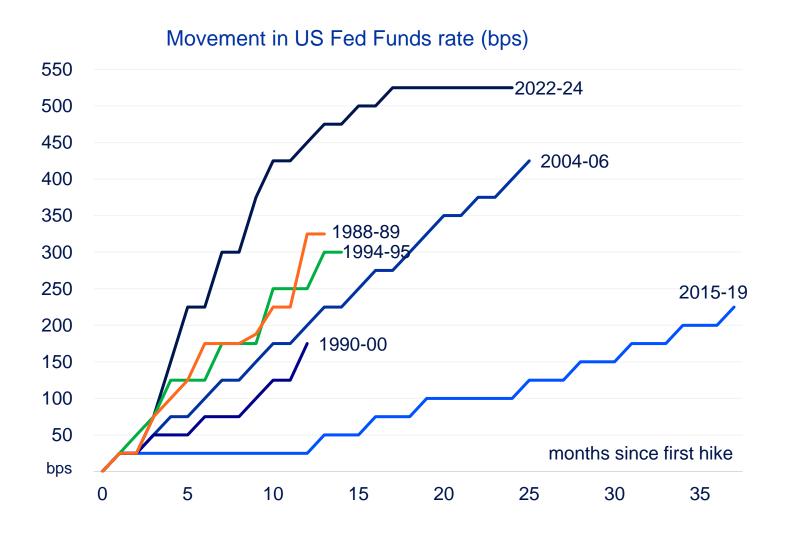




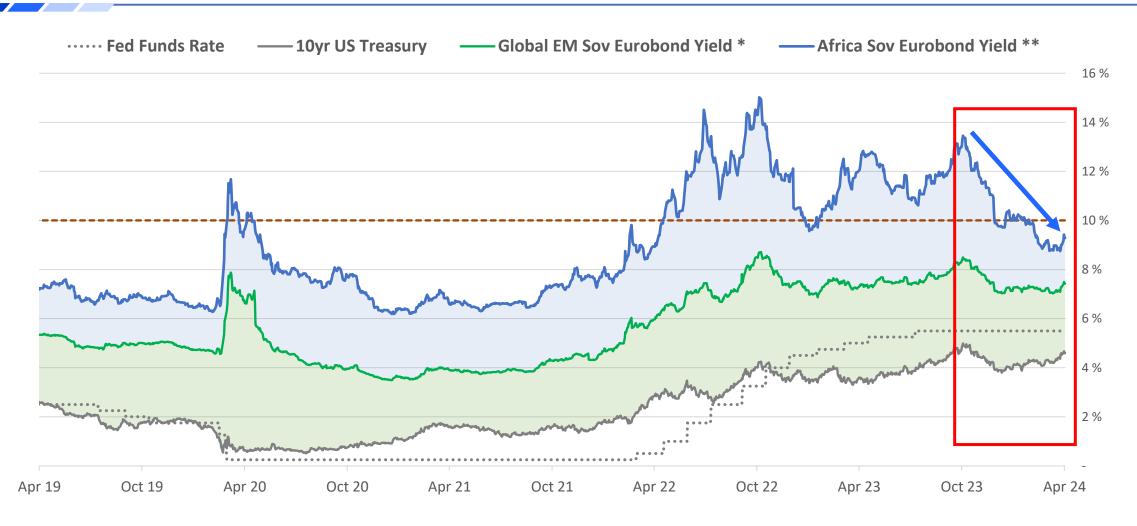
EM Eurobond market endured a particularly difficult 2022-23, mainly due to rising US rates



- The fastest and furthest rate hiking cycle in living memory
- 525bps of hikes in just 16 months
- Fed Funds upper bound currently5.50% a 23 year high
- Cuts expected soon?



Wider EM bond market has moved in lockstep with US rates, but Africa has been in 'distressed' territory for much of the last 2 years

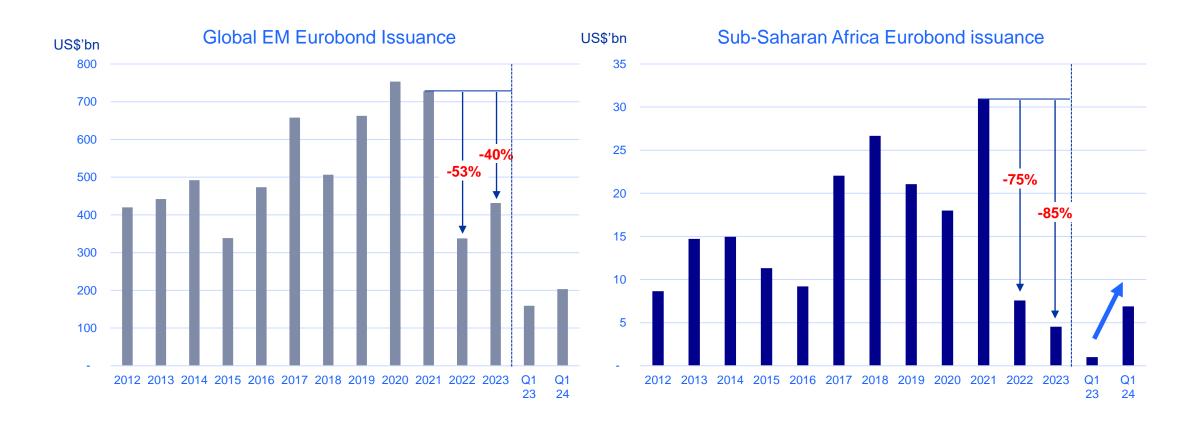


^{*} Bloomberg EM USD Aggregate Yield to Worst Index (%)

^{**} Standard Bank Africa Sovereign Bond Yield Index (%)



African Eurobond issuance dropped 75-85% in 2022 / 2023, but recent uptick in activity has been hugely well supported





Three SSA sovereigns issued in Q1 24, raising a combined \$4.85bn, with total orderbooks in excess of \$17bn

REPUBLIC OF CÔTE D'IVOIRE



Republic of Côte d'Ivoire

Size USD 1.1bn | USD 1.5bn

Rating

Ba3 (Moody's) / BB- (S&P) / BB- (Fitch)

Maturity 2033 | 2037

Coupon Rate 7.625% | 8.250%

Reoffer 7.875% | 8.500%

Settlement Date
Tuesday 30 January 2024

REPUBLIC OF BENIN



Republic of Benin

Size USD 750m

Rating B1 (Moody's) / B+ (S&P)

> Maturity 2038

Coupon Rate 7.960%

Reoffer 8.375%

Settlement Date
Tuesday 13 February 2024

REPUBLIC OF KENYA



Republic of Kenya

Size USD 1,500m

Rating B3 (Moody's) / B (S&P) / B (Fitch)

> Maturity 2031

Coupon Rate 9.750%

Reoffer 10.375%

Settlement Date Friday, 16 February 2024





Uncertain Eurobond markets has seen issuers look to diversify their investor base and actively manage maturities

\$500,000,000

Meta-rust, acting solely with respect to

GABONBLUE BOND MASTER TRUST, SERIES 2

(Blue Bond Issuer)

6.097% BLUE LOAN REVENUE NOTES DUE AUGUST 1, 2038

\$1,100,000,000

THE REPUBLIC OF COTE D'IVOIRE

Iccuer)

7.625% SUSTAINABILITY BONDS DUE JANUARY 30, 2033

\$1,443,030,000 REPUBLIC OF KENYA CAPPED TENDER OFFER AT PAR \$2,000,000,000 6.875% NOTES DUE 24 JUNE, 2024 \$3,050,000,000 REPUBLIC OF ZAMBIA EUROBOND RESTRUCTURE

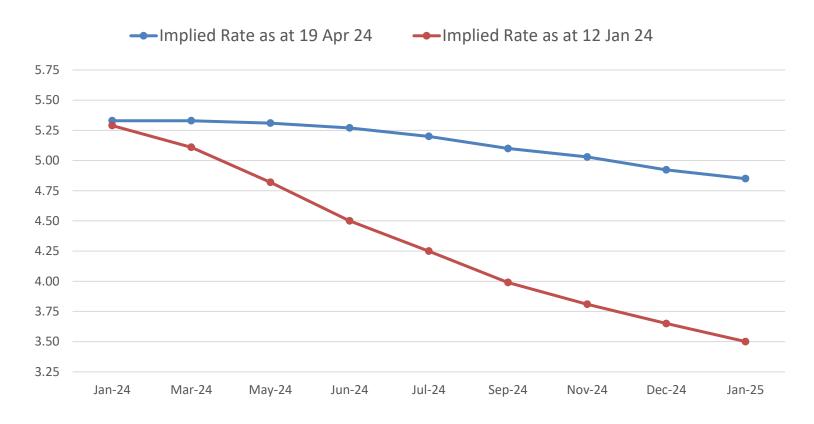
BOND A: \$1,700,000,000 AMORTISING STEP UP NOTE due 2033

BOND B: \$1,350,000,000 VALUE RECOVERY INSTRUMENT



Q1 24 has been strongest issuance quarter for CEEMEA in 2 years, but the catalyst for a 'Fed Pivot' appears no closer

Fed Fund rates expectations – futures market now pricing in just 1 25bps cut this year





African Eurobond demand has returned, but remains expensive and prone to shocks

South Africa DCM



Despite offshore volatility, local DCM market has remained strong, stable and corporate credit spreads historically tight

- The South African Corporate Debt Capital Market has evolved over time to become a very deep pool of liquidity for the South African Economy.
- Issuance growth has been matched with ever greater demand for corporate credit, pushing credit spreads to cyclic lows

- South African government bond levels have widened over the last 18-months, and have seen significant divestment from international funds
- Since July 2022, the NT have introduced monthly floating rate auctions, raising a total R130bn, helping to remove pressure from the weekly fixed rate auctions

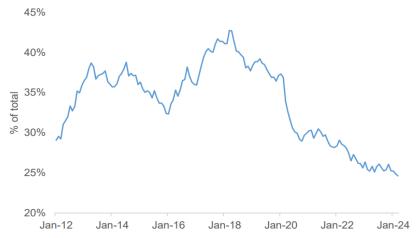
Issuance volumes ZAR'bn exc. sovereign



Government Asset swap spreads (bps)



Proportion of SAGBs held by foreigners (%)



South Africa DCM



SA Government and corporates are expanding their bond offerings to broaden the available investor base

ZAR 121,360,000,000

(running total since Jul 2022)

REPUBLIC OF SOUTH AFRICA

FLOATING RATE NOTES DUE

JULY 11, 2027

SEPTEMBER 17, 2030

ZAR 20,386,000,000

RSA DOMESTIC SUKUK TRUSTEERF PROPIETARY Ltd

(Issuer)

SUKUK AL IJARA NOTES DUE MAR 31, 2029 / 2031 / 2034 / 2036 ZAR 1,512,000,000

STANDARD BANK GROUP Ltd

(Issuer)

SUSTAINABLE BASEL III ADDITONAL TIER I CAPITAL NOTES
CALLABLE MARCH 29, 2029

ZAR 2,831,000,000

NEW DEVELOPMENT BANK

INWARD LISTING DOMESTIC MTN ISSUANCE

FLOATING RATE NOTES DUE

AUG 21 2026 / DEC 08 2026 / AUG 21 2028 / DEC 08 2028

2024/25? FIRST LOSS AFTER CAPITAL (FLAC) BANK HOLDCO SENIOR PAPER

Africa regions DCM

Y



The continent has embraced ESG issuance, with further inaugural transactions expected in 2024

1st Green Infrastructure **Bond** issued by a corporate in Nigeria

NSP-SPV PowerCorp PLC Green Bonds (10-year)

NORTH SOUTH POWER

February 2019 ¥ 8.6 Billion (\$23.6mln) - 15.60%, Series I **April 2021**

★ 6.3 Billion (\$15mln) – 12.00% Series 2

Joint Issuing House

Impact: Refinance existing debt. Scheduled overhaul of existing four turbines at the plant.

June 2019

February 2020

1st Sovereign Green bond in Africa

South Africa's 1st Offshore private placement Green bond

 Largest Green bond in Africa

SBSA Inaugural **Green Bond**

Standard Bank's first COVID-19 Loan



acorn

Acorn Project Two LLP PLC (Kenya)

October 2019: Ksh4.3 Billion (\$42mln) of 12.25% Series 1, 5-year Green Bonds

2020 - 2023: 15 drawdowns. Follow-on Ksh1.4 billion (\$13mln) 3-year Green bond

Lead Arranger

Impact: Construction of Student Housing. Edge certified green buildings

June 2014

ZAR 1.46 Billion – 10.18%

Series I Green Bonds

Co-arranger Impact: Fund sustainable (environmental and social) projects

 London listing Credit enhanced

Africa

 Sponsor support (Helios PE)

1st Green Bond in

East Africa

1st Corporate

bond rated by

Moody's in East

City of Johannesburg

1st Green Bond in **South Africa**

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Netcare Limited March 2021

ZAR 1 Billion - 3 years

Sole Lead Arranger and Lender

Impact: Sustainability Linked Bond

Botswana [Corporate] Green Bond [2024] BWP[300] Million (\$25mln)

Sole Arranger & Bookrunner

1st Sustainability Linked Bond in Africa

1st Green bond in Botswana (In progress)

Standard Bank of South Africa

June 2020

USD185m - 3 year

Borrower & Sustainability Agent Impact: Financial Inclusion and Job Creation and Enterprise Development

Standard Bank Namibia July 2022

Debut Green Bond N\$ 400 Million (\$25mln)

1st Green bond

for Standard

Bank Namibia

1st Green bond

in Malawi

(In progress)

Malawi [Corporate] Green Bond

MWK[400] Billion (\$40mln)

Joint Lead Arranger & Bookrunner

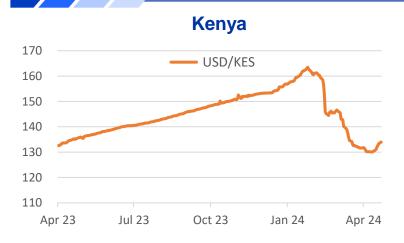
Impact: [Green certified]

Lead Arranger & Bookrunner Impact: Renewable Energy assets

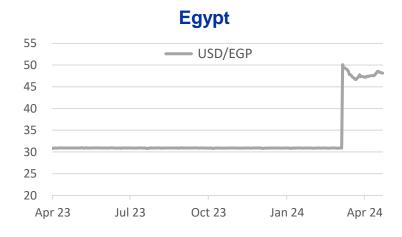
Africa regions DCM



Offshore demand for Africa LCY fixed income has been reignited by multiple credit positive events and policy normalisation







Key events

- \$1.5bn Eurobond issuance Feb-24 removed near term dollar refi risk and protected reserves
- IMF extension and significant programme disbursements (DPO/ECF/EFF)
- Huge KENIB '32 issuance in Feb (~\$1.7bn equivalent) removed near term rollover risk and reignited offshore demand
- Investors adding positions in 5-10yr KENIBs
- KES liquidity hampering market functionality

Key events

- Offshore demand for T-Bills had been absent for years due to FX peg and low rates
- Naira deval 1st of Feb 2024, rates hiked to 24.75% from 18.50%
- Offshore interest in 1yr T-Bills, and limited bond interest 5-10y tenors
- Severe NGN liquidity constraints hampering market functionality

Key events

- ~\$57bn of external financing from middle east and DFIs enabled currency flotation 5th March
- USDEGP deval to 49.5, with overnight rates hiked from 21 to 27%
- 1-yr T-Bill rates adjusted to c.30%, now ~25%
- Offshore interest mainly in the 1-yr T-Bill