

 Early Warning System

IFC-45022

TUHF MAGC



Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-06-28
Borrower	TUHF Holdings Limited
Sectors	Climate and Environment, Construction, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 50.67 million
Loan Amount (USD)	\$ 50.67 million
Project Cost (USD)	\$ 63.34 million



Project Description

According to the project disclosure, the proposed project consists of an IFC investment of up to ZAR 960 million with a 7-year tenor in the senior tranche of a ZAR 1.2 billion special purpose vehicle, to be setup and sponsored by TUHF Holdings Limited, South Africa. TUHF and a third-party investor will each invest ZAR 120 million in the junior and mezzanine tranches, respectively. The SPV will utilize the proceeds to finance the development of affordable EDGE-certified green residential buildings in South Africa. The Project is expected to be supported by the Market Accelerator for Green Construction (MAGC) Program as described in the Blended Finance Section.

IFC will also support TUHF with advisory services to improve its capacity to originate and manage loans for the development of certified green buildings. The full scope of the advisory services will be confirmed after consultations with the Company.

IFC, as implementing entity of the MAGC Program, expects to provide up to US\$8.4 million in the form of a performance-based incentive (PBI). The blended finance-co-investment will enable TUHF to rollout a green building strategy to catalyze the refurbishment of existing buildings and develop more than 7,000 EDGE certified housing rental units in South Africa. The PBI is designed to benefit TUHF's end-borrowers with the payment of the incentive to be contingent upon the development of green buildings meeting specific green construction eligibility criteria.



Investment Description

- International Finance Corporation (IFC)

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.

- [TUHF Holdings Limited \(Trust for Urban Housing Finance, South Africa\)](#) (Financial Intermediary)



Private Actors Description

As stated by the IFC, TUHF was established in 2003 and is a leading provider of residential commercial property finance in the urban areas of South Africa. The company has financed over 46,940 housing units and 680 buildings, lending over ZAR7 billion in affordable housing finance.

TUHF's largest shareholder is TUHF21 NPC (TUHF Group Holding Company), a South African non-profit entity with 32.85 percent. National Housing Finance Corporation (NHFC), a State-Owned Enterprise wholly owned by the Government of South Africa, is the second largest shareholder with 32.64 percent shareholding. Old Mutual Life Assurance Company Limited, a large South African insurance company and the Public Investment Corporation (PIC), a South African government owned entity, investing on behalf of the Government Employees' Pension Fund (GEPF), each own 14.32 percent of TUHF. The remaining shareholders each hold less than 5 percent of the total shares outstanding.

As of September 2023, TUHF had total assets and loans of ZAR4.4 billion and ZAR3.6 billion, respectively. TUHF has a solid track record with raising long-term finance through securitization vehicles, with two vehicles registered on the Johannesburg Stock Exchange since 2018.



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You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

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>