

 Early Warning System

MIGA-14568

FirstRand Rest of Africa Central Bank Mandatory Reserves Coverage



### Quick Facts

<b>Countries</b>	Ghana
<b>Financial Institutions</b>	Multilateral Investment Guarantee Agency (MIGA)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	U
<b>Voting Date</b>	2020-04-09
<b>Borrower</b>	FirstRand EMA Holdings Pty Limited
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Guarantee
<b>Investment Amount (USD)</b>	\$ 43.70 million



### Project Description

The aim of MIGA's proposed guarantees is to help FirstRand Group reduce the risk of some of its assets, which would lead to a reduction in the group's RWA on a consolidated basis. FirstRand Group plans to deploy this headroom of consolidated RWA across its Africa operations, including Ghana, thus increasing the potential reach, development impact, and financial returns of the foreign investment.



### Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

### 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](#) (Financial Intermediary)



### Private Actors Description

According to MIGA, FirstRand 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 FirstRand Group's overall risk-weighted assets (RWA) at the consolidated level, consuming a level of capital that could otherwise have been deployed in productive assets.



### Contact Information

No contact information 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



### Bank Documents

- [Project Information](#)

### Campaign Documents

- [Banktrack: FirstRand](#)
- [Business and Human Rights Resource Center:FirstRand Group](#)