

## Annex B – Public Information Summary

<b>Host Country</b>	Africa Regional
<b>Name of Borrower</b>	Africa Finance Corporation (“AFC”)
<b>Project Description</b>	A corporate loan of up to \$250 million (the “ <b>Loan</b> ”) that is expected to qualify as Tier 2 capital for the purpose of (i) strengthening the Borrower’s capital position, (ii) maintaining its prudential ratios, and (iii) supporting the economic recovery across member states in Africa amid high inflation, interest rates, and geopolitical instability. (the “ <b>Project</b> ”).
<b>Proposed DFC Loan</b>	\$250,000,000
<b>All-Source Funding Total</b>	\$417,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>At a time when Africa’s development needs have increased, Africa is experiencing what the International Monetary Fund notes is an “acute funding squeeze” with many sources of traditional financing being structurally underfunded and therefore limiting the region’s ability to finance its pressing development requirements locally. Private capital markets are similarly constrained by higher interest rates and depreciating currencies, resulting in higher debt-service costs and reduced access to new funding. The current status quo has left the region relying too heavily on funding from varied international sources, where flows are often sharply procyclical, and development spending is left vulnerable to sudden shifts in global sentiment.</p> <p>In response to this challenge, the Project seeks to provide relatively uncommon patient long-term and less pro-cyclical capital to the Borrower’s Tier 2 financing layer to address its liquidity requirements. More specifically, as a Nigerian-based development finance institution operating across the continent, the Project will enable the Borrower to strengthen its balance sheet, increase its asset base, potentially raise and/or otherwise mobilize additional private capital, and effectively achieve and maintain internal regulatory capital adequacy ratios above Basel guidelines in a regional macroeconomic environment characterized by instability, shallow financial markets, high interest rates, and inflation.</p>
<b>Environment and Social Assessment</b>	The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ <b>ESPP</b> ”) and has been determined to be categorically eligible. DFC Tier 2 capital loans to financial institutions for the expansion of leveraging capital to increase

investment potential are screened as a Financial Intermediary C (FI-C) for environmental and social assessment.

To ensure that the Borrower's practices 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 and commensurate Human Resources Policies ("ESP") that meet 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 for leveraging additional capital for investments to a financial institution 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 IFC PS 4, Community Health, Safety, and Security are triggered.

The Borrower has an environmental and social policy and environmental management system as described in IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to update its environmental and social policy to include aligned risk categorization and monitoring procedures commensurate to the environmental and social risks, and provide a security management policy in accordance with DFC's 2020 Environmental Policy and Procedures.