



A credit line to support the action of FirstRand Bank for South African SMEs

18/08/2016 – Date of signature of the project

BANKS AND FINANCIAL SERVICES – Sectors

SOUTH AFRICA – Location

LOAN – Financing tool

26 995 410,78 EUR – Amount of funding

LOAN OF USD 30M – Financing details

FIRSTRAND BANK LIMITED – Client

IF-A – CES

CLIENT PRESENTATION

FRB is a universal bank which has developed several franchises: First National Bank for retail banking, Rand Merchant Bank for merchant banking and investment and Westbank for leasing. FRB is a longstanding partner of AFD Group and Proparco, since the agency opened in 1994, and it has been allocated several credit lines.

PROJECT DESCRIPTION

The project involves a new USD 30m senior credit line to provide long-term resources in USD to SMEs. It is part of a more extensive USD 90m credit line, alongside DEG, which will act as lead arranger, and OeEB (Austrian DFI). The loan structuring (maturity, margin) is exactly the same as for the previous line allocated to FRB in 2012.

PROJECT IMPACT

This project will support the development of the SME sector in South Africa. Indeed, FRB is seeking to develop its activities in this segment and has set up specific programs to support SMEs from disadvantaged communities, such as the Black Economic Empowerment Program. Concerning employment, the project will contribute to creating 5,000 direct jobs in the bank (60% of which will be held by women) and maintaining some 4,700 jobs with the bank's SME clients.

