



**BANK OF INDUSTRY**

*...transforming Nigeria's industrial sector*

**LARGE ENTERPRISE DIRECTORATE**  
**CBN Textile Intervention Fund**  
**PRODUCT OVERVIEW**

## Confidentiality Note

Lorem Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only five centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lorem Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lorem Ipsum.

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# CBN Textile Intervention Fund

<b>Product Description</b>	<p>The Central Bank of Nigeria in line with its development function under Section 31 of CBN Act 2007, has put in place a N50 billion special intervention facility to resuscitate the textiles industry in Nigeria.</p> <p>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.</p> <p>Types of Facilities · Takeover of loans · Long term loans for acquisition of plant and machinery · Working capital</p>
<b>Eligibility Criteria</b>	<p>Cotton, Textile and Garmenting Companies shall meet the following criteria to be eligible:</p> <ul style="list-style-type: none"><li>• Any company in the value chain with an existing facility in the books of BOI under the Cotton, Textile and Garment (CTG) scheme (emphasis will be on facilities that are indicating weakness arising from tenor, structure as well as facing cash flow difficulties)</li><li>• Any company in the value chain with existing facilities in DMBs</li><li>• Companies in the value chain that are not participating under any of the CBN Interventions</li></ul> <p><i>Loans booked before June 2009 (inception of the BOI CTG Loan) shall not be eligible to participate.</i></p>
<b>Target Group</b>	<p>The activities to be covered under the Intervention shall include operations in the CTG value chain as follows:</p> <ul style="list-style-type: none"><li>• Cotton ginning (lint production)</li><li>• Spinning (yarn production)</li><li>• Textile mills</li><li>• Integrated garment factories (e.g. for military, para-military and schools and other uniformed institutions as well as for other general purposes)</li></ul>
<b>Loan Features</b>	
<b>Single Obligor Limit</b>	<p>Loan amount is a maximum of N2 billion for a single obligor in respect of new facilities (long term loans for acquisition of plant and machinery and working capital) and for takeovers</p>

<p>Pricing</p>	<ul style="list-style-type: none"> <li>● <b>Interest Rate:</b> The Fund shall be administered at an all-in Interest rate of 4.5 percent per annum payable on a monthly or quarterly basis</li> <li>● <b>Processing Fee:</b> N/A</li> <li>● <b>Commitment Fee:</b> N/A</li> <li>● <b>Legal Fee:</b> To be calculated and communicated by Legal Department</li> </ul>
<p>Tenor</p>	<p>Loans shall have a maximum tenor of 10 years and or working capital facility of one year with provision for a maximum roll over of 3 years on case-by-case basis</p>
<p>Moratorium</p>	<p>The Intervention allows for a maximum moratorium of 2 years in the loan repayment schedule including moratorium on interest, where applicable</p>
<p>Security</p>	<ol style="list-style-type: none"> <li>A. Legal Mortgage or Mortgage Debenture (with concessionary Fixed Asset Coverage for companies in that sector for of not less than 1.5)</li> <li>B. FGN Bonds, T-bills (evidence of availability of such for appraisal purpose)</li> <li>C. Bank Guarantee (a letter of intent for Bank Guarantee from the Head Office of the Commercial Bank issuing the guarantee for the appraisal purpose.)</li> </ol>
<p><b>Initial Documentation Required</b></p>	<p>Each request must be accompanied with the following documents:</p> <ol style="list-style-type: none"> <li>I. Application from prospective companies seeking to access new loans from BOI</li> <li>II. Three (3) years financials including the latest management account of the obligor.</li> <li>III. CRMS report</li> <li>IV. 12 months bank account statements</li> <li>V. A detailed feasibility study/business plan of the underlying project for which the loan is being sought.</li> </ol>

- VI. Certificate of Incorporation
- VII. Evidence of proposed employment generation by the company. And any other documents which may be required during the course of appraisal.

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