Early Warning System

IFC-51710

FRB SME Loan

Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-07-02
Borrower	FirstRand Bank Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million

Project Description

According to the Bank’s website, the proposed investment consists of a senior unsecured loan of up to US$100 million to FirstRand Bank Limited (FRB), an existing IFC client, under the MSME Finance Platform-SME Envelope for a maturity of up to 5 years. The Platform’s SME Envelope seeks to address financial inclusion gaps, with a focus on reaching priority small and medium-sized enterprise (SME) segments, including women entrepreneurs, businesses in agriculture (Agri-SMEs), and supporting SME climate financing by providing medium- and long-term loans to eligible financial service providers. FirstRand Bank (FRB or the Bank) is a key strategic partner to IFC in South Africa, and the proposed project meets the IFC SME eligibility criteria for the country.

Early Warning System Project Analysis

The Project will support FNB’s lending program to SME segments, including women entrepreneurs, businesses in agriculture (agri-SMEs), and SME climate financing. The overall E&S risk of activities to be supported by IFC are considered to be medium and can be readily addressed through mitigation measures. Therefore, the Project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.

Investment Description

- International Finance Corporation (IFC)

The proposed Project involves a senior loan of US$100 million for IFC's own account, under the MSME Finance Platform-SME Envelope for a maturity of up to 5 years. It will allow the Bank to expand its lending to the underserved SME sector.

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

FirstRand Bank Limited provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and offers niche products in certain international markets. The Bank has three major divisions, which are separately branded: First National Bank (FNB), WesBank, and Rand Merchant Bank (RMB). FRB is wholly owned by FirstRand Limited (FirstRand), a leading financial institution in Africa. FirstRand is listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange. As of June 2024, the Public Investment Corporation held 14.7% of FirstRand’s shares and no other shareholder held more than 5%. Direct corporate shareholders included Royal Bafokeng Holdings and Remgro, holding together 4.2%. FRB is the largest operating subsidiary of FirstRand.

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