

Benin's inaugural SDG Eurobond issuance

Benin achieved a landmark transaction by successfully issuing Africa's first SDG Eurobond

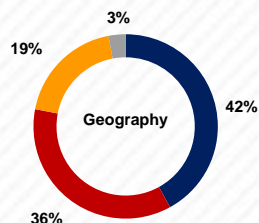
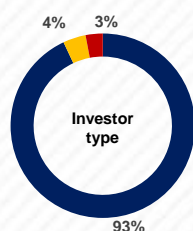
- On July 15, 2021, **Benin successfully issued its inaugural SDG Eurobond to finance projects with a high impact on the achievement of the United Nations' Sustainable Development Goals (SDGs)**. It represents a milestone transaction as this was the first SDG issuance from an African sovereign.
- This operation raised **EUR 500 million (328 billion XOF), maturing in 2035 (12.5 years WAL) and was concluded at a coupon of 4.950%, reflecting investors' confidence in Benin's sovereign signature**. The transaction, 2.4 times oversubscribed, was priced 20 basis points inside Benin's outstanding curve, demonstrating investors' strong support for the instrument, Benin's credit story and SDG strategy lead by President Patrice Talon.
- Details of selection criteria of eligible projects** to the proceeds of the bond are included in Benin's **sustainable bond framework** (cf. note), governed by a steering committee chaired by the Senior Minister in charge of Economy and Finance.
- The operation is in line with the standards of the International Capital Markets Association ('ICMA')**: the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Principles, which was also confirmed by the *Second Party Opinion* provided by **Vigeo Eiris**.
- The contribution to sustainability was assessed as "advanced", therefore obtaining the highest possible score and matching market "best practices".

Issuer	Republic of Benin
Issuer rating	S&P: B+ (stable) / Moody's: B1 (stable) / Fitch: B+ (stable)
Instrument rating	S&P: B+ / Moody's: B1
Format	144A / RegS
Status	Senior Unsecured
Currency and size	EUR 500,000,000
Use of proceeds	Finance Eligible Expenditures under Benin SDG Bond Framework
Final maturity	22 January 2035
Amortization	Three equal instalments on 22 January 2033, 2034, and 2035
Coupon	4.95%, fixed, annual, Actual/Actual
Re-Offer Price	97.333%
Re-Offer Yield	5.250%
Re-Offer Spread	+ 511.1 bps
Settlement date	22 July 2021
Denomination	EUR 100k x 1k
Listing	London Stock Exchange
Governing Law	English Law
Bookrunners	Citi, Natixis, Societe Generale

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SDG Eurobond - Distribution & execution statistics



■ Asset Managers ■ Banks/PBs ■ HF/Other ■ US ■ UK ■ Rest of Europe ■ Rest of the world

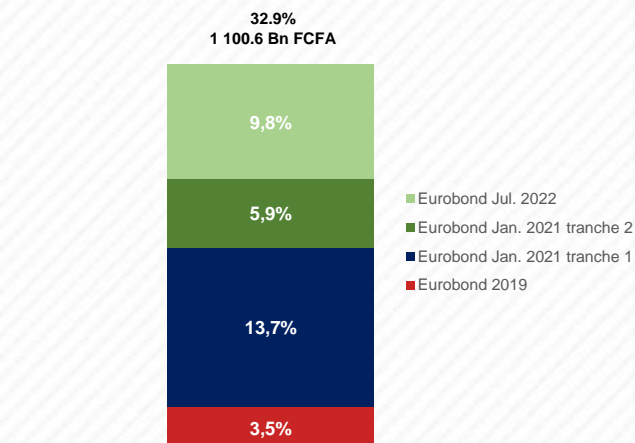
July 15, 2021
IPTS – 9.50 CET
 • Mid to high 5s area

Launched – 16.59 CET
 • 5.25%
 • Books above EUR 1.2bn

Guidance – 14.07 CET
 • 5.375%
 • Books above EUR1bn

Pricing – 19.31
 • Re-offer Yield at 5.250%
 • Re-offer Price at 97.333%

Share of Eurobonds in the external debt



Source : CAA

Selected terms of Benin's Eurobonds

Instrument	Issuance date	Proceeds (in EUR M)	Proceeds (in FCFA Bn)	Subscription rate	Maturity at issuance / outstanding WAL (in years)	Terms of Repayment	Coupon	Outstanding principal (as of December 2021, in FCFA Bn)
Eurobond 2019	19/03/2019	500	327.98	c.250%	7 / 2.9	3 equal principal repayments	5.750%	116.66
Eurobond 2021 tranche A	12/01/2021	700	459.17	c.271%	11 / 8.7	3 equal principal repayments	4.875%	459.17
Eurobond 2021 tranche B	12/01/2021	300	196.79	c.400%	31 / 28.7	3 equal principal repayments	6.875%	196.79
Eurobond July 2021 SDG	15/07/2021	500	327.98	c.300%	14 / 11.4	3 equal principal repayments	4.950%	327.98
Total Portfolio		2000	1311.92					1100.60

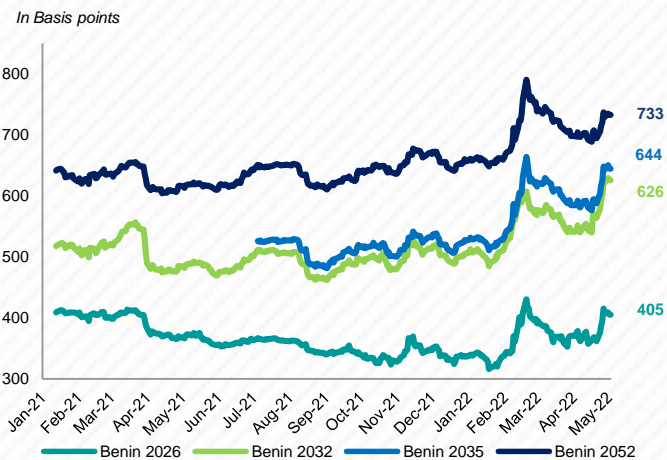
As of 17/05/2022

Note : The over-subscription rates are taken from the official press releases of the Republic of Benin and the outstanding amount of the 2019 Eurobond is taken from public information (Bloomberg)

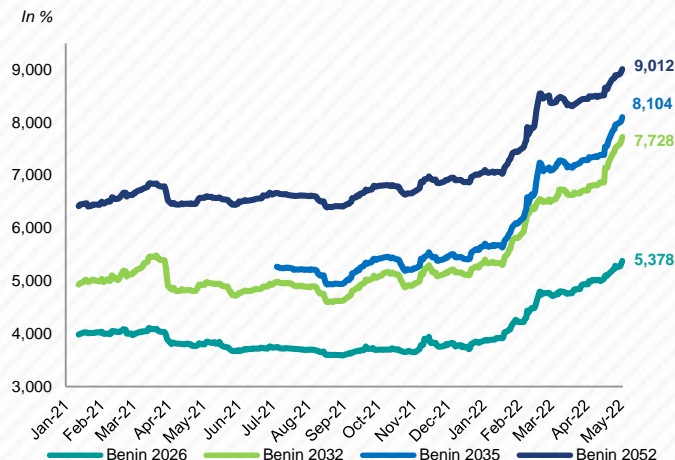
Sources: <https://www.gouv.bj/actualite/1386/le-gouvernement-mobilise-328-milliards-fcfa-actions-sociales/> ; <https://www.gouv.bj/actualite/234/le-benin-effectue-la-premiere-emission-obligataire-inaugurale-en-euros-de-l-histoire-des-emissions-internationales-africaines/> ; <https://www.gouv.bj/actualite/1128/le-benin-realise-premiere-operation-obligataire-internationale-afrique-annee-avec-emission-milliard-euros-deux-tranches-maturites-finales-11-31-ans/>

Benin's inaugural SDG Eurobond issuance

Evolution of Benin's Eurobond z-spreads



Evolution of Benin's Eurobond yield

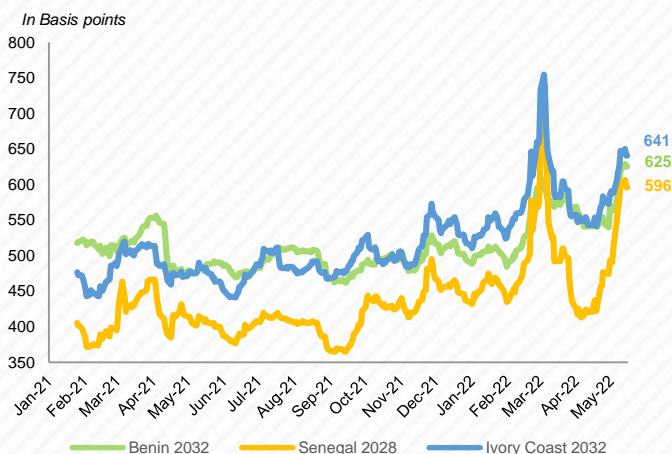


All of Benin's outstanding Eurobonds are denominated in Euros

Source: Bloomberg 18/05/2022

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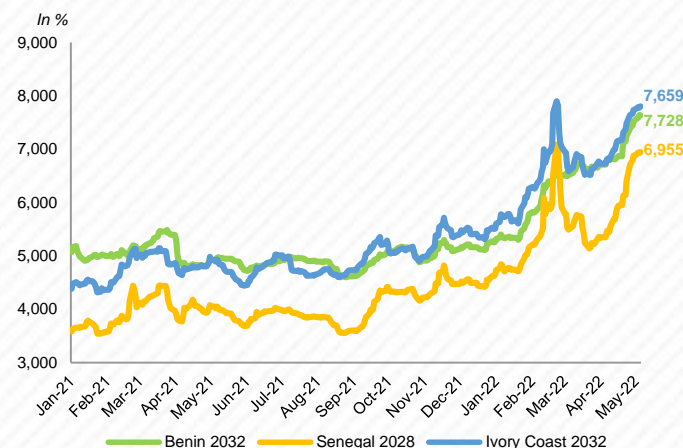
Benin's Eurobond z-spreads vs. peers



In bps	Current	03/01/2022	Δ
Benin 32	625	490	135,9
Ivory Coast 32	641	515	125,9
Senegal 28	596	433	163,0
Benin 32 vs. Ivory Coast 32	(15,2)	(25,2)	10,0
Benin 32 vs. Senegal 28	29,4	56,5	(27,1)

Source: Bloomberg 18/05/2022

Benin's Eurobond yields vs. peers



In %	Current	03/01/2022	Δ
Benin 32	7,728	5,118	2,6
Ivory Coast 32	7,814	5,351	2,5
Senegal 28	6,955	4,429	2,5
Benin 32 vs. Ivory Coast 32	(0,1)	(0,2)	0,1
Benin 32 vs. Senegal 28	0,8	0,7	0,1

Source: Bloomberg 18/05/2022

Benin's inaugural SDG Eurobond issuance

Eurobond	Issuer Rating S&P / Moody's / Fitch	Final Maturity	Average Maturity	Weighted average duration (years)	Outstanding amount (m)	Coupon (%)	Price (%)	Δ vs. Last week	Δ vs. January 2022	Yield (%)	Δ vs. Last week	Δ vs. January 2022	Z-Spread (pb)	Δ vs. Last week	Δ vs. January 2022
Eurobonds in EUR															
Benin 2026	B+/B1u/B+	26-mars-26	26-mars-25	2.9	178	5.750	101.3	(0.7)	(6.3)	5.353	+20	+159	427	+52	+94
Benin 2032	B+/B1/B+	19-janv.-32	19-janv.-31	8.7	700	4.875	81.7	(2.4)	(16.3)	7.610	+40	+248	633	+55	+140
Benin 2035	B+/B1/B+	22-janv.-35	1-oct.-33	11.4	500	4.950	76.0	(3.0)	(19.5)	8.034	+46	+259	653	+54	+141
Benin 2052	B+/B1/B+	19-janv.-52	19-janv.-51	28.7	300	6.875	78.7	(2.3)	(21.0)	8.931	+26	+204	738	+29	+94
South Africa 2026	BB-/Ba2/BB-	24-juil.-26	24-juil.-26	4.2	500	3.750	98.2	(1.1)	(10.4)	4.219	+30	+247	306	+53	+130
Cameroon 2032	B-/B2u/B	7-juil.-32	22-avr.-31	8.9	685	5.950	82.1	(1.8)	(11.7)	8.677	+31	+188	737	+45	+75
Ivory Coast 2025	BB-/Ba3/B+	15-juin-25	15-juin-25	3.1	239	5.125	100.1	(1.5)	(8.1)	5.090	+52	+250	414	+83	+145
Ivory Coast 2030	BB-/Ba3/B+	22-mars-30	22-mars-29	6.9	850	5.250	86.1	(2.4)	(16.2)	7.672	+45	+277	659	+68	+185
Ivory Coast 2031	BB-/Ba3/B+	17-oct.-31	17-oct.-30	8.4	850	5.875	85.9	(2.4)	(17.0)	8.053	+41	+257	676	+58	+153
Ivory Coast 2032	BB-/Ba3/B+	30-janv.-32	12-nov.-30	8.5	1600	4.875	80.4	(2.3)	(15.8)	7.818	+39	+246	653	+51	+136
Ivory Coast 2040	BB-/Ba3/B+	17-oct.-40	15-juin-39	17.1	850	6.875	80.0	(2.8)	(24.5)	9.154	+37	+271	754	+46	+155
Ivory Coast 2048	BB-/Ba3/B+	22-mars-48	22-mars-47	24.9	1100	6.625	74.7	(3.4)	(24.6)	9.214	+42	+254	760	+45	+139
Senegal 2028	B+/Ba3/-	13-mars-28	13-mars-27	4.8	1000	4.750	89.7	(3.2)	(11.6)	6.954	+73	+246	582	+106	+170
Senegal 2037	B+/Ba3/-	8-juin-37	7-juin-36	14.1	775	5.375	73.4	(3.0)	(21.7)	8.593	+44	+272	702	+52	+154
Eurobonds in USD															
South Africa 2025	BB-/Ba2/BB-	16-sept.-25	16-sept.-25	3.3	2000	5.875	102.2	(1.1)	(8.3)	5.161	+33	+229	252	+45	+72
South Africa 2027	BB-/Ba2/BB-	27-sept.-27	27-sept.-27	5.4	1000	4.850	95.4	(0.8)	(10.2)	5.864	+19	+210	321	+26	+69
South Africa 2028	BB-/Ba2/BB-	12-oct.-28	12-oct.-28	6.4	2000	4.300	90.5	(1.2)	(11.1)	6.105	+24	+208	344	+30	+72
South Africa 2030	BB-/Ba2/BB-	22-juin-30	22-juin-30	8.1	1400	5.875	96.8	(1.5)	(14.6)	6.380	+24	+213	369	+28	+80
South Africa 2049	BB-/Ba2/BB-	30-sept.-49	30-sept.-49	27.4	3000	5.750	77.5	(2.2)	(18.8)	7.742	+23	+172	508	+19	+62
Angola 2025	B-/B3/B-	12-nov.-25	12-nov.-25	3.5	864	9.500	103.1	(2.6)	(4.5)	8.451	+83	+124	597	+110	(17)
Angola 2028	B-/B3/B-	9-mai-28	9-mai-28	6.0	1750	8.250	92.1	(3.9)	(9.1)	10.045	+92	+203	744	+103	+67
Angola 2029	B-/B3/B-	26-nov.-29	26-nov.-29	7.5	1750	8.000	88.9	(4.3)	(10.6)	10.140	+88	+206	755	+101	+80
Angola 2048	B-/B3/B-	8-mai-48	8-mai-48	26.0	1750	9.375	83.4	(5.4)	(15.6)	11.375	+72	+189	874	+75	+77
Angola 2049	B-/B3/B-	26-nov.-49	26-nov.-49	27.5	1250	9.125	81.5	(5.4)	(15.5)	11.326	+73	+190	868	+74	+76
Cameroon 2025	B-/B2u/B	19-nov.-25	18-nov.-24	2.5	154	9.500	103.6	(0.8)	(4.1)	8.292	+25	+111	537	+56	(20)
Ivory Coast 2028	BB-/Ba3/B+	3-mars-28	3-mars-27	4.8	794	6.375	96.2	(2.8)	(12.6)	7.196	+61	+248	476	+86	+150
Ivory Coast 2032	BB-/Ba3/B+	31-déc.-32	25-juin-27	5.1	631	5.750	92.5	(2.0)	(7.9)	7.657	+53	+199	571	+130	+95
Ivory Coast 2033	BB-/Ba3/B+	15-juin-33	14-juin-32	10.1	1250	6.125	87.9	(3.2)	(18.0)	7.773	+47	+235	522	+56	+126
Kenya 2024	B/B2u/B+	24-juin-24	24-juin-24	2.1	2000	6.875	91.2	(3.8)	(14.8)	11.690	+220	+743	915	+236	+575
Kenya 2027	B/B2u/B+	22-mai-27	7-avr.-26	3.9	900	7.000	84.6	(3.8)	(21.1)	11.090	+110	+534	944	+152	+506
Kenya 2028	B/B2u/B+	28-févr.-28	28-févr.-28	5.8	1000	7.250	83.1	(3.6)	(24.9)	11.298	+95	+561	868	+105	+424
Kenya 2032	B/B2u/B+	22-mai-32	22-févr.-31	8.8	1200	8.000	80.7	(3.8)	(29.1)	11.259	+72	+458	888	+88	+367
Kenya 2034	B/B2u/B+	23-janv.-34	2-mai-33	11.0	1000	6.300	70.0	(3.6)	(28.9)	10.901	+68	+446	839	+79	+340
Kenya 2048	B/B2u/B+	28-févr.-48	28-févr.-48	25.8	1000	8.250	70.7	(4.3)	(31.4)	11.932	+70	+387	930	+73	+277
Namibia 2025	-/B1/BB	29-oct.-25	29-oct.-25	3.5	750	5.250	93.8	(2.3)	(11.4)	7.326	+79	+355	472	+94	+202
Rwanda 2031	B+/B2/B+	9-août-31	9-août-31	9.2	620	5.500	83.0	(5.9)	(18.0)	8.156	+99	+280	545	+101	+149
Gabon 2025	NR/Caa1/B-	16-juin-25	16-juin-25	3.1	700	6.950	96.9	(2.4)	(7.3)	8.109	+91	+253	558	+113	+102
Gabon 2031	NR/Caa1/B-	6-févr.-31	6-févr.-30	7.7	1000	6.625	85.3	(4.3)	(11.9)	9.103	+79	+206	676	+101	+102
Gabon 2031	NR/Caa1/B-	24-nov.-31	20-sept.-30	8.4	800	7.000	84.5	(5.0)	(14.0)	9.511	+88	+230	718	+113	+131
Ghana 2025	B-/Caa1/B-	7-avr.-25	7-avr.-25	2.9	525	0.000	57.6	(1.8)	(12.2)	21.053	+151	+936	1851	+175	+785
Ghana 2027	B-/Caa1/B-	11-févr.-27	10-févr.-26	3.7	1250	6.375	64.0	(2.7)	(20.1)	17.962	+119	+749	1825	+151	+797
Ghana 2029	B-/Caa1/B-	7-avr.-29	6-avr.-28	5.9	1000	7.750	58.9	(3.5)	(24.4)	18.543	+128	+738	1748	+160	+712
Ghana 2032	B-/Caa1/B-	26-mars-32	16-avr.-31	8.9	1250	8.125	57.6	(2.8)	(23.5)	17.200	+86	+591	1518	+99	+503
Ghana 2034	B-/Caa1/B-	7-avr.-34	7-juil.-32	10.2	1000	8.625	56.7	(2.7)	(24.2)	17.345	+81	+575	1513	+91	+478
Ghana 2042	B-/Caa1/B-	7-mai-42	5-mars-40	17.8	500	8.875	56.0	(2.3)	(24.5)	16.430	+63	+508	1394	+76	+403
Ghana 2051	B-/Caa1/B-	26-mars-51	26-mars-50	27.9	1000	8.950	54.6	(2.3)	(25.4)	16.535	+67	+523	1391	+20	+408
Ghana 2061	B-/Caa1/B-	11-mars-61	10-mars-60	37.8	750	8.750	54.6	(2.1)	(24.6)	16.047	+59	+496	1353	(11)	+391
Nigeria 2027	B-/B2/B	28-nov.-27	28-nov.-27	5.5	1500	6.500	82.2	(5.9)	(17.5)	10.867	+158	+430	821	+164	+288
Nigeria 2030	B-/B2/B	23-févr.-30	23-févr.-30	7.8	1250	7.143	78.4	(5.0)	(20.0)	11.406	+113	+400	883	+128	+276
Nigeria 2032	B-/B2/B	16-févr.-32	16-févr.-32	9.8	1500	7.875	76.8	(5.2)	(22.1)	11.957	+105	+393	930	+112	+266
Nigeria 2038	B-/B2/B	23-févr.-38	23-févr.-38	15.8	1250	7.696	69.3	(4.6)	(23.6)	12.105	+84	+358	936	+83	+234
Nigeria 2049	B-/B2/B	21-janv.-49	21-janv.-49	26.7	750	9.248	75.5	(6.5)	(26.4)	12.417	+101	+336	976	+102	+222
Senegal 2024	B+/Ba3/-	30-juil.-24	30-juil.-24	2.2	163	6.250	98.4	(2.0)	(8.6)	7.035	+98	+364	451	+117	+200
Senegal 2033	B+/Ba3/-	23-mai-33	22-mai-32	10.0	1100	6.250	84.6	(3.4)	(18.5)	8.420	+53	+255	594	+66	+151
Senegal 2048	B+/Ba3/-	13-mars-48	13-mars-47	24.8	1000	6.750	74.7	(3.1)	(23.7)	9.360	+39	+248	676	+42	+143

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