

Green Bond Fact Sheet

Bank Windhoek		Date: 17-Dec-2018	
Issue date: 05-Dec-2018 Maturity date: N/A Tenor: N/A			
Issuer Name	Bank Windhoek	Amount Issued	NAD66.6m (USD4.8m)
Country of risk	Namibia	CBI Database	Included
Issuer Type ¹	Financial corporate	Bond Type	Private placement
Green Bond Framework	Link to Framework	Second party opinion	N/A
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input checked="" type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input checked="" type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input checked="" type="checkbox"/> Energy storage <input checked="" type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input checked="" type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input checked="" type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input checked="" type="checkbox"/> Low emission vehicles <input checked="" type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input checked="" type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Water & wastewater	<input checked="" type="checkbox"/> Water distribution <input checked="" type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input checked="" type="checkbox"/> Water storage	<input checked="" type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input checked="" type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input checked="" type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input checked="" type="checkbox"/> Sustainable agriculture <input checked="" type="checkbox"/> FSC/PEFC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper <input checked="" type="checkbox"/> Drip irrigation
<input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input checked="" type="checkbox"/> Industry: process
Issue details	
Reporting	<p>The issuer will report annually on the allocated proceeds in the Investor Relations section of its website. An impact report describing project location, amount financed, and impact indicators will also be published after having been reviewed by an external reviewer/auditor.</p>
Company information	<p>Bank Windhoek is a commercial bank operating in the Namibian market under the umbrella of Capricorn Group.</p>
Firsts, records and certifications	<p>First green bond from a Namibian issuer and second commercial bank to come to market in the South African region after Nedbank.</p>
Proceeds description	<p>According to the Green Bond Framework, proceeds can finance eligible projects under a wide range of categories such as renewable energy, buildings, transport, water, waste, land use, adaptation, green trade and non-energy GHG emission reductions. The criteria comply with the IFC Definitions and Metric for Climate Related Activities.</p> <p>Fossil fuel energy generation and coal mining are among the list of excluded project types. However, projects leading to emissions reductions of fossil fuel-related operations, such as gas flaring and fugitive methane emissions in existing oil and gas industry installations, are allowed under the non-energy GHG emission reductions category.</p>
Climate Bonds view	<p>There are multiple red flags that arise from the issuer’s eligibility categories. The possibility of financing energy efficiency improvements and emission reductions to fossil fuel-based technologies is one of the areas of biggest concern. Furthermore, the eligibility criteria for several categories are not stringent enough, such as for the Buildings and Energy Efficiency which allow proceeds to be allocated to buildings achieving any level of the listed green certifications and to energy efficiency technologies achieving a minimum of 15% energy savings. Several areas lack clarity on eligibility requirements. For bioenergy and biomass projects, for instance, there is no explicit requirement for sources to come from sustainable feedstocks.</p> <p>However, given the vast number of projects listed in the framework relative to the small size of the bond and the issuer’s commitment to reporting – publicly, on its website – both proceed allocations and environmental impacts on a project level(!), we are including the bond and will keep monitoring post-issuance disclosure to gain more clarity on actual investment project allocations and their alignment to the Climate Bonds Taxonomy.</p>
Underwriters	

Deal comments	
Credit Rating	
Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign