

 Early Warning System

IFC-47526

GRPT Green Bond



Quick Facts

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|--------------------------------|---|
| Countries | South Africa |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2022-12-07 |
| Borrower | GROWTHPOINT PROPERTIES LTD |
| Sectors | Infrastructure |
| Investment Type(s) | Equity |
| Investment Amount (USD) | \$ 54.50 million |
| Project Cost (USD) | \$ 1.76 million |



Project Description

According to bank provided information, the IFC project is a ZAR1.0 billion (about US\$54.5 million) investment in unsecured green bonds issued by Growthpoint Properties Ltd. (Growthpoint or the Company or the Group).

Growthpoint is South Africa's largest REIT listed on the Johannesburg Stock Exchange, with total property assets of US\$9.9 billion (ZAR160.8 billion) as of June 30, 2022. It operates in the commercial, retail, and industrial property sectors, and has operations across South Africa, Australia, Central and Eastern Europe, and the United Kingdom.

The investment will support Growthpoint to (i) finance energy efficiency projects and renewable energy use across the Growthpoint portfolio; (ii) finance new green buildings; and/or (iii) refinance debt used to construct recently completed green buildings. The green bond issuances are a key part of Growthpoint's sustainability strategy and are aligned with its commitment to ensuring that all its portfolio buildings are carbon neutral by 2050.



Investment Description

- International Finance Corporation (IFC)

According to bank provided information, on December 13, 2022, IFC invested ZAR1.0 billion (about US\$54.5 million) as a sole investor in a privately issued green bond by Growthpoint. The green bond issuances were done under Growthpoint's existing ZAR30 billion (US\$1.76 billion equivalent) Domestic Medium-Term Note (DMTN) program which is registered at the Johannesburg Stock Exchange. IFC investment was into unsecured floating rate notes with 7- and 10-year tenors that will be listed on the Johannesburg Stock Exchange (JSE).



Private Actors Description

Founded in 1987, Growthpoint Properties Ltd. (Growthpoint) is South Africa's largest REIT, listed on the JSE with a market capitalization of US\$2.6 billion (ZAR42.4 billion) as of June 30, 2022. Growthpoint owns and manages a diversified property portfolio valued at US\$9.9 billion (ZAR160.8 billion) as of June 30 2022. The portfolio is also diversified across geography and sub-sectors, that is retail, office and industrial properties. Growthpoint's portfolio comprised of the following:

- a) South Africa: (i) 408 directly owned properties in South Africa; (ii) a 50.0 percent interest in the V&A Waterfront, an iconic mixed-use development in Cape Town, South Africa; and (iii) a majority stake interest in Growthpoint Healthcare Property Holdings Ltd ("GHPH"), South Africa's first healthcare Real Estate Investment Trust (REIT); (iv) 16.6 percent interest in Growthpoint Student Accommodation Holdings, which owns 7 student accommodation properties and 2 properties under development.
- b) Australia: a 62.2 percent interest in Growthpoint Properties Australia Limited, which owns 58 properties and is listed at the Australia Stock Exchange.
- c) Eastern Europe: a 29.4 percent interest in Globalworth Real Estate Investment Limited, which owns 71 properties in Poland and Romania.
- d) United Kingdom: a 60.8 percent interest in Capital & Regional Plc, which owns 6 properties
- e) Sub-Saharan Africa (ex-South Africa): a 16.3 percent interest in Lango Real Estate Limited (formerly Growthpoint Investec African Properties Fund), which owns 8 properties and 3 plots of land.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|--------------------------------|----------------------|------------------------|
| - | - | - | - | Growthpoint Properties Limited | Client | - |
| - | - | - | - | Growthpoint Properties Limited | Client | - |
| - | - | - | - | Growthpoint Properties Limited | Client | - |
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| - | - | - | - | Growthpoint Properties Limited | Client | - |
| - | - | - | - | Growthpoint Properties Ltd | Client | - |
| - | - | - | - | Growthpoint Properties Ltd | Undisclosed | - |



Contact Information

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ACCESS TO INFORMATION

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>