FINDEV CANADA TRANSACTION SUMMARY

Access Bank

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental and social (E&S) risk assessment performed, potential risks identified, and related mitigation measures to be implemented.

Transaction Description

Access Bank is the largest bank in Nigeria, with US $22B in assets, and ranks amongst the top 15 banks in Africa, serving 63 million customers across the region. The transaction is a senior unsecured loan for up to US $25M as part of a DEG-led syndicated facility totaling US $100M. This facility will enable the Bank to expand its portfolio of micro-, small- and medium-sized enterprises ("MSMEs"), enhancing access to inclusive financial services for businesses across Nigeria, with a focus on supporting women-owned or led businesses.

Transaction Details

COUNTERPARTY	Access Bank Plc ("Access Bank", or "the Bank")
DOMICILE	Nigeria
COUNTRY(IES) OF OPERATION	Sub-Saharan Africa
TERM OF FINANCING	5 years
SECTOR	Financial Industry
E&S CATEGORY	FI-2
FINANCING PRODUCT	Debt
FINDEV CANADA TRANSACTION AMOUNT	US $25M
DATE OF TRANSACTION DISCLOSURE	19 June 2024
DATE OF TRANSACTION SIGNING	May 13, 2025
DATE OF TRANSACTION SUMMARY PUBLICATION	
2X ALIGNMENT	Yes, FinDev Canada's investment is 2X aligned under the employment and portfolio criteria

Summary of Anticipated Development Impacts

The development impact value proposition of this transaction is to provide access to financial services to businesses in Nigeria, contributing to financial inclusion and private sector development, enabling the Bank to expand its domestic lending operations in the MSME segment via targeted financial and nonfinancial solutions. The proceeds from the facility will be fully earmarked to the financing of MSMEs in Nigeria, with a portion of the proceeds targeted towards women-owned or led MSMEs ("WMSMEs"), therefore contributing to the development of a more inclusive economy in the country.

Inputs

Financial:
- US $25M senior unsecured term loan

Non-financial:
- 2X alignment
- ESAP

Outputs

Access Bank:
- Invests in MSMEs, including underserved groups
- Channels at least 30% of proceeds towards women-owned or led MSMEs ("WMSMEs")
- Improves ESG practices and maintains 2X alignment

Short-term outcomes
2027

Access Bank or its borrowers :

Market Development
- Increased number of MSMEs accessing finance from the Bank

Gender Equality
- Increased WMSME portfolio at the Bank level
- Increased number of WMSMEs' accessing finance from the Bank

Medium-term outcomes
2029

In Africa (mostly Nigeria):

- Enabling the growth of MSMEs
- Promoting local economic development
- Upgrading business practices in the market

- Enabling the growth of WMSMEs

Impact
BY 2030 AND BEYOND

Gender-inclusive economic growth and development in Nigeria.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

MARKET DEVELOPMENT

- **Improving MSMEs' access to finance and capacity:** MSMEs play an important role in Nigeria's economy as they represent 96% of businesses, contribute to ~50% of GDP, and create 84% of jobs[1]. Given that MSMEs face difficulties in accessing credit, 100% of the facility proceeds will be channeled to MSMEs, with at least 30% earmarked for 2X aligned businesses. Access Bank will also support MSMEs' growth through trainings, business advisory services, and networking opportunities, building business capacity in Nigeria and creating economic value through the provision of goods and services.

[1] MSMEs generate 84% employment in Nigeria, MSME Africa, 2022.

GENDER EQUALITY:

- **Increasing access to finance for women entrepreneurs:** Despite their high potential to contribute to economic growth and formal labour, women in Nigeria are restrained by limited access to capital, facing a financing gap estimated at US $21.8B. Given this gap, at least 30% of this facility will be targeted at WMSMEs to increase access to financing by women entrepreneurs. Access Bank further supports WMSMEs through tailored offerings, including discounted loan rates, access to educational resources, networking opportunities, and market integration assistance, enabling them to better achieve economic growth in the market.
- **Supporting a gender inclusive Bank:** At the Bank, women are meaningfully represented in leadership and employment: 38% at the Board of Directors level, 43% at the Executive Management level, and 42% in the workforce. Moreover, Access Bank has the objective to maintain gender parity across its management and workforce, to promote equal opportunity for employment and career advancement free of bias, and to provide equal pay per job level. Such inclusion measures and objectives further contribute to the Bank's strategy in supporting WMSME clients.

Summary of Environmental and Social Assessment and Related Risk Mitigation Measures

This review has been completed in accordance with FinDev Canada's Environmental and Social Policy. The transaction is rated Category FI-2, given the nature and size of the transactions to be financed with the use of proceeds, including MSMEs with potential exposure to medium to low-risk sectors, which are expected to have exposure to adverse E&S risks or impacts that are few in number, typically site-specific, generally reversible, and readily addressed through mitigation measures. This is the client's second transaction with FinDev Canada.

FinDev Canada's environmental and social (E&S) risk due diligence was undertaken between February and April 2024 and consisted of track record searches, engagement with the client's representatives and E&S personnel, and a review of environmental and social documentation.

In conducting its environmental and social review, FinDev Canada's E&S Risk Management Team identified the International Finance Corporation (IFC) Performance Standards 1 & 2 as the relevant international E&S benchmarks for the transaction.

The primary risks associated with the Bank's portfolio and on-lending operations will be project- and-sector-specific. These risks include labour rights and working conditions including gender-based violence and harassment, occupational and community health and safety, pollution prevention and resource efficiency, supply chain risk management, deforestation, waste management, stakeholder engagement and vulnerable communities, and consumer and data privacy protection.

These risks are mitigated by the client's Environmental & Social Risk Management System (ESMS) and related policies and procedures, which are aligned with local regulations and follow the requirements of the IFC Performance Standards.

The FinDev Canada E&S Risk Management Team is of the opinion that adverse environmental and social risks associated with the client's on lending portfolio will be mitigated in a manner that aligns with the FinDev Canada Environmental and Social Policy and the IFC Performance Standards and relevant International Standards. Gaps have been captured in an Environmental and Social Action Plan (ESAP).

For further information on the Manager's commitment to Sustainability, visit https://www.accessbankplc.com/sustainable-banking/our-reports