

 Early Warning System

MIGA-3528

Land and Agricultural Development Bank of South Africa



Quick Facts

Countries	South Africa
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	U
Voting Date	2016-12-20
Borrower	Land and Agricultural Development Bank
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 600.00 million



Project Description

Project Description

This summary covers a US-dollar denominated loan accompanied by a USD-ZAR cross-currency swap by Standard Chartered Bank of the United Kingdom (SCB-UK) and other financial institutions to be identified to Land and Agricultural Development Bank (Land Bank) in South Africa. SCB-UK has applied for a MIGA guarantee of up to \$450 million, including principal and interest, for a period of up to 11 years against the risk of non-honoring of financial obligations by a state-owned enterprise (NHSOE). The MIGA guarantee on the accompanying swap transaction is for an amount up to US\$150 million.

Land Bank is a development bank wholly-owned by the Government of the Republic of South Africa. The bank provides various financial products, notably medium-term loans to South Africa farmers; approximately 85 percent and 15 percent of the bank's loan book consists of agribusinesses that provide inputs/services to farmers and medium-to-large scale commercial farmers, respectively. Land Bank also administers public interest programs, such as drought relief schemes and flood assistance programs on behalf of the government.

Under this proposed project, SCB-UK and other potential lenders will extend a loan facility denominated in US dollars to Land Bank for asset liability management purposes, as well as on-lending in accordance with its mandate. The accompanying USD-ZAR swap arrangement would enable Land Bank to repay the SCB-UK's loan without facing a currency mismatch.



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.

- [Land and Agricultural Development Bank](#) (Financial Intermediary)



Private Actors Description

According to MIGA, Land Bank is a development bank wholly-owned by the Government of the Republic of South Africa. The bank provides various financial products, notably medium-term loans to South Africa farmers; approximately 85 percent and 15 percent of the bank's loan book consists of agribusinesses that provide inputs/services to farmers and medium-to-large scale commercial famers, respectively. Land Bank also administers public interest programs, such as drought relief schemes and flood assistance programs on behalf of the government.



Contact Information

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/>



Bank Documents

- [Project Information Document](#)