

Standard Bank and Mashreq conclude syndication facility deal for DBSA

Standard Bank has orchestrated a groundbreaking syndication facility for the Development Bank of Southern Africa (DBSA) in the United Arab Emirates (UAE).



Source: Standard Bank.

The \$255m syndicated facility is the first of its kind to be successfully accessed by a South African state-owned entity in the UAE and broader Middle East/North Africa (Mena) markets, representing a milestone for both DBSA and South African fundraising initiatives in the UAE.

Standard Bank and UAE-based Mashreq were joint lead mandated arrangers in a deal which was oversubscribed, demonstrating significant market interest from UAE investors and the Mena broader region.

The DBSA mandated Standard Bank to act as the mandated lead arranger to anchor and raise USD liquidity to diversify its global investor base.

“This syndication demonstrates Standard Bank’s unparalleled ability to leverage on its balance-sheet capabilities, network, and significant footprint in raising liquidity from a new market for the benefit of clients,” said Zen Dlamini, executive head of sovereign and public sector at Standard Bank Corporate Investment Banking.

“Standard Bank takes pride in contributing to diversifying DBSA's funding sources, aligning with its shared mandate of infrastructure financing within South Africa and across the continent, as well as advancing the South African government's broader developmental agenda.

“This initiative enhances DBSA's and, by extension, the South African government's capability and collective aspirations to drive socio-economic development.

“This aligns with Standard Bank's commitment to supporting infrastructure development and related economic growth across the continent, underpinned by Standard Bank's unparalleled footprint across the continent and the globe,” Dlamini added.

DBSA's vision for economic growth

DBSA authorised Standard Bank to act as the mandated lead arranger (MLA) to anchor and raise USD liquidity to diversify its global investor base and to enable it to deliver its important developmental mandate of supporting economic growth through socio-economic infrastructure to stimulate economic growth and job creation in South Africa and sub-Saharan Africa.

This is also in line with the South African government's developmental agenda in SA and the SADC Region.

DBSA's key mandate includes supporting climate finance and the Just Energy Transition in the Africa Continental Free Trade Area, reducing the significant economic infrastructure investment gap, social infrastructure, as well as the digital economy.



Innovating to stay relevant in a rapidly changing world

Brendon Williamson 21 Nov 2023



“The infrastructure development gap in the African continent across all the DBSA sectors of focus points to opportunities for both new build and maintenance of infrastructure. The DBSA is well positioned to play a role in resolving the infrastructure gap,” said Zodwa Mbele, group chief financial officer at DBSA.

The unprecedented syndication facility agreement was reached six months following the 2023 South Africa and Kenya State-Owned Corporation (SOC) Investment Summit, hosted by Standard Bank in Dubai.

The summit was attended by senior executives from South African and Kenyan state-owned companies as well as leading players from across the UAE's investment landscape.

In its second year, the SOC Investment Summit discussed the growing investment opportunities across Africa's vital sectors such as energy and infrastructure, telecommunications, logistics and transportation, and food and water security.

The forum facilitated initial discussion and the link between DBSA and Mashreq Bank.

DBSA leveraged the opportunity as part of its fundraising efforts in the UAE by collaborating with Mashreq Bank, which is one of the largest banks in the UAE and enabled the organisation of the US dollar syndication.