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Landmark moment for African climate investment as sustainability bond secures London listing

- Listing of the NMB sustainability bond will boost the market for “green” investment vehicles in Africa and provide much needed liquidity in the continent’s growth markets.
- The original issuance was the largest sustainability bond ever issued in the East African region.
- British International Investment, the UK’s development finance institution, was co-anchor investor in the Tanzanian shilling tranche of NMB Jamii Bond alongside IFC.
- FSD Africa, UK’s Flagship Development Finance Programme in Africa, provided technical assistance for NMB Bank’s Portfolio Review and Second Party Opinion.

London/Tanzania, 13 May 2024 – African climate investment received a landmark boost today with the cross-listing of NMB Bank's (NMB) inaugural sustainability bond, the NMB Jamii Bond, on the London Stock Exchange. It will represent a new, vital and symbolically important route for institutional investors in the world’s largest capital markets to commit funds into African climate finance and development vehicles.

BII was an anchor investor in the Tanzanian shilling tranche of the NMB Jamii Bond and last year invested \$1.3 billion in total into African businesses. The DFI is committed to ensuring that at least 30 per cent of its total commitments are in climate finance.

Christopher Chijiutomi, Managing Director and Head of Africa at BII, said: “The NMB listing represents a unique opportunity for UK and global investors to directly participate in Africa's future. It will enhance vital inward investment into Africa and act as a proof point that sustainable development vehicles of this type can be attractive to the world’s largest institutional investors in London and elsewhere.”

Deputy Foreign Secretary and Minister for Development and Africa Andrew Mitchell commented: “The UK is proud to have supported NMB’s Jamii Bond in Tanzania – through British International Investment’s anchor investment and FSD Africa’s technical assistance support. It is the first sustainability bond to be offered in East Africa, highlighting the UK’s ongoing commitment to financing progress towards the UN’s Sustainable Development Goals and driving a green and sustainable future for the region.”

Ms. Ruth Zaipuna, Chief Executive of NMB, said: “Today’s listing of the Jamii Bond cements NMB Bank's position as a trailblazer in sustainability within the African capital markets and we are humbled that our commitment to ESG principles has garnered national and international recognition.

“This extraordinary success highlights the strong confidence Tanzanian and global investors have in NMB Bank's soundness and commitment to sustainability across operations, business, community, and environment. It reaffirms our creditworthiness and reflects the desire of investors, both local and international, to seize the safe and impactful investment opportunities within Tanzania's robust investment climate.”

Julia Hoggett, CEO of LSE plc added: "We are delighted to welcome NMB Bank's sustainability bond to the London Stock Exchange, and to be the venue of choice for the bond's first admission to trading outside Africa. This not only highlights NMB's dedication to transparency and commitment to their sustainability objectives, but also showcases the continued international investor support that issuers across Africa can find in London. We are a leading global hub for sustainable finance and proud to be at the forefront of enabling capital flows towards the green economy."

The need for inward investment into Africa has never been greater. According to ECPDM, the global think tank, the current finance gap per year is between \$200-400 billion.

The funds raised through the bond will be injected into high-impact companies that are combating the climate emergency and which support inclusive growth.

FSD Africa provided technical assistance for NMB Bank's Portfolio Review assessed by the Climate Bonds Initiative (CBI) for alignment with ICMA and Multilateral Development Bank (MDB) principles and the EU & CBI Taxonomies. FSD Africa also offered technical assistance towards securing Second Party Opinion (SPO) for NMB Bank's Sustainable Finance Framework.

Mark Napier, Chief Executive of FSD Africa, said: "Listing of the NMB sustainability bond on the LSE is a great milestone, and it signals the potential that entities in the African region have to tap sustainable finance both within and beyond the African continent. Mobilising long-term capital at scale on the African continent continues to benefit from the collaborative partnerships from the city of London, and we are pleased to have extended technical assistance in support of NMB's issuance of both their gender bond in 2022 and the sustainability bond in 2023."

The NMB listing is expected to contribute to Africa's climate finance needs - estimated at \$277 billion annually to implement its NDCs and meet 2030 climate goals. From 2019 to 2020, private sector financing represented only 14 per cent of all of Africa's climate finance, according to a report by the Climate Policy Initiative.

The successful issuance of the Tanzanian shilling and U.S. dollar Jamii Bonds on the Dar es Salaam Stock Exchange in December last year highlighted the growing capacity of local investors to meet the rising demand for climate and sustainability financing. The bonds align with the Sustainability Bond Guidelines of the International Capital Markets Association, which prescribe transparent and accurate reporting to stakeholders.

Issued in both local currency and the US Dollar, the dual-tranche bond raised a total of TZS 400 billion (\$159 million) from both local and international investors in its initial offering. BII, as an anchor investor, committed \$15 million equivalent in Tanzanian shilling to the bond. It is the US dollar tranche that will be listed on the London Stock Market.

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About British International Investment

British International Investment (BII) is the UK's development finance institution and a trusted investment partner to businesses in Africa, Asia, and the Caribbean. It invests to support the UK Government's Clean Green Initiative and to create productive, sustainable, and inclusive economies in eligible markets. Between 2022 and 2026, at least 30 percent of BII's total new commitments by value will be in climate finance. The company has investments in over 1,470 businesses in emerging economies across 65 countries and total assets of £8.1 billion. For further information about BII and its impactful initiatives, please visit: www.bii.co.uk | [watch here](#).

About NMB Bank

NMB Bank is a leading financial institution in Tanzania, committed to promoting financial inclusion and sustainable development. Through innovative products and services, NMB strives to empower individuals and businesses, driving economic growth and social progress in the region. www.nmbbank.co.tz

About FSD Africa

FSD Africa is a specialist development agency established in 2012 by the UK Government working to make finance work for Africa's future. We work on the ground in over 30 African countries to mobilise "green plus" finance that will power economic and social development while delivering environmental gains and building Africa's resilience. We work on policy and regulatory reform, capacity strengthening and improving financial infrastructure, and addressing systemic challenges in Africa's financial markets to spark large-scale and long-term change.