



Press Release: ALCB Fund invests ZAR 68 million in Nedbank's Green Additional Tier 1 Bond Issuance

June 23rd, 2021 - The ALCB Fund is proud to announce its investment of ZAR 68 million (USD 5 million) in Nedbank's Green Additional Tier 1 (AT1) bond issuance. The bond was issued under Nedbank's Sustainable Development Goals (SDG) Issuance Framework and represents Africa's first Green AT1 issuance. Nedbank Group is one of the largest financial services groups in Africa, offering a wide range of wholesale and retail banking services as well as insurance and asset management products. This will be the ALCB Fund's second investment in a bond issuance by Nedbank, having previously invested ZAR 41 million (USD 2.9 million) in Nedbank's first Green Bond in April 2019. The proceeds for the bond will be used for greenfield renewable energy projects under the South African Government's Renewable Energy Independent Power Producer Programme.

ALCB Fund Chairman, Karl von Klitzing, of KfW Development Bank, said:

"Our investment into Nedbank's Green AT1 Issuance further demonstrates the Fund's unwavering commitment to supporting innovative bond issuances and fostering African capital markets as a means to channel funding to sustainable green economic growth. We are proud to be supporting an issuance under Nedbank's pioneering SDG Framework and build on the success of Nedbank's previous Green Bond issuance."

Arvana Singh, Nedbank's Head of Sustainable Finance Solutions, said:

"The ALCB Fund's investment and continued support affirms Nedbank's approach in pioneering ESG and green finance in Africa. Having an international investor like the ALCB Fund was very significant in terms of this pioneering issuance, and ensuring its success, as Nedbank became the first South African commercial bank to issue and list a Green Additional Tier 1 Bond on the Johannesburg Stock Exchange. We are delighted to have worked with the ALCB Fund to execute on this vision."

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The ALCB Fund was founded by KfW in 2012 on behalf of the German Ministry for Economic Cooperation and Development (BMZ). The Fund's mission is to support the development of African capital markets by promoting primary corporate bond issuances in local currency. This is achieved by supporting African issuers, investors, and intermediaries by acting as an anchor investor and providing technical assistance. Sectors of interest include financial inclusion, infrastructure, agriculture, housing, education, healthcare and renewable energy.

To date, the ALCB Fund has invested in over 37 companies across 17 countries. The Fund is rated Baa2 by Moody's.