



# We've Just Raised N\$400m in Our Debut Green Bond Issuance

**Standard Bank Namibia has successfully raised N\$400 million of funding in the debt capital markets, through Green Bond Issuance, with Standard Bank South Africa acting as a joint arranger. The debut Green Senior Unsecured bond auction on 30 June 2022 raised N\$400 million across two notes, namely N\$200 million for 3-year notes and N\$200 million for 5-year notes.**

Standard Bank Namibia Head of Treasury & Capital Management, Danie Rourke, told The Brief that the auction was well received, achieving a 2.41x oversubscription on issuance size, with the bulk of the bids within guidance and the spreads clearing at the lower end of price guidance. The proceeds of the Green Bond Issuance will be used to finance and refinance, in whole or in part, eligible renewable energy projects in Namibia per the Standard Bank Group Sustainable Bond Framework. The use of proceeds aligns with SBN's SEE Impact Areas: Infrastructure, Climate Change and Sustainable Finance. "It maps to the United Nations Sustainable Development Goals; Affordable and Clean Energy (SDG7), Sustainable Cities and Communities (SDG11) and Climate Action (SDG13).

He said the Bank had already disbursed funding for the first beneficiary of the capital raise, which focused on renewable energy. "Our ALCO has approved the asset selection according to eligibility screening. Projects primarily focus on solar PV and wind farms, with or without battery storage, but exclude projects with any fossil fuel element. On 30 June 2002, the first qualifying project deal was disbursed." Rourke.

On why the listed banking group had decided on issuing a Green Bond, Rourke said sustainability finance is key to Standard Bank Namibia's purpose of driving the country's growth. It is also a strategic value driver for maximising our business activities' positive Social, Economic and Environmental (SEE) impacts. This debut Green Bond Issuance speaks

to our commitments to address climate change and supports renewable energy projects in the Namibian economy."

The Bank also issued the country's first green loan after entering into a multi-million-dollar funding agreement with an undisclosed company. Global Green Financing, aimed at environmentally friendly projects around the world, has grown over 100 times in the past decade, according to a new study from TheCityUK and BNP Paribas. According to the research, global borrowing by issuing green bonds and loans, and equity funding through initial public offerings targeting green projects, swelled to US\$540.6 billion in 2021 from US\$5.2 billion in 2012. The rise in issuance underscores the growing push from governments and corporations to rein in carbon emissions and achieve climate goals. The share of green finance in the total finance market was about 4% in 2021, compared with around 0.1% in 2012. The data showed the number of publicly traded companies involved in green activities grew from 401 companies in 2012 to 669 in 2021. According to the World Bank, developing countries currently account for just US\$1.6 billion of the estimated US\$33 billion in outstanding green loans.

The Bank is targeting more issuances as it intends to play a vital role in sustainable funding solutions in Namibia.

"We are planning further sustainability issuances as part of a planned issuance programme. We are increasingly experiencing and living with the impacts of climate change— extreme weather, droughts, flooding and heat waves. The green angle enables a growing number of people and institutions, both locally and internationally, to help influence change and support climate change initiatives through investing. In addition, and specific to Namibia, investors participate in the renewable energy initiatives by investing in this bond, which are key pillars to grow Namibia's economy and our sustainable development goals by 2030," Rourke.