Early Warning System

MIGA-14386

Absa Group Central Bank Mandatory Reserves Coverage

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Quick Facts

Countries	Mozambique
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Bank Risk Rating	U
Voting Date	2019-06-14
Borrower	Absa Group Limited
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 90.00 million

Project Description

This summary describes equity investments by Absa Group Limited (Absa Group) in its subsidiary in Mozambique, Barclays Bank Mocambique SA (subsidiary). The investor has applied for MIGA guarantees of up to US$90 million in mandatory reserves cover for a period of up to 15 years.

Absa Group, South Africa-based, is one of the largest pan-African financial institutions in terms of total assets with operations in ten countries in Sub Saharan Africa. Its subsidiary banks outside of South Africa are required to maintain reserves at the central banks in their respective jurisdictions, based on the volume of customer deposits that these subsidiaries have. Mandatory reserves contribute to Absa Group's overall risk-weighted assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Absa Bank Limited	Contractor	-

Contact Information

Contact information not provided at the time of disclosure

ACCOUNTABILITY MECHANISM OF 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/