

Nedbank lists R1.09bn green residential bond on the JSE

Banking group, Nedbank, has today listed a R1.09bn green bond on the Johannesburg Stock Exchange (JSE), whose proceeds will be used to fund green residential developments.



Source: [unsplash](#)

The green bond, which will trade under the JSE code NBG07G, will be floated on the JSE's Sustainability Segment, which serves as a platform for raising capital for green-, social- and sustainable investment projects. The bond brings the number of sustainability instruments listed on the JSE's Sustainability Segment to 35, with a total issued amount of over R17bn.

Sam Mkorosi, JSE's head: "Origination and Deals has welcomed the listing of the green bond by Nedbank, saying the bond will address housing needs while helping in the global fight to reverse climate change.

Ensuring long-term sustainability

"As the JSE, we are encouraged to see more issuers joining the fight against climate change. Extreme weather events such as tornadoes and droughts are a threat to human and economic sustainability. Green bonds are one way of ensuring a sustainable future for our planet," said Mkorosi.

The green bond listed by Nedbank today has been issued under its R75bn domestic medium-term note programme. The first interest payment on the bond is due on 15 March 2022.

Green bonds are fixed-income instruments that are designed to help companies raise capital for investing in climate and environmentally friendly projects while enabling investors to buy into these instruments.

These bonds are typically asset-linked and backed by the issuer's balance sheet.

Issuance groundbreaking

"We are proud of this groundbreaking issuance which aligns with the objectives of Sustainable Development Goal 9: Industry Innovation and Infrastructure, and sets a prime example of how the capital markets in South Africa can be used as a vehicle to structure sustainable finance solutions to attract investment that will move green development forward," says Arvana Singh, head of Sustainable Finance Solutions at Nedbank.

This issuance brings Nedbank's total amount of green bond issuance on the JSE to R6,8bn.

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