



NIGERIAN EXPORT-IMPORT BANK (NEXIM)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER, 2010

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

ANNUAL REPORT AND ACCOUNTS 2010

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NIGERIAN EXPORT-IMPORT BANK (NEXIM)

DIRECTORS, AUDITORS AND BANKERS

DIRECTORS:	Dr. Kingsley C. Moghalu	— Chairman
	Mr. Roberts U. Orya	— Managing Director./CEO
	Alhaji Bashir M. Wali	— Executive Director
	*Mr. Olufemi Agbaje	— Executive Director
	Mallam Baba G. Mohammed	— Director
	Mr. Rotimi Adewunmi	— Director
	Mr. Mohammed Babangida	— Director
	Mr. Musa Batari	— Director
	Mr. Ndagi A. Haruna	— Director

** The Director is yet to assume duties at NEXIM BANK.*

BOARD SECRETARY: Mr. Ahmed D. Modibbo

OPERATING ADDRESS: **NEXIM House,**
*Plot 975, Cadastral Zone AO,
Central Business District,
Garki, Abuja.*

AUDITORS: **Messrs. Unuigbo Akintola & Co.,**
*Chartered Accountants,
Union Marble House,
1, Kingsway Road,
Ikoyi, Lagos.*

MAJOR BANKERS: **CENTRAL BANK OF NIGERIA**
FIDELITY BANK PLC.
FIRST BANK OF NIGERIA PLC
OCEANIC BANK PLC.
STERLING BANK PLC.
UNITY BANK PLC.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

PRINCIPAL OFFICERS

EXECUTIVE

DIRECTORS:

Mr. Roberts U. Orya — *Managing Director/Chief Executive*

Alhaji Bashir Wali — *Executive Director
(Corporate Services)*

*Mr. Olufemi Agbaje — *Executive Director (Operations)*

** The Director is yet to assume duties at NEXIM BANK.*

ASSISTANT GENERAL

MANAGERS:

Mr. Ahmed D. Modibbo — *Board Secretariat/Legal Dept.*

Ifeanyi C. Nwade — *Project Finance Dept.*

Saratu Umar — *Credit Insurance & Guarantee Dept.*

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER, 2010

The Directors have pleasure in submitting to the members the audited financial statements of the Bank for the year ended 31st December, 2010.

1. Results

The following is the summary of results for the year.

	2010 N'000	2009 N'000
Interest income	1,220,870	1,603,380
Less: Interest expenses	(316,117)	(203,003)
Net interest income	904,753	1,400,377
Recoveries	504,950	305,904
Miscellaneous income	236,147	166,059
	1,645,850	1,872,340
Less: Operating expenses:		
— Administrative overheads	(954,567)	(1,445,422)
— Depreciation of fixed assets	(246,286)	(297,044)
— Provision for bad & doubtful debts	(255,610)	(4,943,621)
— Reorganisation and extraordinary items	—	(647,065)
	1,456,463	(7,333,152)
Operating profit / (loss)	189,387	(5,460,812)
Transfer to reserve	189,387	(5,460,812)
Profit/(Loss) per share	1k	(33)k

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS (Cont'd):

FOR THE YEAR ENDED 31ST DECEMBER, 2010

2. Principal Activities

The Bank was established to carry on the business of export finance and export credit insurance as well as export credit guarantee.

3. Board of Directors

The names of the present Directors are as detailed on page 2 of this report. Mr. Olufemi Agbaje, the Executive Director (Operations) is yet to assume duties as at date of Balance Sheet.

4. Legal Form

The Bank was established by the Nigerian Export-Import Bank Act (No. 38) of 1991 which repealed the Nigerian Export Credit Guarantee and Insurance Corporation Decree and changed the name under which the Institution formerly operated.

The Bank is exempted from the provisions of:

- a) the Banks and Other Financial Institutions Act 1991;
- b) the Insurance Act; and
- c) the Income Tax Management Act.

5. Directors' Shareholdings

No director held shares in the Bank during the year.

None of the directors has notified the Bank for the purpose of Section 277 of the Companies and Allied Matters Act, 1990 of any disclosable interests in contracts in which the Bank was involved as at 31st December, 2010.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS (Cont'd):

FOR THE YEAR ENDED 31ST DECEMBER, 2010

6. Substantial Interest in Shares

Shareholders

Federal Government of Nigeria
(Ministry of Finance Incorporated)

Central Bank of Nigeria

Authorised & Called-up N'000	Paid-up N'000
25,000,000	10,536,554
25,000,000	6,723,046
<u>50,000,000</u>	<u>17,259,600</u>

7. Donations

Donations made during the year amounted to **N5,650,000** to the following beneficiaries:

Association of Resident Doctors (University
of Jos)

750,000

Nigeria 50th Anniversary Celebration

2,000,000

University Of Mkar. Gboko

2,000,000

Women Entrepreneur Initiative

250,000

National Ass. of Banking & Fin. Student
(Federal Polytechnic Bida)

100,000

F.R.S.C.(Children Accident Preventiion) Abuja

450,000

Girls & Child Initiative

100,000

5,650,000

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS (Cont'd):

FOR THE YEAR ENDED 31ST DECEMBER, 2010

8. Employment and Employees

i. Employment of Disabled Persons:

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from disabled persons.

All employees, whether or not disabled are given equal opportunities to develop.

ii. Health, Safety at work and Welfare of Employee:

Health and safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Bank provides allowances to all levels of employees for medical care, transportation, housing, etc.

iii. Employees' Involvement and Training:

The Bank is committed to keeping employees informed as much as possible regarding the Bank's performance, progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management, professional and technical expertise are the Bank's major assets and investment in their further development continues.

The Bank's expanding skills-base has been extended by a range of training programmes provided to its employees whose opportunities for career development within the Bank have thus been enhanced. Training is carried out at various levels through both in-house and external courses.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS (Cont'd):

FOR THE YEAR ENDED 31ST DECEMBER, 2010

9. Fraud and Forgeries

There was no incidence of fraud and forgeries observed during the year ended 31st December, 2010.

10. Audit Committee

MEMBERS OF THE AUDIT COMMITTEE:

Mallam Baba G. Mohammed	— <i>Chairman</i>
Alhaji Bashir M. Wali	— <i>Member</i>
Representative of Min. of Commerce	— <i>Member</i>
Mr. Rotimi Adewunmi	— <i>Member</i>
Mr. A. D. Modibbo	— <i>Secretary</i>

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

REPORT OF THE DIRECTORS *(Cont'd):*

FOR THE YEAR ENDED 31ST DECEMBER, 2010

11. Auditors

The auditors Messrs. Unuigbo Akintola & Co., have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, 2004.

A resolution will be proposed to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD.



A. D. MODIBBO

Board Secretary

ABUJA, NIGERIA.

2011



UNUIGBE AKINTOLA & CO.

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF NIGERIAN EXPORT-IMPORT BANK

We have audited the accompanying financial statements on pages 14 to 30 which have been prepared under the accounting policies set out on pages 12 to 13.

The financial statements are in agreement with the books which, in our opinion, have been properly kept. We obtained the information and explanations we required.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS:

As described in the statement of Directors' Responsibilities in relation to the financial statements on page 28 (Note 24) the directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion based on our audit on these financial statements prepared by the Directors.

BASIS OF OPINION:

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION:

In our opinion, the Bank have kept proper books. The assets have been properly valued and adequate provision made for losses and diminution in the value of such assets.

In our opinion, the financial statements which are in agreement with the books and returns give in the prescribed manner the information required by the Companies and Allied Matters Act CAP C20 LFN 2004 and Banks and Other Financial institutions Act CAP B3 LFN 2004, the NEXIM Bank Act No. 38, 1991, all relevant Statement of Accounting Standards, and circular BSD/1/2004 issued by the Central Bank of Nigeria and give a true and fair view of the state of affairs of the Bank as at 31st December, 2010 and of the profit and cash flow of the Bank for the year then ended and in conformity with generally accepted accounting principles in Nigeria.

REPORT ON COMPLIANCE WITH BANKING REGULATIONS:

We confirm that our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

CONTRAVENTIONS:

No contravention of any section of the Banks and Other Financial Institutions Act, Cap B3, LFN 2004 and circulars of the Central Bank of Nigeria was brought to our notice during the year.

Unuigbe Akintola & Co.

CHARTERED ACCOUNTANTS

LAGOS, NIGERIA

2011.

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FAX: 01-4615649 e-mail: uacon@uacon.com

PARTNERS:
S. U. UNUIGBE, B.SC (ECONS), F.C.A.
S. A. ILORI, F.C.A.
S. I. IGBAUDUME, F.C.A.
A. JIMOH, A.C.A.

BRANCH OFFICE:
32, YORUBA STREET,
P. O. BOX 4288, BENIN CITY.
TEL: 052-255612



OVERSEAS:

ARGENTINA • ARUBA • AUSTRALIA • AUSTRIA • BARBADOS • BELGIUM • CANADA • CHANNEL ISLANDS • CYPRUS • DENMARK • FRANCE • GERMANY • GIBRALTAR • HONG KONG • IRELAND • ITALY • JAPAN • KUWAIT • LUXEMBOURG • MEXICO • MONACO • THE NETHERLANDS • NEW ZEALAND • RUSSIA • SOUTH AFRICA • SPAIN • SWEDEN • SWITZERLAND • UNITED KINGDOM • UNITED STATES OF AMERICA

REPRESENTED WORLDWIDE BY INDEPENDENT INTERNATIONAL ACCOUNTING FIRMS

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

The following are significant accounting policies adopted by the Bank in the preparation of its financial statements:

1 Accounting Convention:

The financial statements are prepared under the historical cost convention and comply with all relevant statements of accounting standards issued to date by the Nigerian Accounting Standards Board.

2 African Development Bank/Export Stimulation Loan (ADB/ESL):

Funds managed by NEXIM on behalf of Federal Government of Nigeria have been treated in the accounts showing NEXIM as an Executing Agent.

3 a) Loans and Advances:

Loan portfolios are made up of both interbank transactions which are secured by promissory notes and standing orders executed by the banks, and direct lending facilities secured by acceptable collateral.

It has been considered prudent to classify loans and advances as non-performing when interest and/or principal is overdue for more than 90 days. Provision is made in accordance with the Statement of Accounting Standard for Banks and Non-Bank Financial Institutions (SAS 10) issued by the Nigerian Accounting Standards Board and Prudential Guidelines issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

Interest and/or Principal Outstanding for:	Classification	Provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

A minimum provision of 1% is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio.

b) Treatment of interest on non-performing loans and advances:

- i) Interest on advances is accrued to profit until such a time as reasonable doubt exists about its collectibility.

Thereafter, such interest is not recognised as income.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd):

- ii) Interest accruing on non-performing accounts is not taken to the credit of profit and loss account until the debt is recovered.

4 **Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation.

5 **Depreciation:**

Depreciation is calculated on a straight line basis to write off the cost of the fixed assets over their estimated useful lives at the following annual rates:

		%
Motor vehicles	—	33 $\frac{1}{3}$
Furniture & fittings	—	20.0
Computer equipment	—	33 $\frac{1}{3}$
Plant and machinery	—	25.0
Buildings	—	2.0

6 **Exchange Rate:**

- .1 Transactions in foreign currencies are translated to Naira at the official rates of exchange ruling at that date.
- .2 Foreign currency balances are converted to Naira at the rate of exchange ruling at the balance sheet date while any difference arising thereon is dealt with in the Exchange Equalisation Account.

7 **Recoveries:**

Recoveries of bad and doubtful debts are only included when they are actually received by the Bank.

8 **Investments:**

- a) Investments are classified as follows:
 - 0 - 1 year — Short Term
 - 1 year and above — Long Term
- b) Short Term investments are stated at face value
- c) Long Term investments are stated at cost. Provisions are made for permanent diminution in value of such investments.
- d) Unearned income is deferred and amortised.

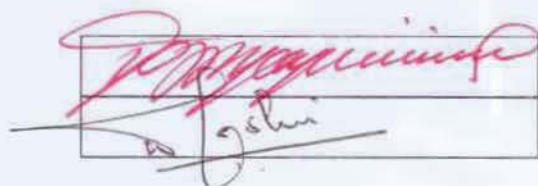
9 **Contingent Liabilities:**

Any commitment entered into on behalf of customers in respect of Export Guarantee/Insurance is recognised as a contingent liability and is stated on the balance sheet at the Guaranteed/Insured value.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

BALANCE SHEET AS AT 31ST DECEMBER, 2010

	Notes	2010 N'000	2009 N'000
Assets:			
Cash and short term funds	1	8,580,427	5,786,901
Loans and advances	2	7,637,308	4,556,146
Prepayments and other assets	3	1,036,952	1,046,800
Long term investments	4	1,258,205	1,224,091
Fixed assets	5	2,828,721	3,070,168
Total assets		21,341,613	15,684,106
Liabilities:			
Loans	6	(7,001,314)	(1,418,752)
Other current liabilities and provisions	7	(3,033,378)	(3,908,788)
		(10,034,693)	(5,327,540)
Net assets		11,306,920	10,356,566
Financed by:			
Share capital	8	17,259,600	16,498,633
Reserves	9	(7,177,832)	(7,367,219)
Shareholders' funds		10,081,768	9,131,414
CBN/Refinancing and Rediscounting Facility	10	1,225,152	1,225,152
		11,306,920	10,356,566
Acceptances and guarantees	23	1,120,172	1,817,405
Managed funds on behalf of Federal Government of Nigeria on agency basis	24	2,481,450	2,350,584



MANAGING DIRECTOR (ROBERTS U. ORYA)

EXECUTIVE DIRECTOR (BASHIR M. WALI)

The accounting policies on pages 12 — 13 and the notes on pages 17 — 28 form an integral part of these financial statements.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Notes	2010 N'000	2009 N'000
Income:			
Interest income	11	1,220,870	1,603,380
Interest expenses	12	(316,117)	(203,003)
Net interest income		904,753	1,400,377
Recoveries	13	504,950	305,904
Miscellaneous income	14	236,147	166,059
		1,645,850	1,872,340
Expenditure:			
Overhead expenses	19	(954,567)	(1,445,422)
Depreciation of fixed assets	20	(246,286)	(297,044)
Provision for bad and doubtful debts	21	(255,610)	(4,943,621)
Reorganisation and extraordinary items	22	—	(647,065)
Total expenditure		(1,456,463)	(7,333,152)
Operating profit / (loss)		189,387	(5,460,812)
Profit / (loss) per share		1k	(33k)

The accounting policies on pages 12 - 13 and the notes on pages 17 - 28 form an integral part of these financial statements.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010		2009	
	N'000	N'000	N'000	N'000
Operating (loss)/profit		189,387		(5,460,811)
Adjustments:				
Depreciation	246,286		297,044	
Provision for loan	755,144		4,593,749	
Loss on sale of fixed assets	—		63,115	
Investment losses	—	1,001,430	67,678	5,021,586
Operating profit before changes in operating assets		1,190,817		(439,225)
Changes in Operating Assets:				
Loans and advances	(3,836,306)		(501,603)	
Prepayments and other assets	9,848		(383,825)	
		(3,826,459)		(885,428)
Changes in Operating Liabilities:				
		(2,635,641)		(1,324,653)
Foreign Loans	5,582,562		152,084	
Other liabilities	(875,410)	4,707,153	394,801	546,885
Net cash from operating activities before prior year adjustments		2,071,511		(777,768)
Exchange translation reserves	—		206,613	
Prior year adjustment	—	—	97,231	303,844
Cash Flow from Investing Activities:		2,071,511		(473,924)
Proceeds from sale of fixed assets	—		52,431	
Purchase of fixed assets	(4,839)		(98,338)	
Long term investment	(34,114)	(38,953)	(80,425)	(126,332)
		2,032,558		(600,256)
Cashflow from Financing Activities:				
Share capital	760,967	760,967	1,615,756	1,615,756
(Decrease)/increase in cash and cash equivalents		2,793,525		1,015,500
Cash brought forward		6,035,683		5,020,185
Cash carried forward		8,829,208		6,035,683

*ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENT

	2010	2009	Changes in the year
	N,000	N,000	N,000
Cash and Bank balances	432,174	321,536	(101,638)
Short term funds	8,397,034	5,714,047	2,682,987
Total	8,829,208	6,035,683	2,793,525

The accounting policies on pages 12 - 13 and the notes on pages 17 - 27 form an integral part of these financial statements.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N'000	2009 N'000
1. Cash and Short Term Funds:		
Cash	<u>2,357</u>	<u>3,250</u>
Balances with Central Bank of Nigeria	<u>170,942</u>	<u>185,741</u>
Balances with other banks:		
— Outside Nigeria:		
— Citibank, London	93,275	90,422
— UBA - Domiciliary	7,137	20,844
— UBA - Demand deposit	<u>18,277</u>	<u>1,350</u>
	<u>118,689</u>	<u>112,616</u>
— Within Nigeria:		
— FBN Plc. - Current account	1,250	8,222
— Fidelity Bank - Current account	1	27
— Oceanic Bank - Current account	2,504	1,298
— Sterling Bank - Current account	138,711	2,206
— Unity Bank - Current account	<u>(2,280)</u>	<u>8,276</u>
	<u>140,186</u>	<u>20,029</u>
Short - Term Investments	<u>8,397,034</u>	<u>5,714,047</u>
Provision for loss on investment	<u>8,829,208</u> <u>(248,781)</u>	<u>6,035,683</u> <u>(248,781)</u>
	<u>8,580,427</u>	<u>5,786,902</u>

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2010

2. **Loans and Advances:**

Interbank facilities

Direct lending facilities

Staff loans

Loan loss provision (Note 2.1)

Analysis by maturity:

maturing under 1 month

maturing between 1 to 3 months

maturing between 3 to 6 months

maturing between 6 to 12 months

maturing after 12 months

6,357,139

*Analysis by security**

secured against real estate

otherwise secured

Staff Loans

Analysis by performance:

performing

non-performing (substandard)

non-performing (doubtful)

non performing (lost)

2.1 Loan loss provision:

As at 1st January

specific provision

general provision

Provision now written back

Additional provision

specific provision

general provision

As at 31st December:

specific provision

general provision

2010	2009
N'000	N'000
2,547,696	1,524,053
13,580,028	10,834,641
240,466	173,190
16,368,190	12,531,884
(8,730,882)	(7,975,738)
7,637,308	4,556,146
1,550,700	55,630
250,000	773,068
714,376	1,459,987
567,784	3,886,060
13,285,330	
16,368,190	12,531,884
6,382,645	4,607,218
9,745,079	7,751,476
240,466	173,190
16,368,190	12,531,884
5,309,206	6,951,233
1,996,304	673,002
678,535	1,572,970
8,384,145	2,833,076
16,368,190	12,030,281
7,929,666	3,312,477
46,072	69,512
—	(34,872)
7,975,738	3,347,117
202,518	4,906,070
53,092	37,551
255,610	4,943,621
8,132,184	7,929,666
598,698	46,072
8,730,882	7,975,738

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N'000	2009 N'000
3. Prepayments and Other Assets:		
Accounts receivable	—	—
Net interest receivable	976,921	749,281
Payments in advance	9,940	7,753
Other current assets	50,091	289,767
	<u>1,036,952</u>	<u>1,046,800</u>
4. Long Term Investments (Unquoted):		
Portfolio investment (Market Value N 684,429)	631,691	631,691
Investment of \$4,000,000 in the share capital of Afrexim Bank, Cairo	626,514	592,400
	<u>1,258,205</u>	<u>1,224,091</u>

5. Fixed Assets:

	Motor Vehicles N'000	Furniture, Fittings & Equip. N'000	Computer Equip. N'000	Plant & Machinery N'000	Capital Work-in- Progress N'000	Land & Buildings N'000	Total N'000
Cost:							
As at 1st Jan. 2010	85,754	668,635	324,798	60,972	22,281	2,766,420	3,928,860
Additions	—	2,563	1,710	566	—	—	4,839
Disposals/elimination/Transfer	—	—	—	22,281	(22,281)	—	—
As at 31st Dec. 2010	85,754	671,198	326,508	83,819	—	2,766,420	3,933,699
Depreciation:							
As at 1st Jan. 2010	59,152	368,004	291,451	17,422	—	122,663	858,692
Charge for the year	18,656	127,688	29,830	14,793	—	55,319	246,286
Eliminated on disposal	—	—	—	—	—	—	—
As at 31st Dec. 2010	77,808	495,692	321,281	32,215	—	177,982	1,104,978
Net book value							
As at 31st Dec. 2010	7,946	175,506	5,227	51,604	—	2,588,438	2,828,721
As at 31st Dec. 2009	26,602	300,629	33,347	43,551	—	2,643,757	3,047,887

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

6.	Loans:	Note	2010 N'000	2009 N'000
	Loan from ADB/FGN/CBN		82,031	82,031
	Loan from AFREXIM		1,796,145	1,336,721
	CBN/BOI Fund for Small&Medium Scale Industries		2,123,138	—
	Export Stimulation Loan		3,000,000	—
			7,001,314	1,418,752
7.	Other Current Liabilities & Provisions:			
	Interest payable		258,092	203,654
	Accrued expenses	(7b)	253,503	997,198
	Sundry creditors	(7c)	2,401,674	2,360,949
	Unearned interest income		200	25,467
	Sundry creditors' deposits	(7d)	(232,876)	300,850
	Exchange Equalisation		33,430	20,670
	Transformation grants	(16)	319,356	—
			3,033,379	3,908,788
	7(a) Analysis by maturity:			
	Payable within 12 months		312,349	1,590,352
	Payable after 12 months		2,721,030	2,318,436
			3,033,379	3,908,788
	7(b) Accrued expenses:			
	Accrued liabilities in respect of contractors bills		130,120	916,880
	Provision for ITF & staff benefits		123,383	80,318
			253,503	997,198
	7(c) Sundry creditors:			
	Rent received in advance		1,497	24,631
	Service charges deposit		2,318	9,409
	Withholding tax		9,105	1,387
	PAYE/NHF		3,453	1,949
	Due to ESL		2,352,126	2,318,437
	Other sundry creditors		22,225	3,800
	Value Added Tax (VAT)		6,820	1,336
	Staff pension fund		4,130	—
			2,401,674	2,360,949
	7(d) Sundry creditors' deposits:			
	FX/LC customers balances		40,303	136,789
	Deposit for project monitoring		176,820	30,564
	Other customer accounts		(450,000)	133,497
			(232,877)	300,850
8.	Share Capital:			
	(a) <i>Authorised and Called-up</i>			
	50,000,000,000 ord. shares of N1.00 each		50,000,000	50,000,000
	(b) <i>Paid-Up</i>			
	Balance as at 1st January		16,498,633	14,882,877
	Additional contribution by FMF		760,967	1,615,756
	Balance as at 31st December		17,259,600	16,498,633

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N'000	2009 N'000
9. Reserves:		
(a) Accumulated loss b/forward	(8,339,522)	(2,975,942)
Prior year adjustment	—	97,231
Profit for the year	<u>189,387</u>	<u>(5,460,811)</u>
Carried forward	(8,150,135)	(8,339,522)
(b) Other Reserves:		
Exchange translation reserve	472,303	472,303
Guarantee reserve fund	<u>500,000</u>	<u>500,000</u>
	<u>(7,177,832)</u>	<u>(7,367,219)</u>
10. CBN/Refinancing and Rediscounting Facility:		
This represents CBN 6% Perpetual Debenture to NEXIM Bank.	<u>1,225,152</u>	<u>1,225,152</u>
11. Interest Income:		
Interest on call and time deposit	570,675	513,709
Income from foreign banks	14	9,219
Income from Rediscounting & Refinancing facility (RRF)	26,053	47,907
Income from Stocking facility (SF)	199,682	63,610
Income from Local Input facility (LIF)	36,487	1,700
Income from Direct Lending facility (DL)	384,382	966,905
Interest on staff loan	<u>3,577</u>	<u>330</u>
	<u>1,220,870</u>	<u>1,603,380</u>
12. Interest Expenses:		
Loan from ADB/FGN/CBN	7,106	6,997
CBN/BOI (SME) Loan	21,231	—
CBN/BOI Refinancing	4,378	—
Export Stimulation Loan	30,000	—
CBN – Perpetual debenture	73,509	73,308
Loan commitment charges	67,056	11,006
Loan from Afrexim	<u>112,837</u>	<u>111,692</u>
	<u>316,117</u>	<u>203,003</u>

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N'000	2009 N'000
13. Recoveries:		
Recoveries on rediscounting & refinancing	39,176	9,000
Recoveries on local input facilities	5,851	60,371
Recoveries on (DL) Project Finance	205,809	62,927
Recoveries on (DL) TradeFinance	247,318	136,606
Recoveries on (DL) TradeFinance	6,796	37,000
	504,950	305,904
14. Miscellaneous Income:		
Loss on sale of fixed assets	—	(63,115)
Dividends received from Afrexim	35,403	41,804
Penalty income	22,222	7,308
Foreign exchange income	3,071	2,396
Exchange translation gain/(loss)	—	95,087
Administrative/Legal fee	60,124	37,305
Underwriting income	78,801	2,099
Others	2,415	13,154
Rental Income	34,111	30,021
	236,147	166,059
15. Retirement Benefit Obligations:		
This represent contribution to pension and gratuity	—	198,900
16. Grants / transformation cost		
Grants received	842,929	—
Transformation cost in the year	(523,573)	—
	319,356	—
17. Retirement Benefits:		
The Bank operates a Nexim Bank Pension Scheme in respect of its staff retirement benefits. The Bank's liabilities under the scheme are provided for by making remittances of contributions to the Pension Scheme.		
18. Comparatives:		
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.		

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

19. Particulars of Directors & Staff:

A. Emoluments of Directors:

The aggregate emoluments of Directors were:

Fees

Other emoluments

The Chairman's emoluments (excluding pensions contribution) amounted to

The emoluments (excluding pension contributions) of the highest paid director amounted to

B. Loans to Directors of the Company:

Balance as at 1st January

Loans advanced during the year

Loan repayments

Balance as at 31st December

The loans to the Directors are charged with interest and have fixed repayment terms. However, no amount was due for repayment as at 31st December, 2010

The number of Directors (including the highest paid Director) who received fees and other emoluments (excluding retirement benefits) in the following range was

N6,800,001 - N6,900,000

	2010 N'000	2009 N'000
	2,063	2,000
	34,904	11,084
	<u>36,967</u>	<u>13,084</u>
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>19,140</u>
	<u>—</u>	<u>—</u>
	<u>35,000</u>	<u>—</u>
	<u>—</u>	<u>(4,670)</u>
	<u>35,000</u>	<u>—</u>

2	3
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NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

C Staff Number and Costs:

The average gross salaries ranges and number of persons employed (excluding directors) in the Bank during the year was

N	N
700,001 -	800,000
800,001 -	1,000,000
1,000,001 -	1,100,000
1,100,001 -	1,200,000
1,200,001 -	1,300,000
1,300,001 -	1,400,000
1,400,001 -	1,500,000
1,500,001 -	1,600,000
1,600,001 -	1,700,000
1,700,001 -	1,800,000
1,800,001 -	1,900,000
2,100,001 -	2,200,000
2,200,001 -	2,400,000
2,500,001 -	2,600,000
2,600,001 -	2,700,000
2,700,001 -	2,800,000
3,200,001 -	3,300,000
3,800,001 -	4,000,000
4,000,001 -	5,000,000
5,000,001 -	6,000,000 & above

2010	2009
17	—
2	—
4	—
18	—
—	—
—	32
—	4
1	0
7	6
—	—
—	—
—	23
—	—
—	—
9	42
—	—
—	16
—	—
3	—
2	24
63	147
N'000	N'000
424,163	966,004

The total remunerations of the persons were as follows:

Wages and Salaries, including staff bonus, National Insurance and Social Trust Fund and contributions to pension scheme

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

19. Overhead Expenses	2010 N'000	2009 N'000
A. Establishment Expenses:		
Electricity and office utilities	13,492	11,373
Rents	18,882	9,213
Insurance	22,796	33,320
	<u>55,170</u>	<u>53,906</u>
B. Administration Expenses:		
Directors' fees, salaries and expenses	36,967	211,085
Salaries and personnel expenses	387,196	767,104
Staff relocation	5,342	2,343
Contribution to ITF	12,000	9,448
Printing and stationery	2,419	2,782
Travelling — Overseas	3,440	58,619
Travelling — Local	20,334	31,880
Fuel/Diesel	17,496	24,584
Communication	14,012	47,021
Repairs and maintenance	93,726	91,742
Computer supplies	658	2,096
Advertisement and publicity	72,767	9,640
Newspapers and magazines	2,241	3,437
Library books and periodicals	1,068	664
Donations	5,650	1,750
Research expenses	-	2,312
Strategic alliance	41,363	12,025
Entertainment/Other admin. exps.	29,875	22,442
Trade fair/missions	14,727	1,920
Exporter enlightenment	15,227	5,410
Subscription to:		
- Professional bodies	5,246	3,218
- Staff club	2,417	6,811
- Other agencies	17,318	13,291
Training:		
- Local	8,192	20,436
- Foreign	8,452	10,871
	<u>818,143</u>	<u>1,362,931</u>
C. Financial Expenses:		
Bank charges	<u>3,139</u>	<u>2,005</u>

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

		2010 N'000	2009 N'000
Overhead Expenses (Cont'd):			
D. Professional and Consultancy Expenses:			
Audit fee		15,000	14,022
Legal fee		23,082	4,509
Computer consultancy		—	1,093
Debt recovery fee		32,213	5,713
Estate & project consultancy expenses		—	296
Public relations consultancy		320	50
Other expenses on hotel for professionals and consultants		7,500	—
		<u>78,115</u>	<u>25,683</u>
Total overhead expenses (A,B,C&D)		<u>954,567</u>	<u>1,445,422</u>
20. Depreciation of Fixed Assets:			
Motor vehicles		18,656	64,451
Furniture, fittings & equipment		127,688	127,256
Computer equipment		29,830	34,969
Plant & machinery		14,793	15,123
Land & building		<u>55,318</u>	<u>55,245</u>
		<u>246,286</u>	<u>297,044</u>
21. Provision for Bad and Doubtful Debts:			
Loans:			
Refinancing and Rediscounting facility		16,000	40,985
Stocking facility		4,475	12,255
Foreign Input facility		30,984	1,171,246
Direct lending — Term Loan		31,770	968,691
— BDAS		172,381	2,682,271
Sundry debtors & loss on investments		<u>—</u>	<u>68,173</u>
		<u>255,610</u>	<u>4,943,621</u>
Investments:			
Provision for investment loss		<u>—</u>	<u>67,677</u>
		<u>255,610</u>	<u>5,011,298</u>
22. Reorganisation & Extraordinary Items:			
This represents additional expenses met in the process of right sizing the staff strength of NEXIM Bank made up of		<u>—</u>	<u>647,065</u>
		<u>—</u>	<u>647,065</u>
23. Credit Related Commitments:			
In the normal course of business, the Bank is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other requirements of customers. The contractual amount of the off-balance sheet financial instruments are:			
—Guarantees & indemnities		<u>1,120,172</u>	<u>1,817,405</u>

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

NOTES ON THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

24. *ADB Export Stimulation Loan — Managed funds on behalf of the Federal Govt. of Nigeria*

		2010 N'000	2009 N'000
Total liabilities of FGN to ADB	Sch. 1	2,481,450	2,350,584
Represented by the following			
Cash in banks	2	95,177	94,526
Investment in NEXIM		2,377,096	2,343,407
Amount outstanding from participating banks	3	104,104	130,687
Project creditors		(4,252,223)	(4,252,223)
Accumulated losses		4,157,296	4,034,187
		2,481,450	2,350,584

Schedule:

	2010 N'000	2009 N'000
1. <i>Total liabilities of FGN to ADB:</i>		
Principal	1,607,699	1,607,698
Accrued interest	873,752	742,885
	2,481,450	2,350,584
2. <i>Cash in Banks:</i>		
Central Bank of Nigeria (ESL Local)	4,561	4,560
First Bank of Nigeria, London	90,616	89,966
	95,177	94,526
3. <i>Amount outstanding from Participating Banks:</i>		
Performing:		
Non-performing:		
Lost credits — Principal	1,104,570	1,117,836
— Interest	609,499	622,817
Provision for loan losses	(1,609,965)	(1,609,965)
	104,104	130,687

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

25. *Directors' responsibilities in relation to the financial statements*

In accordance with the provisions of section 17 of the Act LFN 2004, and sections 24 and 28 of the Banks and Other Financial Institutions Act, LFN 2004, the Bank's Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of its profit for that period, and comply with the Act.

These responsibilities include ensuring that:

- i) adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities;
- ii) proper accounting records are maintained;
- iii) applicable accounting standards are followed;
- iv) suitable accounting policies are used and consistently applied;
- v) the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

26. *Approval of accounts*

The financial statements were approved by the Board of Directors of the Bank at their meeting of 2011.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N'000	%	2009 N'000	%
Gross earnings	1,961,967		2,075,344	
Interest expenses	(316,117)		(203,003)	
	<u>1,645,850</u>		<u>1,872,341</u>	
Administrative overheads and loan loss expenses	(822,980)		(6,269,004)	
Value added	<u>822,870</u>	<u>100</u>	<u>(4,396,663)</u>	<u>100</u>
<i>Applied as follows:</i>				
Salaries and benefits	387,196	47.05	767,104	(17.58)
Depreciation of fixed assets	246,286	29.93	297,044	(6.80)
Profit/(loss) for the year	189,388	23.02	(5,460,811)	124.38
	<u>822,870</u>	<u>100</u>	<u>(4,396,663)</u>	<u>100</u>

The accounting policies on pages 12 - 13 and the notes on pages 17 - 28 form an integral part of these financial statements.

NIGERIAN EXPORT-IMPORT BANK (NEXIM)

FINANCIAL SUMMARY

	2010	2009	2008	2007	2006
	N'000	N'000	N'000	N'000	N'000
ASSETS:					
Cash and short term funds	8,580,427	5,786,901	4,839,079	3,287,816	2,813,768
Loans and advances	7,637,307	4,556,146	8,648,292	7,244,262	4,848,205
Prepayments and other assets	1,036,953	1,046,800	696,425	667,071	306,440
Long term investments	1,258,205	1,224,091	1,143,666	767,200	808,000
Fixed assets	2,828,721	3,070,168	3,384,420	3,490,871	3,567,566
Total assets	21,341,613	15,684,106	18,711,882	15,457,220	12,343,979
LIABILITIES:					
Loans	7,001,314	1,418,752	1,266,668	604,400	610,775
Other current liabilities and provision	3,033,378	3,908,788	3,547,437	2,484,120	2,233,741
	10,034,692	5,327,540	4,814,105	3,088,520	2,844,516
Net assets	11,306,921	10,356,566	13,897,777	12,368,700	9,499,463
FINANCED BY:					
Share capital	17,259,600	16,498,633	14,882,877	13,589,192	11,002,589
Reserves	(7,177,831)	(7,367,219)	(2,210,252)	(2,445,644)	(2,728,278)
Shareholders funds	10,081,769	9,131,414	12,672,625	11,143,548	8,274,311
CBN/Refinancing and Rediscounting facility	1,225,152	1,225,152	1,225,152	1,225,152	1,225,152
	11,306,921	10,356,566	13,897,777	12,368,700	9,499,463
Managed funds on behalf of Federal Government of Nigeria on agency basis	2,481,450	2,350,580	2,219,687	2,088,432	1,776,641
Gross earnings	1,961,967	2,075,343	1,962,516	1,680,298	1,157,010
Operating (loss)/profit	189,387	(5,460,812)	153,352	300,727	(2,782,038)
Earnings/(loss) per share	1k	(33k)	1k	3k	(25)k
Dividends per share	—	—	—	—	1k