

## NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Nigeria
Name of Borrower:	Union Global Partners Limited, a Mauritius limited liability company.
Project Description:	The \$750 million project entails the strategic investment in and recapitalization of Union Bank of Nigeria Plc.
Proposed OPIC Loan:	Up to \$250 million investment guarantee with an approximately 10-year tenor, including up to a five-year principal grace.
Total Project Costs:	\$750 million
U.S. Sponsors:	The Keffi Group Ltd., a New York corporation. Discovery Capital Management LLC, a Connecticut limited liability corporation.
Foreign Sponsor:	ABC Holdings Limited of Botswana. ACA B-Holding Limited of Mauritius.
<b>Policy Review</b>	
U.S. Economic Impact:	Because the project involves the strategic investment in a bank in Nigeria, the project is not expected to have a negative impact on the U.S. economy or employment. There is moderate U.S. procurement associated with this project (e.g., IT hardware and software), and the project is expected to have a neutral impact on U.S. employment. The project will have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This project will have a positive developmental impact on the host country. The investment will help strengthen Nigeria's developing commercial banking sector and develop local capital markets through a shareholders' rights issue. The project will introduce new financial products and includes plans to partner with a leading player in the mobile banking space to introduce mobile banking products. This technology will enable the bank to reach unbanked segments of the population, deepen the penetration of the banking system in the country, and increase the availability of credit in Nigeria.
Environment:	Projects involving loans to financial intermediaries for strategic investments in, and recapitalizations of banks are screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety and social impact

	<p>concerns are minimal. OPIC will require that the Borrower develop an overarching policy statement on environmental and social performance and a grievance mechanism and that these policies and procedures be integrated into Union Bank of Nigeria Plc's due diligence process and investment policies.</p>
<p>Workers Rights:</p>	<p>In accordance with OPIC's Environmental and Social Policy Statement, this project has been classified as Special Consideration due to anticipated significant staff reorganization in a relatively large workforce and the identification of industrial actions by unionized workers of UBN as the new UBN management team works to transform UBN through restructuring and modernization, including the implementation of good corporate governance.</p> <p>OPIC staff undertook a labor due diligence site visit from May 4-6, 2011. Meetings were held with the transformation team from Africa Capital Alliance, the executive management of UBN, union leaders, and representatives of both the senior and junior bank workers' unions, and a seasoned labor mediator who has been hired by UBN to oversee conflict resolution seminars between UBN staff and management. Primary concerns expressed by both management and staff involved the staff reorganization process and the need for mutual cooperation. Since the spring of 2011, UBN management has been holding regular meetings with UBN labor leaders, and both management and staff expressed that labor-management relations had improved significantly and were increasingly moving in a mutually cooperative direction.</p> <p>The investor group has formed a "Transformation Management Office" (TMO), which will be embedded in UBN and includes members of the core investor group who have experience with modernization initiatives (including issues related to staff reorganization) in similar banking institutions. The TMO will provide additional capacity and program management support to the UBN management team during the transformation to ensure that transformation initiatives deliver expected benefits and outcomes within the expected timeline and budget, and in a manner both legal and consistent with the relevant collective bargaining agreements. The TMO will also be required to provide periodic reports to the UBN Board on the status of the transformation.</p> <p>The project is required to prepare and implement a detailed staff management plan outlining a description of management's</p>

	<p>staffing plans and the rationale, respective timelines, methods and procedures, cooperation and consultation with UBN unions, impacts on workers, compensation and assistance, monitoring and documentation.</p> <p>As a Special Consideration project, the project will also be required to demonstrate compliance with the OPIC labor requirements set forth in the loan agreement through the following measures: 1) an independent audit within three years of OPIC support; and 2) annual reports that summarize general working conditions, including non-compliance issues, grievances, and actions taken to improve the worker-management relationship.</p> <p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining and the timely payment of wages. Standard and supplemental contract language will be applied to all workers of the project. The project will be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	OPIC issued a human rights clearance for this project on August 16, 2011.