Early Warning System

AFDB-P-NG-HAB-047

Nigeria - FSDH Merchant Bank Limited (FSDH) - Trade Finance Line of Credit (TFLOC) and Transaction Guarantee (TG)

Nigeria - FSDH Merchant Bank Limited (FSDH) - Trade Finance Line of Credit (TFLOC) and Transaction Guarantee (TG)

Quick Facts

Countries	Nigeria
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-09-30
Borrower	FSDH Merchant Nigeria Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 25.00 million

Nigeria - FSDH Merchant Bank Limited (FSDH) - Trade Finance Line of Credit (TFLOC) and Transaction Guarantee (TG)

Project Description

According to the Bank's website, the proposed facility is a USD 25 million Trade Finance (TF) Package consisting of: (i) a USD 15 million Trade Finance Line of Credit (TFLOC) to support SMEs and indigenous corporates and (ii) a USD 10 million Transaction Guarantee (TG) facility to support confirmation of trade finance transactions of FSDH. The TG Facility will allow the Bank to provide up to 100% guarantee to Confirming Banks (CBs) for the non-payment risk arising from the confirmation of letters of credit and similar trade finance instruments issued by FSDH. The TFLOC will have a tenor of 3.5 years and the TG will have a tenor of 3 years.

The facility will contribute to mobilizing significant financial resources for SMEs and local enterprises in manufacturing and industrial sector ultimately enhancing deepening of value chains and diversifying productive capacity and ultimately stimulating growth.

Investment Description

- African Development Bank (AFDB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- FSDH Merchant Bank (Financial Intermediary)

Contact Information

CONTACT INFORMATION

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal report (en)
- Appraisal report (fr)
- Environmental Study (en)
- Environmental Study (en)