

Absa CIB Acts as Sole Lead Arranger for National Treasury's R11.8 Billion Infrastructure and Development Finance Bond

JOHANNESBURG, South Africa, 10 December 2025 – Absa Corporate and Investment Banking (CIB) has executed National Treasury's inaugural R11.8 billion Infrastructure and Development Finance Bond as Sole Lead Arranger and Infrastructure Finance Structuring Agent. The instrument supports the Government's Budget Facility for Infrastructure (BFI) and is intended to mobilise long-term capital for priority public infrastructure projects.

Issued under the Republic of South Africa's Domestic Multi-Term Note Programme, the transaction comprises two senior unsecured tranches – the R12036 and R12041 – both offering fixed, semi-annual coupon payments.

"Infrastructure investment is foundational to South Africa's long-term economic and social development," said **Koketso Morakile, Interim Head of Sustainable Finance at Absa Corporate and Investment Banking (CIB)**. "This transaction strengthens the alignment between capital markets and the country's infrastructure priorities by enabling funding to flow towards nationally significant projects. We are pleased to support this milestone transaction and to contribute Absa CIB's structuring expertise to the development of infrastructure-focused financing in South Africa," **Morakile** continued.

South Africa's National Development Plan identifies a 30% investment-to-GDP ratio as a critical benchmark for sustained growth, with public infrastructure investment playing a central role in meeting the country's transformation and inclusive development objectives. Recent policy commitments, including over R1 trillion allocated to infrastructure over the medium term, underscore the importance of long-term, predictable financing in enabling the delivery of public assets across energy, transport, water, digital services, and social infrastructure.

In the 2025 Medium Term Budget Policy Statement, Finance Minister Enoch Godongwana confirmed that nine BFI projects had advanced to detailed analysis, including disaster-relief initiatives to repair schools, pipelines, clinics, and substations damaged by recent flooding in KwaZulu-Natal, Mpumalanga, and the Eastern Cape. Proceeds from the bond will be used exclusively to finance projects under the BFI programme.

"This transaction demonstrates how capital markets can be used deliberately to advance national development priorities. Our role was to ensure that the instrument was technically sound, appropriately benchmarked, and able to clear efficiently in the auction environment. It lays the foundation for future transactions of this nature," said **Marcus Veller, Head of South Africa Debt Capital Markets**.

Absa's participation reflects the bank's ongoing focus on mobilising capital that supports sustainable development and advances Africa's growth trajectory. Through its Debt Capital Markets franchise, the bank continues to provide structuring, distribution, and execution capabilities that enable sovereign and public-sector clients to access efficient funding for critical investment programmes.

"The Infrastructure and Development Finance Bond represents an important step in how South Africa mobilises long-term capital for priority infrastructure. It establishes a platform for scaling development-focused financing and deepening investor participation in the country's infrastructure agenda", concluded **Morakile**.

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