

Standard Bank first: launch of capital-qualifying green bond

Standard Bank Group has issued its first local Tier 2 capital-qualifying green bond.



Source: [unsplash](#)

The 10-year, R1.4bn bond is listed on the Johannesburg Stock Exchange's Sustainability Segment and proceeds will be used to finance renewable energy projects in South Africa.

This is the third bond issue under the Group's Sustainable Bond Framework which was established in February 2020.

Proceeds of bonds issued under the Sustainable Bond Framework are directed towards impact areas which reflect Standard Bank's Social, Economic and Environmental (SEE) strategy and are aligned with achieving the objectives of the United Nations' Sustainable Development Goals.

Closing electricity-supply gap

Renewable energy is key to closing South Africa's electricity-supply gap and modernising its energy sector. The country's electricity crisis continues to weigh on the economy, heavily impacting consumers, and businesses. As a result of the declining costs of renewable energy and advancements in battery-storage technologies, renewable energy solutions are now a viable alternative and key to climate-change mitigation efforts.

Standard Bank has also this week listed a R1.5bn tap (increase) of its R2bn social bond issued in August 2021 to finance mortgage loans in the affordable housing target market, with a focus on women borrowers. This was the Group's first tap of a sustainability bond issue.



TUHF launches Sustainable Bond Framework, first social bonds

11 Jun 2021



"These are landmark transactions for the Group as they represent further firsts for us from a bond-issue perspective in our sustainable finance journey. We are consistently leveraging work done and broadening our issue base under the Sustainable Bond Framework. Sustainable finance markets and products are evolving quickly and, as an issuer, we recognise the urgency, opportunities and responsibilities," said Ann Hunter, head of Group Strategic Funding at Standard Bank Group.

These bond issues follow the Group's first green bond listed on the London Stock Exchange in March 2020 and placed via private placement with IFC, member of the World Bank Group. The USD200m bond, a 10-year facility, funds eligible green assets in South Africa.

Sustainability a priority

"Sustainability has taken centrestage in the market's investment and capital-allocation decisions, leading to exponential growth in the sustainable finance market. This issuance is part of our strategic focus on delivering positive SEE impact in the communities in which we operate," said Kenny Fihla, chief executive of Corporate & Investment Banking at Standard Bank Group.

Standard Bank is focused, primarily through its Sustainable Finance division, on providing financial products and services that support positive SEE outcomes, including green and social bonds, sustainability-linked loans, sustainable trade solutions and impact investing.

Greg Fyfe head of Sustainable Finance for Standard Bank says, "when it comes to their capital and funding requirements, clients should be considering green, social and sustainable products, as investors increasingly shift their mandates toward investment in sustainable businesses. Standard Bank is at the forefront in Africa with an innovative and sustainable finance business-offering that benefits our clients, the communities in which we operate and the environment."

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