

Early Warning System

MIGA-15697

Trade Finance Guarantee Framework Agreement with Deutsche Bank

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Quick Facts

Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	C
Borrower	Deutsche Bank AG
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 1,160.80 million

Project Description

According to the Bank's website, the project consists of a potential MIGA guarantee to be issued to Deutsche Bank AG (DB) to support a portfolio of trade transactions facilitated via State-Owned Banks and Central Banks (Obligors) in Emerging Markets and Developing Economies (EMDEs). MIGA would issue Trade Finance Guarantees (TFG) of up to EUR 1 billion against the risk of non-payment by Obligors for over a period of 3 years (with a potential 3-year extension).

MIGA interventions will contribute to positive development impact through the facilitation of trade in developing countries, where acute trade finance gaps persist, especially in fragile and conflict-affected settings and for micro, small and medium enterprises (SMEs). It has been widely acknowledged that trade is a driver of economic productivity, wage growth, and resilience. Through partnering with DB, MIGA will facilitate needed trade finance amid challenging global and national macroeconomic conditions, with high replication potential.

Early Warning System Project Analysis

The MIGA-covered facility will support short-term trade transactions in EMDEs. These transactions pose minimal environmental and social (E&S) risks and impacts and as such the project has been categorized as 'FI-3' under MIGA'sPolicy on Environmental and Social Sustainability (2013).

The applicable E&S requirements for this project are the MIGA Exclusion List, applicable E&S host country's laws and sector specific screening as applicable. The project will not support coal and non-RSPO palm oil related activities, among others. The project will also be required to comply with the applicable labor requirements specified under MIGA Performance Standard 2: Labor and Working Conditions.

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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.

- DEUTSCHE BANK AG (Financial Intermediary)

Private Actors Description

Deutsche Bank AG is a German multinational investment bank and financial services company headquartered in Frankfurt, Germany, and dual-listed on the Frankfurt Stock Exchange and the New York Stock Exchange. Deutsche Bank was founded in 1870 in Berlin.

Contact Information

No contacts available 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