

Products and Services:

SUSTAINABLE DEVELOPMENT FINANCE

We recognise that the most effective way to deliver on our purpose is by using innovative products and services that help to address the relevant SDG targets, thereby enabling our clients to achieve the positive outcomes they desire.

Using this approach helps us to address national strategic development priorities in the countries where we operate, such as SA's National Development Plan (NDP), as well as our deliverables in terms of the Amended Financial Sector Code (FSC).

For full details of our transformation efforts and progress please see the 2017 Nedbank Transformation Report, which can be downloaded at nedbank.co.za.

We are cognisant of the fact that our efforts in terms of Sustainable Development Finance, as outlined below, do not yet correspond to our fair share of what is required to meet the SDGs. We have therefore committed to setting lending targets in 2018 that ensure more deliberate focus on our delivery in this regard.



FINANCING SOLUTIONS TO ENVIRONMENTAL CHALLENGES

7 AFFORDABLE AND CLEAN ENERGY



Goal 7: Affordable and clean energy

UTILITY-SCALE RENEWABLE-ENERGY FINANCE

Given the country's renewed commitment to a low-cost, sustainable energy mix, the reinvigoration and support of a stable and viable renewable-energy sector is a fundamental imperative. Continuation of a steady energy supply is also critical to reigniting a thriving economy. In recognition of this fact we fully support government's Renewable Energy Independent Power Producer Procurement (REIPPP) programme, and assist a large number of participants in the bidding process through innovative finance solutions that will provide quickly constructed and competitively costed versatile power solutions for the country.

In 2017 the energy team disbursed R18,4bn for renewable deals, with 28 projects reaching commercial operation date across REIPPP rounds 1, 2 and 3. These projects add a further 2 100 MW to the national grid. As a result of our continuous involvement in the REIPPP programme, we have maintained our status as the leading bank in the support and enablement of renewable-energy delivery, and are actively supporting 13 of the 26 round 3,5 and round 4 projects, retaining our dominant market position in the SA renewable-energy sector.

EMBEDDED GENERATION FINANCE

Based on the realisation that the next wave of renewable-energy investment in SA would be in the corporate and industrial space, Nedbank Corporate and Investment Banking established its Embedded Generation Unit in 2016 to build on Nedbank's successful funding of the REIPPP programme and offer further support to the necessary shift towards renewable energy. The unit supports clients as they tackle increasing electricity prices and uncertainty with regard to electricity supply and environmental stewardship, and through this the unit helps to facilitate the continued growth of the renewable-energy industry and associated job creation. Since its establishment, the Embedded Generation Unit has secured a pipeline of funding opportunities for implementation in 2018.

Committed to a clean-energy future

We continue with our strategy of supporting the diversification of Africa's electricity supply. Currently 2,08% (2016: 1,81%; 2015: 2,25%) of our total group lending and finance commitments relate to renewable-energy generation. This compares very favourably with the 0,56% (2016: 0,58%; 2015: 0,66%) of total funding of coal- and fossil-fuel-based energy generation (including our direct facilities to Eskom).

In addition, as from 2018, excluding its existing commitments* to round 1 of SA's coal baseload procurement programme, the bank has undertaken not to provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new coal-fired power plant, regardless of country or technology.

* Such commitments are currently being assessed on their fundamentals and must be in compliance with our Social and Environmental Management System, which aligns with all relevant legislation, regulation and best-practice principles.