Early Warning System

IFC-45304

BOP LAPO

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Quick Facts

Countries	Nigeria
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2021-06-22
Borrower	LAPO MICROFINANCE BANK LTD
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 8.00 million
Loan Amount (USD)	$ 8.00 million

Project Description

The proposed investment consists of a three-year senior loan to LAPO Microfinance Bank (“LAPO MFB”), a long-standing IFC client, under the IFC Fast Track COVID-19 Facility's Base of the Pyramid Program (BOP Program). The BOP Program aims to help LAPO MFB provide much-needed local currency funding to micro, small, and medium enterprises (MSMEs) in Nigeria that have been negatively impacted by the COVID-19 pandemic. The IDA PSW Blended Finance Facility is supporting the project.

People Affected By This Project

The project will help provide financing to microenterprises in Nigeria. The most significant expected project-level outcome for the project is access to finance for microenterprises to support economic activity and resilience in the aftermath of the COVID-19 crisis. Beyond the project outcome, IFC anticipates that the Project will support resilience amongst microfinance and BOP finance providers catalyzing investments in the sector by demonstrating the viability of lending to BOP providers and crowding in other sources of international and domestic finance in support of these lenders.

Investment Description

- International Finance Corporation (IFC)

According to the IFC, the project involves a 3-year, senior secured loan of up to US$8 million denominated in Nigerian Naira (“NGN”) from IFC’s own account. The project will be processed under IFC’s COVID Base of Pyramid Facility.

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.

- LAPO MICROFINANCE BANK LTD (Financial Intermediary)

Private Actors Description

According to the, LAPO was established as a non-for-profit organization (“LAPO NGO”) in 1987 in Benin City, Nigeria and over time has diversified into a variety of subsidiaries that are for-profit and non-for-profit. In 2010, LAPO MFB obtained approval from the Central Bank of Nigeria (“CBN”) to operate a regulated microfinance bank and was re-licensed as a national microfinance bank in 2012 in line with the new microfinance banking model introduced in the country by CBN in 2011. LAPO MFB is currently Nigeria’s largest microfinance institution, with more than 4 million customers and controlling a market share of 13% of total microfinance industry loans as of December 2020.

LAPO MFB’s activities are strategically targeted at Micro, Small and Medium Enterprises (“MSMEs”), particularly women micro enterprises owners, who are served on a group basis. LAPO MFB seeks to improve the lives of the population at the bottom of the pyramid by providing life changing business capital in the form of loans that has helped to move thousands of Nigerians out of poverty. LAPO MFB is largely owned by two shareholders: LAPO NGO; and Dr. Godwin Ehigiamusoe (the founder and former Managing Director).

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org