

AFC raises \$1.16bn syndicated loan, its largest ever, in mission to close Africa's infrastructure gap

Africa Finance Corporation (AFC), infrastructure solutions provider in Africa, has announced the successful close of its largest ever debt facility, a \$1.16bn syndicated loan, attracting new lenders from the Middle East, Europe and Asia.



Source: Supplied.

This landmark transaction, commemorated at an event in Dubai on Monday, 25 March 2024, is a significant milestone in AFC's unwavering commitment to develop critical infrastructure projects across the continent by enhancing its financial flexibility and diversifying its investor base.

Testament to AFC's appeal in global capital markets and the corporation's pivotal role in fostering economic growth and industrialisation in Africa, leading international financial institutions including First Abu Dhabi Bank PJSC, Mashreqbank PSC, MUFG Bank and Standard Chartered collectively acted as Global Coordinators, with the Industrial and Commercial Bank of China (London Branch) acting as co-ordinator for China.

Abu Dhabi Commercial Bank PJSC, Emirates NBD Bank PJSC, Mizuho and Sumitomo Mitsui Banking Corporation acted as initial mandated lead arrangers and bookrunners.

Additionally, Bank of China and Société Générale S.A acted as initial mandated lead arrangers.

Initially launched at \$1bn, the three-year syndicated loan was upsized after being oversubscribed by 49%, underscoring global investor confidence in AFC's track record, creditworthiness and its ability to navigate the current economic landscape marked by evolving global complexities.

Proceeds from the loan will be deployed to advance AFC's mission to consistently deliver fast and sustainable solutions to close Africa's infrastructure gap and unleash the continent's potential, leading to prosperity for all Africans.

AFC's commitment to African development

"The global loan market's overwhelming interest in Africa's growth story is evident in the large pool of lenders that supported this syndication, making it AFC's largest ever," said AFC's president and chief executive officer, Samaila Zubairu.

"This is a significant endorsement of our commitment to ensure that infrastructure projects support local processing and value capture, thereby providing the much needed impetus to African industrialisation, enhanced export earnings and job creation."



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AFC's position as the pre-eminent partner of choice between African and global stakeholders and investors for mutually beneficial outcomes reflects the corporation's relentless dedication to shaping a brighter and prosperous tomorrow for Africa and Africans.

New first-time lenders

Financial institutions including Société Générale, Bank Muscat and Intesa Sanpolo Bank Luxembourg S.A. joined the syndicate as first-time lenders, showcasing AFC's ability to build a global coalition of investors confident in the corporation's strong fundamentals as one of the highest investment-grade institutions in Africa.

On the back of its A3 credit rating by Moody's, AFC has made significant strides in diversifying its funding sources in recent years.

In 2023, the corporation orchestrated a \$625m syndicated loan, its second largest, with lenders predominantly from the Middle East and Asia. AFC also secured a \$350m long-term line of credit from the African Development Bank (AfDB) and a €50m loan facility agreement with the Italian development finance institution, Cassa Depositi e Prestiti SpA (CDP).

Both agreements were signed on the sidelines of COP28 in Dubai. Additionally, the corporation received a \$400m from the Exim Bank of China.

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