

## [COMPANIES / FINANCIAL SERVICES](#)

### **Standard Bank grants Chinese group R600m facility to roll out solar in SA**

It will allow state-owned CNBM to ramp up the distribution of energy solutions in SA

#### [BL PREMIUM](#)

19 DECEMBER 2023 - 08:13



The Standard Bank building in Cape Town city centre. Picture: 123RF

Standard Bank, Africa's largest lender by assets, has granted Chinese state-owned building materials behemoth China National Building Materials International (CNBM) a R600m facility to allow the company to ramp up the distribution of solar and energy solutions in SA.

The "Big Blue", as Standard Bank is called in high finance circles due to the size of its balance sheet and deal making capabilities, said the facility is made up of a R500m invoice financing facility and R100m working capital facility.

Lydia Zhang, head of China sector SA and core markets at Standard Bank, said: "This significant milestone highlights our commitment to sustainable social and economic development on the continent. This transaction will enable business continuity and alleviate the socioeconomic impact of load-shedding in SA."

CNMB was created in 2016 through the merger of state-owned companies China National Building Materials Group and China National Materials Group. It is regarded as one of the largest manufacturers for building materials and a leading integrated service provider. .

"We are proud to be partnering with Standard Bank in facilitating SA's renewable energy transition through the distribution of our solar and energy storage solutions into the country," said Xian Ping Qian, MD at CNBM SA. "The success of the transition will ensure that we realise our growth objectives as a company and that we can have a positive, sustainable impact in SA."

Standard Bank mobilised R54.5bn in sustainable finance solutions in financial year 2022, including R18.5bn to finance renewable energy power plants. The group has committed to invest R50bn in renewable energy power plant financing by 2024.

Standard Bank said the deal with CNBM is the first sustainable finance invoice financing facility that it has concluded with a client. The lender added that CNBM will report annually on key impact metrics.

“The success of this transaction highlights our experience in providing bespoke solutions for our clients that will enable their growth objectives and contribute towards the socioeconomic development of SA,” Msawenkosi Hlanti, executive head of trade sales at Standard Bank SA, said.

Standard Bank has close ties to China. The Industrial and Commercial Bank of China (ICBC), the world’s largest bank, invested in Standard Bank in 2007, buying a 20% stake for \$5.5bn. It is one of the largest single foreign direct investments in Africa to date.

Standard Bank’s asset management firm, Stanlib, recently launched the Khanyisa Energy Transition Fund, which is meant to mobilise capital — initially to finance SA’s energy transition needs and later those of the rest of the continent. The fund has seed capital of R3bn from Standard Bank and its Liberty subsidiary.

[khumalok@businesslive.co.za](mailto:khumalok@businesslive.co.za)