Early Warning System

# MIGA-3528

## Land and Agricultural Development Bank of South Africa

## Quick Facts

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| **Countries** | South Africa |
| **Financial Institutions** | Multilateral Investment Guarantee Agency (MIGA) |
| **Status** | Proposed |
| **Bank Risk Rating** | FI |
| **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 famers, 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)

**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