

<b>Host Country</b>	Federal Republic of Nigeria
<b>Name of Borrower</b>	First City Monument Bank Limited
<b>Project Description</b>	Direct loan to support the financing of a portfolio of small and medium enterprise (“SME”) loans in Nigeria, with a focus on women-owned and women-led SMEs, and to support longer-tenor loans to SMEs.
<b>Proposed DFC Loan</b>	\$100,000,000
<b>All-Source Funding Total</b>	\$125,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>SMEs in Nigeria comprise up to 96% of businesses, 84% of jobs, and 50% of GDP, yet they face a financing gap of up to \$156 billion. Limited banking history, a lack of collateral, and a perception of high repayment risk are significant barriers to SME finance in the country. Additionally, an estimated 35% of Nigeria’s SMEs are women-owned/led, and these enterprises are estimated to face a financing gap of up to \$22 billion. Women entrepreneurs face numerous barriers in accessing finance, including gendered social norms, inheritance trends, and marriage practices that promote male ownership of household assets.</p> <p>In addressing these challenges, the Project is expected to have a positive development impact in Nigeria by expanding lending to SMEs. The DFC Project will also provide access to finance for women-owned/led enterprises in Nigeria with a target that at least 20% of proceeds will support this segment. Given the Project characteristics, the Project is categorized as Highly Impactful per DFC’s Impact Quotient.</p>

**Environment and Social Assessment**

The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC loans to financial institutions for SME on-lending are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.

To ensure that the Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy ("ESP") that meets the 2012 IFC Performance Standards.

Under the DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard ("PS") 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support to finance on-lending to SMEs in Nigeria, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private security and therefore, relevant aspects of PS 4, Community Health, Safety and Security are triggered.

The Borrower has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy and that will require updating and strengthening to meet the expectations listed in the ESPP and IFC PS 1.