Early Warning System

AFDB-P-ZA-H00-018

South Africa – FirstRand Bank Ltd: USD 300 Million Long-Term Line of Credit

Quick Facts

Countries	South Africa
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-11-11
Borrower	FirstRand Bank Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 310.00 million
Project Cost (USD)	$ 312.90 million

Project Description

According to the Bank’s website, the FirstRand Bank Ltd USD 310 Million Financial Package is a non-sovereign financial intermediation operation designed to expand access to long-term financing for micro, small and medium-sized enterprises (MSMEs) in South Africa, with a strong focus on women-owned and women-led businesses. The package amounts to USD 310 million and comprises three complementary facilities provided by the African Development Bank Group: a USD 200 million senior unsecured Line of Credit to support increased lending to MSMEs across the South African economy; a USD 100 million senior unsecured gender-focused Line of Credit dedicated to women-owned and women-led MSMEs; and a USD 10 million concessional Line of Credit from the Affirmative Finance Action for Women in Africa (AFAWA) Climate-Smart Agriculture and Food Systems Mechanism (ACFM) to scale up lending to women-owned small businesses operating in the agriculture sector. The financial package is complemented by technical assistance of up to USD 2 million from ACFM to strengthen the bankability of women-owned agribusinesses, and a USD 0.9 million AFAWA package consisting of technical assistance and a performance-based incentive funded under the Women Entrepreneurs Finance Initiative (We-Fi). The operation is implemented by FirstRand Bank Limited (FRB), one of South Africa’s leading financial institutions, through its SME-focused platforms, notably First National Bank (FNB).

The objective of the project is to strengthen private sector development and inclusive economic growth in South Africa by improving access to affordable, long-term finance for MSMEs, with particular emphasis on women-owned and women-led enterprises and agribusinesses. By providing long-tenor liquidity to FirstRand Bank, the project seeks to address structural financing gaps faced by MSMEs, support business expansion and job creation, and promote gender equality through increased financial inclusion of women entrepreneurs. The project also aims to enhance the resilience of MSMEs by supporting climate-smart agricultural activities, strengthening value chains, and improving access to tailored financial products and advisory services, in line with the Bank’s private sector development, gender and resilience strategies.

Early Warning System Project Analysis

Environmental Category: [2] Moderate Risk

The project is classified as Category 2 (Moderate Risk) as per Bank’s Integrated Safeguards System.

Investment Description

- African Development Bank (AFDB)

Provision of a facility package amounting to USD 310 million comprising (A) two complementary Lines of Credit of (i) USD 200 million Line of Credit; and (ii) USD 100 million Line of Credit (Gender Focused); and (B) USD 10 million concessional Line of Credit from ACFM; and (C) Technical Assistance: (i) USD 0.9 million package from AFAWA consisting of USD 150,000 TA and a USD 750,000 Performance-Based Incentive (PBI) under the We-Fi funding and (ii) USD 2 million TA from ACFM.

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.

- FIRSTRAND BANK LTD (Financial Intermediary)

Private Actors Description

Established in 1998, *FirstRand Bank Ltd* is one of South Africa’s leading financial institutions and is a wholly owned subsidiary of FirstRand Limited (“FirstRand” or the “Group”). FirstRand ranks as one of the top 10 listed companies on the Johannesburg Stock Exchange (JSE) and is also listed on the Namibian Stock Exchange. FRB operates through three separately branded divisions, namely: First National Bank (“FNB”), WesBank and Rand Merchant Bank (RMB). FRB provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and offers niche products in certain international markets. FRB provides innovative funding solutions to SMEs and through its FNB franchise (a dedicated division focused on SMEs).

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 AfDBs 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)
- Environmental Study (EN)