

 Early Warning System

IFC-47338

Sterling Bank Nigeria GWFP RSF



Quick Facts

Countries	Nigeria
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-12-05
Borrower	STERLING BANK PLC
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	\$ 25.00 million
Loan Amount (USD)	\$ 20.00 million



Project Description

According to the IFC, the proposed Project consists of a financing package of up to US\$25 million for Sterling Bank Limited (Sterling Bank or the Bank), comprised of the following:

- (i) a US\$20 million Global Warehouse Finance Program (GWFP) facility to be processed under the Africa Trade and Supply Chain Recovery Initiative (ATRI); and
- (ii) an unfunded agri Risk Sharing Facility (RSF) of up to US\$5 million (equivalent in Naira) on a US\$10 million (equivalent in Naira) portfolio of farmers to be originated through a partnership with Babban Gona (BG), an agricultural technology company (AgTech) in Nigeria for the benefit of maize smallholder farmers (SHFs) in its network.

IFC will provide advisory services support on the use of the agri-RSF by the Bank. The RSF would be processed under IFC's Small Loans Guarantee Program European Commission/Private Sector Window (SLGP EC/PSW or the Program), a programmatic approach to risk sharing which aims to enhance and strengthen the capacity of financial institutions for risk taking and financing of MSMEs in eligible countries.

The facility will facilitate agricultural intensification in Nigeria through increase farmer's access to finance for crop production and fertilizers import. The program expects to reach 73,000 hectares and 110,000 farmers with increased access to inputs, agri equipment, insurance, and markets, resulting in improved livelihood and productivity.



Early Warning System Project Analysis

The IFC categorized the project E&S risks as 'FI-2'.



Investment Description

- International Finance Corporation (IFC)

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.

- [Babban Gona Farmer Services Nigeria Limited](#). (Client) **contracts with** [Sterling Bank Plc](#). (Financial Intermediary)



Private Actors Description

As stated by the IFC, Sterling Bank Limited is a wholly-owned subsidiary of Sterling Financial Holdings Company Plc (HoldCo), which has been listed on the Nigerian Stock Exchange since 2023. Currently, the HoldCo has two subsidiaries, namely: Sterling Bank Limited and a non-interest bank (The Alternative Bank Limited).

Sterling Bank serves more than 4.5 million customers through its network of 160 branches and cash centers across Nigeria. The Bank provides retail and consumer banking, trade services, corporate, investment and non-interest banking activities as well as wholesale banking services.



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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>