Early Warning System

IFC-45554

GTLP ABSA

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Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2021-06-11
Borrower	ABSA GTLP
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 125.00 million
Project Cost (USD)	$ 250.00 million

Project Description

According to bank provided information, GTLP Absa is a proposed risk sharing facility whereby Absa Bank Ltd (“Absa” or the “Bank”) and IFC would share the risk, on an up to 50:50 basis, in a portfolio of up to US$250 million of trade transactions originated by Absa (maximum up to US$125 million for IFC's own account) (the “Project”). The Project will use the Global Trade Liquidity Program (“GTLP”) platform, an innovative and demonstrated trade finance program launched by IFC in 2009, through which IFC will play a countercyclical role to support trade across Africa as the region responds to and recovers from the COVID-19 crisis. In addition to the above Project, an uncommitted trade finance guarantee facility of US$50 million under IFC's Global Trade Finance Program (“GTFP”) is proposed (“GTFP Absa” and, collectively, with the Project, the “Projects”).

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Investment Description

- International Finance Corporation (IFC)

The GTLP Absa facility size is expected to be up to US$250 million with an underlying portfolio of trade finance assets, risk-shared by Absa and IFC on a 50:50 basis.

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.

- Absa Bank Limited (Financial Intermediary)

Private Actors Description

Absa is the third largest bank in South Africa in terms of assets and has a market share of 21% in loans and 20% in deposits. The Bank is a wholly owned subsidiary of Absa Group Limited (“AGL” or the “Group”) and represents 84% of the Group’s balance sheet by assets. AGL provides wholesale and retail banking services, corporate and investment banking, wealth and asset management, and insurance services. Outside of South Africa, the Group is present in 11 countries in Eastern, Southern, and Western Africa. As of December 2020, Absa had fully completed its separation from Barclays plc.

Contact Information

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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