Closing Accumulated Fund	<u>261,820</u>	<u>106,709</u>
<b>Represented by:</b>		
Bank Balances	277,660	106,709
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	-	-
Less Liabilities	(15,840)	-
	<u>261,820</u>	<u>106,709</u>



(xliii) **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 fastgrowing 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	2022 N'000	2021 N'000
Opening Accumulated Fund	18,598,694	21,492,505
Prior year adjustments	(84,793)	(2,530,385)
Net Fund Generated/(Utilised)	<u>(5,889,269)</u>	<u>(363,426)</u>
<b>Closing Accumulated Fund</b>	<b><u>12,624,633</u></b>	<b><u>18,598,694</u></b>
<b>Represented by:</b>		
Bank Balances	(429,699)	2,137,330
Investment in Money Market	-	-
Loan Debtors	4,487,036	10,441,662
Other Receivables	8,567,295	6,019,702
Less Liabilities	-	-
	<b><u>12,624,633</u></b>	<b><u>18,598,694</u></b>

(xliv) **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	2022 N'000	2021 N'000
Opening Accumulated Fund	273,479	301,389
Net Fund Generated/(Utilised)	<u>(75,678)</u>	<u>(27,910)</u>
<b>Closing Accumulated Fund</b>	<b><u>197,801</u></b>	<b><u>273,479</u></b>
<b>Represented by:</b>		
Bank Balances	(3,752)	275,739
Loan Debtors	796,598	536,550
Less Liabilities	<u>(595,044)</u>	<u>(538,810)</u>
	<b><u>197,801</u></b>	<b><u>273,479</u></b>



## Other Information Additional Disclosure on Managed Funds

### (xiv) 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 pandemic 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 Work plan.

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	2022 N'000	2021 N'000
Opening Accumulated Fund	5,163,704	50,000,000
Net Fund Generated/(Utilised)	-	(44,836,296)
Withdrawal	(5,163,704)	
<b>Closing Accumulated Fund</b>	<b>-</b>	<b>5,163,704</b>
Represented by:		
Bank Balances	-	
Investment in Money Market	-	
Loan Debtors	-	
Other Receivables	-	5,163,704
Less Liabilities	-	-
	<b>-</b>	<b>5,163,704</b>

### (xlv) BENUE STATE GOVERNMENT MANAGED FUND

The Benue State Government Managed Fund (also referred to as BNSG Managed Fund) represents Benue State Government N500million transferred from the initial N1 billion counter contribution for the BNSG-BOI MSME Matching 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 Benue State Government engaged in agricultural value chain to enable them participate actively in the agricultural development programme of the state government.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	402,508	-
Initial Amount from Owner of fund		500,000
Net Fund Generated/(Utilised)	(12,558)	(97,492)
<b>Closing Accumulated Fund</b>	<b>389,949</b>	<b>402,508</b>
Represented by:		
Bank Balances	75,861	66,271
Investment in Money Market	191,092	72,311
Loan Debtors	109,403	252,191
Other Receivables	19,297	14,712
Less Liabilities	(5,703)	(2,977)
	<b>389,949</b>	<b>402,508</b>



## Other Information Additional Disclosure on Managed Funds

### (xlvii) 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 Counterpart 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	2022 N'000	2021 N'000
Opening Accumulated Fund	986,761	-
Contributions received	1,000,000	-
Transfer to Edo SEEP Fund	(500,000)	-
Net Fund Generated/(Utilised)	0	(13,239)
<b>Closing Accumulated Fund</b>	<b>486,761</b>	<b>986,761</b>
<b>Represented by:</b>		
Bank Balances	20,326	471
Investment in Money Market	413,689	992,619
Loan Debtors	89,210	-
Other Receivables	5,170	3,535
Less Liabilities	(5,147)	(9,864)
	<b>523,249</b>	<b>986,761</b>



## Other Information Additional Disclosure on Managed Funds

### (xlvii) EDO SEEP FUND

By virtue of letters dated 7th & 26th November, 2021, respectively and emanating from the Managing Director of Edo State Skills Development Agency and the letter dated 9th December, 2021 from the Executive Governor of Edo State, the EDSG has expressed its desire to set aside the sum of N500,000,000.00 (Five hundred million Naira only) being its portion of its contribution to the Fund as "Managed Fund" towards the implementation of its Bottom of Pyramid (BOP) Scheme using the State Enterprise and Empowerment Programme (SEEP) platform of the Micro Enterprise Directorate (MED) of BOI.

By virtue of the letter dated 21st March 2022, emanating from the Secretary of Edo State Government EDSG, requested for the transfer of the balance of the N500m set aside above to Trust Fund Microfinance Bank for onward disbursement to qualified SEEP beneficiaries of Edo State. By the transactions (disbursement & fees) of the Micro Enterprise Directorate (MED) of BOI, the total amount utilized is N94,849,500.00 (Ninety four million, eight hundred and forty nine thousand, five hundred Naira only) leaving a transferrable balance of N405,150,500.00 (Four hundred and five million, one hundred and fifty thousand, five hundred Naira only).

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	-	-
Contributions received	12,452	-
Net Fund Generated/(Utilised)	(2,683)	-
<b>Closing Accumulated Fund</b>	<b>9,769</b>	<b>-</b>
Represented by:		
Bank Balances	7	-
Investment in Money Market	9,932	-
Other Receivables	103	-
Less Liabilities	(273)	-
	<b>9,769</b>	<b>-</b>



## Other Information Additional Disclosure on Managed Funds

### (xlviii) CBN TERTIARY INSTITUTIONS ENTREPRENEURSHIP SCHEME

The Central Bank of Nigeria, as part of its policy measures to address rising youth unemployment and underemployment, developed the Tertiary Institutions Entrepreneurship Scheme (TIES), in partnership with Nigerian polytechnics and universities to harness the potential of graduate entrepreneurs (gradpreneurs) in Nigeria. The Scheme is designed to create a paradigm shift among undergraduates and graduates from the pursuit of white-collar jobs to a culture of entrepreneurship development for economic development and job creation. The Scheme thus aims to provide an innovative financing model that will create jobs, enhance the entrepreneurial ecosystem and support economic growth and development.

The broad objective of the Scheme is to enhance access to finance by undergraduates and graduates of polytechnics and universities in Nigeria with innovative entrepreneurial and technological ideas. Other specific objectives of the Scheme include: (i). Provide an enabling environment for co-creation, mentorship and development of entrepreneurial and technological innovations for value creation in partnership with Nigerian polytechnics and universities for the purpose of economic development and job creation; (ii). Fast track ideation, creation and acceleration of a culture of innovation driven entrepreneurship skills among graduates of polytechnics and universities in Nigeria; (iii). Promote gender balance in entrepreneurship development through capacity development and improved access to finance; (iv). Leapfrog entrepreneurial capacity of undergraduates and graduates for entrepreneurship and economic development in partnership with academia and industry practitioners; (v). Boost contribution of non-oil sector to the nation's GDP.

Activities to be covered under the Scheme shall include innovative start-ups and existing businesses owned by graduates of Nigerian polytechnics and universities in the following areas: i. Agribusiness – production, processing, storage and logistics; ii. Information technology – application/software development, business process outsourcing, robotics, data management; iii. Creative industry – entertainment, artwork, publishing, culinary/event management, fashion, photography, beauty/cosmetics; iv. Science and technology – medical innovation, robotics, ticketing systems, traffic systems, renewable energy, waste management; and v. Any other activity as may be determined by the CBN from time to time. Note: Priority will be given to innovative entrepreneurial activities with high potentials for export, job creation and transformational impact. Trading activities shall not be eligible for financing under the Scheme.

Summary of Fund	2022 N'000	2021 N'000
Opening Accumulated Fund	-	-
Contributions received	292,522	-
Net Fund Generated/(Utilised)	(9,053)	-
Closing Accumulated Fund	<u>283,469</u>	<u>-</u>
Represented by:		
Bank Balances	-	-
Investment in Money Market	-	-
Loan Debtors	329,428	-
Other Receivables	4,670	-
Less Liabilities	(50,629)	-
	<u>283,469</u>	<u>-</u>



## Other Information Additional Disclosure on Managed Funds

### (xlix) MTN YELLOPRENUER

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 WOMEN employment, is desirous of building the entrepreneurship skills and provision of small business loans for 100 successful beneficiaries to enable them become business owners. The pilot phase of the MTNF Yellopreneur Initiative will involve entrepreneurial 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 500 potential alumni entrepreneurs, administer small business loans to top 100 successful loan applicants and monitor the loan repayment process which BOI has agreed to provided the loan beneficiaries satisfy BOI's Risk Acceptance Criteria.

The Agreement between MTNF and BOI shall commence on the 4th April 2022 and shall inure for a period of 4 years except otherwise terminated earlier in accordance with the Provisions of the Agreement. MTNF may elect to renew the agreement for further periods by giving notice to BOI in writing, not later than one (1) month prior to the expiration of the term or any additional period.

MTNF signed the MOU with BOI on 4th April, 2022 and committed a sum of N217 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	2022 N'000	2021 N'000
Opening Accumulated Fund	-	-
Contribution to fund	267,000	-
Net Fund Generated/(Utilised)	(19,155)	-
Prior year adjustment	-	-
<b>Closing Accumulated Fund</b>	<b>247,845</b>	<b>-</b>
<b>Represented by:</b>		
Bank Balances	1,562	-
Investment in Money Market	246,842	-
Loan Debtors	-	-
Other Receivables	2,453	-
Less Liabilities	(3,011)	-
-	<b>247,845</b>	<b>-</b>



## Other Information Additional Disclosure on Managed Funds

### (I) 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 Federal Government of Nigeria through FMITI seeks to set up the fund the protect and sustain the income of vulnerable MSMEs from the shock of the COVID-19 pandemic. This is in furtherance of attainment of economic revitalisation, employment preservation and generation , growth and development of Micro, Small and Medium Enterprises (MSMEs) through the Federal Republic of Nigeria. The grant shall attract no interest payable by the beneficiaries. However, an administrative fee or tax may be payable by the beneficiary on the disbursed portion of the loan granted on the approval of the FMITI.

Summary of Fund	2022 ₦'000	2021 ₦'000
Opening Accumulated Fund		
Initial Amount from Owner of fund	65,577,185	75,000,000
Net Fund Generated/(Utilised)	(281,385)	(9,422,815)
<b>Closing Accumulated Fund</b>	<b>65,295,799</b>	<b>65,577,185</b>
<b>Represented by:</b>		
Bank Balances	22,181	(80,814)
Investment in Money Market	-	-
Loan Debtors	-	-
Other Receivables	65,998,460	65,657,999
Less Liabilities	(724,841)	-
	<b>65,295,799</b>	<b>65,577,185</b>

