

DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

Rating Action by S&P Global Ratings

On the 3 April 2017, S&P Global Ratings ("S&P" or "the agency") lowered South Africa's foreign currency sovereign ratings from 'BBB-/A-3' to 'BB+/B' and its local currency sovereign rate from 'BBB/A-2 to BBB-/A-3'.

In accordance with 4.26 of the JSE Debt Listings Requirements, noteholders are advised that S&P has accordingly revised the Development Bank of Southern Africa Limited's ("DBSA" or "the issuer") foreign currency credit ratings has been lowered to 'BB+/B' from 'BBB-/A-3' and its local currency issuer credit ratings to 'BBB-/A-3' from BBB/A-2. The outlook remains negative.

The agency has equalized DBSA's with those of South Africa which is consistent criteria for government-related entities as well as the integral link with the South African government through 100% ownership.

S&P also notes DBSA's efforts in increasing support to municipalities and public-sector projects by way of technical assistance grants, capacity building initiatives as well as overall support of projects from initiation to execution of the project. Furthermore, the agency continues to assess DBSA's stand-alone profile of 'bb' which was affirmed on 26 October 2016.

A potential future rating upgrade of the issuer would be largely influenced by an upgrade of the sovereign rating as would be the case in the event of a further sovereign rating downgrade.

Further information regarding the rating downgrade may be viewed though the following links:

[www.standardandpoors.com/ratingsdirect](http://www.standardandpoors.com/ratingsdirect) or  
[www.dbsa.org](http://www.dbsa.org)

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Debt Sponsor: The Standard Bank of South Africa Limited