

 Early Warning System

IFC-49205

FirstRand MAGC



Quick Facts

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| Countries | South Africa |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2024-05-17 |
| Borrower | FIRSTRAND BANK LTD |
| Sectors | Finance |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 250.00 million |



Project Description

According to the Bank's website, the proposed project consists of an up to US\$250 million senior unsecured loan with a 7-year tenor to FirstRand Bank Limited (FRB or the Bank) to support the expansion of the Bank's EDGE-certified (or equivalent green certification acceptable to IFC) green commercial property finance (CPF) and green home loan (home loans) portfolios, in South Africa (the Project). The Project is expected to be supported by the Market Accelerator for Green Construction (MAGC) Program and the IFC-BMWK Scale Up Climate Finance through Greening the Financial Sector (BMWK) Program as described in the Blended Finance section.



Early Warning System Project Analysis

The Project will support FRB in financing certified green CPF and home loans in South Africa. The E&S risks associated with property development are expected to be medium, while those associated with home loans are expected to be low, therefore the Project has been categorized as FI-2 according to the IFC's Sustainability Policy.



Investment Description

- International Finance Corporation (IFC)

The Project involves a 7-year senior loan of US\$200 from IFC's own account and a 7-year senior loan of US\$50 million from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program (MCP). It will support the expansion of the Bank's EDGE-certified (or equivalent green certification acceptable to IFC) green CPF and home loans portfolios in South Africa.

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.

- [FIRSTRAND BANK LTD](#) (Financial Intermediary)



Private Actors Description

FirstRand Bank Limited - FRB is a financial institution wholly owned by FirstRand Limited (FSR), one of the largest financial institutions in Africa which provides banking, insurance, investment products and services to retail, commercial and corporate customers. FSR is listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange. As of June 2023, the Public Investment Corporation held 16.1% and no other shareholder held more than 5%. In total, institutional shareholders owned (61.4%) and corporate shareholders included Royal Bafokeng Holdings (3%) and Remgro (1.8%). FRB is the largest operating subsidiary of FSR.



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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>