



**BANK OF INDUSTRY**

*...transforming Nigeria's industrial sector*

**LARGE ENTERPRISE DIRECTORATE**

**NADDC 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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## NADDC Fund

<b>Product Description</b>	<p>The NADDC Fund is being managed by BOI and was created to facilitate the development of Nigeria's Automotive Industry through the following initiatives:</p> <ol style="list-style-type: none"><li>1. Providing loan facilities to Nigeria Artisans, Craftsmen, and Technicians/Mechanics.</li><li>2. Providing loan facilities under a 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 capacity utilization of both assembly plants and component manufacturers.</li><li>3. Financing projects/requests to enhance Automotive Assembly Plants, Component Manufacturers and also facilitate Research and Development in the Automotive Sector, Automotive Garages/Workshops.</li></ol>
<b>Eligibility Criteria</b>	<p>There must be a clear demonstration of viability for business operations vis-à-vis cost savings, profitability, etc.</p>
<b>Target Group</b>	<p>The target group includes the direct beneficiaries of the funds as follows:</p> <ol style="list-style-type: none"><li>I. Automotive Assembly Plants</li><li>II. Automotive Component Manufacturing,</li><li>III. Automotive Research Development</li><li>IV. Garages and Workshops.</li><li>V. To finance the Council's budgetary approval for Capital and Recurrent Expenditures.</li></ol>
<b>Loan Features</b>	
<b>Single Obligor Limit</b>	<p>To be determined</p>

Pricing	<ul style="list-style-type: none"> <li>● <b>Interest rate:</b> <ul style="list-style-type: none"> <li>○ <b>Term Loan:</b> 7.5% per annum (payable at the end of every month or quarter).</li> <li>○ <b>Working Capital:</b> 10% per annum (payable at the end of every month or quarter).</li> </ul> </li> <li>● <b>Appraisal Fee:</b> 1%</li> <li>● <b>Commitment Fee:</b> 1%</li> <li>● <b>Legal fee:</b> To be determined</li> </ul>
Tenor	<p><b>Long-term Loan:</b> 5 - 6 years</p> <p><b>Medium-term Loan:</b> 4 years</p> <p><b>Structured Working Capital Loan:</b> 3 years</p>
Moratorium	Up to 6-18 months
Security	<ul style="list-style-type: none"> <li>A. 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> <li>B. FGN Bonds, T-bills (evidence of availability of such for appraisal purpose).</li> <li>C. Legal Mortgage or Mortgage Debenture (with Fixed Asset Coverage of not less than 2.5).</li> </ul>

## Initial Documentation Required

1. Formal Application on Letterhead
2. Duly completed Loan Application Form
3. Photocopy of Certificate of Incorporation
4. Certified true copy of Memorandum and Articles of Association and Forms CAC 2.5 (Allotment of Shares), CAC 2.3 (Particulars of Directors) and CAC 2.1 (Appointment of Company Secretary)
5. Feasibility Study Report to include detailed Profile of the Company with Curriculum Vitae of the key Management Staff and write-up on technology/manufacturing process(s)/ Technical Partners
6. Quotation/Proforma Invoice for the supply of items of Machinery and Equipment
7. Sources and quotations for Raw Materials expressed in quantity and amount
8. Curriculum Vitae of the Directors and Key Management Staff of the Company
9. Eight (8) passport photographs of the Chief Promoter and two (2) Directors of the company
10. Means of identification of two (2) Directors of the company (i.e. photocopy of International Passport/Driver's License and National Identity Card)

11. BVN of the Chief Promoter, and two (2) Directors of the company.

12. Security:

(a) If Bank Guarantee, a letter of intent for Bank Guarantee from the Head Office of commercial bank issuing the guarantee, Individual Guarantor etc.)

(b) If landed property is being pledged as security, then the following:

(i) Photocopy of the title document(s) to the property being pledged. This could be a Certificate of Occupancy, Deed of Sublease or Deed of Assignment/Conveyance

(ii) Evidence of payment of Ground Rent up to date

(iii) Tax Clearance Certificate (TCC) of the owner of the property obtained from the State where the property is located

(iv) Valuation Report from one of BOI's accredited valuers

(v) Four (4) passport photographs and BVN of the property owner.

(vi) Means of identification of the property owner.

(vii) Letter of Consent signed by the property owner to mortgage property to BOI

(viii) If the property is owned by a limited liability company different from the borrower, then Board Resolution of that company.

13. If operating from a rented premises, lease agreement must have a tenor of at least one year beyond loan tenor.

14. A copy of the draft Technical, Management, Machinery Supply and/or Joint Venture Agreement (where applicable).

15. Three years' Audited Financial Accounts and most recent Management Account from BOI accredited auditors (for existing business)

16. Statement of Affairs (for business less than one (1) year)

17. Company's Bank Statement for a period of one (1) year (for existing business)

18. Three years' Financial Statement of Accounts for Institutional Investors in the project or another company owned by the Chief Promoter (where applicable)

19. Declaration of Outstanding Liabilities to other Banks and Individuals

## The Fintech Digital Lending Product

<b>Product Description</b>	The Fintech/Digital Lending Product leverages as FINTECH company to on-lend to Nigerian MSMEs within the shortest turnaround time possible. This product aims to alleviate the challenges experienced by MSMEs regarding access to financial services nationwide using credible technology platforms.
<b>Eligibility Criteria</b>	Company must be a Fintech/ Digital Lending company regulated by the Central Bank of Nigeria and have been operating for two years.
<b>Target Group</b>	Company must be a Fintech/ Digital Lending company regulated by the Central Bank of Nigeria and have been operating for two years.
<b>Loan Features</b>	
<b>Loan Amount to FINTECH Partner</b>	Up to N500 million
<b>Pricing</b>	<ul style="list-style-type: none"><li>● Interest rate: 9% per annum</li><li>● Processing fee: 1% of total loan amount</li><li>● Legal fees</li></ul>
<b>Tenor</b>	12 months (inclusive of 3 months moratorium on principal)
<b>Security</b>	Cash collateral of a minimum of 30% of the total facility and Corporate Guarantee from the obligor



## Initial Documentation Required

- Formal loan application letter
- Completed loan application form
- Applicable CBN license to operate
- Certificate of incorporation including memorandum and articles of association (MEMART), Forms CA02 and CA07
- Detailed profile of the company
- Profile and BVN of shareholders, directors, and management team
- Valid means of Identification of Directors
- Audited financial statements for the last 2 years and current management account
- 12 months Bank Account Statements (Minimum of two banks)
- Any other documents as may be required by BOI.

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