

 Early Warning System

MIGA-15292

JSC Agrobank



Quick Facts

Countries	Uzbekistan
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	B
Borrower	Standard Chartered Bank, Joint-Stock Commercial Bank "Agrobank"
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 261.30 million



Project Description

As stated by the MIGA, the project consists of a guarantee covering a loan by Standard Chartered Bank of the United Kingdom and/or any of its affiliates or subsidiaries, ("SCB"), and other financial institutions yet to be identified (collectively the "Lenders") to Joint-Stock Commercial Bank "Agrobank" of the Republic of Uzbekistan ("Agrobank"). SCB has applied for a MIGA guarantee of up to USD261.3 million (to be structured as two tranches) for a period of up to 10 years against the risk of Non-Honoring of Sovereign Financial Obligations of a State-Owned Enterprise ("NHFO-SOE"). The proceeds of the MIGA-covered loan will be used by Agrobank to provide direct new financing to, and refinance existing loans to, small or medium-sized enterprises ("SME"). The SME loans will be defined as an asset class of loans to, specifically: (i) a sub-borrower is a SME satisfying 2 of the 3 criteria: annual sales <USD15 million; and/or total assets valued at <USD15 million; and/or <300 employees; (ii) sub-loans are less than USD1 million; and (iii) borrower is not engaged in high risk categories ("Eligible SME Loans"). The funding will support, but not limited to, SMEs in the agribusiness sector, export-oriented businesses, and SMEs engaged in climate mitigation and/or adaptation activities. The proposed Project would be MIGA's first transaction with Agrobank.

As of December 2023, Agrobank's portfolio included the following business segments - micro-enterprise loans, 19%; SME loans, 31%; corporate loans, 32%; and individual loans (mortgages and consumer loans), 18%. The main sectors in the bank's portfolio include manufacturing, agriculture, trade, and construction. Agrobank currently has no exposure to activities on the MIGA Exclusion List. The bank also has no exposure to coal-related projects and upstream oil and gas activities.

For the proposed guarantee, Agrobank will be required to report annually to MIGA regarding the Eligible SME Loans portfolio as well as the implementation of the E&S procedures and labor practices at Agrobank.

The Project will support Agrobank, the third largest bank in Uzbekistan, in its efforts to expand servicing existing and new SMEs; contribute to job creation and close the SME financing gap in the country. The Project could have meaningful effects on SMEs operating in the agribusiness sector, export-oriented businesses, and SMEs engaged in climate mitigation and/or adaptation activities. At the same time, the Project could demonstrate a good business case on the financial viability of lending to SMEs and encourage other banks (state-owned or private) to increase credit supply to these underserved segments.



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.

- [Standard Chartered Bank](#) (Investor) **invests in** [Joint Stock Commercial Bank "Agrobank"](#) (Financial Intermediary)



Private Actors Description

As stated by Bloomberg, Standard Chartered Bank operates as a bank. The Bank provides savings account, loans, mortgages, credit cards, insurance, and investment services. Standard Chartered Bank serves customers worldwide.

As stated on the company's website, Joint Stock Commercial Bank "Agrobank" is the largest bank in the Republic of Uzbekistan with an extensive network of branches throughout the country.



Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing:
migainquiry@worldbank.org

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>