The Development Bank of Rwanda (BRD) has launched its Second Sustainability-Linked Bond (SLB), a strategic move aimed at bolstering sustainable financing within Rwanda. This bond issuance underscores BRD's dedication to aligning with global trends in responsible investment and sustainable development, reinforcing its commitment to environmental protection and economic growth.

Raising FRW 30 billion, with an option to extend up to an additional FRW 5 billion, this SLB is a key component of BRD's broader FRW 150 billion Medium Term Note (MTN) program. The Rwanda Capital Market Authority's approval of this issuance highlights the country's strong regulatory support for innovative financial instruments that promote sustainability.

Building on the success of its first SLB, which was oversubscribed by 110.59% and raised FRW 30 billion, BRD's second bond further emphasizes its focus on environmental, social, and governance (ESG) initiatives. This bond is not just about raising capital; it is about channeling funds into critical sectors like women-led businesses and affordable housing. By linking the bond's performance metrics to specific sustainability targets, BRD is setting a new benchmark for responsible investment with a tangible societal impact.

"By issuing our second sustainability-linked bond, we reaffirm our commitment to incentivizing borrowers to set meaningful sustainability targets while maintaining the innovative step-down coupon from the first tranche," stated Kampeta Sayinzoga, CEO of BRD. "Investors are increasingly seeking opportunities that offer both financial returns and positive societal impact. With this SLB, BRD aims to attract responsible investors who share the principles of sustainable finance."

Like the first issuance, this bond is part of the World Bank's lending operation to the Government of Rwanda through Hatana-ERF2, featuring a 7-year tenor and an annual coupon rate of 12.9%. The offer is set to open on September 2nd, 2024, and close on September 20th, 2024, with a minimum subscription of FRW 100,000. Investors are encouraged to participate in this unique opportunity, which promises both financial returns and positive environmental and social outcomes.

The prospectus and pricing supplement will be available for download on BRD's website once the offer opens, with hard copies obtainable at BRD's offices.

As Rwanda's premier development finance institution, established in 1967, BRD has played a crucial role in financing projects that drive the country's socio-economic

development, particularly in infrastructure, agriculture, affordable housing, and export sectors. BRD remains steadfast in its commitment to sustainable development, continuously innovating to provide financial solutions that support Rwanda’s Vision 2050.