2019/20 DEBT MANAGEMENT REPORT

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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PROTECT SOUTH AFRICA

2019/20 DEBT MANAGEMENT REPORT

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FOREWORD

This report covers the period from April 2019 to March 2020.

The 2019/20 year came to an end just as the coronavirus crisis hit and the world was thrown into disarray as the virus began to spread. Implementation of COVID-19 lockdowns to help prevent the spread of the virus in most parts of the world plunged the global economy further into recession.

The global financial system was severely impacted by the pandemic. In response, central banks intervened with unconventional strategies to keep financial markets liquid and to preserve the stability of the financial system. In March 2020, the South African Reserve bank announced a bond buying programme in the secondary market to help with smooth functioning of the domestic financial markets and made an emergency repo rate cut of 100 basis points.

The country was faced with weak economic growth during the year, exacerbated by disruption in electricity supply in the first part of the year. The South African economy entered into a second technical recession, with real gross domestic product contracting by a further 1.4 per cent in the fourth quarter of 2019 following a revised contraction of 0.8 per cent in the third quarter. The unemployment rate also significantly increased to 30.1 per cent in the first quarter of 2020.

South Africa's credit rating has come under intense pressure as the fiscal position remained weak, with rising prospects of the country losing its last investment grade status from Moody's. In March 2020, Moody's downgraded the country's long-term foreign and local debt ratings to Ba1 and maintained a negative outlook. Weak economic growth, continuous deterioration in public finances and rising contingent liability risks to state-owned companies contributed largely to the downgrade.

FOREWORD ▸ *continued*

Volatile global markets fuelled by concerns about the US/China trade dispute, Brexit uncertainties and the economic impact of COVID-19 contributed to outflows across emerging markets. Domestic government bonds yields weakened by an average of 174 basis points during the period under review, with holdings by international investors declining to 34 per cent from 39 per cent at the beginning of the financial year.

Despite these challenges, government was able to meet its gross borrowing requirement of R415.7 billion with net issuance of R36.1 billion raised in domestic short-term funding, R305.4 billion in domestic long-term loans. Domestic bond issuance was focussed on the short to mid-long bonds in order to reduce the debt portfolio average maturity and duration. The weighted term to maturity decreased to 14.97 years in March 2020 from 15.85 years in March 2019. In September 2019, South Africa saw the largest ever issuance in Sub-Saharan Africa of US$5 billion. This demonstrated investors' confidence in the country's credit worthiness, macro-economic policy framework and prudent fiscal management.

Debt service costs continue to place a great strain on government cash resources, with these costs absorbing 15.2 per cent of every rand that the government raise in revenue.

In addressing its borrowing requirement, the government commits to continued prudent debt management and diversifying funding sources to ensure efficient functioning of the domestic bond markets.

Dondo Mogajane
Director-General

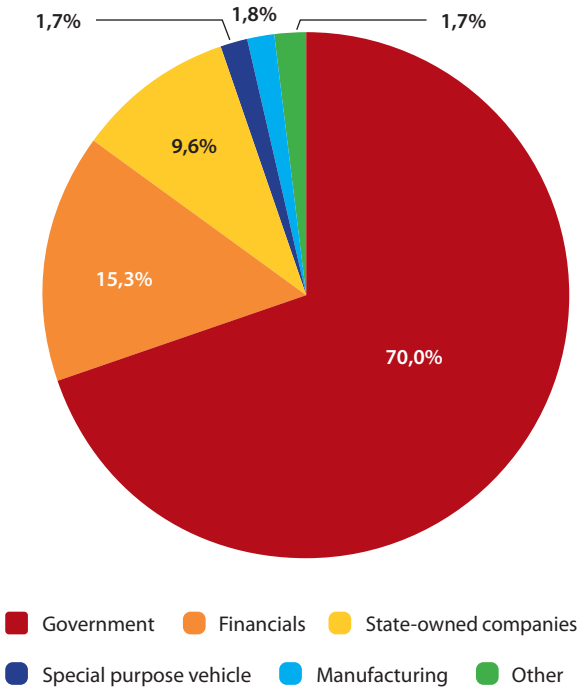
1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

LISTING ACTIVITY IN THE PRIMARY DEBT CAPITAL MARKET

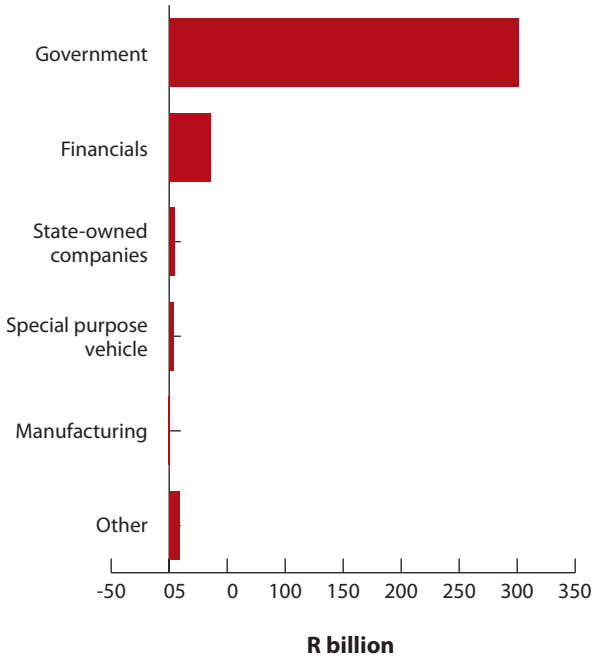
The total nominal amount outstanding for debt instruments listed on the Johannesburg Stock Exchange (JSE) stood at R3.3 trillion as at 31 March 2020, R473 billion higher than the 31 March 2019 figure of R2.8 trillion. The domestic debt capital market remains an important source of financing, especially for national government which is the highest contributor to the total outstanding debt listed on the JSE. The deteriorating economy, weakening public finances and lower revenue collection resulted in a R301 billion increase in outstanding government debt in 2019/20. This was R127 billion higher than the R174 billion increase in 2018/19. SOCs added R4.7 billion to their listed debt, higher than the R3 billion added in 2018/19. Driven by the banking sector, financials added R35 billion to their listed debt compared to the R25 billion added in 2018/19.

Figure 1: Primary listings of debt securities on the JSE, 31 March 2020

Nominal primary listing by sector



Net changes in nominal listing values



Source: Johannesburg Stock Exchange and National Treasury

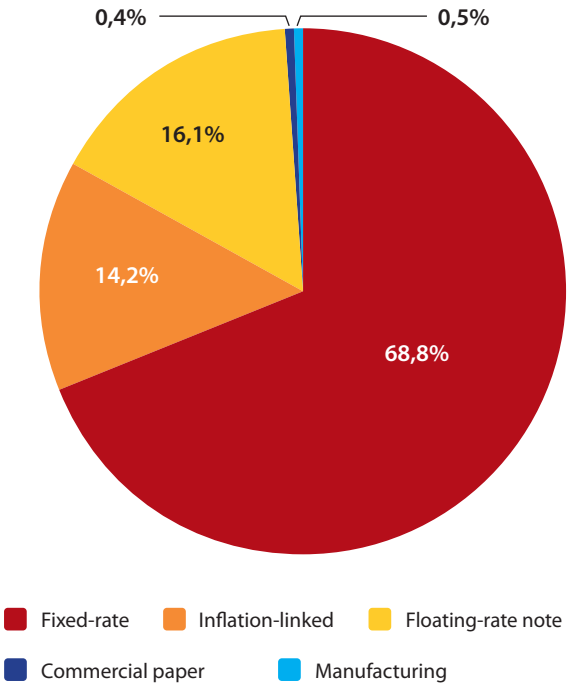
1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

Government's debt contributed about 70 per cent of listed debt as at 31 March 2020, the same percentage as in 2019 and higher than the 66.8 per cent recorded at the same time in 2018. Financials and SOC listings accounted for 15.3 per cent and 9.6 per cent respectively.

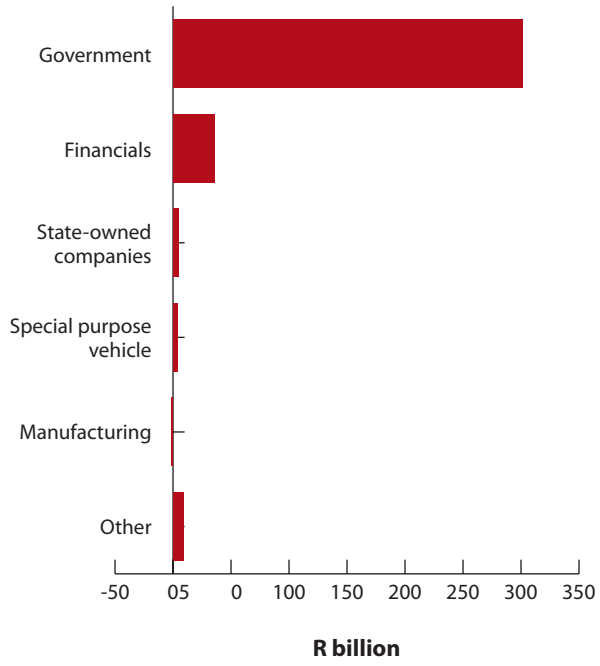
The number of listed instruments has increased steadily over the past three years, with 1 856 recorded as at 31 March 2020 compared with 1 734 in 2019 and 1 699 in 2018.

Figure 2: Composition of primary listings of debt securities on the JSE, 31 March 2020

Primary listing by instrument



Net changes in nominal listing values by instrument

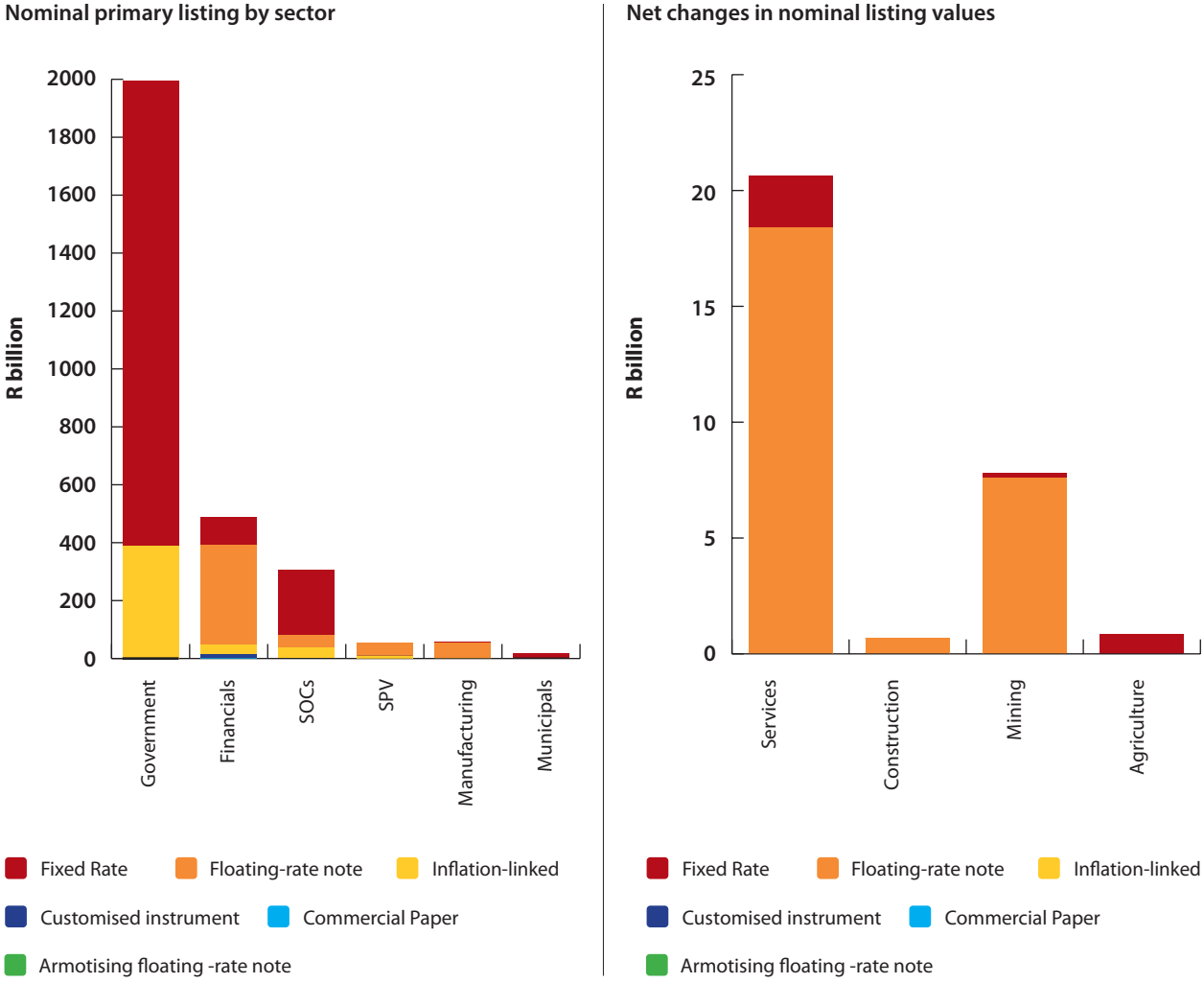


Source: Johannesburg Stock Exchange and National Treasury

By a wide margin, fixed-rate instruments remain the largest contributor to total primary listings. This is mainly because government, the largest issuer of listed debt, mostly issues fixed-rate debt. As at 31 March 2020, fixed-rate instruments accounted for 68.8 per cent of total listed debt, marginally lower than the 69 per cent on 31 March 2019. As Figure 2 shows, at 16.1 per cent floating-rate notes (FRNs) were the second largest contributor to total listed debt, an increase from 15.5 per cent on 31 March 2019. Inflation-linked bonds and commercial paper accounted respectively for 14.2 per cent and 0.5 per cent of the total primary listings on the JSE.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

Figure 3: Sectoral composition of primary listings of debt securities on the JSE, 31 March 2020



Source: Johannesburg Stock Exchange and National Treasury

The financial sector has traditionally preferred issuing FRNs and this remained the case in 2019/20. FRNs provide a good source of funding for banks, while investors are attracted by the credit spreads that contribute to higher portfolio returns.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

SECONDARY MARKET ACTIVITY IN SOUTH AFRICAN BONDS[1]

As Figure 4 shows, trading volumes in the secondary market increased from R30.0 trillion as at 31 December 2018 to R35.7 trillion as at 31 December 2019. 2019 was characterised by relatively high volatility in the global financial markets resulting in increased trading activity in the secondary market.

Repurchase (repo) transactions are an efficient source of money market funding, providing investors with a range of avenues for investing surplus cash and helping to avoid settlement failures. As at 31 December 2019, the repo market made up 71.5 per cent of total trading volumes in the interest rate market, a 3.7 percentage point increase from the 67.8 per cent on 31 December 2018. Repo trades increased by R5.2 trillion; other trades by R14.4 billion; and standard trades by R522.3 billion to R10 trillion, an increase of 5.5 per cent from 31 December 2018.

Repurchase (repo) market

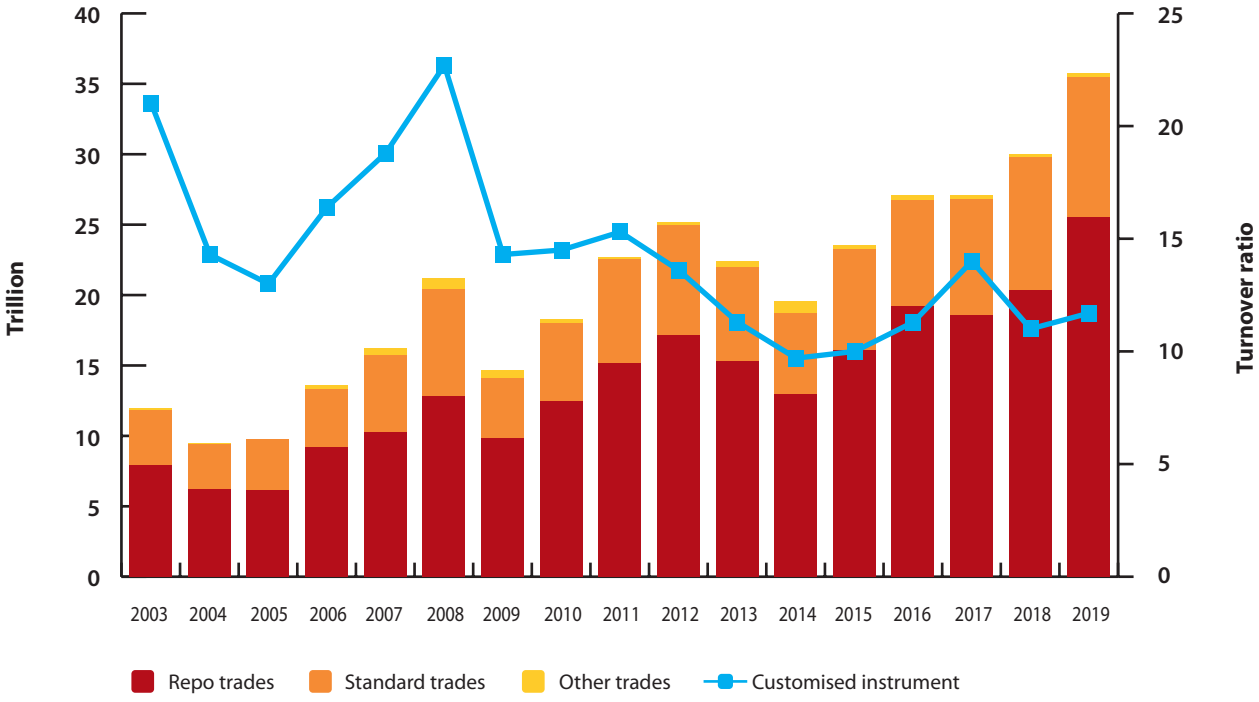
Repos are classified as money market instruments, normally used to raise short-term capital. For the party selling the asset (usually fixed-income securities) and agreeing to repurchase it in the future, it is a repo; for the party buying the security and agreeing to sell it in the future, it is a reverse repurchase agreement. If the seller defaults during the life of the repo, the buyer (as the new owner) can sell the asset to a third party to offset the loss. The asset therefore acts as collateral and mitigates the credit risk

Source: International Capital Market Association

1 Information about secondary market activity is given by calendar year.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

Figure 4: South African bond market turnover, 2003–2019



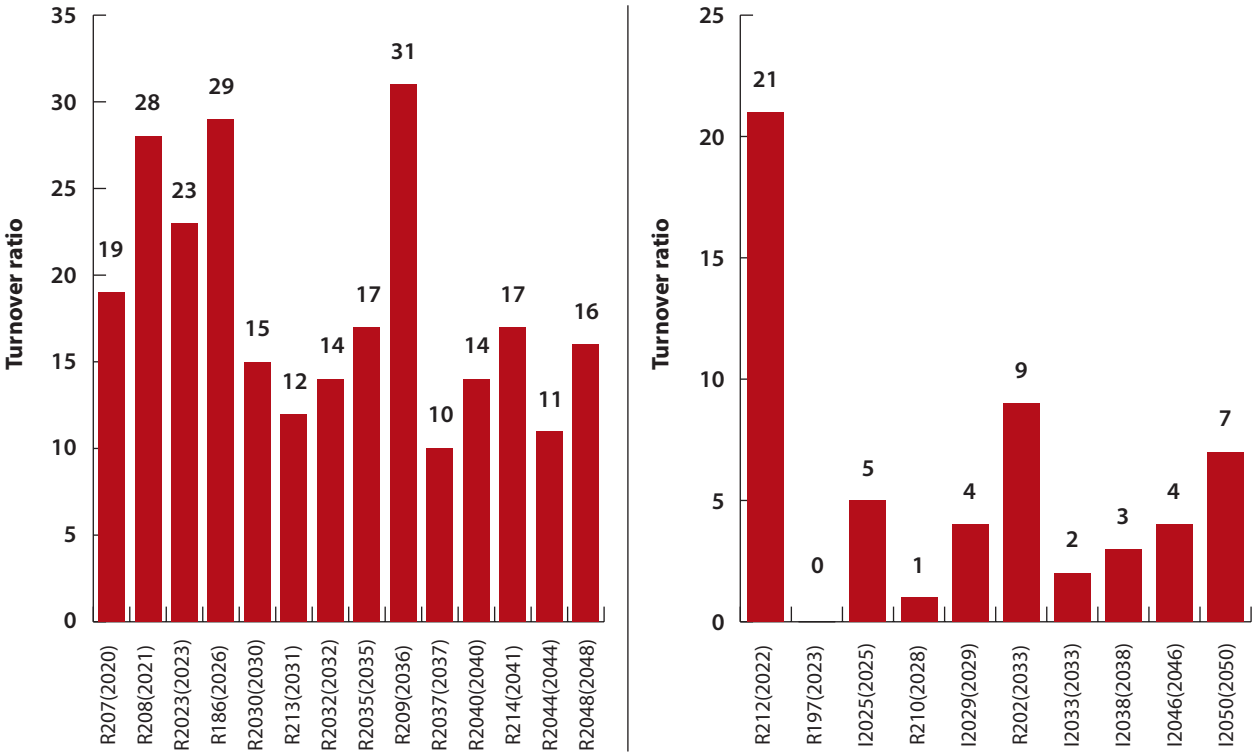
Source: Johannesburg Stock Exchange and National Treasury

The turnover ratio is a measure of a bond's market liquidity and is used to assess which bonds are most liquid or most traded. The ratio shows the extent of trading in the secondary market relative to the total amount outstanding. The larger the amount of trading activity, the higher the turnover ratio.

With a total of R35.7 trillion traded in the secondary market, government bonds made up 98.7 per cent of trading volumes in 2019. As Figure 5 shows, the R209 (6.25%; 2036) bond had the highest turnover ratio of 31 times, followed by the R186 (10.50%; 2025/26/27) bond with a turnover ratio of 29 times. With R7 trillion traded during the year, the R186 bond, with an outstanding amount of R245 billion as at 31 December 2019, is the most liquid bond in the government bond portfolio. The R186 bond is still considered the benchmark even though in 2019 it had six years to maturity. The R209 bond had only R3 trillion traded compared to its outstanding amount of R104 billion.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

Figure 5: Government bond turnover ratios, January 2019 -December 2019



Source: Johannesburg Stock Exchange and National Treasury

The shorter maturity bonds, the R207 (7.25%; 2020) and R208 (6.75%; 2021), have relatively high turnover ratios as they have lower amounts outstanding than other fixed rate bonds. They also have higher secondary market activity than the other bonds as they were source bonds in government's bond switch programme. As a result, they have high secondary amount turnovers relative to their outstanding amounts. Among the inflation-linked bonds, the R212 (2.75%; 2028) bond had the highest turnover ratio of 21 times. Overall, inflation-linked bonds have a lower turnover than fixed-rate bonds because investors, particularly pension funds, tend to buy and hold these instruments to hedge against inflation.

ELECTRONIC TRADING PLATFORM

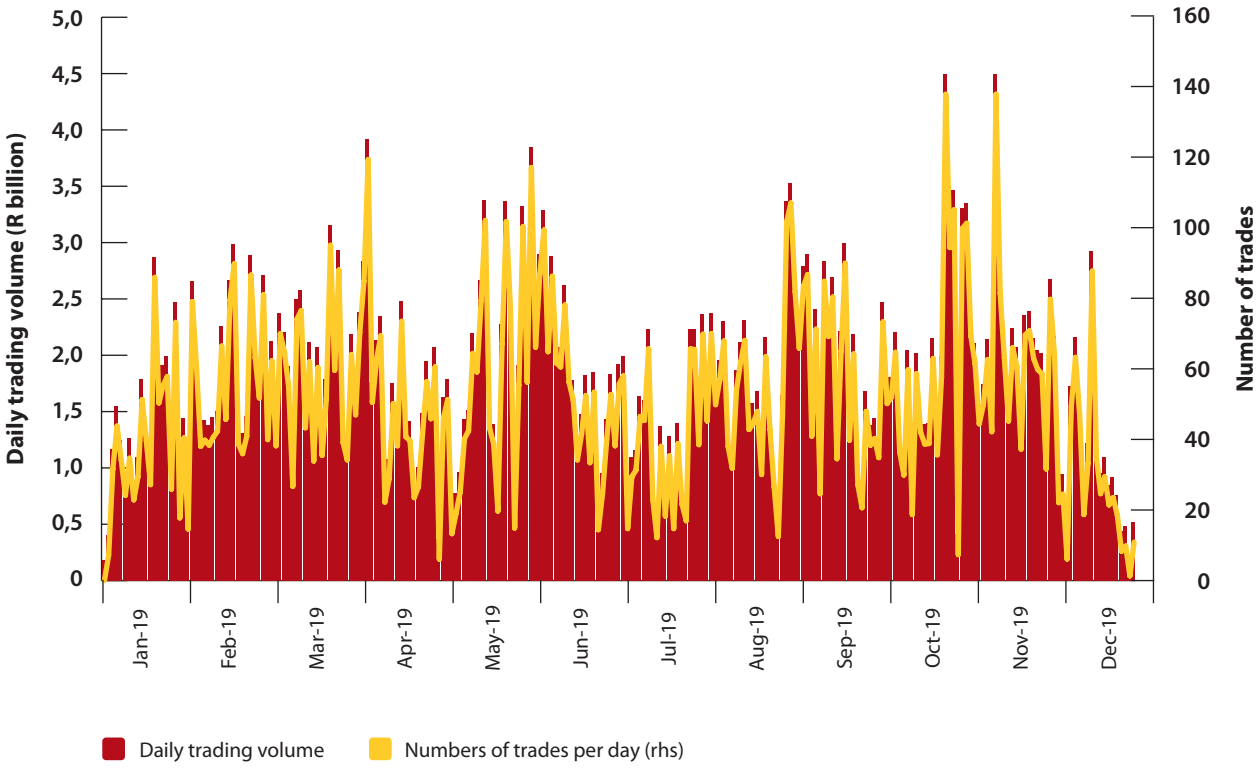
The National Treasury, together with a multi-stakeholder group consisting of the JSE, STRATE, primary dealers, the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA), with technical assistance from the

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET ▸ *continued*

World Bank, launched the electronic trading platform (ETP) for government bonds in July 2018. The aim of the ETP is to improve liquidity, price discovery and transparency in the domestic government bond market.

All nine primary dealers are obliged to quote prices on the following obligatory bonds: the R2023 (7.75%; 2023), R186 (10.50%; 2025/26/27), R2032 (8.25%; 2032), R209 (6.25%; 2036) and R2048 (8.75%; 2048). They are also obliged to quote firm and executable current bid and ask prices/yields on this platform in specified amounts per maturity basket and specified spreads. The National Treasury incentivises primary dealer participation in the ETP by allocating a portion of the non-competitive bids based on the volumes traded by each primary dealer on this platform.

Figure 6: Electronic trading platform daily volumes and trades, January 2019 - December 2019



Source: MTS

Between January and December 2019, the average daily volume traded was R1.8 billion compared with R1.6 billion between July (ETP inception month) and December 2018. The average number of trades per day decreased to 52 from an average of 60. Attributed to festive holidays, there were fewer trades in December 2019.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT

BORROWING REQUIREMENT

The budget deficit (revenue less expenditure) represents national government's net borrowing requirement. This includes National Revenue Fund (NRF) receipts and payments. Government's gross borrowing requirement consists of the net borrowing requirement and maturing loans. Table 1 shows the preliminary outcome of government's gross borrowing requirement for 2019/20.

Table 1: National government's gross borrowing requirement, 2019/20

R MILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Main budget balance	**-255 243**	**-337 508**	**-345 069**
of which:			
National Revenue Fund receipts	***4 488***	***10 020***	***12 801***
Premiums on loan transactions	*-*	*2 861*	*3 841*
Revaluation profits on foreign currency transactions	*4 488*	*7 157*	*8 958*
Refund on fees paid on foreign loans	*-*	*-*	*-*
Profit on scrip lending	*-*	*-*	*-*
Special restructuring proceeds from ICASA	*-*	*-*	*-*
Other	*-*	*2*	*2*
National Revenue Fund payments	***-135***	***-468***	***-468***
Defrayal of GFECRA losses*	*-135*	*-132*	*-132*
Premiums on loan transactions	*-*	*-84*	*-84*
Other	*-*	*-252*	*-252*
Borrowing requirement (net)	**-255 243**	**-337 508**	**-345 069**
Loan redemptions	**-80 088**	**-69 743**	**-70 657**
Domestic long-term	-30 596	-19 535	-19 428
Foreign	-49 492	-50 208	-51 229
Borrowing requirement (gross)	**-335 331**	**-407 251**	**-415 726**

**Gold and Foreign Exchange Contingency Reserve Account*

Source: National Treasury

Government's net borrowing requirement in 2019/20 was R345.1 billion. NRF receipts were R12.8 billion and consisted mainly of R3.8 billion in premiums on loan transactions and revaluation profits of R9 billion on foreign currency

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

transactions. During the same period, the NRF made payments of R468 million; these related to premiums on debt portfolio restructuring and payments to defray realised losses on the Gold and Foreign Exchange Reserve Account (GFECRA). Including loan redemptions of R70.7 billion, the gross borrowing requirement amounted to R415.7 billion.

Table 2: Financing of national government's gross borrowing requirement, 2019/20

R MILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Domestic short-term loans (net)	**25 000**	**36 000**	**36 078**
Treasury bills	15 000	26 000	26 001
Corporation for Public Deposits	10 000	10 000	10 077
Domestic long-term loans (gross)	**216 000**	**298 900**	**305 449**
Market loans	216 000	299 189	305 738
Loans issued for switches	-	-289	-289
Foreign loans (gross)	**28 520**	**76 052**	**76 052**
Market loans	28 520	76 052	76 052
Loans issued for switches	-	-	-
Change in cash and other balances	**65 811**	**-3 701**	**-1 853**
Financing	**335 331**	**407 251**	**415 726**

Source: National Treasury

Table 2 shows the preliminary outcome of government's financing programme for 2019/20. The gross borrowing requirement of R415.7 billion was financed through net issuance of domestic short-term loans of R36.1 billion, domestic long-term loans of R305.4 billion and foreign loans of R76.1 billion. Cash and other balances increased by R1.9 billion.

DOMESTIC SHORT-TERM BORROWING

To finance the higher borrowing requirement, compensate for revenue shortfall and provide financial support to SOCs, during 2019/20 government issued an additional R26 billion in Treasury bills compared to the 2019 Budget projection of R15 billion. As shown in Table 3, government closed the financial year with a borrowing of R27.4 billion from the Corporation for Public Deposits (CPD).

Government conducts weekly Treasury bill auctions. The net change in maturities of these bills shows that issuance was concentrated in the longer-maturity bills. This assisted with managing refinancing risk as it extended the days to maturity for the Treasury bill portfolio. The details of the Treasury bill weekly auctions, including the allocated amount

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

for each maturity, are shown in Annexures D and E.

Table 3: Domestic short-term borrowing, 2019/20

R MILLION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE
Corporation for Public Deposits	**17 278**	**10 077**	**27 355**
Treasury Bills	**307 360**	**26 001**	**333 361**
91-day	17 000	-6 398	10 602
182-day	59 818	-2 450	57 368
273-day	98 504	10 789	109 293
364-day	132 038	24 060	156 098
Total	**324 638**	**36 078**	**360 716**

Source: National Treasury

PERFORMANCE OF TREASURY BILL AUCTIONS

Gross issuance in Treasury bills amounted to R516.5 billion in 2019/20. The Treasury bill weekly issuance levels were adjusted in line with government's liquidity requirements during the year. The last quarter of the year saw a weekly issuance of R7.9 billion in Treasury bills. An amount of R10.1 billion, which equates to approximately 2 per cent of the total gross issuance, was not allotted due to market volatility; this is shown in Table 4.

Table 4: Treasury bill auctions under-allotments, 2019/20

R MILLION	GROSS ISSUANCE[1]	UNDER-ALLOTMENT	PERCENTAGE OF GROSS ISSUANCE UNDERALLOTED
91-day	91 828	-13 372	-14,6
182-day	121 700	201	0,2
273-day	146 895	2 909	2,0
364-day	156 098	128	0,1
Total	**516 521**	**-10 134**	**-2,0**

1. *Gross issuance takes into account the total amount of issuance that are rolled-over to the Treasury bill portfolio from 2019/20*

Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Table 5 gives a summary of the auction bid-to-cover ratios and effective yields. Government can increase or reduce the amount on offer in line with funding requirements and market conditions. On average, Treasury bill auctions were 2.2 times over-subscribed, with market appetite more pronounced for the 3-month Treasury bill. All Treasury bill maturities were under-subscribed in several weekly auctions, with the 182-day maturity having the lowest subscription of 0.3 times. Annexures D and E provide details of the 2019/20 Treasury bill auctions.

Table 5: Treasury bill auction analysis, 2019/20

	91-DAY	182-DAY	273-DAY	364-DAY
Bid-to-cover-ratios (times)				
Highest	8,3	6,2	4,2	5,9
Lowest	0,4	0,3	0,9	0,8
Average	2,0	2,4	2,2	2,2
Effective yields (%)				
Highest	7,9	7,7	7,7	7,8
Lowest	5,7	6,1	6,1	6,3
Average	6,9	7,3	7,4	7,4

Source: National Treasury

CORPORATION FOR PUBLIC DEPOSITS

The CPD is a wholly-owned subsidiary of the SARB. Its main function is to invest surplus cash received from provincial governments and SOCs. Provincial governments and selected SOCs are required to invest their surplus cash with the CPD. Government uses these funds to finance a portion of its borrowing requirement and for bridging finance. To finance short-term cash shortfalls, provincial governments may also borrow from the CPD for amounts up to predetermined limits.

In 2019/20, the average daily balance invested in the CPD was R58.9 billion. Government borrowed a daily average of R42.8 billion, or R2.3 billion more than the daily average of R40.5 billion borrowed in 2018/19.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

DOMESTIC LONG-TERM BORROWING

Domestic long-term borrowing consists of the issuance of fixed-rate, inflation-linked and retail savings bonds. Fixed-rate and inflation-linked bond auctions are conducted weekly in line with a pre-determined auction calendar. The fixed-rate bond auctions are conducted through a panel of primary dealers while inflation-linked bond auctions are open to all members of the JSE. Retail savings bonds are made available to South African citizens through the South African Post Office (SAPO) and online applications. A total nominal amount of R331.9 billion was issued in domestic long-term bonds in 2019/20.

FIXED-RATE BONDS

A nominal amount of R272.1 billion was issued in fixed-rate bonds through 49 auctions, including non-competitive bid auctions. The fixed-rate bond auctions' bid-to-cover per bond is shown in Figure 7. The primary auctions were on average 2.9 times over-subscribed.

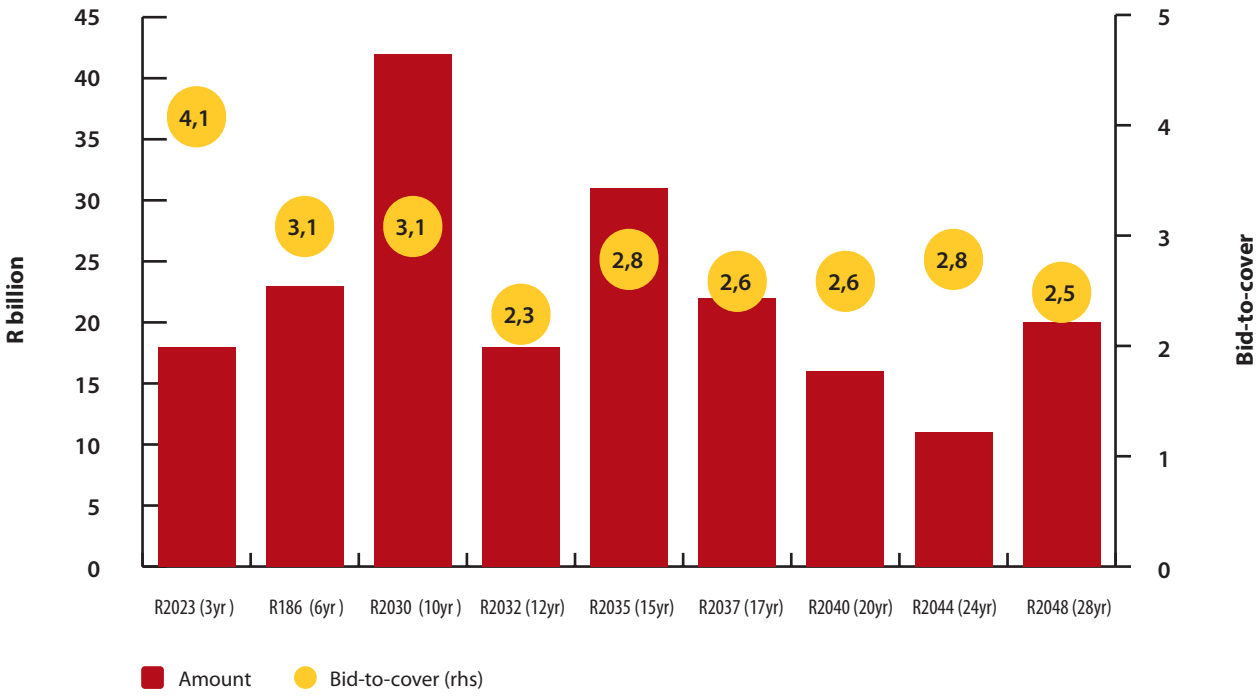
Because of the projected wider budget deficit, the weekly fixed-rate bond auctions were increased by R1.2 billion from R3.3 billion to R4.5 billion in August 2019.

Issuance of deep-discounted bonds - the R213 (7.00%; 2031), R209 (6.25%; 2036) and R214 (6.50%; 2041) bonds - was avoided due to the lower cash prices realised and the resultant lower cash receipts.

About 65 per cent of the total issuance was concentrated in bonds with maturities of between 4 and 15 years. The steep yield curve, coupled with investor preference for shorter maturities, was the impetus behind the concentration of issuance in shorter dated bonds.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Figure 7: Issuance of fixed-rate bonds (excluding non-competitive bid auctions), 2019/20



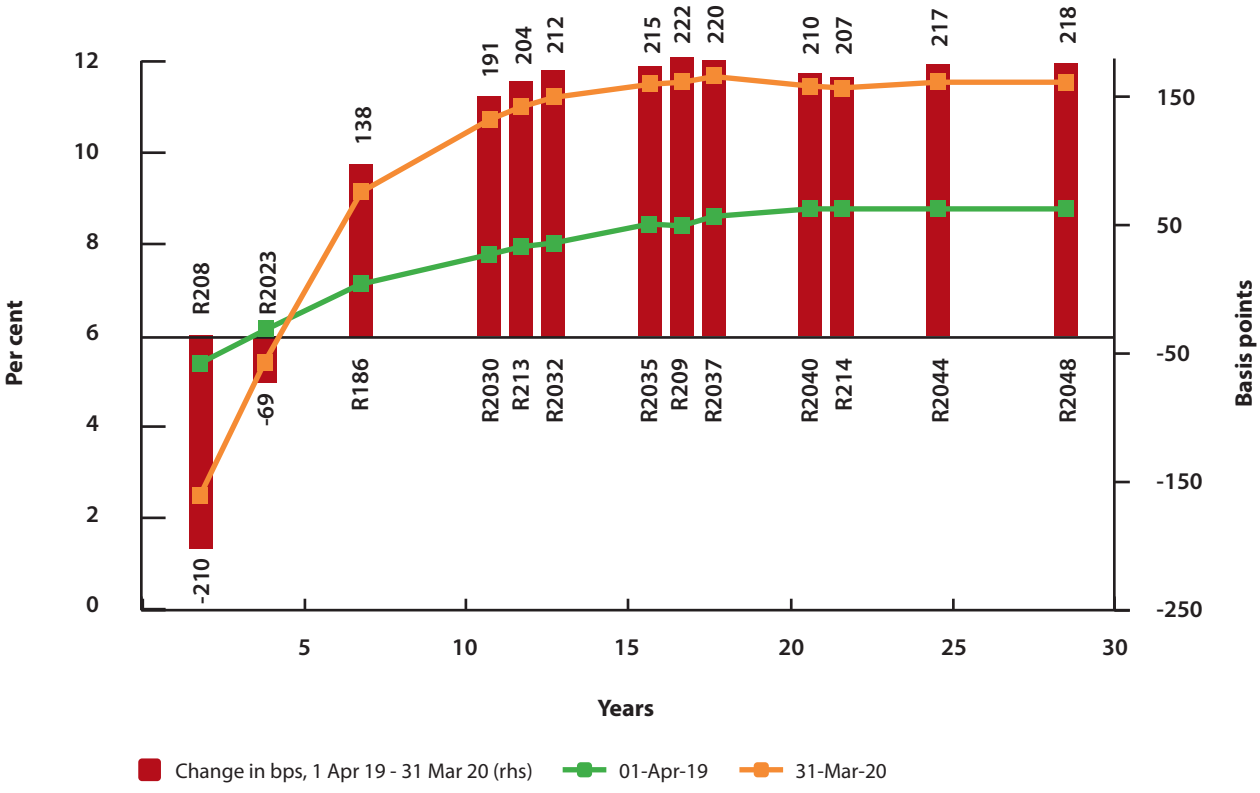
Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

YIELD CURVE MOVEMENT

The fixed-rate bond yield curve became substantially steeper in 2019/20 as shorter-dated bond yields strengthened whilst medium-to-long dated bond yields weakened. Expectations of easing monetary policy by the SARB and the subsequent interest rate cuts dominated the short end of the yield curve. Global risk aversion coupled with the continued deterioration of fiscal metrics and the credit rating downgrade of the sovereign led to an aggressive repricing of long-dated bond yields. As COVID-19 spread throughout the world, the first quarter of 2020 was characterised by a spike in volatility in financial markets. Fixed-rate bond yields increased by an average of 152 basis points during the year.

Figure 8: Yield curve movement of fixed-rate bonds, 2019/20



Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

PRIMARY DEALERS

The primary dealer panel is a panel of banks that buy government bonds at weekly fixed-rate bond auctions. Investors buy government bonds by submitting their bids at the auction through primary dealers. These dealers are obliged to adhere to certain terms and conditions which can be found on National Treasury's Investor Relations website www.investor.treasury.gov.za. Below are the banks that are on National Treasury's primary dealer panel:

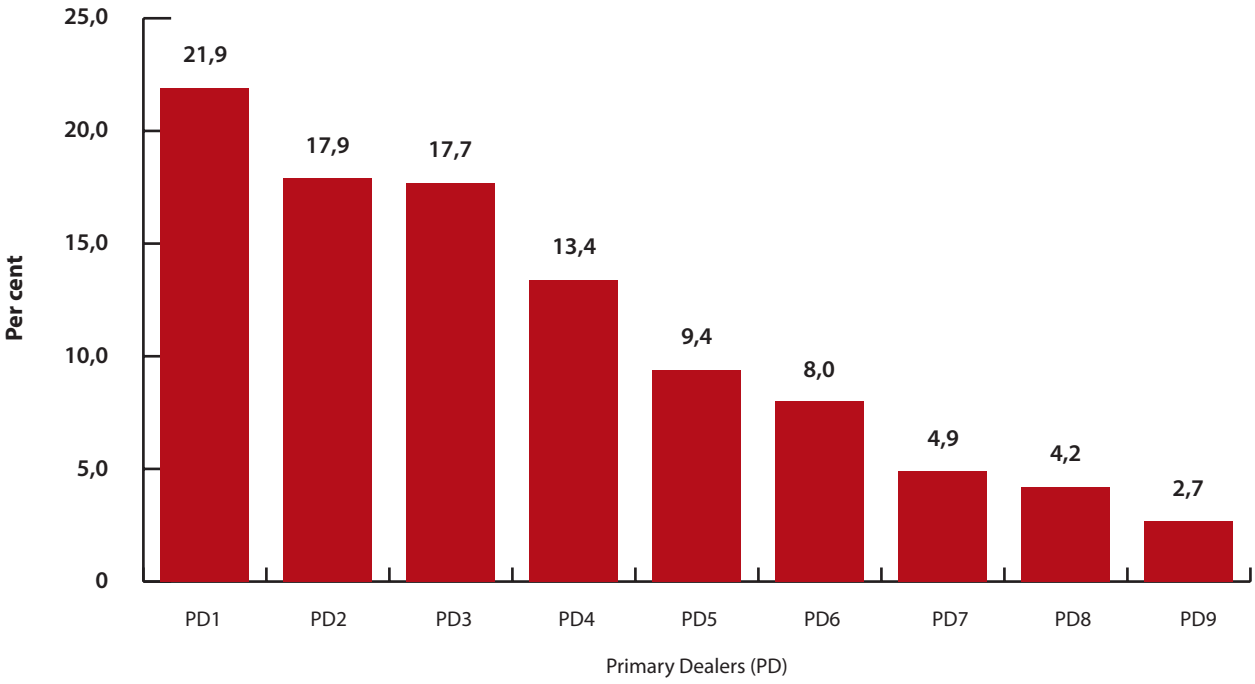
- ABSA Group Limited
- Citibank
- Deutsche Bank
- FirstRand Bank Limited
- HSBC Bank
- Investec Bank Limited
- JPMorgan Chase Bank
- Nedbank Limited
- Standard Bank

PERFORMANCE OF PRIMARY DEALERS

Government's primary dealer panel is made up of nine international and domestic banks. These primary dealers are required to distribute government bonds, make markets and provide liquidity in the secondary market. The performance of the nine primary dealers is shown in Figure 9. The top two primary dealers took up 39.8 per cent of the amount in the auctions conducted during the year.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Figure 9: Primary dealer participation in fixed-rate bond auctions, 2019/20



Source: National Treasury

NON-COMPETITIVE BID AUCTIONS PERFORMANCE

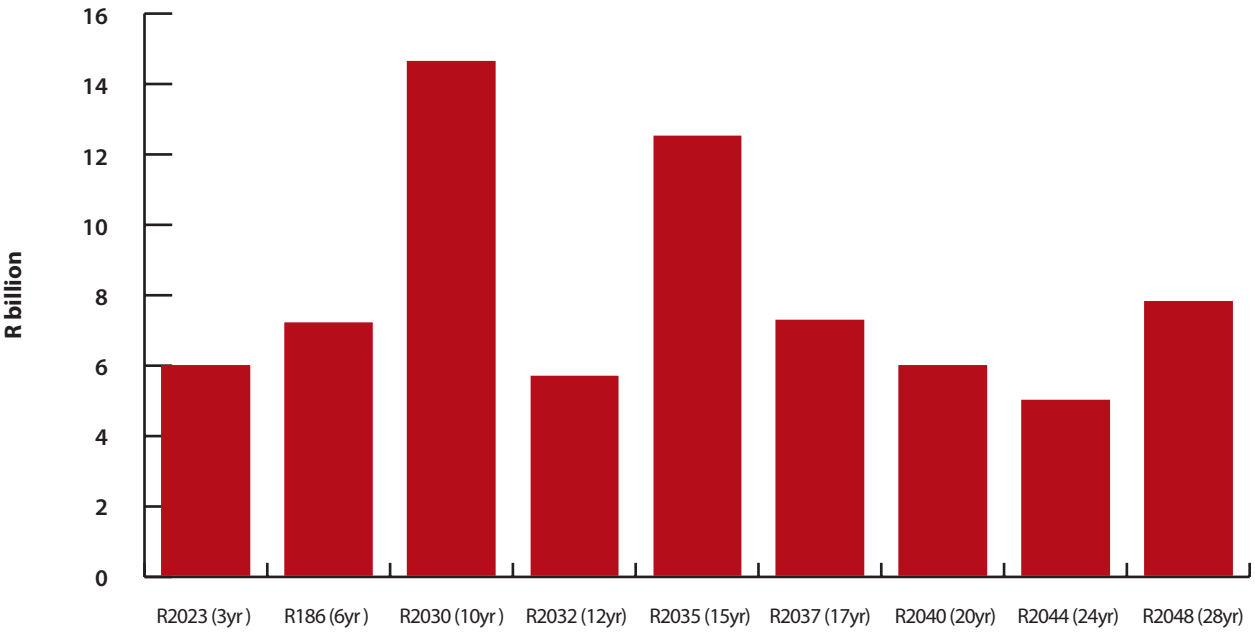
An amount of R73 billion was raised through non-competitive bid auctions. Figure 10 shows that the R2030 (8.00%; 2030) bond had the highest non-competitive take-up, at R14.9 billion, followed by the R2035 (8.875%; 2035) bond with a take-up of R12.7 billion. Combined, these bonds accounted for 37.8 per cent of the total non-competitive bids exercised by the primary dealers.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Non-competitive bid auctions

Primary dealers are entitled to take up an additional 50 per cent of the successful allocation amount at the same yield at which the fixed-rate competitive auction settled. The non-competitive auction window is open for 48 hours immediately after the auction. The 50 per cent is split between ETP and primary auctions, at 30 percentage points and 20 percentage points respectively.

Figure 10: Non-competitive bid auction performance per bond, 2019/20



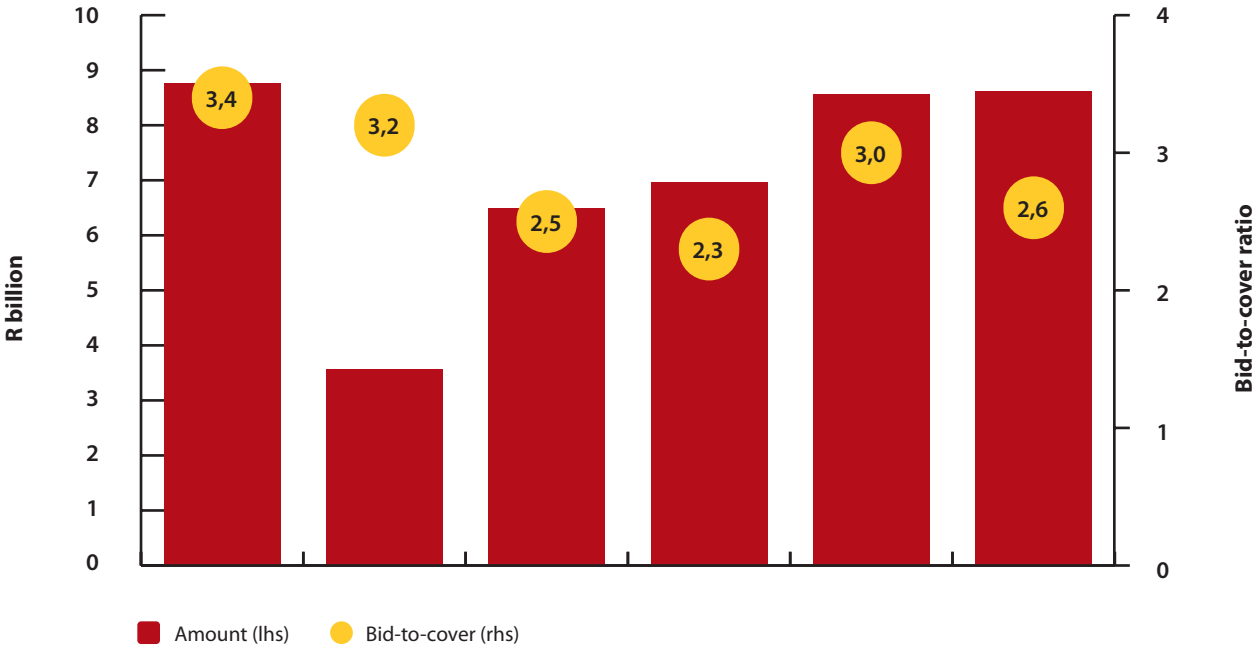
Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

INFLATION-LINKED BONDS

With 48 auctions conducted during the year and a nominal amount of R59 billion issued, inflation-linked bond issuance accounted for 17.7 per cent of total issuance of domestic long-term loans. Issuance was concentrated in the I2025 (2.00%; 2025), I2046 (2.50%; 2046) and I2050 (2.50%; 2049/50/51) bonds, with a combined issuance of R25.2 billion. The I2025 (2.00%; 2025) and I2029 (1.875%; 2029) bonds had the highest subscription rates of 3.4 and 3.2 respectively.

Figure 11: Take-up of inflation-linked bond auctions, 2019/20



Source: National Treasury

Auctions conducted on 6 and 20 March 2020 were under-allotted because unfavourable bids were received as South African bond markets were experiencing heightened volatility. In August 2019, the weekly auction levels increased by R280 million from R760 million to R1 040 million.

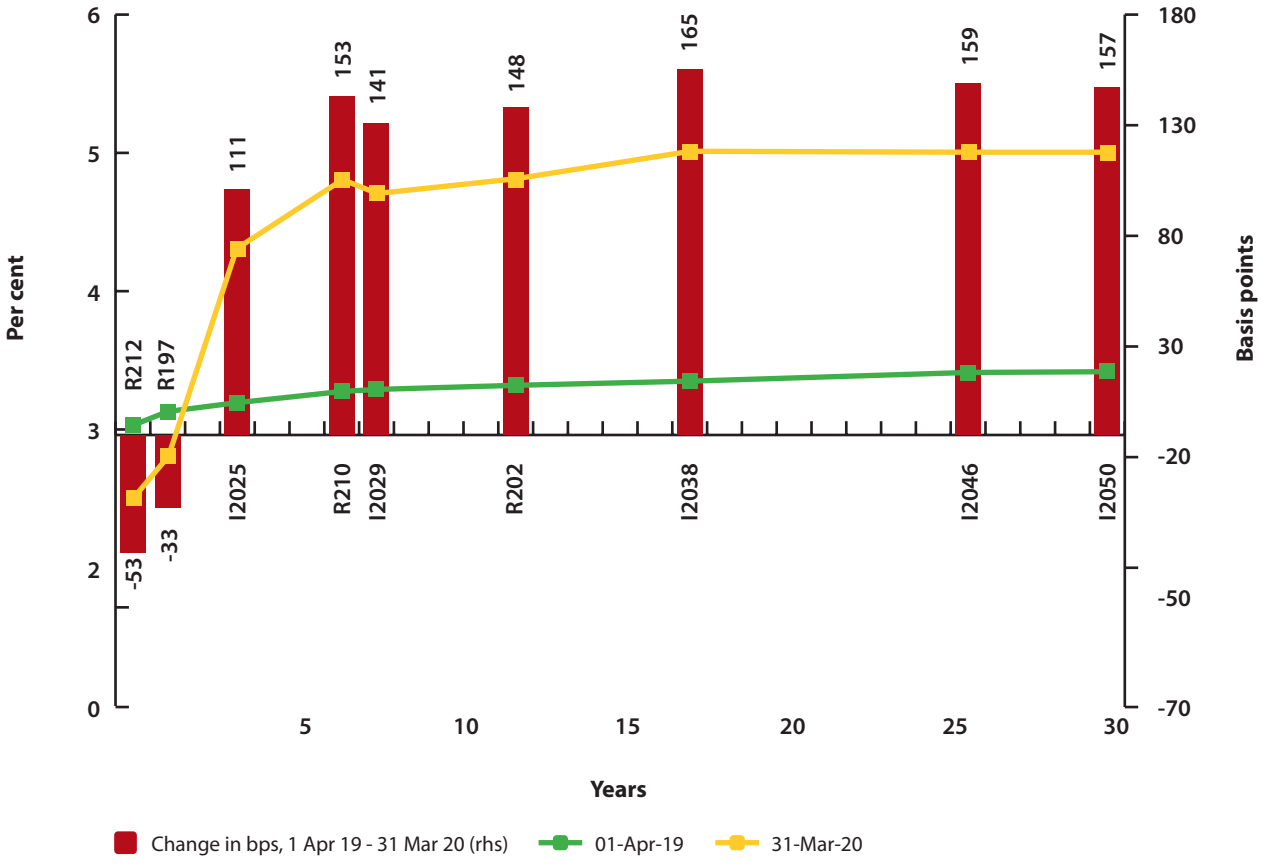
REAL YIELD MOVEMENT

The inflation-linked bond yield curve steepened in line with the fixed-rate bond yield curve, with inflation-linked bonds

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

weakening by an average of 105 basis points. Dampened inflation and expectations of lower future inflation contributed to investors shunning inflation-linked bonds as protection against inflation came to be perceived as less important.

Figure 12: Yield curve movement in inflation-linked bonds, 2019/20



Source: National Treasury

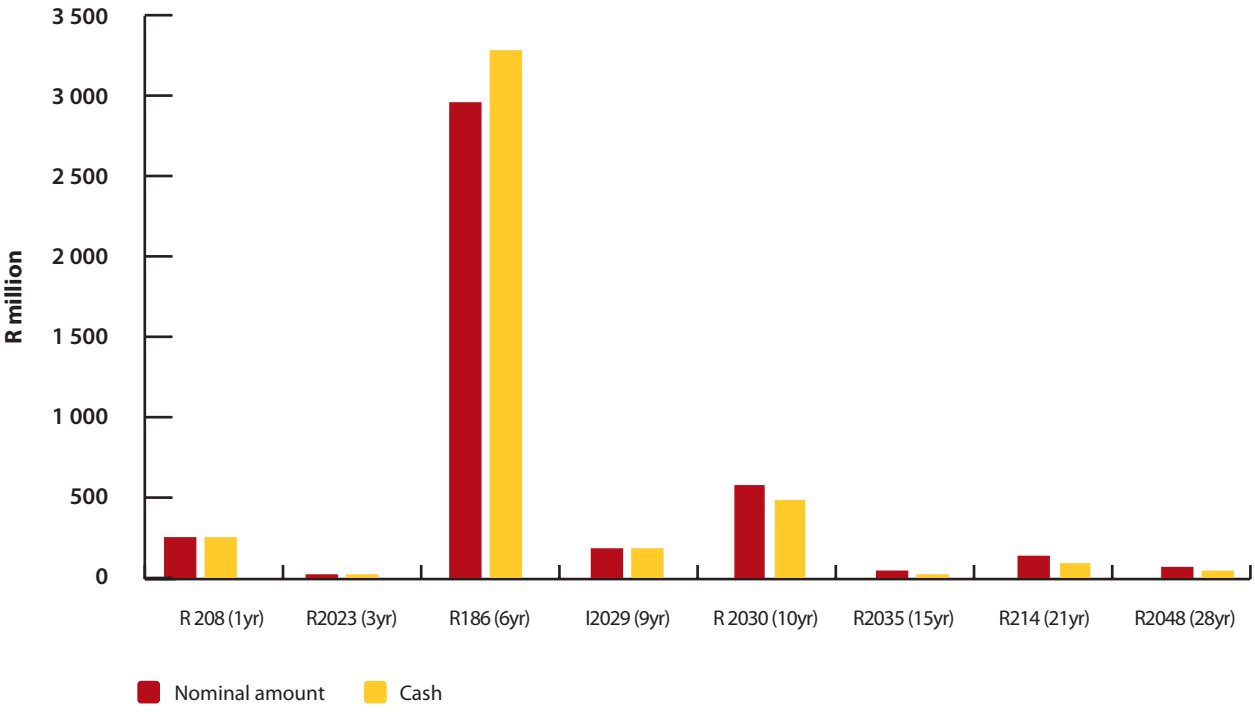
SCRIP LENDING FACILITY

To avoid settlement failures and subsequent systemic risk, the National Treasury is obliged to support the market in government bonds by acting as a lender of last resort. The facility is available to ETP, over-the-counter and interest rate and currency derivative market transactions. The scrip lending facility is limited to primary dealers; other market participants can only access this facility through the JSE if other methods of obtaining scrip have been unsuccessful.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

In 2019/20, resulting from the implementation of the ETP, which has improved liquidity in the secondary market, there was less demand for the facility than in previous years. A nominal amount of R4.1 billion was taken during the year; this was 72 per cent lower than the R14.5 billion taken in 2018/19. Figure 13 shows the breakdown in utilisation of the scrip lending facility per bond. Approximately R2.8 billion was demanded for the R186 (10.50%; 2025/26/27) bond followed by the R2030 (8.00%; 2030) with R550 million of the take-up.

Figure 13: Fixed-rate scrip lending facility, 2019/20



Source: National Treasury

BOND SWITCH AUCTION PROGRAMME

Government's bond switch programme has been successful in managing government's refinancing risk amid protracted weak economic growth. Since the start of the programme in February 2015, a total of R247 billion has been switched out of the R203 (8.25%; 2017), R204 (8.00%; 2018), R207 (7.25%; 2020) and R208 (6.75%; 2021) bonds.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Only one switch auction was conducted in 2019/20 with R12.8 billion switched out of the R207 bond. The switch programme was discontinued in August 2019 due to prolonged market volatility resulting from speculation regarding the timing and size of the switch auctions.

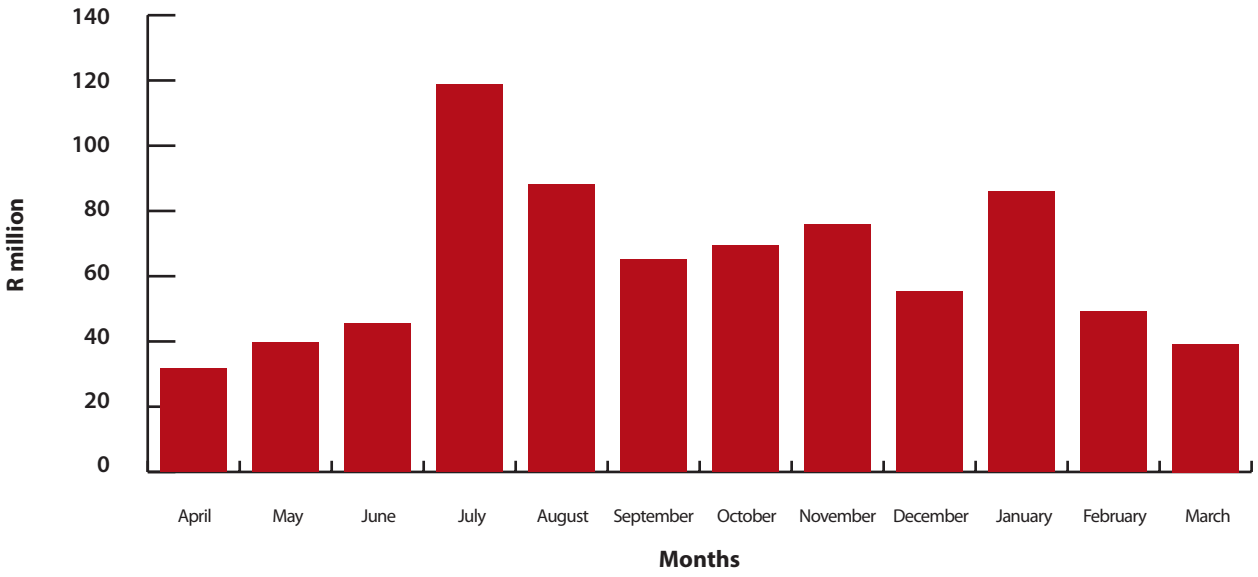
Following a review, government plans to implement a revised switch programme in 2020/21. The revised programme aims to provide transparency, prevalent in other government funding instruments, and reduce speculation regarding the timing and size of switch auctions.

RETAIL SAVINGS BONDS

The objective of retail savings bonds is to diversify government's long-term funding sources and promote a household savings culture. The retail savings bond portfolio decreased by R600 million, with the year characterised by a negative savings rate. The total outstanding amount as at 31 March 2020 was R5.9 billion.

During the year, an additional amount of R2.1 billion came from the Government Employees Housing Scheme: Individual-Linked Savings Facility (GEHS: ILSF) which is managed within National Treasury's Asset and Liability Management division. As at 31 March 2020, a total of R9.1 billion had been raised through the GEHS: ILSF.

Figure 14: Monthly retail savings bond deposits including roll-overs, 2019/20



Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Table 6 shows the retail savings bond interest rates for April 2019 and March 2020. The rates are published on the Retail Savings Bonds website (www.rsaretailbonds.co.za)

Table 6: Retail Savings Bond interest rates, 2019/20

DATE	2-YEAR	3-YEAR	5-YEAR	10-YEAR
Fixed-rate (%)				
30-Apr-2019	8,00	8,25	8,75	
31-Mar-2020	6,50	6,75	8,00	
Inflation-linked (%)				
30-Apr-2019		3,50	3,75	4,00
31-Mar-2020		3,50	3,75	3,75

Source: National Treasury

FINANCIAL CO-OPERATIVE RETAIL SAVINGS BONDS

The National Treasury launched the financial co-operative retail savings bonds in October 2011 to provide a secure savings instrument in which co-operative financial institutions (CFIs) and co-operative banks can invest. These investment instruments offer competitive interest rates, calculated bi-annually. The financial co-operative retail savings bonds offer CFIs and co-operative banks a top-up option that allows for additional deposits to be made to active investments. Also, early withdrawals are allowed for easy accessibility of funds and preservation of capital with no fees, charges or penalties levied on the withdrawals. CFIs that continue to invest in co-operative retail savings bonds have accumulated notable interest on their capital amounts. The Co-operative Banks Development Agency encourages CFIs to invest in this investment vehicle that provides financial growth at less risk.

As at 31 March 2020, R6.6 million was invested in financial co-operative retail savings bonds, with a total of 31 investments as shown in the table 7.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Table 7: Financial Co-operative Retail Savings bonds, 2019/20

BOND	AVERAGE RATE	CAPITAL (R MILLION)	NUMBER OF INVESTMENTS
FC01	7,31%	533 855,66	3
FC02	7,25%	1 188 005,67	7
FC03	7,50%	4 859 706,83	21
		6 581 568,16	31

Source: National Treasury

Interest rates on fixed-rate, inflation-linked and financial co-operatives retail savings bonds are derived from the government bond and Treasury bill yields. Interest rates for the fixed-rate and financial co-operatives retail savings bonds are reviewed monthly, with those for the inflation-linked retail savings bonds reviewed bi-annually. Interest rates are published on the website www.rsaretailbonds.gov.za.

FOREIGN LONG-TERM BORROWING

In September 2019, government concluded a US$5 billion dual tranche foreign bond issuance in the international capital markets. Because of favourable pricing and a sizeable order book on the day of the transaction, the country was able to pre-fund an additional US$1 billion over the planned US$4 billion for the year. This was made up of a US$2 billion 10-year issuance maturing in 2029 (SOAF 2029) and a US$3 billion 30-year issuance maturing in 2049 (SOAF 2049).

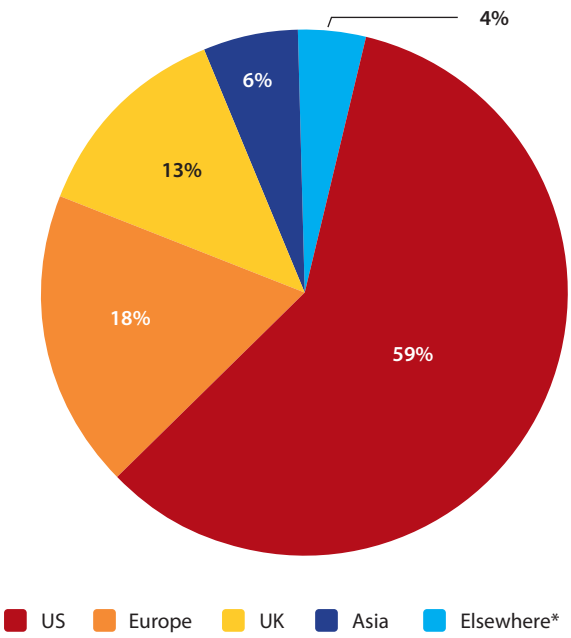
The 10-year bond was priced at a coupon rate and re-offer yield of 4.85 per cent, a spread of 313 basis points above the 10-year US Treasury benchmark bond. The 30-year bond was priced at a coupon rate and re-offer yield of 5.75 per cent, a spread of 358.6 basis points above the 30-year US Treasury benchmark bond.

The transaction was 2.71 times oversubscribed, with investor demand across, Asia, Europe North America, South Africa, South America, United Kingdom (UK) and elsewhere. In terms of investor type, there was demand from a mixture of fund managers, insurance and pension funds, financial institutions, hedge funds and others.

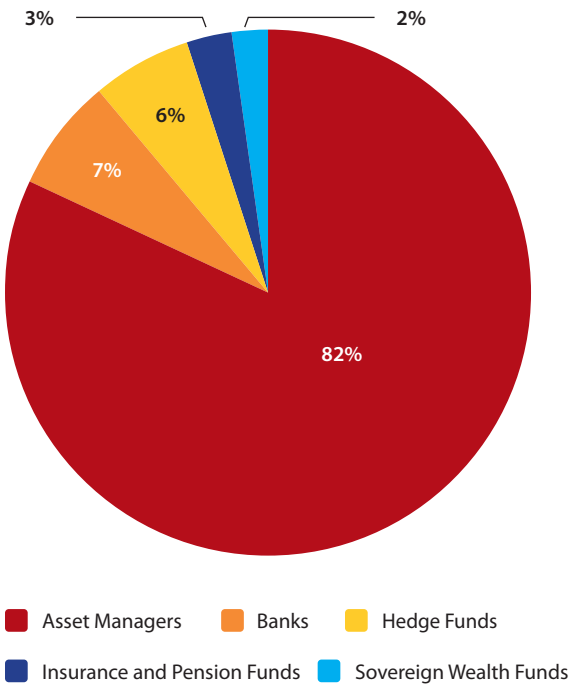
2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Figure 15: International bond investor take-up by region and investor type, 2019/20

Nominal primary listing by sector



Net changes in nominal listing values



Source: National Treasury

**Middle East, South Africa, South America and Rest of World*

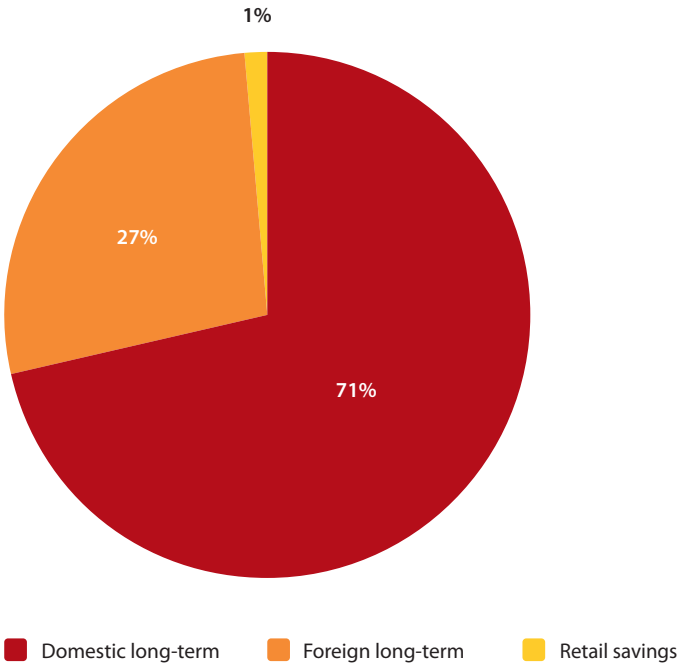
The US took up 59 per cent while the UK and Europe took up 18 per cent and 13 per cent respectively. Asset managers took up 82 per cent, followed by banks with a take-up of 7 per cent.

INTEREST AND REDEMPTION PAYMENTS ON LONG-TERM LOANS

Figure 16 shows the composition of government's interest and redemption payments for 2019/20. The payments are split between long-term domestic, foreign and retail savings bonds.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Figure 16: Interest and redemption payments, 2019/20



Source: National Treasury

Interest and redemption payments for domestic and foreign debt amounted to R275.5 billion. Interest and redemption payments amounted to R204.8 billion and R70.7 billion respectively. In September 2019, the last remaining zero-coupon (Z083) bond in the government bond portfolio was redeemed. It had a nominal value of R150 million, invested by the Government of Lesotho.

GOVERNMENT CASH BALANCES

The primary objective of managing cash is to ensure that government has enough cash to meet its financial commitments as they come due. As part of effective cash management, government aims not only to ensure that its financial obligations are met but that weekly borrowings are predictable and stable.

Cash management also plays an important role in the collaboration between the National Treasury and the SARB to manage market liquidity. Government's total cash balances include deposits held by commercial banks and the SARB. Cash deposits with the SARB include rand sterilisation and foreign currency deposits.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Sterilisation deposits consist of excess cash deposits made with the SARB to counter the effects of increased money supply as a result of accumulation of foreign currency reserves. These deposits are available as a bridging finance tool. Foreign currency deposits consist of funds borrowed in the international capital markets and/or foreign currencies purchased in the domestic market. Foreign currency deposits are used to meet government's foreign currency commitments.

Government's cash balances from the years ending 31 March 2019 and 31 March 2020 are shown in Table 8. During 2019/20, cash balances increased by R20.5 billion to R263.6 billion. The increase was largely attributed to higher foreign currency borrowing than planned.

Table 8: National government's cash balances, 31 March 2019 and 31 March 2020

R BILLION	MAR-19	MAR-20
Reserve bank	179,7	219,1
Sterilisation deposits	57,2	67,2
Foreign currency deposits	122,5	151,9
Commercial banks	**63,4**	**44,5**
Tax and loan accounts	63,4	44,5
Total	**243,1**	**263,6**

Source: National Treasury

Table 9 shows that total foreign currency commitments in 2019/20 amounted to US$5.6 billion. This consisted of redemptions of foreign loans amounting to US$3.4 billion and interest on loans and departmental payments amounting to US$1 billion. Part of these commitments were financed by borrowing in the international capital market.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT ▸ *continued*

Table 9: US$ flows on foreign exchange deposits, 2019/20

US$ MILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Opening balance	**10 617**	**8 722**	**8 727**
Inflows	**2 086**	**5 280**	**5 422**
Foreign loan	2 000	5 000	5 000
Purchases	-	-	-
Interest	86	280	422
Outflows	**-5 918**	**-5 717**	**-5 660**
Interest on debt portfolio	-1 257	-1 147	-1 173
Loan redemptions	-3 471	-3 456	-3 427
Payments by departments	-1 190	-1 114	-1 060
Closing balance	**6 785**	**8 290**	**8 489**

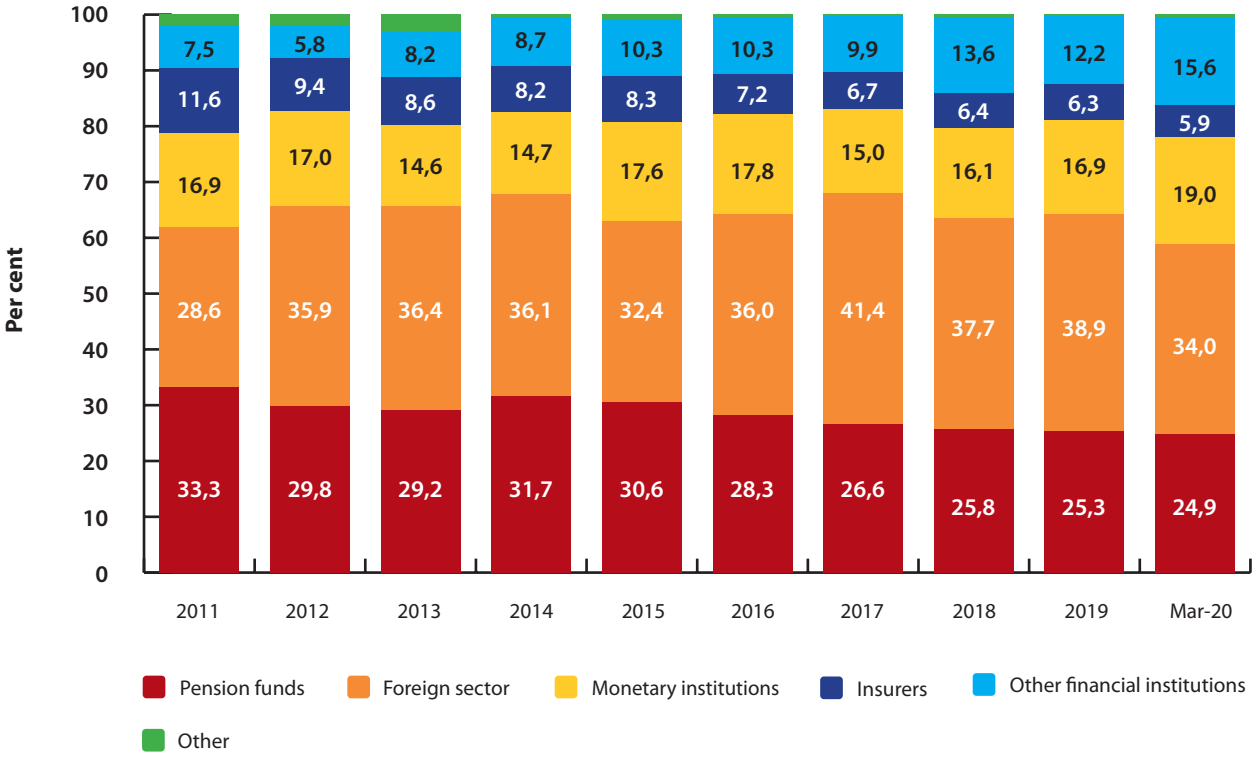
Source: National Treasury

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

HOLDERS OF DOMESTIC MARKETABLE GOVERNMENT BONDS

South African government bonds are mainly supported by foreign investors, pension funds and monetary institutions, with a combined aggregate holding of about 79 per cent of outstanding government bonds. Foreign investors are the largest holders of government bonds, at 34 per cent as at 31 March 2020, while pension funds and monetary authorities hold 24.9 per cent and 19 per cent respectively.

Figure 17: Historical government bond holdings, 31 December 2011-31 March 2020

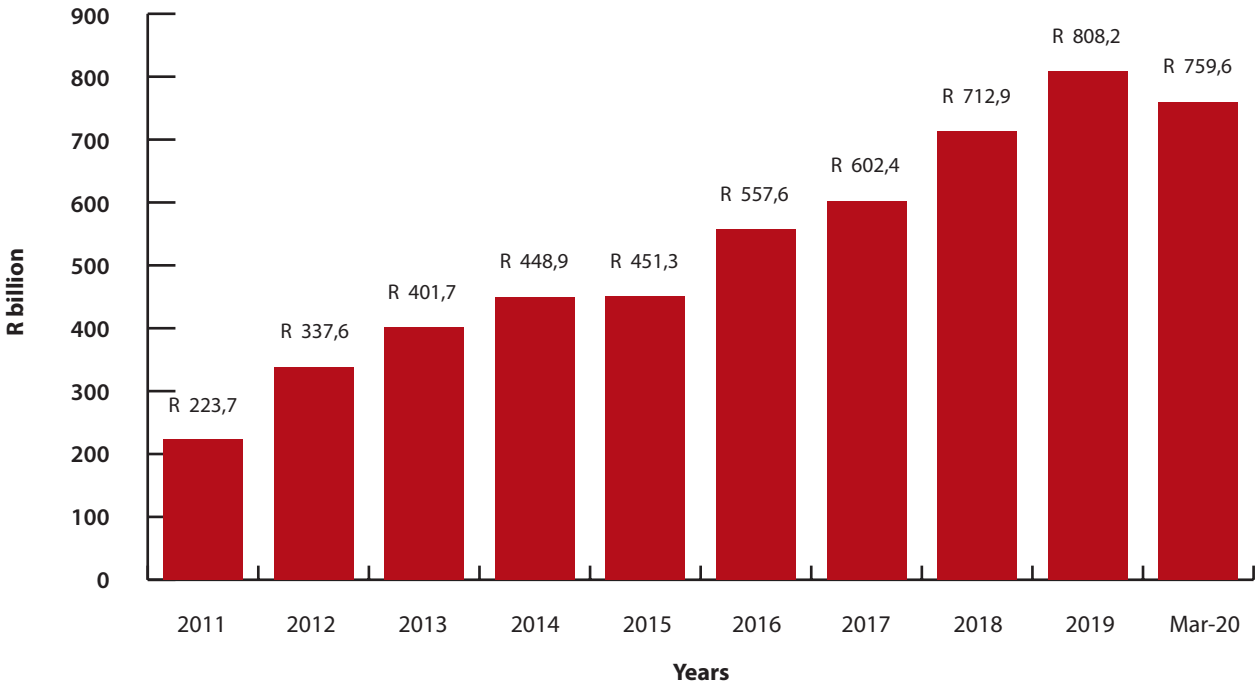


Source: STRATE and National Treasury

Volatile global markets, fuelled by concerns about the US/China trade dispute and the economic impact of COVID-19, contributed to outflows across emerging markets. Foreign investor holdings of government bonds increased during 2019 although that trend reversed in the first quarter of the 2020 calendar year. Between December 2019 and March 2020, foreign holdings decreased by about R50 billion. Foreign outflows were countered by significant purchases by South African monetary institutions and other financial institutions including unit trusts.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS ▸ *continued*

Figure 18: Foreign investor holdings of government bonds, 31 December 2011-31 March 2020



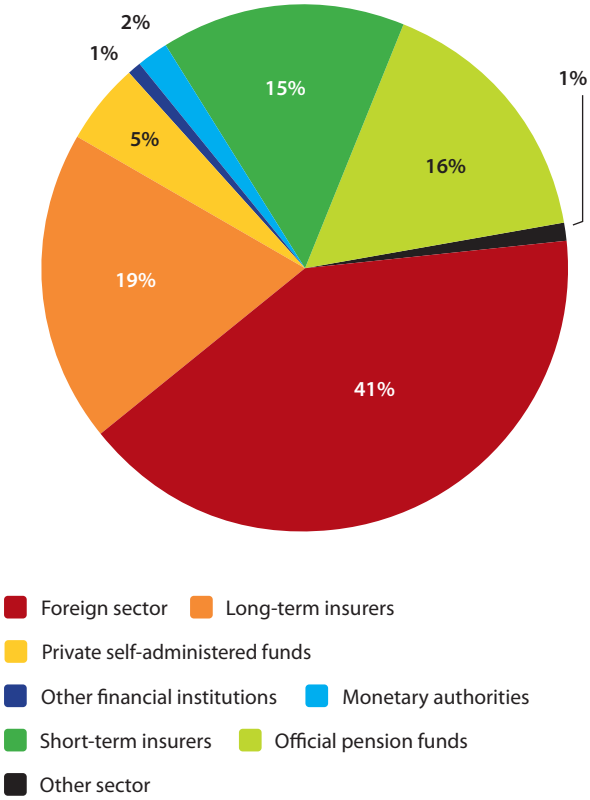
Source: STRATE and National Treasury

Figure 19 shows the holdings of fixed-rate and inflation-linked bonds by investor type as at 31 March 2020. Foreign investors held about 41 per cent of fixed-rate bonds, a decline from 46 per cent in March 2019. Monetary authorities held 19 per cent and official pension funds about 15 per cent. Official pension funds held 51 per cent of inflation-linked bonds, using them to hedge against inflation and match their long-term liabilities. Monetary authorities held 18 per cent of inflation-linked bonds and foreign investors 2 per cent.

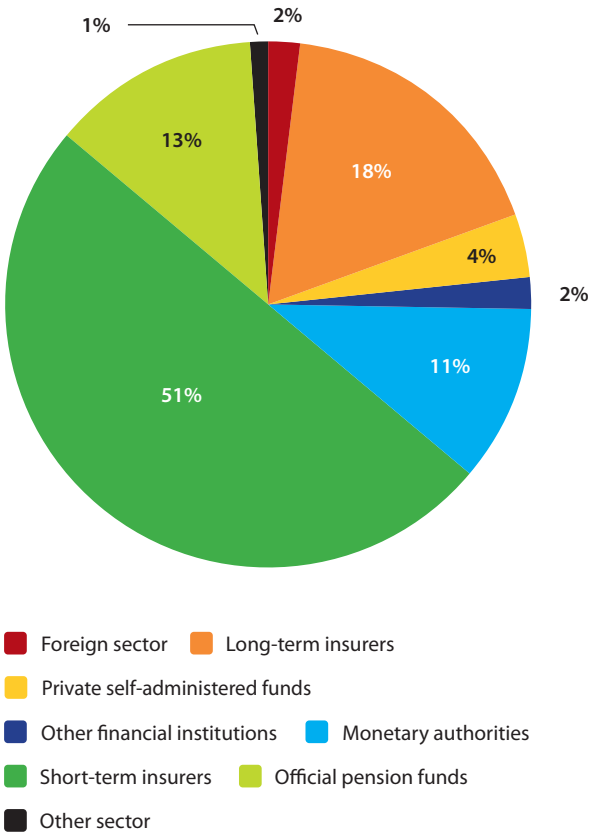
3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS ▸ *continued*

Figure 19: Holdings of domestic fixed-rate and inflation-linked bonds, 31 March 2020

Fixed-rate bonds holdings



Inflation-linked bonds holdings

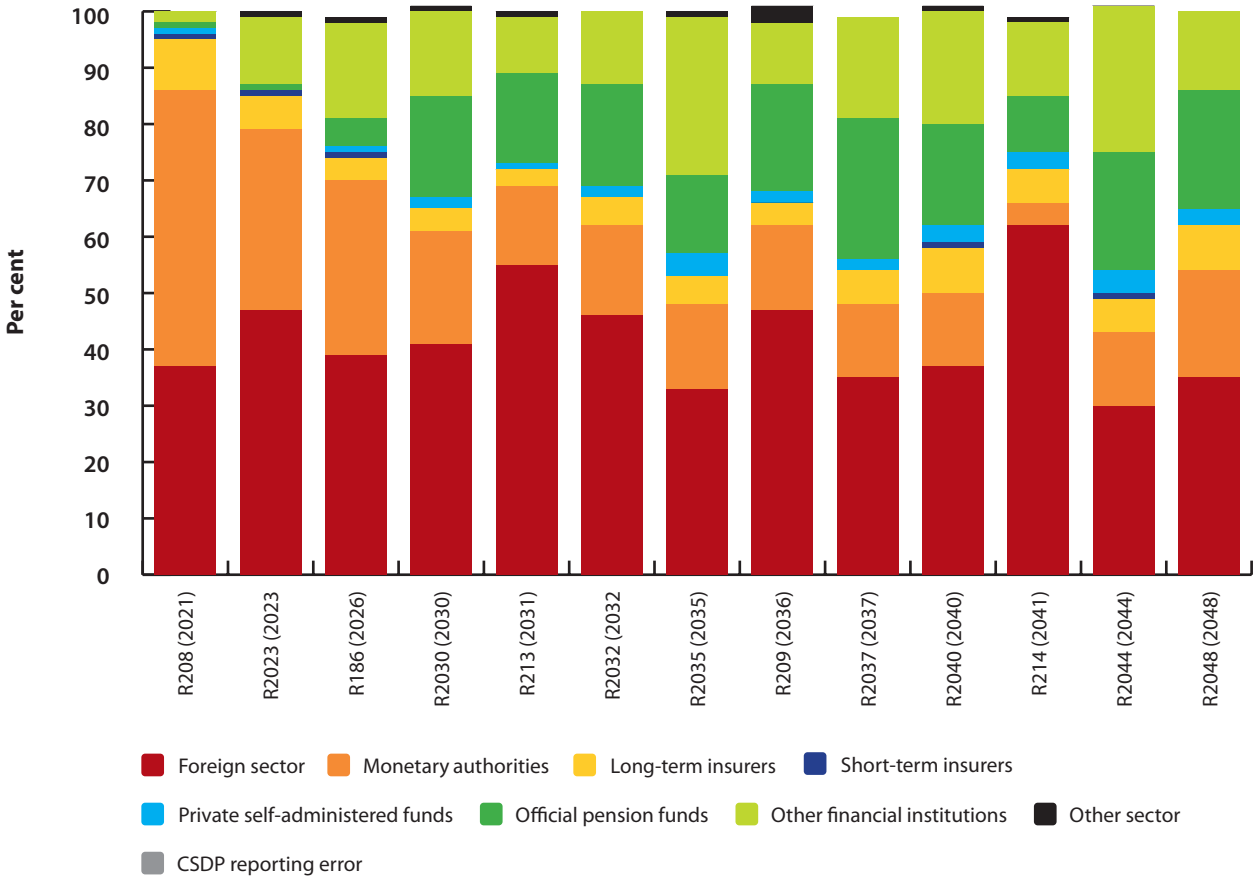


Source: STRATE and National Treasury

Figure 20 shows holdings of domestic fixed-rate bonds by instrument as at 31 March 2020, with the foreign sector holding the largest amount across all maturities. Monetary authorities held larger percentages in the shorter-dated maturities such as the R208 (6.75%; 2021) and R2023 (7.75%; 2023) bonds; due to their short maturities, they form part of their liquid assets.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS ▸ *continued*

Figure 20: Holdings of domestic fixed-rate bonds by instrument, 31 March 2020

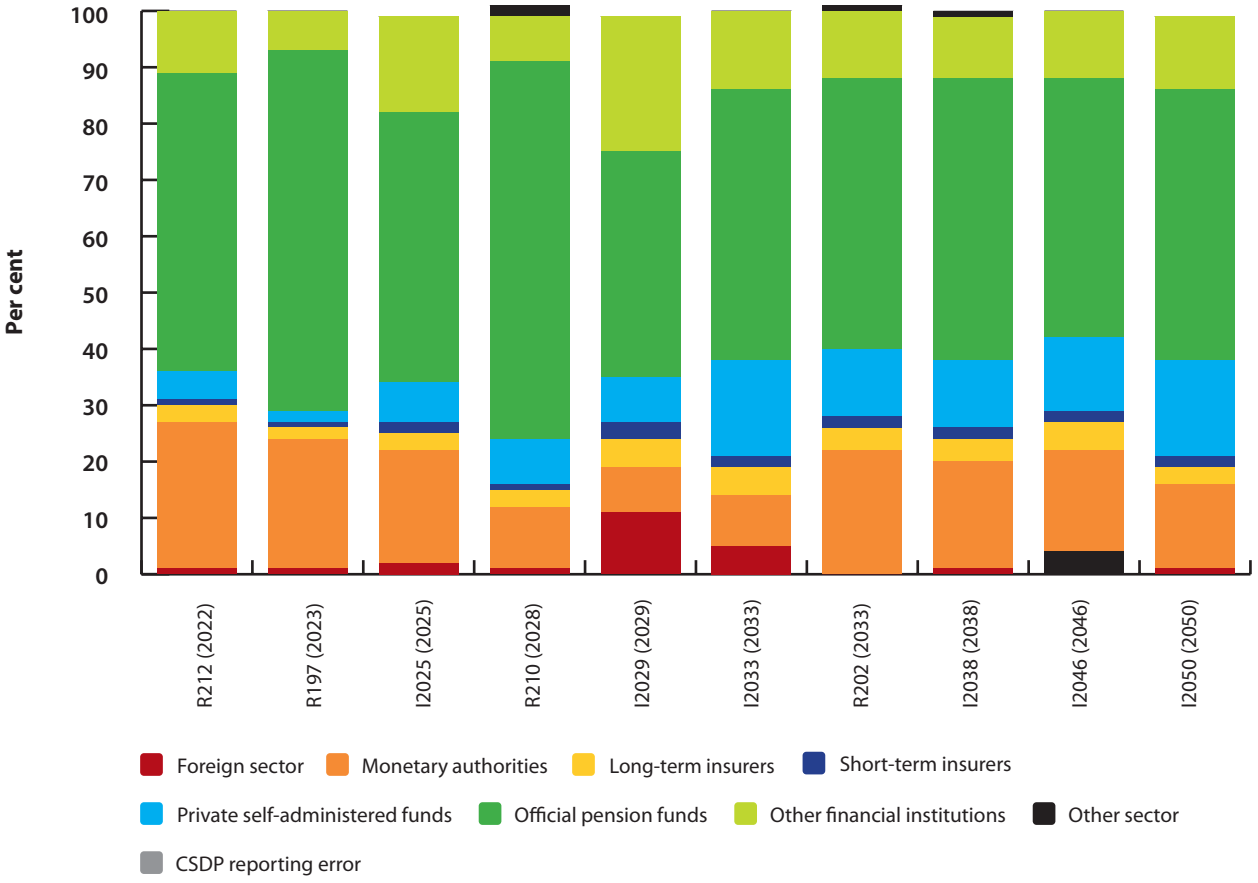


Source: STRATE and National Treasury

As Figure 21 shows, as at 31 March 2020 official pension funds, followed by monetary authorities, held the largest percentages of instruments across all maturities of inflation-linked bonds.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS ▸ *continued*

Figure 21: Holdings of domestic inflation-linked bonds by instrument, 31 March 2020



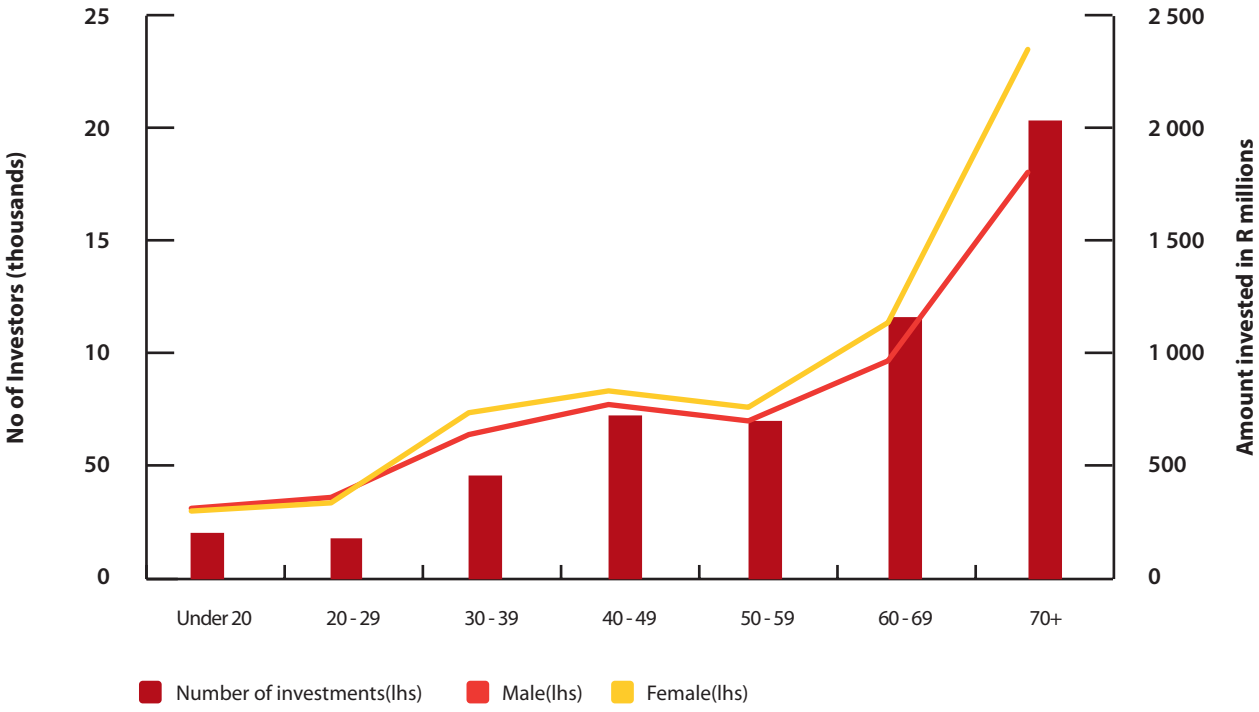
Source: STRATE and National Treasury

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS ▸ *continued*

HOLDINGS OF RETAIL SAVINGS BONDS

As shown in Figure 22, more than 50 per cent of investors in retail savings bonds are above the age of 60 years. In comparison to other age groups, they prefer an option where the interest earned on their investment is paid out monthly. By gender, 55 per cent are female and 45 per cent male, residing predominantly in Gauteng, KwaZulu-Natal and the Western Cape.

Figure 22: Retail savings bond investor demographics, 31 March 2020



Source: National Treasury

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

GOVERNMENT DEBT PORTFOLIO

Government's debt is influenced by the budget balance and by market variables such as prevailing interest rates, the exchange rate and the inflation rate. Government debt is presented on a gross and net basis. Table 10 shows that, in 2019/20, net loan debt (debt less cash balances) amounted to R3 trillion or 58.2 per cent of GDP. The ratio of net foreign debt to total net loan debt was 7.8 per cent in the same period.

Table 10: Total national government debt, 2019/20

R BILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Domestic debt			
Gross loan debt	2 747,6	2 859,3	2 874,1
Cash balances	-117,2	-117,2	-111,7
Net loan debt	2 630,4	2 742,1	2 762,4
Foreign debt			
Gross loan debt	295,4	316,7	387,2
Cash balances	-96,8	-121,1	-151,9
Net loan debt	198,6	195,6	235,3
Total gross loan debt	**3 043,0**	**3 176,0**	**3 261,3**
Total net loan debt	**2 829,0**	**2 937,7**	**2 997,7**
As percentage of GDP:			
Total gross loan debt	*56,2*	*61,6*	*63,5*
Total net loan debt	*52,3*	*57,0*	*58,2*
Foreign debt as percentage of:			
Gross loan debt	*9,7*	*10,0*	*11,9*
Net loan debt	*7,0*	*6,7*	*7,8*

Source: National Treasury

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

Table 11 shows the composition of domestic debt for the period 2018/19 to 2019/20. Of the total domestic debt portfolio in 2019/20, 12.6 per cent (R360 billion) was made up of short-term loans.

Table 11: Composition of domestic debt by instrument debt, 2018/19 and 2019/20

R BILLION	2018/19 OUTCOME	2019/20 PRELIMINARY OUTCOME
Short-term loans	**324,6**	**360,7**
Shorter than 91-days	17,3	27,3
91-day	17,0	10,6
182-day	59,8	57,4
273-day	98,5	109,3
364-day	132,0	156,1
Long-term loans	**2 172,4**	**2 513,4**
Fixed-rate	1 592,7	1 851,1
Inflation-linked	567,5	650,2
Retail	11,9	12,1
Zero coupon	0,2	-
Total	**2 497,0**	**2 874,1**

Source: National Treasury

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

DEBT SERVICE COSTS

The cost of servicing government debt is influenced by the volume of debt, new borrowing and a range of market variables. Table 12 shows that debt service costs in 2019/20 amounted to R204.8 billion or 4.0 per cent of GDP. This was R2.6 billion higher than initially budgeted, mainly because of the net between higher interest on short-term borrowing, higher interest on domestic long-term bonds and lower interest on foreign loans.

Table 12: Debt service costs, 2019/20

R BILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Domestic loans	**184,2**	**188,2**	**187,3**
Short-term	25,3	28,0	27,4
Long-term	158,9	160,2	159,9
Foreign loans	18,0	16,8	17,5
Total	**202,2**	**205,0**	**204,8**
As a percentage of:			
GDP	*3,7*	*4,0*	*4,0*
Expenditure	*12,2*	*12,2*	*12,1*
Revenue	*14,4*	*15,2*	*15,2*

Source: National Treasury

PORTFOLIO RISK BENCHMARKS

Government debt portfolio benchmarks serve as a guideline for managing the potential impact of adverse movements in various risks to the debt portfolio. During 2019/20, all risk benchmark indicators remained within their respective limits and ranges.

As a percentage of total domestic debt, the share of short-term debt maturing in 12 months (Treasury bills) decreased to 11.76 per cent from 12.46 per cent in the previous year. The Treasury Bill issuance process is occasioned by intra year changes in issuance volume for purposes liquidity management. The share of debt maturing within five years increased by 7 percentage points due to the inclusion of the I2025 (2.00%:2025) bond in the 5-year maturity bucket.

The share of Inflation-linked bonds defines government's acceptable exposure to inflation risk as it relates to the

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

domestic debt portfolio. During 2019/20, lower inflation rates relative to the previous year resulted in a 0.39 percentage points decrease to 22.91 per cent.

Table 13: Performance of the government debt portfolio against risk benchmarks, 2019/20

BENCHMARK DESCRIPTION	RANGE OR LIMIT		
	Benchmark	31 March 2019	31 March 2020
Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt	15%	12,46%	11,76%
Share of long-term debt maturing in 5 years as a percentage of fixed rate bonds and inflation linked bonds	25%	12,60%	13,52%
Share of inflation-linked bonds as a percentage of total domestic debt	20-25%	23,00%	22,91%
Share of foreign debt as a percentage of total government debt	15%	10,56%	11,41%
Weighted term-to-maturity (fixed-rate bonds and Treasury bills in years)	10-14	13,34	12,49
Weighted term-to-maturity (inflation-linked bonds in years)	14-17	14,20	13,66
Weighted term-to-maturity (total government debt in years)		*13,19*	*12,61*
Weighted term-to-maturity (foreign debt in years)		*9.90*	*11,06*

Source: National Treasury

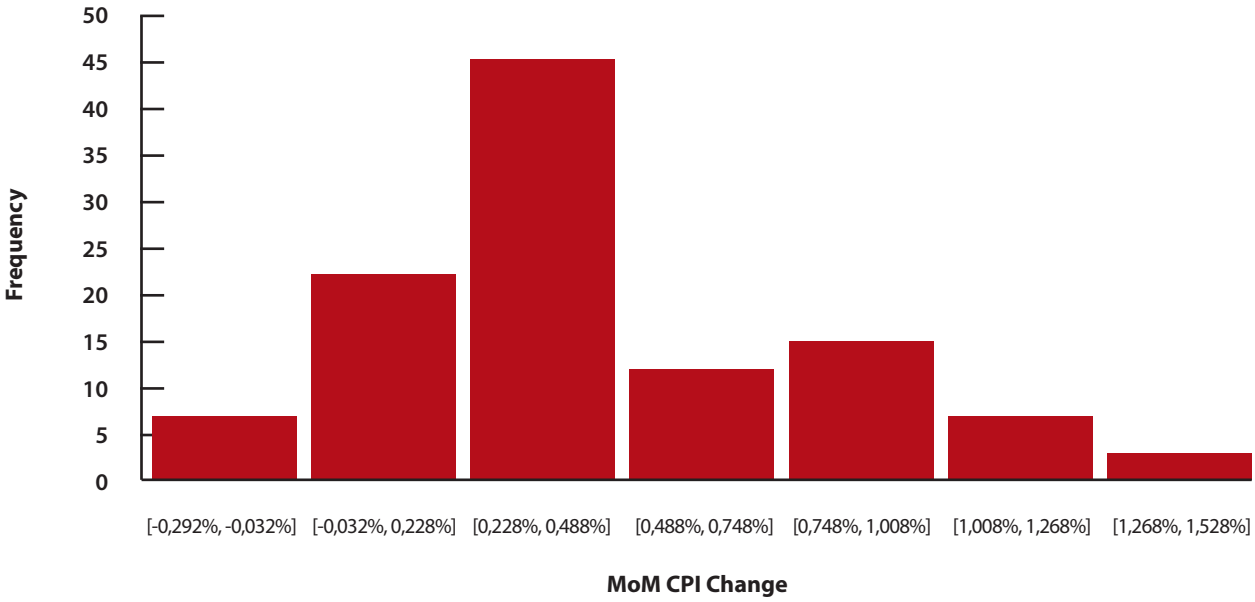
As a result of a weaker rand during the year, the share of foreign debt as a percentage of total debt increased by 8 percentage points to 11.41 per cent compared with the previous year. When the benchmark was adopted in 2014, the ratio of 11.4 per cent was given by extreme stress tests which were underpinned by forward looking view of extremely weak exchange rates. However, exchange rate volatility levels imply fundamental changes to the volatility regime that underpin current rates. In 2019/20, the portfolio was subjected to stress test levels of more than R20 in relation to the US dollar against the rand. The US dollar portfolio accounts for approximately 94 per cent of the total amount outstanding of foreign currency denominated debt.

INFLATION RISK

Since the adoption of portfolio risk benchmarks, inflation risk has been one of the key sources of the domestic debt portfolio risk. The nature of the inflation linked bonds' portfolio exposure is such that the amount outstanding adjusts with changes in the monthly inflation rate; thus about 40 per cent of the total outstanding amount on inflation-linked debt instruments results from inflation adjustments. Modest inflation rates over the past years have helped to contain the indicator below the 23 per cent range on the benchmark indicators.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

Figure 23: Histogram of month-on-month Consumer Price Index changes



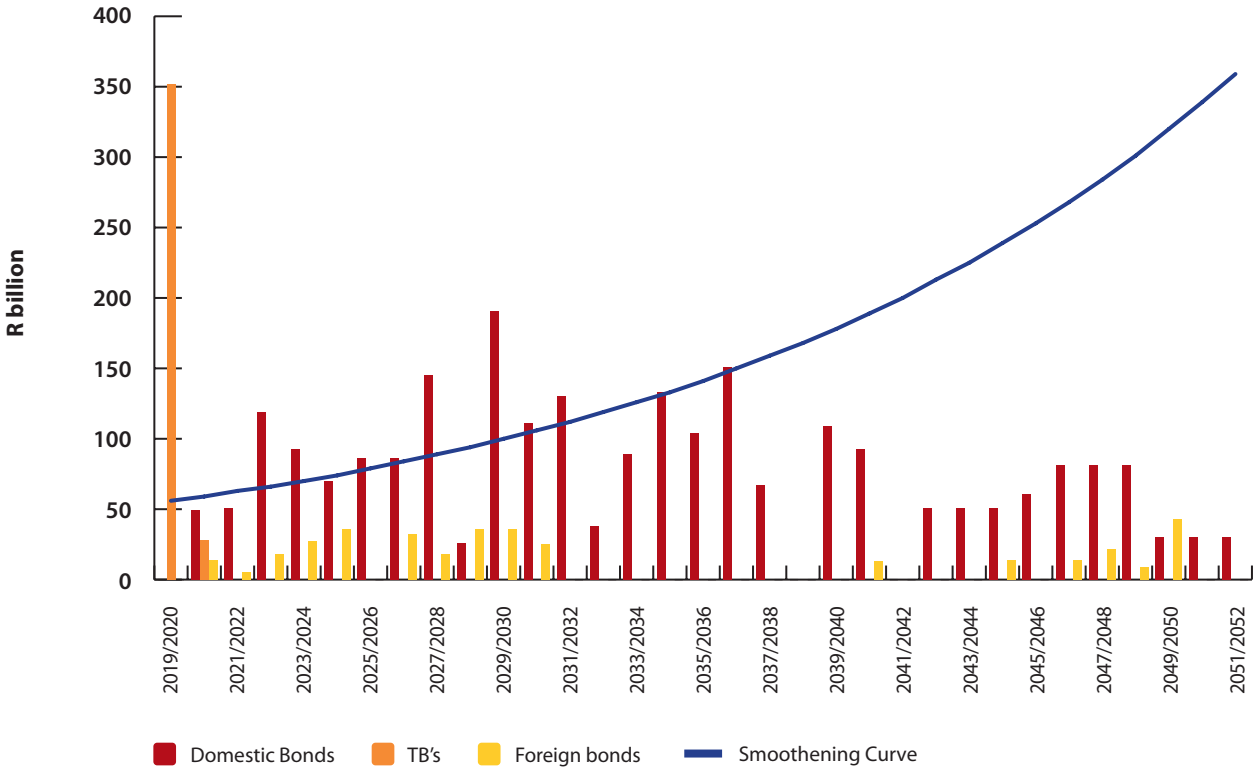
Source: National Treasury

In periods when the month-on-month Consumer Price Index (CPI) change falls within (0.748-1,008) per cent range, the additional outstanding debt amount translates to an average of over R1.2 billion on a weekly basis. Figure 23 indicates the frequency of the CPI month-on month change. Currently, there is a less than 30 per cent probability of the month-on-month CPI change being higher than (0.748 -1,008) per cent range in 2020/21. This suggests that there is room for government to increase exposure to inflation. However, revaluation risks should be considered

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

GOVERNMENT MATURITY PROFILE

Figure 24: Maturity profile of government debt, 31 March 2020



Source: National Treasury

The affordable cash redemption line in Figure 24 shows government's ideal affordability level for repayment of debt. Any amount above this line poses refinancing risk (not necessarily immediate) and will therefore have to be switched. The success of the switch programme targeted at local fixed-rate bonds maturing between 2019/20 and 2021/22 has been demonstrated by the transfer of government's short-term refinancing risk to the longer end of government's debt maturity profile. While the demand for shorter-dated bonds is likely to persist, other fiscal and debt-related measures could adversely affect the price of switching.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

SOVEREIGN RISK ASSESSMENT

Against the background of the national elections in May 2019, the first half of 2019/20 was characterised by heightened risk of policy uncertainty. Moreover, the 2019 Budget demonstrated a dire picture of a weak economic outlook and deteriorating public finances. Nevertheless, following the outcome of the election, the risk of adverse ratings somewhat subsided.

On 24 May 2019, S&P Global Ratings (S&P) affirmed South Africa's long-term foreign and local currency ratings at 'BB' and 'BB+' respectively and maintained a stable outlook. On the same day, Rating and Investment Information, Inc. (R&I) affirmed the country's long-term foreign and local currency ratings at 'BBB' and 'BBB+' respectively and maintained a stable outlook.

Similarly, on 26 July 2019 Fitch Ratings Inc. (Fitch) affirmed the sovereign's long-term foreign and local currency ratings at 'BB+'. However, the agency revised the outlook to negative from stable. This rating action came after the tabling of the Special Appropriation Bill for Eskom (announced on 23 July 2019) aimed at providing the entity with additional financial support of R26 billion in 2019/20 and R33 billion in 2020/21.

After the tabling of the Medium-Term Budget Policy Statement (MTBPS) on 1 November 2019, Moody's affirmed South Africa's long term foreign and local currency ratings at 'Baa3' and revised the outlook from stable to negative. Similarly, on 22 November 2019 S&P affirmed the country's foreign and local currency ratings at 'BB' and 'BB+' respectively and changed the outlook from stable to negative. On 18 December 2019, Fitch also affirmed the country's long term foreign and local currency ratings at 'BB+' and maintained a negative outlook. The main concerns among the rating agencies were weak economic growth, deteriorating public finances and rising contingent liabilities.

Pressure on the country's credit ratings increased with the global outbreak of the COVID-19 pandemic, with the country losing its last investment grade status from Moody's. On 27 March 2020, Moody's downgraded the country's long-term foreign and local currency debt credit ratings to 'Ba1' from 'Baa3' and maintained a negative outlook.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

Table 14: South Africa's solicited credit rating

RATINGS AGENCY	MOODY'S		FITCH		S&P		R&I	
Date of Review	**27-Mar-20**		**18-Dec-19**		**22-Nov-19**		**24-May-19**	
	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating
Foreign currency credit rating	Ba1	Baa3	BB+	BB+	BB	BB	BBB	BBB
Domestic currency credit rating	Ba1	Baa3	BB+	BB+	BB+	BB+	BBB+	BBB+
Outlook	**Negative**	**Negative**	**Negative**	**Negative**	**Negative**	**Negative**	**Stable**	**Stable**
	Both foreign and domestic currency credit ratings are one notch below investment grade		Both foreign and domestic currency credit ratings are one notch below investment grade		The foreign currency credit rating is two notches below investment grade while the domestic currency credit rating is one notch below investment grade		The foreign currency credit rating is two notches above non-investment grade while the domestic currency credit rating is three notches above non-investment grade	

Source: Fitch, Moody's, R&I and S&P

The rating agencies cite the following factors as key to potentially leading to a positive rating action:

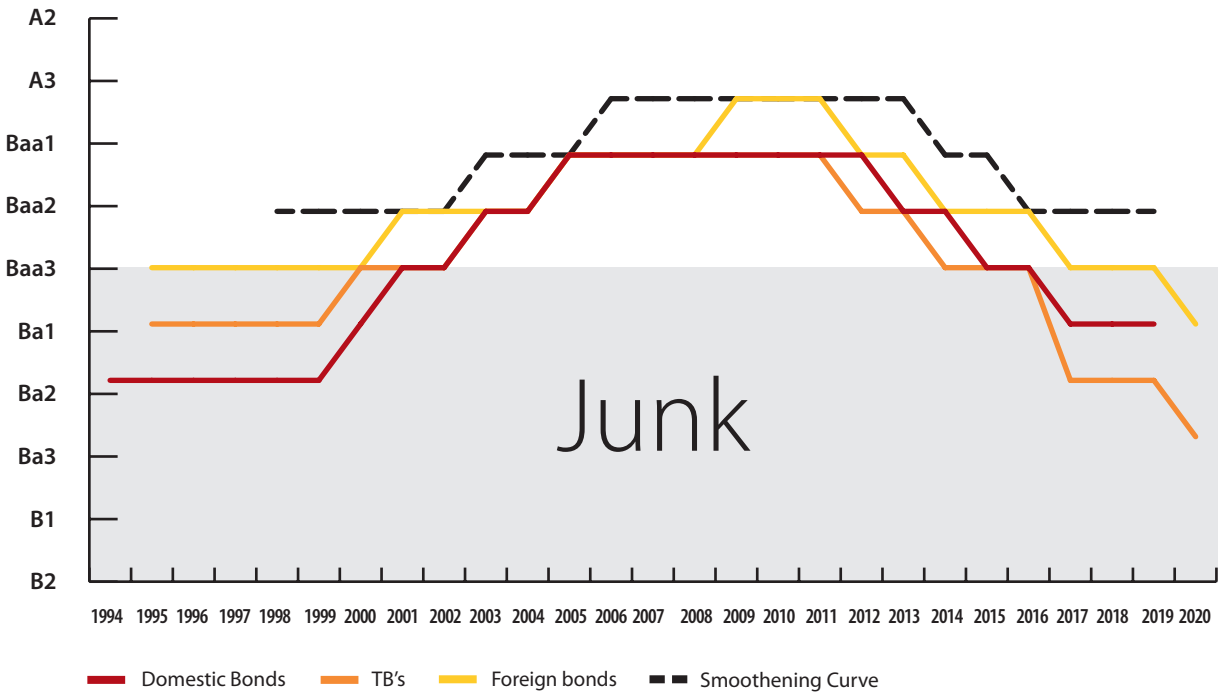
- Successful implementation of structural reforms aimed at improving economic growth
- Formulation of a clear and credible path towards stabilising the government Debt to GDP ratio over the medium term.

Conversely, the following key factors cited by the rating agencies may lead to further negative rating actions:

- Economic growth remains weak
- Continued deterioration in public finances
- Rising contingent liability risks to SOCs
- The rule of law, property rights or enforcement of contracts weaken significantly, undermining the investment and economic outlook.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS ▸ *continued*

Figure 25: South Africa's credit rating history, 1994-2020 (Foreign currency debt ratings)



Source: Fitch, Moody's, R&I, S&P and National Treasury

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

THE NATIONAL TREASURY'S ROLE IN RELATION TO STATE-OWNED COMPANIES.

The National Treasury is mandated to perform financial oversight over SOCs to ensure that they comply with the applicable provisions of the (1999) (PFMA). It is also responsible for monitoring and advising SOCs on their strategic plans and financial performance. To enable it to carry out these responsibilities, SOCs are required to submit annual borrowing plans and quarterly updates on their funding progress.

SOCs are classified into three categories: Schedule 2, 3A and 3B entities. Schedule 2 entities are major public entities that are allowed, in terms of Section 66(3)(a) of the PFMA, to borrow with the approval of their boards of directors. Examples are Eskom, Transnet Limited (Transnet), the Airports Company of South Africa (ACSA) and the Trans-Caledon Tunnel Authority (TCTA).

Schedule 3A SOCs are national public entities that are fully or substantially funded from the NRF or by way of a levy imposed in terms of national legislation. These entities may borrow money only in exceptional circumstances and only if fully compliant with the provisions of Section 66(3)(c) of the PFMA. The South African National Roads Agency (SANRAL) and the National Housing Finance Corporation are examples.

Schedule 3B entities are national government business enterprises that have been assigned financial and operational authority to carry out certain business activities financed fully or substantially from sources other than the NRF. These entities are allowed to borrow money only if fully compliant with the provisions of Section 66(3)(b) of the PFMA. Examples are Rand Water and Umgeni Water.

The issuance programmes of government and the SOCs are coordinated by the National Treasury through a published annual bond issuance calendar that consolidates the bond issuance plans of government and the SOCs.

The National Treasury monitors the status of SOCs' contingent liabilities, which include guarantees extended to them. Once a guarantee has been issued, the National Treasury takes appropriate action to minimise any risks that may emerge.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

SPENDING OUTCOME OF STATE-OWNED COMPANIES

The SOCs' allocated capital projects budget for 2019/20 was R101.8 billion. As at 31 March 2020, approximately 54 per cent of the budgeted amount had been spent. Table 15 highlights the capital expenditure (capex) of selected SOCs and lists the top five SOCs by planned capex as indicated in their 2019/20 corporate plans; SANRAL's capex is split into toll and non-toll capex. Of the SOCs listed in the table 15, Eskom, Transnet and SANRAL accounted for approximately 94 per cent of total SOC spend for the year.

Table 15: SOCs' capital expenditure, 2019/20

R MILLION	BUDGET	ACTUAL	EXPENDITURE OF BUDGET (%)
Eskom	43 697	22 009	50.3%
Transnet	28 912	18 454	63.8%
SANRAL (non-toll)	11 272	8 557	75.9%
SANRAL (toll)	1 017	1 317	129.4%
PRASA	10 209	2 491	24.4%
ACSA	1 093	1 186	108.5%
Total of Top 5	**96 200**	**54 014**	**56.1%**
Other SOCs	5 650	877	15.5%
Total	**101 850**	**54 891**	**53.8%**

Source: National Treasury; excludes Water Boards and development finance institutions (DFIs).

ESKOM SPENDING

In 2019/20, Eskom's infrastructure expenditure was R22.0 billion. This was R21.7 billion below the budgeted amount of R43.7 billion. As a result of the entity's liquidity constraints, part of the amount budgeted for infrastructure was reprioritised to meet other expenditure needs.

The Group Capital division reported significant under-spending due to commercial and project delays with one of the major contractors that filed for business rescue. A new contractor had to be procured, resulting in further delays. In addition, due to unsatisfactory performance a number of contracts in the Group Transmission division were terminated.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

TRANSNET SPENDING

During the year, Transnet spent R18.4 billion on capital projects; this was R10.5 billion below the budgeted amount of R28.9 billion. The under-spending was primarily due to delays in acquisitions to be used in the General Freight Business (GFB) unit resulting from cancellation of contracts, suspension of projects and capacity constraints. Further delays in implementing the new-build GFB wagons due to contractor performance and supplier issues also affected spending. Maintenance capex was in line with budget, with the entity spending R10.2 billion of the budgeted R10.7 billion. The spending was mainly on maintaining and replacing infrastructure components such as ballast, sleepers and rail lines to ensure track integrity.

SOUTH AFRICAN NATIONAL ROADS AGENCY LIMITED SPENDING

SANRAL under-spent on a number of key non-toll projects, spending R8.5 billion against a budget of R11.2 billion. This was mainly due to delays in releasing construction tenders because of the requirement to implement the latest procurement regulations; site disruptions by local business forums; and cash flow difficulties experienced by contractors, including some long-established construction companies.

Community unrest further delayed the Mtentu River Bridge project and this had a significant impact on expenditure, contributing to the under-spend in the infrastructure investment programme.

PASSENGER RAILWAY AGENCY OF SOUTH AFRICA SPENDING

In 2019/20, Passenger Railway Agency of South Africa (PRASA) spent R2.5 billion compared with the budgeted amount of R10.2 billion. The entity remains unable to overcome its long-standing challenges in implementing its capital programme. With the entity currently placed under administration, a contract review is currently taking place, which has contributed to the extensive under-spending of infrastructure by the entity

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

AIRPORTS COMPANY SOUTH AFRICA SPENDING

During the year, ACSA spent R1.1 billion compared with the budgeted amount of R1 billion. The over-spend of approximately R100 million was caused by the acceleration of a number of projects to meet peak season capacity needs. Projects invested in during 2019/20 included those related to airport expansion; assets needed to diversify into non-aeronautical revenue; and refurbishing existing assets to extend their useful life.

BORROWING OVERVIEW

In 2019/20, total planned borrowing for the ten largest SOCs (Eskom, SANRAL, Transnet, the Land Bank, DBSA, IDC, TCTA, SAA, ACSA and Denel) amounted to R142 billion. As at 31 March 2020, they had raised a nominal amount of R137 billion, or 97 per cent of planned borrowings. Table 16 shows total planned borrowings by the ten largest borrowing SOCs for the 2019/20 financial year.

Table 16: SOCs' consolidated borrowing progress , 2019/20

R' MILLION	2018/19		2019/20	
	BUDGETED	ACTUAL	BUDGETED	ACTUAL
Domestic loans (gross)	**97 873**	**96 764**	**86 369**	**109 541**
Short-term	46 969	37 061	33 459	50 284
Long-term	50 904	59 703	52 910	59 257
Foreign loans (gross)	**61 200**	**45 410**	**55 681**	**27 781**
Long-term	61 200	45 410	55 681	27 781
TOTAL	**159 073**	**142 174**	**142 050**	**137 322**
Total borrowings as % of planned borrowings		**89**		**97**
As percentage of total:				
Domestic loans	62	68	61	80
Foreign loans	38	32	39	20

Sources: National Treasury, Eskom, Transnet, DBSA, SANRAL, TCTA, IDC, SAA, Land Bank, ACSA and Denel

Gross borrowings from domestic sources accounted for 80 per cent of total borrowings and borrowings from foreign sources for the remaining 20 per cent. It was estimated that total redemptions for the period under review would amount to R113.2 billion. However, as at 31 March 2020 actual redemptions amounted to R121.7 billion. This resulted in net borrowings of R15.6 billion.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

During the period under review, SOCs had planned to source the majority (R38.7 billion) of their funding through multilateral finance institutions (MFIs) and the remainder (R27.2 billion) from the domestic bond market. However, as at 31 March 2020, the domestic bond market had proved to be the largest source of funding, with R39.6 billion raised, followed by commercial paper issuances amounting to R38.3 billion.

ESKOM BORROWINGS

Eskom's planned borrowings for the period under review amounted to R46.2 billion. As at 31 March 2020, actual debt raised amounted to R36.4 billion or 79 per cent of the planned total borrowing. The entity had planned to obtain about 40.9 per cent of the funding from MFIs or Development finance institution (DFIs). However, R8.6 billion was raised from these funding sources and R10.8 billion from the domestic bond market.

Redemptions as at 31 March 2020 amounted to R35.8 billion, resulting in net borrowings of R642 million. Eskom's limited debt funding was on the back of fiscal support, with the entity receiving fiscal allocations totalling R49 billion in the financial year. These enabled it to cover the shortfall in its funding requirement.

SANRAL BORROWINGS

SANRAL planned to borrow R4 billion in 2019/20. However, total borrowings amounted to R11.8 billion This was mainly raised from the domestic bond market. Total redemptions amounted to R10.3 billion, resulting in net borrowings of R1.5 billion.

TRANSNET BORROWINGS

During the period under review, Transnet's planned borrowings amounted to R14.8 billion. As at 31 March 2020, the entity's borrowings amounted to R11 billion, with R5.6 billion raised from the domestic bond market. Redemptions amounted to R7 billion, resulting in net borrowings of R4 billion.

LAND BANK BORROWINGS

Planned borrowings by the Land Bank for the year amounted to R25.2 billion. At R30 billion, the entity borrowed 19 percent more than the planned amount. It had planned to obtain R19.3 billion from domestic money market. However,

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

as at 31 March 2020, it had obtained R24.8 billion through issuance of domestic short-term notes, or 28 per cent more than the planned amount. The entity's redemptions and net borrowings amounted to R24 billion and R6 billion, respectively, as at 31 March 2020

DEVELOPMENT BANK OF SOUTHERN AFRICA

Planned total borrowings by the Development Bank of South Africa (DBSA) amounted to R19.8 billion. As at 31 March 2020, the entity had borrowed R33 billion, or 67 per cent above the planned borrowings. Of the R33 billion, approximately R11.4 billion was sourced through the domestic bond market. Redemptions amounted to R27.3 billion, resulting in net borrowings of R5.7 billion during the same period.

INDUSTRIAL DEVELOPMENT CORPORATION

In the period under review, planned gross borrowings by the Industrial Development Corporation (IDC) amounted to R12.8 billion, the majority in the form of domestic bonds and bank loans amounting to R5 billion and R4 billion respectively. The entity managed to raise gross borrowing of R7.7 billion, or 60 per cent of its planned borrowings: R3.8 billion in domestic bonds and R3.3 billion in bank loans. As at 31 March 2020, redemptions amounted to R8 billion and net redemptions to R194 million.

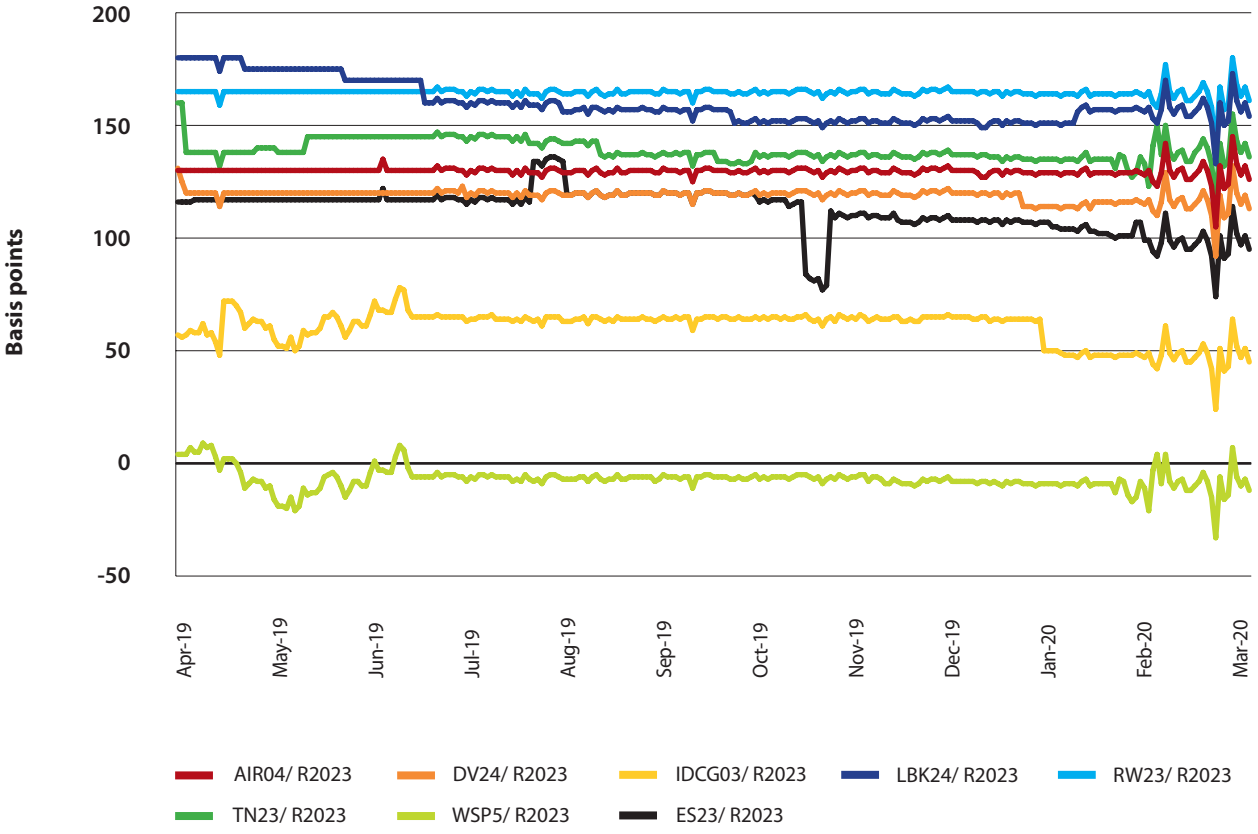
FUNDING COSTS OF STATE-OWNED COMPANIES

The section below describes the performance of the SOC bonds against their respective government benchmark bonds according to maturity brackets ranging from 1-3 years, 3-7 years and 7-12 years.

In the fourth quarter of 2019/20, the majority of the bonds experienced high levels of volatility in spreads due to COVID-19 related market uncertainties

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

Figure 26: SOC bond spreads for bonds maturing between 1 and 3 years, 2019/20



Sources: Bloomberg and National Treasury

Guaranteed bonds: TCTA's WSP5 Bond; Eskom's ES23

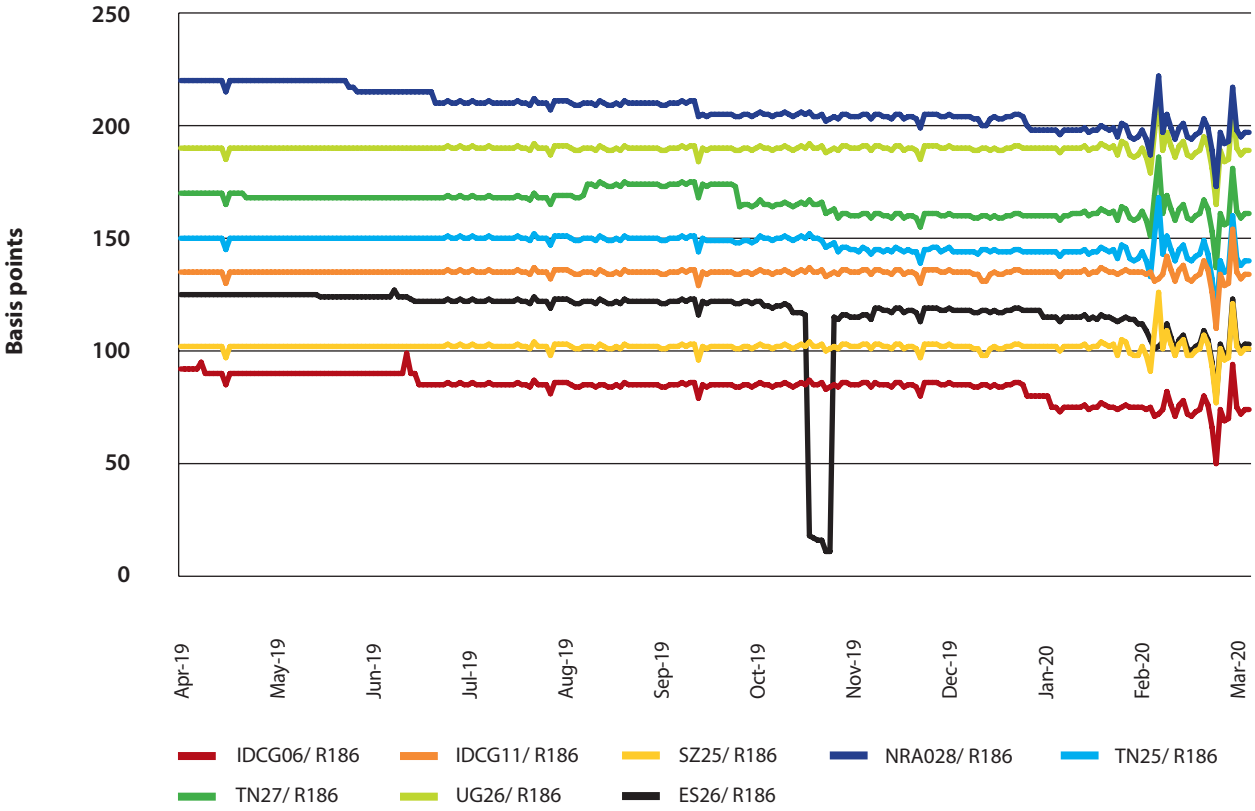
Unguaranteed bonds: ACSA's AIR04; DBSA's DV24; IDC's IDCG03; Land Bank's LBK24; Rand Water's RW23; Transnet's TN23

Figure 26 shows the spreads of the shorter-term maturity bracket of 1 to 3 years. The bonds under this maturity bracket are measured against the R2023(7.75%;2023) government bond. With fourteen months to maturity, TCTA's WSP5 had significantly lower spreads of -7 basis points relative to comparable bonds within the same maturity bracket.

At 165 basis points, Rand Water's RW23 bond spread to the R2023 bond showed the highest average compared to other bonds during 2019/20, peaking to 180 basis points in March 2020.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

Figure 27: SOC bond spreads for bonds maturing between 3 and 7 years, 2019/20



Sources: Bloomberg and National Treasury

Guaranteed bonds: SANRAL'S SZ25; Ekom's ES26

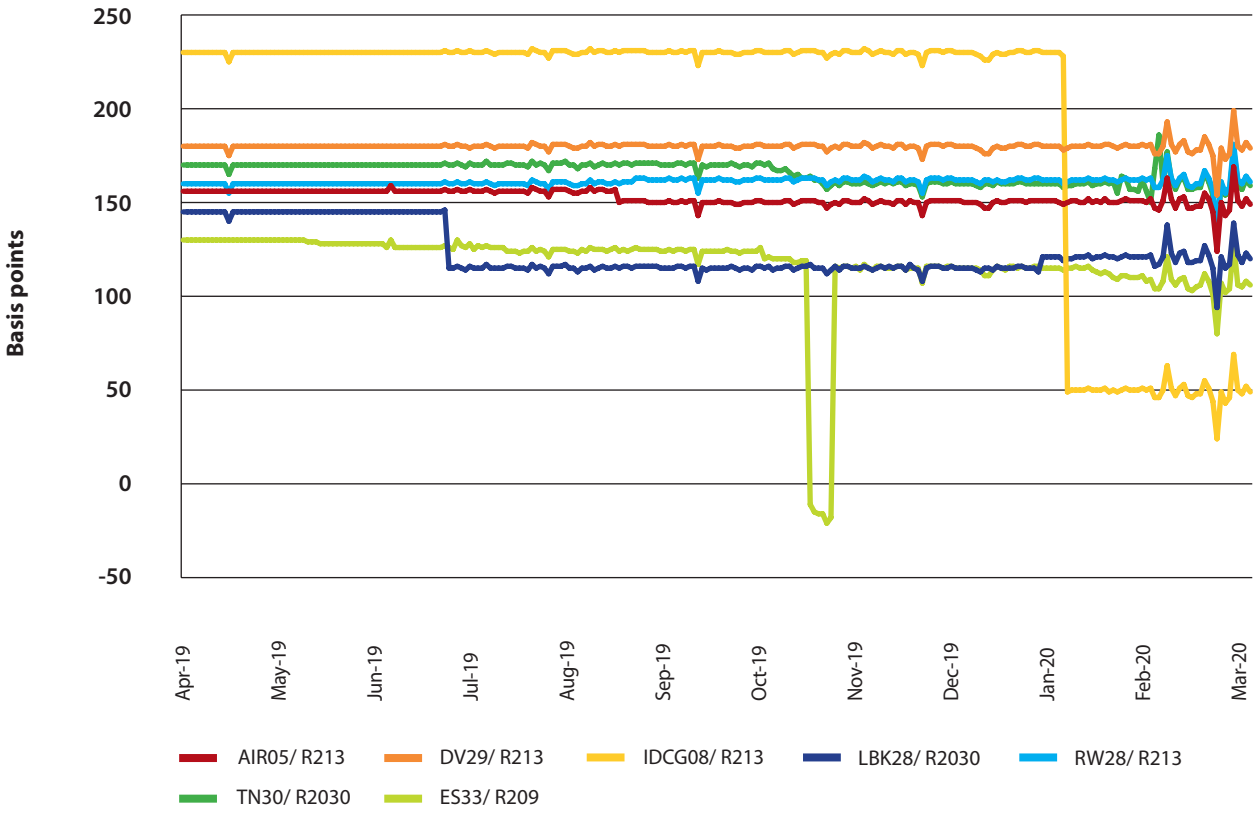
Unguaranteed bonds: IDC's IDCG06 & IDCG11; SANRAL's NRA028; Transnet's TN25 & TN27; Umngeni Water's UG26

The IDC's IDCG06 bond yield spread to the R186(10.50%; 2026) had the lowest average spread compared to other bonds in this maturity bracket.

SANRAL's unguaranteed NRA028 bond spread to the R186 bond had the highest average spread of 208 basis points, peaking to 222 basis points in March 2020. IDC's IDCG06 to the R186 bond recorded the lowest average spread of 84 basis points during the year, which was the lowest average bond yield spread to the R186 bond, significantly lower than SANRAL's SZ25 and Eskom's ES26 at 102 basis points and 116 basis points respectively.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

Figure 28: SOC bond spreads for bonds maturing between 7 and 12 years, 2019/20



Sources: Bloomberg and National Treasury

Guaranteed bonds: Eskom's ES33

Unguaranteed bonds: ACSA's AIRO5; DBSA'S DV29; IDC's IDCG08; Land Bank's LBK28; Rand Water's RW28; Transnet's TN30

The IDC's IDCG08 bond yield spread to the R213(7.00%; 2030 bond recorded the highest average spreads of 199 basis points, peaking at 232 basis points in January 2020. Eskom's ES33 bond yield spread to the R209(6.25 %; 2036) recorded the lowest average spread of 117 basis points during the the year, reaching a low of -21 basis points in November 2019.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

GOVERNMENT'S CONTINGENT LIABILITIES

Table 17: Government guarantee exposure 2017/18-2019/20

	2017/18		2018/19		2019/20	
R BILLION	**GUARANTEE**	**EXPOSURE**	**GUARANTEE**	**EXPOSURE**	**GUARANTEE**	**EXPOSURE**
Public institutions	**469,8**	**327,3**	**487,7**	**368,1**	**484,8**	**413,7**
of which:						
Eskom	*350,0*	*250,6*	*350,0*	*285,6*	*350,0*	*326,9*
SANRAL	*38,9*	*30,4*	*38,9*	*39,5*	*37,9*	*39,0*
Trans-Caledon Tunnel Authority	*25,7*	*18,9*	*43,0*	*14,3*	*43,0*	*13,6*
South African Airways	*19,1*	*11,1*	*19,1*	*15,3*	*19,1*	*17,9*
Land and Agricultural Bank of South Africa	*9,6*	*3,8*	*9,6*	*1,0*	*9,6*	*2,6*
Development Bank of Southern Africa	*12,2*	*4,1*	*11,4*	*4,3*	*10,0*	*4,7*
South African Post Office	*4,2*	*0,4*	*2,9*	*–*	*–*	*–*
Transnet	*3,5*	*3,8*	*3,5*	*3,8*	*3,5*	*3,8*
Denel	*2,4*	*2,4*	*3,4*	*3,4*	*6,9*	*4,4*
South African Express	*1,1*	*0,9*	*2,8*	*0,2*	*1,9*	*0,2*
Industrial Development Corporation	*0,4*	*0,1*	*0,5*	*0,1*	*0,6*	*0,2*
South African Reserve Bank	*–*	*–*	*0,3*	*–*	*–*	*–*
Independent power producers	**200,2**	**122,2**	**200,2**	**146,9**	**200,2**	**161,4**
Public-private partnerships	**9,6**	**9,6**	**10,5**	**10,5**	**8,7**	**8,7**

Source: National Treasury

GUARANTEES TO STATE-OWNED COMPANIES

As at 31 March 2020, total government guarantees issued to SOCs had decreased by R2.9 billion to R484.4 billion from the R487.7 billion as at 31 March 2019. Over the same period, the exposure amount (the amount of these guarantees utilised by the SOCs) had increased by R45.6 billion from R368.1 billion in 2018/19 to R413.7 billion.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

At 79 per cent of the portfolio, Eskom continues to be government's biggest exposure. The main reasons for the changes in the portfolio are given below.

Guarantee amount

SAPO and South African Express (SAX) were recapitalised by government, enabling the entities to settle guaranteed debt.

Guarantees to the DBSA and SANRAL declined by R1.4 billion and R1 billion respectively as the two entities repaid some of their guaranteed debt during the year. However, Denel received additional guarantees to reach a total of R6.9 billion.
Exposure amount

- Eskom drew down an additional R41.3 billion of its R350 billion guarantee during 2019/20.
- Denel utilised R1 billion from the R3.5 billion in additional guarantees issued to it in 2019/20.
- SAA utilised an additional R2.6 billion of its guarantees during 2019/20.
- Exposure to the TCTA declined as the entity repaid some maturing debt during the year.
- The largest increase in SANRAL's exposure occurred in 2018/19 when it increased by R9.1 billion largely due to revaluations of the entity's inflation-linked bonds. For the 2019/20 financial year, the increase was approximately R500 million.
- The Land Bank used an additional R1.6 billion to refinance some of its debt.

GUARANTEES TO RENEWABLE ENERGY INDEPENDENT POWER PRODUCERS

In line with global standards, power purchase agreements between Eskom and independent power producers are classified as contingent liabilities. These can materialise in the following ways:

- If Eskom could not afford to buy power as set out in the power purchase agreements, government would have to provide the utility with money to honour the agreements.
- Government would also be liable if it terminated such agreements owing to a change in legislation or policy. Both outcomes are unlikely and the risk of materialisation is low.

Government has committed to procuring renewable energy from independent power producers of up to R200 billion. As at March 2020, the value of signed projects that represent government's exposure was R161.4 billion. Exposure is expected to increase to R163.5 billion in 2020/21, decreasing to R155.6 billion in 2021/22 and R141.9 billion in 2022/23.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES ▸ *continued*

GUARANTEES TO PUBLIC-PRIVATE PARTNERSHIPS

Contingent liability exposure from public-private partnerships arises mainly from contract cancellations or lack of minimum revenue generated by a project. During 2019/20, contingent liabilities from these partnerships decreased by approximately R1.8 billion to R8.7 billion as a number of projects reached maturity. Total exposure is expected to decline to R8 billion in 2020/21, R7.5 billion in 2021/22 and R7 billion in 2022/23.

6. INVESTOR RELATIONS

INVESTOR ROADSHOWS

The National Treasury runs an active investor relations programme and, following the release of the Budget Review in February and the MTBPS in October each year, conducts domestic and international roadshows with the SARB. The aim of the roadshows is to strengthen relationships with investors and keep them informed about economic, fiscal, political and social developments in the country.

International investor meetings took place in Boston, New York and London post tabling the MTBPS in 2019.

Due to the COVID-19 pandemic travel restrictions announced by the President, the National Treasury was unable to conduct physical international investor meetings. However, the Minister of Finance led investor engagements through a Global Investor Call after tabling of the budget in February 2020.

INVESTOR RELATIONS WEBSITE

The Investor Relations website (http://investor.treasury.gov.za) was introduced in June 2011 to provide institutional investors with relevant information. This includes the bond auction calendars, auctions' historical results, sovereign credit ratings and reports, holdings of domestic government bonds, policy documents, economic indicators, details of pending events, investor presentations and links to other websites such as those of the SARB and Statistics South Africa.

MARKETING AND PROMOTION OF RETAIL SAVINGS BONDS

In November 2019, the National Treasury launched a new retail savings bonds website (https://secure.rsaretailbonds.gov.za). It also conducts retail savings bond promotions throughout the country. During 2019/20, promotions took place in cities and towns across all nine provinces at a range of exhibitions including the Decorex Expo, Mama Magic, House & Garden Expo, various Marathon expos and the 2019 Rand Show.

7. ANNEXURES ▶ *continued*

ANNEXURE A: REDEMPTION SCHEDULE OF TREASURY BILLS ISSUANCE FOR THE PERIOD ENDING MARCH 2020

R MILLION	91-DAY	182-DAY	273-DAY	365-DAY	TOTAL
4/01/2020	271	2 298	2 950	2 735	8 254
4/8/2020	1 000	2 558	2 950	3 225	9 733
4/15/2020	1 000	3 222	2 950	3 225	10 397
4/22/2020	1 000	2 445	3 335	3 225	10 005
4/29/2020	1 000	2 445	3 255	3 225	9 925
5/6/2020	1 000	1 717	3 283	3 225	9 225
5/13/2020	1 000	2 445	2 950	3 225	9 620
5/20/2020	879	1 736	2 950	3 225	8 790
5/27/2020	51	2 445	2 950	3 225	8 671
6/3/2020	1 000	2 273	2 950	3 225	9 448
6/10/2020	808	2 305	2 950	3 225	9 288
6/17/2020	593	2 305	2 950	3 225	9 073
6/24/2020	1 000	2 305	2 950	3 225	9 480
7/1/2020	-	2 055	3 008	3 225	8 288
7/8/2020	-	2 055	3 323	3 225	8 603
7/15/2020	-	2 055	3 803	3 225	9 083
7/22/2020	-	2 055	2 950	3 291	8 296
7/29/2020	-	2 055	2 950	3 468	8 473
8/5/2020	-	2 055	2 950	3 231	8 236
8/12/2020	-	2 055	2 950	3 225	8 230
8/19/2020	-	2 055	2 950	3 225	8 230
8/26/2020	-	2 055	2 950	3 225	8 230
9/2/2020	-	2 055	2 468	2 425	6 948
9/9/2020	-	2 055	2 620	3 225	7 900
9/18/2020	-	2 209	2 620	3 225	8 054
9/23/2020	-	2 055	2 620	3 225	7 900
9/30/2020	-	-	2 370	3 225	5 595
10/9/2020	-	-	2 370	3 225	5 595
10/14/2020	-	-	2 370	3 225	5 595
10/21/2020	-	-	2 370	4 381	6 751
10/28/2020	-	-	2 370	3 225	5 595
11/4/2020	-	-	2 370	3 225	5 595

7. ANNEXURES ▸ *continued*

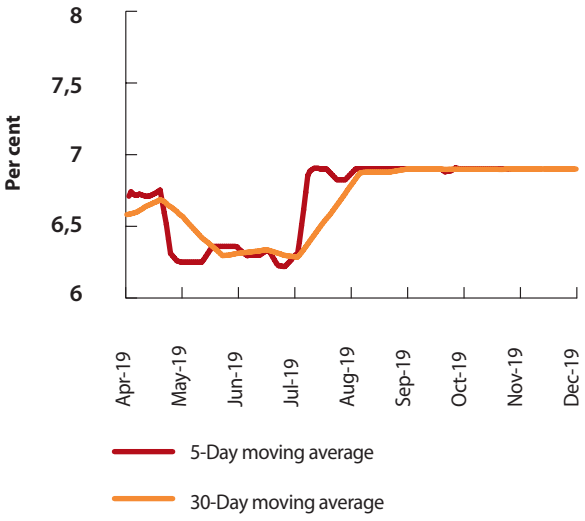
ANNEXURE A: REDEMPTION SCHEDULE OF TREASURY BILLS ISSUANCE FOR THE PERIOD ENDING MARCH 2020

R MILLION	91-DAY	182-DAY	273-DAY	365-DAY	TOTAL
11/11/2020	-	-	2 370	3 225	5 595
11/18/2020	-	-	2 370	3 225	5 595
11/25/2020	-	-	3 319	3 225	6 544
12/2/2020	-	-	2 370	2 211	4 581
12/9/2020	-	-	2 370	2 755	5 125
12/17/2020	-	-	2 370	2 755	5 125
12/23/2020	-	-	2 370	2 755	5 125
12/30/2020	-	-		2 505	2 505
1/6/2021	-	-	-	2 505	2 505
1/15/2021	-	-	-	2 505	2 505
1/20/2021	-	-	-	2 505	2 505
1/27/2021	-	-	-	2 505	2 505
2/3/2021	-	-	-	2 505	2 505
2/10/2021	-	-	-	2 505	2 505
2/17/2021	-	-	-	2 505	2 505
2/24/2021	-	-	-	2 505	2 505
3/3/2021	-	-	-	2 505	2 505
3/10/2021	-	-	-	2 505	2 505
3/17/2021	-	-	-	2 505	2 505
3/25/2021	-	-	-	2 505	2 505
Total	10 602	57 368	109 294	156 097	333 361

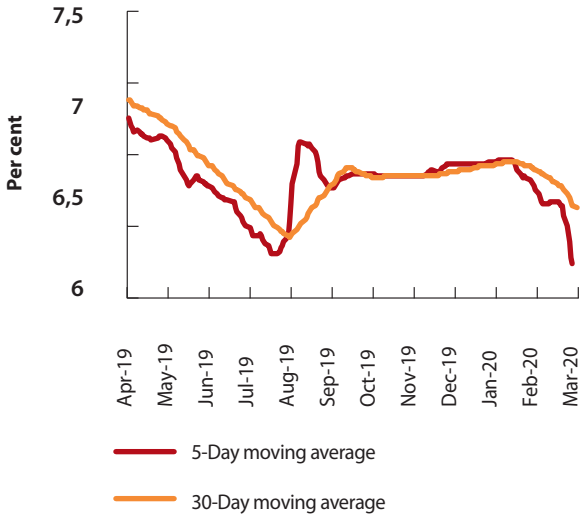
7. ANNEXURES ▸ *continued*

ANNEXURE B: YIELD TRENDS OF OVERNMENT FIXED-RATE BONDS 2019/20

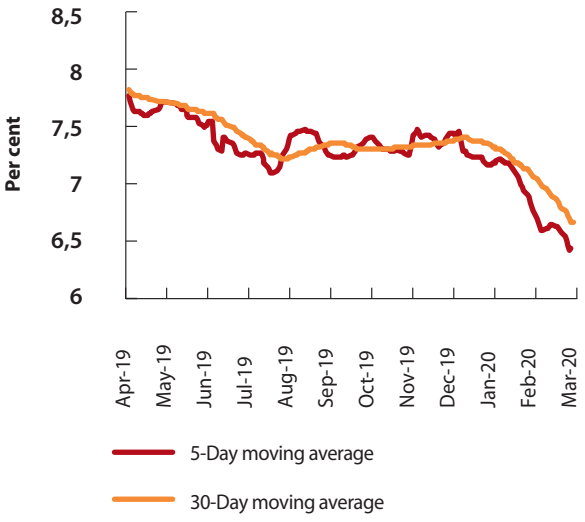
R207 bond - 7.25% 25 January 2020



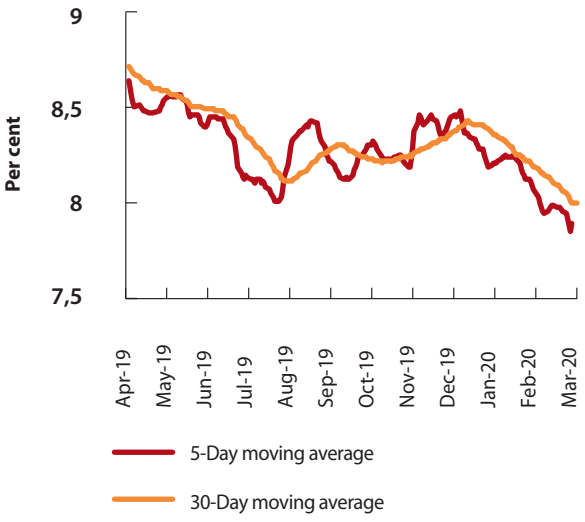
R208 bond - 6.75% 25 March 2021



R2023 bond - 7.75% 28 February 2023



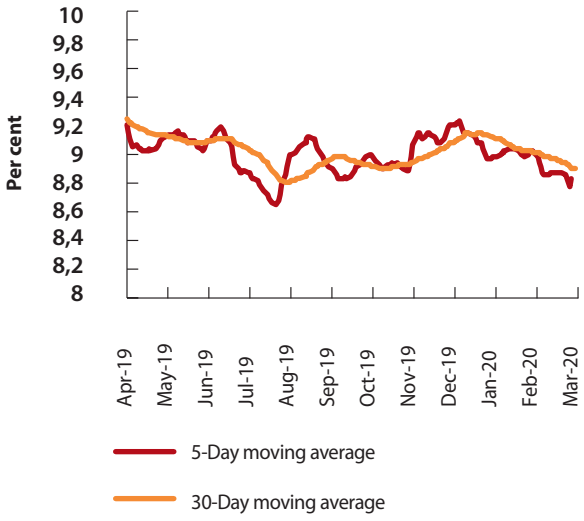
R186 bond - 10.5% 21 December 2026



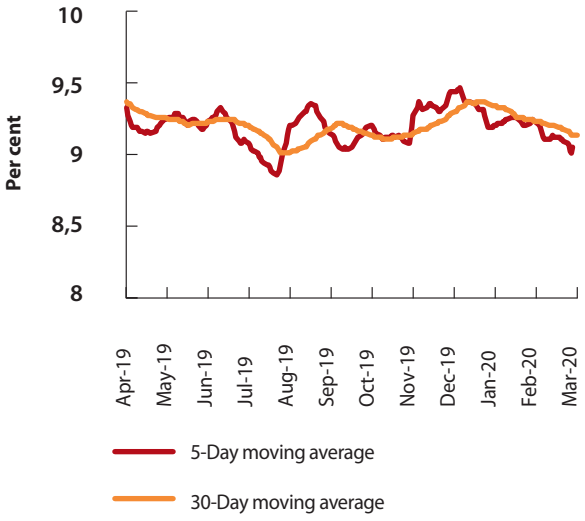
7. ANNEXURES ▸ *continued*

ANNEXURE B: YIELD TRENDS OF OVERNMENT FIXED-RATE BONDS 2019/20

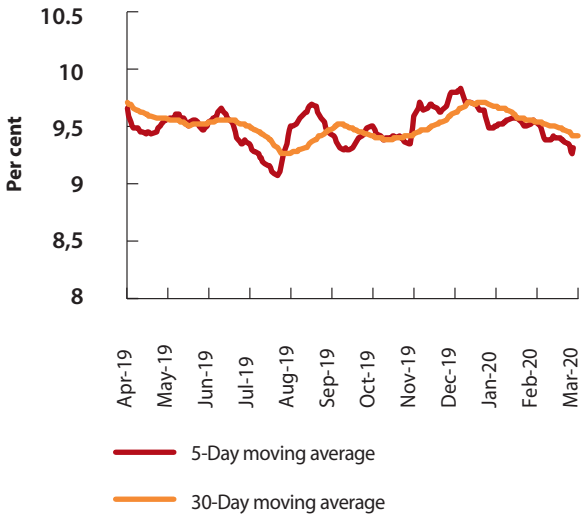
R2030 bond - 8,00% 31 January 2030



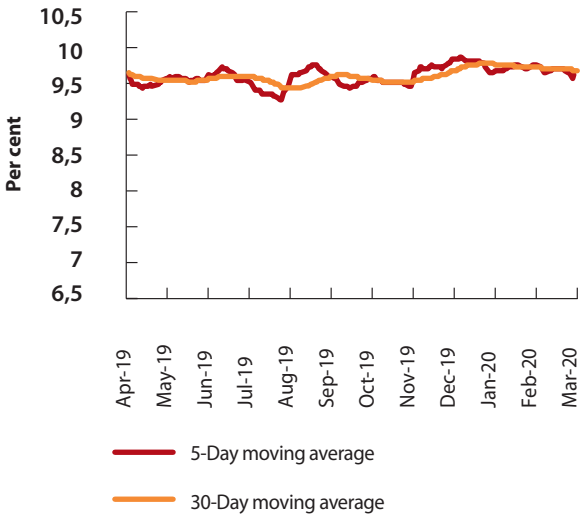
R213 bond - 7.00% 28 February 2031



R2032 bond - 8.25% 31 March 2032



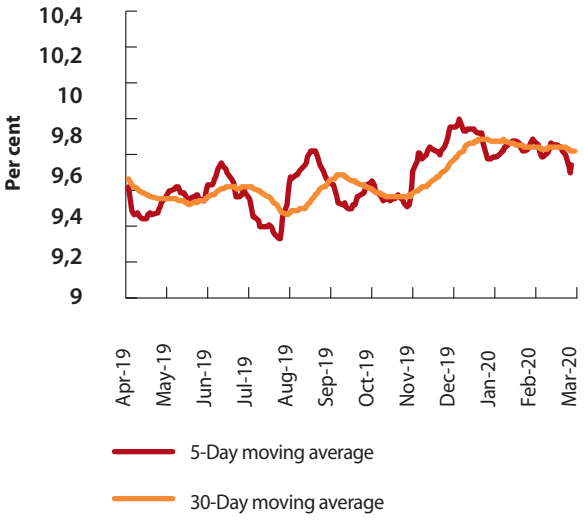
R2035 bond - 8.875% 28 February 2035



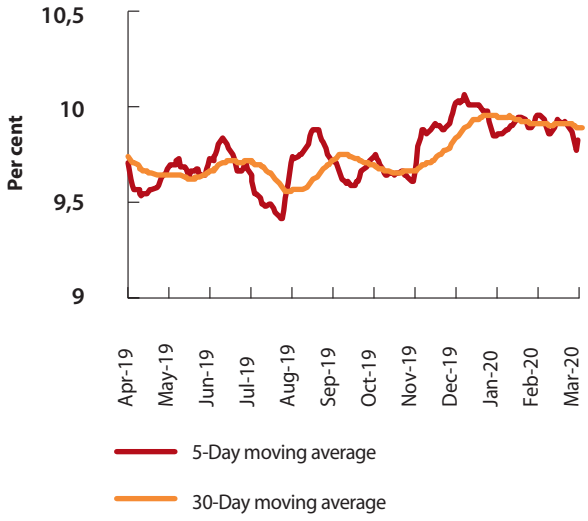
7. ANNEXURES ▸ *continued*

ANNEXURE B: YIELD TRENDS OF OVERNMENT FIXED-RATE BONDS 2019/20

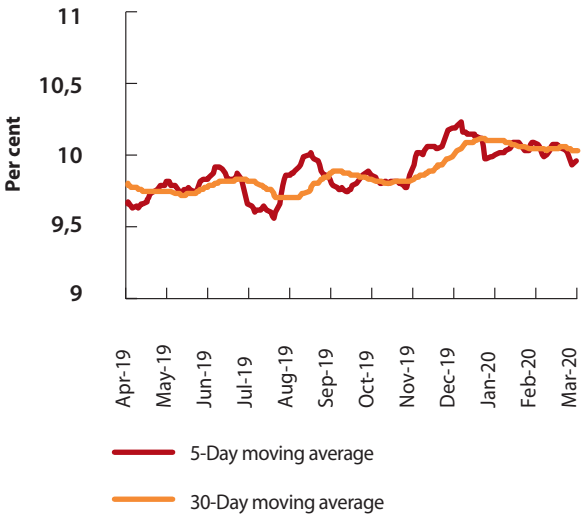
R209 bond - 6.25% 31 March 2036



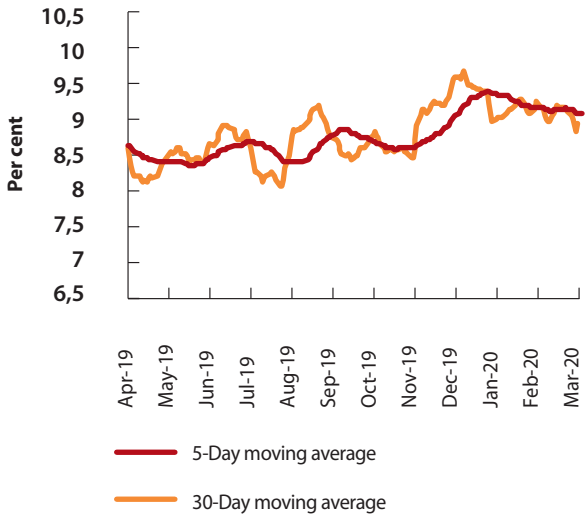
R2037 bond - 8.50% 31 January 2037



R2040 bond - 9.00% 31 January 2040

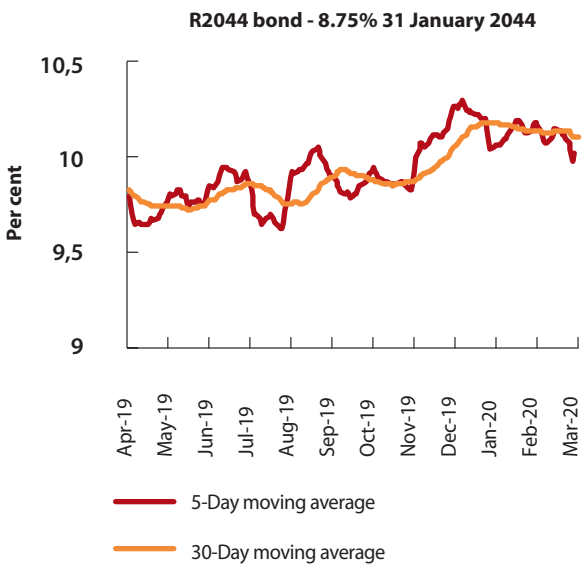


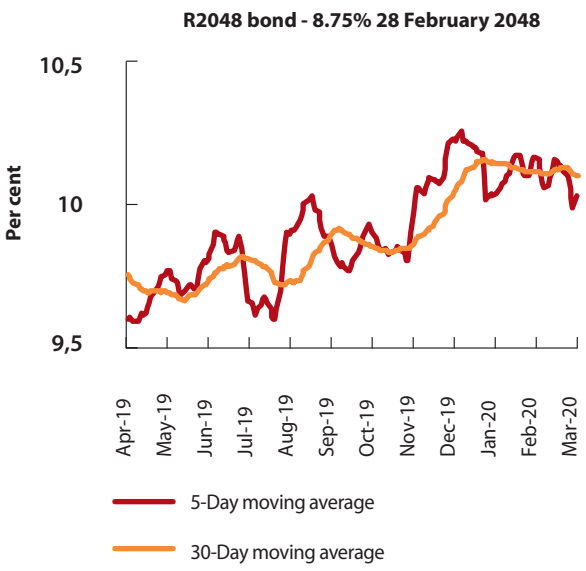
R214 bond - 6.50% 28 February 2041



7. ANNEXURES ▸ *continued*

ANNEXURE B: YIELD TRENDS OF OVERNMENT FIXED-RATE BONDS 2019/20





ANNEXURE C: FIXED-RATE BONDS YIELD SPREADS, 2019/20

FIXED-RATE BOND YIELD SPREADS, 01 APRIL 2019

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	38,5	57,5	67,5	94,5	110,5	150,5	154,5	165	175	168,5	179,5	187	181	189	188
R204 (2018)		19	29	56	72	112	116	126,5	136,5	130	141	148,5	142,5	150,5	149,5
R207 (2020)			10	37	53	93	97	107,5	117,5	111	122	129,5	123,5	131,5	130,5
R208 (2021)				27	43	83	87	97,5	107,5	101	112	119,5	113,5	121,5	120,5
R2023 (2023)					16	56	60	70,5	80,5	74	85	92,5	86,5	94,5	93,5
R186 (2026)						40	44	54,5	64,5	58	69	76,5	70,5	78,5	77,5
R2030 (2030)							4	14,5	24,5	18	29	36,5	30,5	38,5	37,5
R213 (2031)								10,5	20,5	14	25	32,5	26,5	34,5	33,5
R2032 (2032)									10	3,5	14,5	22	16	24	23
R2035 (2035)										-6,5	4,5	12	6	14	13
R209 (2036)											11	18,5	12,5	20,5	19,5
R2037 (2037)												7,5	1,5	9,5	8,5
R2040 (2040)													-6	2	1
R214 (2041)														8	7
R2044 (2044)															-1

ANNEXURE C: FIXED-RATE BONDS YIELD SPREADS, 2019/20

FIXED-RATE BOND YIELD SPREADS, 31 MARCH 2020

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)		R209 (2036)	R2037 (2037)		R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	14	32	46	85	141	180	184	196,5	213,5	214	221,5	225	221	228	226,5
R204 (2018)		18	32	71	127	166	170	182,5	199,5	200	207,5	211	207	214	212,5
R207 (2020)			14	53	109	148	152	164,5	181,5	182	189,5	193	189	196	194,5
R208 (2021)				39	95	134	138	150,5	167,5	168	175,5	179	175	182	180,5
R2023 (2023)					56	95	99	111,5	128,5	129	136,5	140	136	143	141,5
R186 (2026)						39	43	55,5	72,5	73	80,5	84	80	87	85,5
R2030 (2030)							4	16,5	33,5	34	41,5	45	41	48	46,5
R213 (2031)								12,5	29,5	30	37,5	41	37	44	42,5
R2032 (2032)									17	17,5	25	28,5	24,5	31,5	30
R2035 (2035)										0,5	8	11,5	7,5	14,5	13
R209 (2036)											7,5	11	7	14	12,5
R2037 (2037)												3,5	-0,5	6,5	5
R2040 (2040)													-4	3	1,5
R214 (2041)														7	5,5
R2044 (2044)															-1,5

ANNEXURE C: FIXED-RATE BONDS YIELD SPREADS, 2019/20

CHANGE IN BASIS POINTS, 2019/20

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)		R209 (2036)	R2037 (2037)		R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	-24,5	-25,5	-21,5	-9,5	30,5	29,5	29,5	31,5	38,5	45,5	42	38	40	39	38,5
R204 (2018)		-1	3	15	55	54	54	56	63	70	66,5	62,5	64,5	63,5	63
R207 (2020)			4	16	56	55	55	57	64	71	67,5	63,5	65,5	64,5	64
R208 (2021)				12	52	51	51	53	60	67	63,5	59,5	61,5	60,5	60
R2023 (2023)					40	39	39	41	48	55	51,5	47,5	49,5	48,5	48
R186 (2026)						-1	-1	1	8	15	11,5	7,5	9,5	8,5	8
R2030 (2030)							0	2	9	16	12,5	8,5	10,5	9,5	9
R213 (2031)								2	9	16	12,5	8,5	10,5	9,5	9
R2032 (2032)									7	14	10,5	6,5	8,5	7,5	7
R2035 (2035)										7	3,5	-0,5	1,5	0,5	0
R209 (2036)											-3,5	-7,5	-5,5	-6,5	-7
R2037 (2037)												-4	-2	-3	-3,5
R2040 (2040)													2	1	0,5
R214 (2041)														-1	-1,5
R2044 (2044)															-0,5

7. ANNEXURES ▸ *continued*

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2019/20

	91-DAY					182-DAY				
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
4/5/2019	4 595	2 345	2 400	1,91	7,14	5 255	2 401	2 445	2,15	7,47
4/12/2019	2 929	2 400	2 400	1,22	7,28	5 507	2 445	2 445	2,25	7,38
4/18/2019	4 967	2 671	2 400	2,07	7,35	4 925	2 445	2 445	2,01	7,55
4/26/2019	6 683	2 400	2 400	2,78	7,36	5 463	2 445	2 445	2,23	7,59
5/3/2019	7 656	2 400	2 400	3,19	7,34	6 903	2 445	2 445	2,82	7,58
5/10/2019	5 926	2 400	2 400	2,47	7,31	5 559	2 445	2 445	2,27	7,57
5/17/2019	5 348	2 400	2 400	2,23	7,30	5 883	2 445	2 445	2,41	7,28
5/24/2019	2 517	1 667	2 400	1,05	7,26	4 850	3 100	2 445	1,98	7,53
5/31/2019	3 868	2 400	2 400	1,61	7,26	8 363	2 445	2 445	3,42	7,49
6/7/2019	1 408	1 308	2 400	0,59	7,24	10 968	3 537	2 445	4,49	7,40
6/14/2019	2 298	2 098	2 400	0,96	7,22	12 140	2 747	2 445	4,97	7,36
6/21/2019	2 055	1 095	2 400	0,86	7,22	7 753	2 940	2 445	3,17	7,30
6/28/2019	3 313	2 400	2 400	1,38	7,23	5 239	2 445	2 445	2,14	7,30
7/5/2019	4 577	2 400	2 400	1,91	7,21	4 233	2 445	2 445	1,73	7,30
7/12/2019	6 045	2 400	2 400	2,52	7,16	4 925	2 445	2 445	2,01	7,28
7/19/2019	2 193	1 943	2 400	0,91	7,08	3 761	2 445	2 445	1,54	7,26
7/26/2019	5 064	3 514	2 400	2,11	7,11	783	783	2 445	0,32	7,28
8/2/2019	3 167	2 617	2 400	1,32	7,14	1 890	1 890	2 445	0,77	7,38
8/8/2019	6 259	2 400	2 400	2,61	7,13	4 748	2 445	2 445	1,94	7,46
8/16/2019	3 919	2 400	2 400	1,63	7,13	7 466	2 445	2 445	3,05	7,39
8/23/2019	5 928	2 400	2 400	2,47	7,09	8 863	2 445	2 445	3,63	7,33
8/30/2019	5 836	2 400	2 400	2,43	7,06	4 335	3 245	2 445	1,77	7,30
9/6/2019	4 402	2 400	2 400	1,83	7,03	5 387	2 445	2 445	2,20	7,29
9/13/2019	4 965	2 400	2 400	2,07	6,99	6 027	2 445	2 445	2,47	7,22
9/20/2019	5 835	2 400	2 400	2,43	6,86	3 729	2 445	2 445	1,53	7,24
9/27/2019	4 732	2 490	2 400	1,97	7,89	2 533	2 298	2 445	1,04	7,21
10/4/2019	2 464	1 914	2 400	1,03	6,85	4 808	2 559	2 445	1,97	7,26
10/11/2019	870	770	2 400	0,36	6,93	3 729	3 222	2 445	1,52	7,29
10/18/2019	1 794	1 244	2 400	0,75	6,96	3 605	2 445	2 445	1,47	7,33

7. ANNEXURES ▸ *continued*

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2019/20

	91-DAY					182-DAY				
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
10/25/2019	3 664	2 400	2 400	1,53	7,02	6 164	2 445	2 445	2,52	7,33
11/1/2019	3 029	2 019	2 400	1,26	7,09	3 217	1 717	2 445	1,32	7,41
11/8/2019	4 138	2 400	2 400	1,72	7,10	4 811	2 445	2 445	1,97	7,36
11/15/2019	3 650	2 400	2 400	1,52	7,14	2 836	1 736	2 445	1,16	7,41
11/22/2019	2 612	2 212	2 400	1,09	7,14	3 414	2 445	2 445	1,40	7,41
11/29/2019	1 418	1 418	2 400	0,59	7,19	2 273	2 273	2 305	0,99	7,52
12/6/2019	1 932	1 367	2 400	0,81	7,22	2 700	2 305	2 305	1,17	7,62
12/13/2019	988	938	2 400	0,41	7,29	3 862	2 305	2 305	1,68	7,65
12/20/2019	1 435	1 000	2 400	0,60	7,32	4 953	2 305	2 305	2,15	7,66
12/27/2019	671	271	2 400	0,28	7,29	5 099	2 055	2 055	2,48	7,64
1/3/2020	4 037	1 000	1 000	4,04	7,24	6 234	2 055	2 055	3,03	7,55
1/10/2020	7 869	1 000	1 000	7,87	7,12	12 638	2 055	2 055	6,15	7,46
1/17/2020	8 270	1 000	1 000	8,27	6,84	10 335	2 055	2 055	5,03	7,23
1/24/2020	5 169	1 000	1 000	5,17	6,72	10 792	2 055	2 055	5,25	7,04
1/31/2020	4 891	1 000	1 000	4,89	6,56	8 960	2 055	2 055	4,36	6,95
2/7/2020	4 351	1 000	1 000	4,35	6,42	8 889	2 055	2 055	4,33	6,86
2/14/2020	2 079	879	1 000	2,08	6,42	5 013	2 055	2 055	2,44	6,83
2/21/2020	551	51	1 000	0,55	6,41	6 632	2 055	2 055	3,23	6,79
2/28/2020	1 916	1 000	1 000	1,92	6,29	6 296	2 055	2 055	3,06	6,83
3/6/2020	808	808	1 000	0,81	6,38	5 470	2 055	2 055	2,66	6,73
3/13/2020	593	593	1 000	0,59	6,54	2 897	2 209	2 055	1,41	6,74
3/20/2020	1 817	1 000	1 000	1,82	5,84	3 746	2 055	2 055	1,82	6,20
3/27/2020	1 248	1 033	1 000	1,25	5,68	2 286	2 286	2 645	0,86	6,14

7. ANNEXURES ▸ *continued*

ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2019/20

	273-DAY					364-DAY				
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
4/5/2019	6 136	2 950	2 950	2,08	7,59	9 144	3 225	3 225	2,84	7,73
4/12/2019	6 440	2 950	2 950	2,18	7,59	7 491	3 225	3 225	2,32	7,70
4/18/2019	4 179	2 679	2 950	1,42	7,69	5 253	3 225	3 225	1,63	7,72
4/26/2019	5 700	2 950	2 950	1,93	7,73	7 700	3 225	3 225	2,39	7,75
5/3/2019	7 225	2 950	2 950	2,45	7,75	5 010	3 225	3 225	1,55	7,80
5/10/2019	6 710	2 950	2 950	2,27	7,74	7 705	3 225	3 225	2,39	7,79
5/17/2019	6 977	2 950	2 950	2,37	7,71	6 050	3 225	3 225	1,88	7,71
5/24/2019	6 898	3 038	2 950	2,34	7,66	6 130	3 225	3 225	1,90	7,68
5/31/2019	6 085	2 950	2 950	2,06	7,68	5 500	3 225	3 225	1,71	7,71
6/7/2019	9 182	2 950	2 950	3,11	7,59	5 609	3 225	3 225	1,74	7,67
6/14/2019	8 029	2 950	2 950	2,72	7,56	7 549	3 225	3 225	2,34	7,61
6/21/2019	7 469	2 950	2 950	2,53	7,48	7 430	3 225	3 225	2,30	7,54
6/28/2019	6 150	2 950	2 950	2,08	7,50	5 575	3 225	3 225	1,73	7,56
7/5/2019	6 160	2 950	2 950	2,09	7,48	5 923	3 225	3 225	1,84	7,52
7/12/2019	6 505	2 950	2 950	2,21	7,43	5 502	3 225	3 225	1,71	7,48
7/19/2019	4 435	3 335	2 950	1,50	7,43	3 291	3 291	3 225	1,02	7,48
7/26/2019	4 005	3 255	2 950	1,36	7,47	5 639	3 468	3 225	1,75	7,49
8/2/2019	4 983	3 283	2 950	1,69	7,51	4 545	3 231	3 231	1,41	7,54
8/8/2019	5 160	2 950	2 950	1,75	7,52	3 886	3 225	3 225	1,20	7,56
8/16/2019	3 213	2 950	2 950	1,09	7,53	3 565	3 225	3 225	1,11	7,53
8/23/2019	4 630	2 950	2 950	1,57	7,51	6 785	3 225	3 225	2,10	7,48
8/30/2019	5 078	2 950	2 950	1,72	7,50	2 650	2 425	3 225	0,82	7,51
9/6/2019	5 453	2 950	2 950	1,85	7,47	4 660	3 225	3 225	1,44	7,50
9/13/2019	8 866	2 950	2 950	3,01	7,41	8 119	3 225	3 225	2,52	7,44
9/20/2019	5 213	2 950	2 950	1,77	7,42	5 307	3 225	3 225	1,65	7,46
9/27/2019	3 590	3 008	2 950	1,22	7,45	4 060	3 225	3 225	1,26	7,50
10/4/2019	4 628	3 323	2 950	1,57	7,44	6 700	3 225	3 225	2,08	7,45
10/11/2019	4 553	3 803	2 950	1,54	7,46	3 800	3 225	3 225	1,18	7,50
10/18/2019	5 775	2 950	2 950	1,96	7,45	7 615	4 382	3 225	2,36	7,49

7. ANNEXURES ▸ *continued*

ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2019/20

	273-DAY					364-DAY				
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	ACTION AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
10/25/2019	6 135	2 950	2 950	2,08	7,44	3 914	3 225	3 225	1,21	7,49
11/1/2019	3 525	2 950	2 950	1,19	7,56	5 305	3 225	3 225	1,64	7,63
11/8/2019	4 660	2 950	2 950	1,58	7,53	6 649	3 225	3 225	2,06	7,60
11/15/2019	5 036	2 950	2 950	1,71	7,55	6 377	3 225	3 225	1,98	7,61
11/22/2019	3 419	2 950	2 950	1,16	7,59	5 330	3 225	3 225	1,65	7,63
11/29/2019	2 469	2 469	2 620	0,94	7,69	2 211	2 211	2 755	0,80	7,73
12/6/2019	5 218	2 620	2 620	1,99	7,69	5 666	2 755	2 755	2,06	7,77
12/13/2019	5 238	2 620	2 620	2,00	7,70	6 441	2 755	2 755	2,34	7,74
12/20/2019	4 511	2 620	2 620	1,72	7,72	9 848	2 755	2 755	3,57	7,73
12/27/2019	5 918	2 370	2 370	2,50	7,70	7 775	2 505	2 505	3,10	7,72
1/3/2020	9 457	2 370	2 370	3,99	7,63	7 383	2 505	2 505	2,95	7,68
1/10/2020	7 551	2 370	2 370	3,19	7,59	11 349	2 505	2 505	4,53	7,63
1/17/2020	9 929	2 370	2 370	4,19	7,38	9 335	2 505	2 505	3,73	7,42
1/24/2020	9 966	2 370	2 370	4,21	7,15	13 641	2 505	2 505	5,45	7,22
1/31/2020	9 554	2 370	2 370	4,03	6,99	14 821	2 505	2 505	5,92	7,02
2/7/2020	7 190	2 370	2 370	3,03	6,89	11 110	2 505	2 505	4,44	6,88
2/14/2020	7 488	2 370	2 370	3,16	6,85	7 035	2 505	2 505	2,81	6,84
2/21/2020	7 178	3 319	2 370	3,03	6,79	10 010	2 505	2 505	4,00	6,78
2/28/2020	5 869	2 370	2 370	2,48	6,88	7 904	2 505	2 505	3,16	6,68
3/6/2020	7 424	2 370	2 370	3,13	6,75	4 818	2 505	2 505	1,92	6,59
3/13/2020	4 898	2 370	2 370	2,07	6,73	3 205	2 505	2 505	1,28	6,69
3/20/2020	5 550	2 370	2 370	2,34	6,21	3 300	2 505	2 505	1,32	6,25
3/27/2020	5 692	3 510	3 190	1,78	6,11	3 900	3 546	3 340	1,17	6,25

7. ANNEXURES ▸ *continued*

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
4/2/2019	R2023	2/28/2023	7,750	900	900	5 685	7,640
4/2/2019	R2030	1/31/2030	8,000	1 500	1 500	4 120	9,050
4/2/2019	R2048	2/28/2048	8,750	900	900	3 095	9,580
4/9/2019	R2023	2/28/2023	7,750	1 100	1 100	3 465	7,640
4/9/2019	R2035	2/28/2035	8,875	1 100	1 100	3 215	9,480
4/9/2019	R2044	1/31/2044	8,750	1 100	1 100	3 895	9,670
4/16/2019	R2030	1/31/2030	8,000	1 100	1 100	2 570	9,026
4/16/2019	R2035	2/28/2035	8,875	1 100	1 100	2 580	9,500
4/16/2019	R2040	1/31/2040	9,000	1 100	1 100	2 610	9,660
4/23/2019	R186	12/21/2026	10,500	1 700	1 700	4 560	8,527
4/23/2019	R2032	3/31/2032	8,250	800	800	2 700	9,310
4/23/2019	R2037	1/31/2037	8,500	800	800	3 690	9,603
4/30/2019	R2030	1/31/2030	8,000	1 100	1 100	3 690	9,111
4/30/2019	R2040	1/31/2040	9,000	1 100	1 100	2 925	9,750
4/30/2019	R2044	1/31/2044	8,750	1 100	1 100	1 595	9,767
5/7/2019	R2023	2/28/2023	7,750	1 100	1 100	6 490	7,680
5/7/2019	R2035	2/28/2035	8,875	1 100	1 100	2 330	9,625
5/7/2019	R2048	2/28/2048	8,750	1 100	1 100	3 290	9,770
5/14/2019	R2023	2/28/2023	7,750	1 100	1 100	12 165	7,610
5/14/2019	R2030	1/31/2030	8,000	1 100	1 100	3 655	9,120
5/14/2019	R2037	1/31/2037	8,500	1 100	1 100	2 505	9,700
5/21/2019	R2023	2/28/2023	7,750	1 100	1 100	3 430	7,610
5/21/2019	R186	12/21/2026	10,500	1 100	1 100	4 840	8,480
5/21/2019	R2030	1/31/2030	8,000	1 100	1 100	5 490	9,105
5/28/2019	R2023	2/28/2023	7,750	1 100	1 100	3 505	7,530
5/28/2019	R186	12/21/2026	10,500	1 100	1 100	5 080	8,420
5/28/2019	R2035	2/28/2035	8,875	1 100	1 100	3 175	9,610
6/4/2019	R186	12/21/2026	10,500	1 100	1 100	5 130	8,380
6/4/2019	R2030	1/31/2030	8,000	1 100	1 100	3 305	9,045
6/4/2019	R2032	3/31/2032	8,250	1 100	1 100	1 855	9,340
6/11/2019	R2030	1/31/2030	8,000	1 100	1 100	4 885	9,115

7. ANNEXURES ▸ *continued*

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
6/11/2019	R2035	2/28/2035	8,875	1 100	1 100	2 875	9,680
6/11/2019	R2040	1/31/2040	9,000	1 100	1 100	3 220	9,870
6/18/2019	R2030	1/31/2030	8,000	1 100	1 100	6 225	9,045
6/18/2019	R2035	2/28/2035	8,875	1 100	1 100	4 085	9,625
6/18/2019	R2048	2/28/2048	8,750	1 100	1 100	3 390	9,870
6/25/2019	R2030	1/31/2030	8,000	1 100	1 100	3 910	8,875
6/25/2019	R2035	2/28/2035	8,875	1 100	1 100	2 640	9,650
6/25/2019	R2040	1/31/2040	9,000	1 100	1 100	3 440	9,945
7/2/2019	R2023	2/28/2023	7,750	1 100	1 100	4 825	7,290
7/2/2019	R186	12/21/2026	10,500	1 100	1 100	2 835	8,150
7/2/2019	R2030	1/31/2030	8,000	1 100	1 100	5 645	8,875
7/9/2019	R2030	1/31/2030	8,000	1 100	1 100	3 875	8,810
7/9/2019	R2032	3/31/2032	8,250	1 100	1 100	3 735	9,145
7/9/2019	R2037	1/31/2037	8,500	1 100	1 100	3 490	9,490
7/16/2019	R2030	1/31/2030	8,000	1 100	1 100	4 500	8,620
7/16/2019	R2035	2/28/2035	8,875	1 100	1 100	4 310	9,325
7/16/2019	R2037	1/31/2037	8,500	1 100	1 100	2 360	9,465
7/23/2019	R2030	1/31/2030	8,000	1 100	1 100	3 435	8,740
7/23/2019	R2032	3/31/2032	8,250	1 100	1 100	2 020	9,100
7/23/2019	R2035	2/28/2035	8,875	1 100	1 100	3 485	9,295
7/30/2019	R2035	2/28/2035	8,875	1 100	1 100	3 435	9,635
7/30/2019	R2037	1/31/2037	8,500	1 100	1 100	2 020	9,740
7/30/2019	R2040	1/31/2040	9,000	1 100	1 100	3 485	9,855
8/6/2019	R186	12/21/2026	10,500	1 510	1 510	3 165	8,380
8/6/2019	R2030	1/31/2030	8,000	1 510	1 510	3 165	9,050
8/6/2019	R2035	2/28/2035	8,875	1 510	1 510	3 955	9,650
8/13/2019	R2030	1/31/2030	8,000	1 510	1 510	4 715	9,170
8/13/2019	R2037	1/31/2037	8,500	1 510	1 510	3 305	9,910
8/13/2019	R2040	1/31/2040	9,000	1 510	1 510	3 530	10,000
8/20/2019	R186	12/21/2026	10,500	1 510	1 510	4 610	8,415
8/20/2019	R2040	1/31/2040	9,000	1 510	1 510	3 950	10,045

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
8/20/2019	R2044	1/31/2044	8,750	1 510	1 510	4 195	10,090
8/27/2019	R2030	1/31/2030	8,000	1 510	1 510	3 635	8,950
8/27/2019	R2035	2/28/2035	8,875	1 510	1 510	4 795	9,630
8/27/2019	R2048	2/28/2048	8,750	1 510	1 510	5 175	9,895
9/3/2019	R2023	2/28/2023	7,750	1 510	1 510	5 895	7,200
9/3/2019	R2032	3/31/2032	8,250	1 510	1 510	4 370	9,250
9/3/2019	R2048	2/28/2048	8,750	1 510	1 510	3 280	9,850
9/10/2019	R186	12/21/2026	10,500	1 510	1 510	4 405	8,115
9/10/2019	R2035	2/28/2035	8,875	1 510	1 510	3 160	9,460
9/10/2019	R2040	1/31/2040	9,000	1 510	1 510	3 365	9,785
9/17/2019	R2032	3/31/2032	8,250	1 510	1 510	2 630	9,285
9/17/2019	R2035	2/28/2035	8,875	1 510	1 510	4 185	9,535
9/17/2019	R2048	2/28/2048	8,750	1 510	1 510	2 700	9,855
9/25/2019	R2023	2/28/2023	7,750	1 510	1 510	3 490	7,405
9/25/2019	R2030	1/31/2030	8,000	1 510	1 510	3 015	9,020
9/25/2019	R2037	1/31/2037	8,500	1 510	1 510	2 985	9,750
10/1/2019	R2023	2/28/2023	7,750	1 510	1 510	3 660	7,430
10/1/2019	R2035	2/28/2035	8,875	1 510	1 510	2 700	9,620
10/1/2019	R2048	2/28/2048	8,750	1 510	1 510	2 795	9,930
10/8/2019	R2032	3/31/2032	8,250	1 510	1 510	3 380	9,260
10/8/2019	R2035	2/28/2035	8,875	1 510	1 510	2 845	9,550
10/8/2019	R2048	2/28/2048	8,750	1 510	1 510	3 400	9,860
10/15/2019	R2030	1/31/2030	8,000	1 510	1 510	4 120	8,910
10/15/2019	R2032	3/31/2032	8,250	1 510	1 510	2 870	9,255
10/15/2019	R2037	1/31/2037	8,500	1 510	1 510	4 675	9,595
10/22/2019	R2023	2/28/2023	7,750	1 510	1 510	4 455	7,305
10/22/2019	R2035	2/28/2035	8,875	1 510	1 510	4 410	9,530
10/22/2019	R2048	2/28/2048	8,750	1 510	1 510	3 660	9,880
10/29/2019	R2023	2/28/2023	7,750	1 510	1 510	3 785	7,270
10/29/2019	R186	12/21/2026	10,500	1 510	1 510	6 085	8,150
10/29/2019	R2030	1/31/2030	8,000	1 510	1 510	4 220	8,860

7. ANNEXURES ▸ *continued*

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
11/5/2019	R2030	1/31/2030	8,000	1 510	1 510	3 285	9,065
11/5/2019	R2037	1/31/2037	8,500	1 510	1 510	2 475	9,815
11/5/2019	R2048	2/28/2048	8,750	1 510	1 510	4 055	9,980
11/12/2019	R2032	3/31/2032	8,250	1 510	1 510	3 385	9,520
11/12/2019	R2040	1/31/2040	9,000	1 510	1 510	3 730	10,075
11/12/2019	R2044	1/31/2044	8,750	1 510	1 510	3 305	10,150
11/19/2019	R2030	1/31/2030	8,000	1 510	1 510	6 020	9,100
11/19/2019	R2035	2/28/2035	8,875	1 510	1 510	5 320	9,770
11/19/2019	R2048	2/28/2048	8,750	1 510	1 510	3 655	10,110
11/26/2019	R186	12/21/2026	10,500	1 510	1 510	8 020	8,480
11/26/2019	R2037	1/31/2037	8,500	1 510	1 510	3 180	10,080
11/26/2019	R2044	1/31/2044	8,750	1 510	1 510	5 380	10,295
12/3/2019	R2030	1/31/2030	8,000	1 510	1 510	3 755	9,205
12/3/2019	R2035	2/28/2035	8,875	1 510	1 510	3 750	9,885
12/3/2019	R2040	1/31/2040	9,000	1 510	1 510	3 145	10,205
12/10/2019	R2023	2/28/2023	7,750	1 510	1 510	8 380	7,280
12/10/2019	R2030	1/31/2030	8,000	1 510	1 510	4 175	9,175
12/10/2019	R2035	2/28/2035	8,875	1 510	1 510	3 135	9,870
12/17/2019	R2023	2/28/2023	7,750	1 510	1 510	5 110	7,200
12/17/2019	R2030	1/31/2030	8,000	1 510	1 510	3 645	9,105
12/17/2019	R2040	1/31/2040	9,000	1 510	1 510	2 980	10,135
1/14/2020	R2032	3/31/2032	8,250	1 510	1 510	3 510	9,440
1/14/2020	R2037	1/31/2037	8,500	1 510	1 510	2 890	0,980
1/14/2020	R2044	1/31/2044	8,750	1 510	1 510	6 575	10,210
1/21/2020	R186	12/21/2026	10,500	1 510	1 510	5 695	8,130
1/21/2020	R2032	3/31/2032	8,250	1 510	1 510	2 875	9,385
1/21/2020	R2035	2/28/2035	8,875	1 510	1 510	5 000	9,700
1/28/2020	R2030	1/31/2030	8,000	1 510	1 510	3 160	9,080
1/28/2020	R2037	1/31/2037	8,500	1 510	1 510	2 155	10,075
1/28/2020	R2044	1/31/2044	8,750	1 510	1 510	4 470	10,220
2/3/2020	R186	12/21/2026	10,500	1 510	1 510	3 520	7,940

7. ANNEXURES ▸ *continued*

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2/3/2020	R2035	2/28/2035	8,875	1 510	1 510	4 915	9,670
2/3/2020	R2040	1/31/2040	9,000	1 510	1 510	5 440	9,995
2/10/2020	R2030	1/31/2030	8,000	1 510	1 510	6 110	8,835
2/10/2020	R2035	2/28/2035	8,875	1 510	1 510	3 670	9,720
2/10/2020	R2048	2/28/2048	8,750	1 510	1 510	4 425	10,150
2/17/2020	R2030	1/31/2030	8,000	1 510	1 510	2 780	8,920
2/17/2020	R2032	3/31/2032	8,250	1 510	1 510	3 875	9,320
2/17/2020	R2044	1/31/2044	8,750	1 510	1 510	3 800	10,180
2/24/2020	R186	12/21/2026	10,500	1 510	1 510	4 470	7,860
2/24/2020	R2030	1/31/2030	8,000	1 510	1 510	5 795	8,780
2/24/2020	R2037	1/31/2037	8,500	1 510	1 510	5 760	9,770
3/3/2020	R2030	1/31/2030	8,000	1 510	1 510	5 225	9,105
3/3/2020	R2037	1/31/2037	8,500	1 510	1 510	4 085	10,105
3/3/2020	R2048	2/28/2048	8,750	1 510	1 510	4 590	10,250
3/10/2020	R186	12/21/2026	10,500	1 510	1 510	5 955	8,065
3/10/2020	R2030	1/31/2030	8,000	1 510	1 510	6 005	9,110
3/10/2020	R2037	1/31/2037	8,500	1 510	1 510	4 645	10,140
3/17/2020	R186	12/21/2026	10,500	1 510	1 510	3 235	9,420
3/17/2020	R2032	3/31/2032	8,250	1 510	1 510	2 920	11,240
3/17/2020	R2048	2/28/2048	8,750	1 510	1 510	3 125	11,740
3/24/2020	R186	12/21/2026	10,500	1 510	1 510	3 115	12,000
3/24/2020	R2030	1/31/2030	8,000	1 510	1 510	2 760	13,400
3/24/2020	R2037	1/31/2037	8,500	1 510	1 510	4 320	14,100
3/31/2020	R2023	2/28/2023	7,750	1 510	1 510	4 930	7,170
3/31/2020	R186	12/21/2026	10,500	1 510	1 510	7 550	10,290
3/31/2020	R2030	1/31/2030	8,000	1 510	1 510	6 715	11,370

7. ANNEXURES ▸ *continued*

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
4/5/2019	I2029	3/31/2029	1,875		300	475	3,280
4/5/2019	I2038	1/31/2038	2,250	760	150	185	3,380
4/5/2019	I2046	3/31/2046	2,500		310	590	3,410
4/12/2019	I2025	1/31/2025	2,000		340	2 760	3,070
4/12/2019	I2033	3/28/2033	1,875	760	150	700	3,320
4/12/2019	I2050	12/31/2050	2,500		270	930	3,430
4/26/2019	I2025	1/31/2025	2,000		360	1 270	2,870
4/26/2019	I2038	1/31/2038	2,250	760	200	1 120	3,220
4/26/2019	I2046	3/31/2046	2,500		200	1 095	3,250
5/3/2019	I2029	3/31/2029	1,875		145	930	2,880
5/3/2019	I2033	3/28/2033	1,875	760	200	240	2,980
5/3/2019	I2050	12/31/2050	2,500		415	630	3,145
5/10/2019	I2033	3/28/2033	1,875		40	90	3,060
5/10/2019	I2046	3/31/2046	2,500	760	320	390	3,250
5/10/2019	I2050	12/31/2050	2,500		400	575	3,280
5/17/2019	I2025	1/31/2025	2,000		170	190	2,870
5/17/2019	I2038	1/31/2038	2,250	760	290	635	3,280
5/17/2019	I2050	12/31/2050	2,500		300	1 580	3,330
5/24/2019	I2029	3/31/2029	2,000		75	75	3,050
5/24/2019	I2033	3/28/2033	1,875	760	135	145	3,150
5/24/2019	I2050	12/31/2050	1,875		485	545	3,380
5/31/2019	I2038	1/31/2038	2,250		280	750	3,350
5/31/2019	I2046	3/31/2046	2,500	760	255	945	3,380
5/31/2019	I2050	12/31/2050	2,500		255	885	3,370
6/7/2019	I2025	1/31/2025	2,000		230	920	3,020
6/7/2019	I2033	3/28/2033	1,875	760	200	610	3,280
6/7/2019	I2046	3/31/2046	2,500		330	1 045	3,400
6/14/2019	I2029	3/31/2029	1,875		20	120	3,250
6/14/2019	I2038	1/31/2038	2,250	760	330	530	3,380
6/14/2019	I2050	12/31/2050	2,500		410	1 020	3,470

7. ANNEXURES ▸ *continued*

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
6/21/2019	I2025	1/31/2025	2,000		360	900	3,100
6/21/2019	I2038	1/31/2038	2,250	760	200	840	3,390
6/21/2019	I2046	3/31/2046	2,500		200	950	3,480
6/28/2019	I2029	3/31/2029	1,875		85	485	3,170
6/28/2019	I2033	3/28/2033	1,875	760	385	785	3,340
6/28/2019	I2050	12/31/2050	2,500		290	885	3,430
7/5/2019	I2025	1/31/2025	2,000		225	225	3,020
7/5/2019	I2038	1/31/2038	2,250	760	365	670	3,360
7/5/2019	I2050	12/31/2050	2,500		105	105	2,600
7/12/2019	I2029	3/31/2029	1,875		120	510	3,210
7/12/2019	I2033	3/28/2033	1,875	760	180	1 240	3,345
7/12/2019	I2046	3/31/2046	2,500		460	1 035	3,440
7/19/2019	I2025	1/31/2025	2,000		275	580	3,320
7/19/2019	I2033	3/28/2033	1,875	760	100	580	3,320
7/19/2019	I2050	12/31/2050	2,500		385	1 100	3,420
7/26/2019	I2033	3/28/2033	1,875		100	350	3,340
7/26/2019	I2038	1/31/2038	2,250	760	320	480	3,380
7/26/2019	I2050	12/31/2050	2,500		340	810	3,450
8/2/2019	I2025	1/31/2025	2,000		220	1 050	3,165
8/2/2019	I2038	1/31/2038	2,250	760	320	910	3,490
8/2/2019	I2050	12/31/2050	2,500		220	1 085	3,510
8/16/2019	I2025	1/31/2025	2,000		520	1 145	3,200
8/16/2019	I2033	3/28/2033	1,875	1 040	295	1 400	3,480
8/16/2019	I2046	3/31/2046	2,500		225	1 610	3,540
8/23/2019	I2029	3/31/2029	1,875		175	380	3,400
8/23/2019	I2033	3/28/2033	1,875	1 040	815	1 145	3,510
8/23/2019	I2038	1/31/2038	2,250		50	400	3,510
8/30/2019	I2025	1/31/2025	2,000		460	840	3,250
8/30/2019	I2038	1/31/2038	2,250	1 040	265	645	3,550
8/30/2019	I2050	12/31/2050	2,500		315	760	3,590

7. ANNEXURES ▸ *continued*

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
9/6/2019	I2025	1/31/2025	2,000		290	1 135	3,270
9/6/2019	I2033	3/28/2033	1,875	1 040	300	885	3,530
9/6/2019	I2046	3/31/2046	2,500		450	1 005	3,620
9/13/2019	I2029	3/31/2029	1,875		44	965	3,460
9/13/2019	I2038	1/31/2038	2,250	1 040	300	745	3,590
9/13/2019	I2046	3/31/2046	2,500		300	965	3,640
9/20/2019	I2029	3/31/2029	1,875		80	970	3,420
9/20/2019	I2038	1/31/2038	2,250	1 040	435	1 110	3,580
9/20/2019	I2046	3/31/2046	2,500		525	1 150	3,610
9/27/2019	I2033	3/28/2033	1,875		275	585	3,550
9/27/2019	I2038	1/31/2038	2,250	1 040	355	685	3,580
9/27/2019	I2050	12/31/2050	2,500		410	975	3,620
10/4/2019	I2025	1/31/2025	2,000		220	570	3,230
10/4/2019	I2038	1/31/2038	2,250	1 040	440	700	3,580
10/4/2019	I2050	12/31/2050	2,500		380	715	3,630
10/11/2019	I2025	1/31/2025	2,000		330	1 925	3,220
10/11/2019	I2033	3/28/2033	1,875	1 040	305	755	3,550
10/11/2019	I2046	3/31/2046	2,500		405	1 035	3,640
10/18/2019	I2025	1/31/2025	2,000		250	1 175	3,230
10/18/2019	I2038	1/31/2038	2,250	1 040	480	980	3,600
10/18/2019	I2050	12/31/2050	2,500		310	1 530	3,640
10/25/2019	I2025	1/31/2025	2,000		445	1 045	3,270
10/25/2019	I2033	3/28/2033	1,875	1 040	365	665	3,595
10/25/2019	I2046	3/31/2046	2,500		230	1 360	3,650
11/1/2019	I2029	3/31/2029	1,875		380	680	3,580
11/1/2019	I2038	1/31/2038	2,250	1 040	215	340	3,720
11/1/2019	I2050	12/31/2050	2,500		445	1 055	3,760
11/8/2019	I2025	1/31/2025	2,000		90	640	3,390
11/8/2019	I2033	3/28/2033	1,875	1 040	200	1 100	3,670
11/8/2019	I2050	12/31/2050	2,500		750	1 435	3,810

7. ANNEXURES ▸ *continued*

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
11/15/2019	I2025	1/31/2025	2,000		235	815	3,460
11/15/2019	I2038	1/31/2038	2,250	1 040	380	860	3,790
11/15/2019	I2046	3/31/2046	2,500		425	1 465	3,880
11/22/2019	I2029	3/31/2029	1,875		325	1 100	3,700
11/22/2019	I2038	1/31/2038	2,250	1 040	350	855	3,880
11/22/2019	I2046	3/31/2046	2,500		365	1 375	3,950
11/29/2019	I2025	1/31/2025	2,000		225	1 890	3,565
11/29/2019	I2033	3/28/2033	1,875	1 040	490	1 300	3,850
11/29/2019	I2050	12/31/2050	2,500		345	1 495	3,980
12/6/2019	I2025	1/31/2025	2,000		320	1 300	3,570
12/6/2019	I2029	3/31/2029	1,875	1 040	320	1 555	3,685
12/6/2019	I2046	3/31/2046	2,500		400	2 205	3,950
12/13/2019	I2025	1/31/2025	2,000		350	350	3,550
12/13/2019	I2038	1/31/2038	2,250	1 040	330	680	3,830
12/13/2019	I2050	12/31/2050	2,500		360	1 430	3,910
1/10/2020	I2029	3/31/2029	1,875		485	485	3,730
1/10/2020	I2033	3/28/2033	1,875	1 040	215	265	3,805
1/10/2020	I2046	3/31/2046	2,500		340	660	3,920
1/17/2020	I2025	1/31/2025	2,000		310	660	3,600
1/17/2020	I2033	3/28/2033	1,875	1 040	280	430	3,850
1/17/2020	I2046	3/31/2046	2,500		450	1 595	3,885
1/24/2020	I2029	3/31/2029	1,875		385	550	3,750
1/24/2020	I2033	3/28/2033	1,875	1 040	250	500	3,850
1/24/2020	I2050	12/31/2050	2,500		405	1 385	3,930
1/31/2020	I2025	1/31/2025	2,000		470	2 145	3,650
1/31/2020	I2038	1/31/2038	2,250	1 040	180	655	3,900
1/31/2020	I2046	3/31/2046	2,500		390	1 165	3,915
2/7/2020	I2025	1/31/2025	2,000		500	2 235	3,560
2/7/2020	I2033	3/28/2033	1,875	1 040	235	534	3,860
2/7/2020	I2046	3/31/2046	2,500		305	1 120	3,930

7. ANNEXURES ▸ *continued*

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2019/20

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2/14/2020	I2025	1/31/2025	2,000		450	1 515	3,465
2/14/2020	I2038	1/31/2038	2,250	1 040	350	685	3,910
2/14/2020	I2050	12/31/2050	2,500		240	675	3,920
2/21/2020	I2029	3/31/2029	1,875		130	1 130	3,665
2/21/2020	I2033	3/28/2033	1,875	1 040	570	1 660	3,830
2/21/2020	I2046	3/31/2046	2,500		340	725	3,870
2/28/2020	I2025	1/31/2025	2,000		15	915	3,480
2/28/2020	I2038	1/31/2038	2,250	1 040	245	350	3,900
2/28/2020	I2046	3/31/2046	2,500		780	1 260	3,930
3/6/2020	I2029	3/31/2029	1,875		220	320	3,810
3/6/2020	I2033	3/28/2033	1,875	1 040	335	335	3,920
3/6/2020	I2050	12/31/2050	2,500		220	230	3,900
3/13/2020	I2025	1/31/2025	2,000		355	720	4,050
3/13/2020	I2033	3/28/2033	1,875	1 040	80	215	4,350
3/13/2020	I2050	12/31/2050	2,500		605	740	4,550
3/20/2020	I2029	3/31/2029	1,875		175	375	5,250
3/20/2020	I2038	1/31/2038	2,250	1 040	140	225	5,400
3/20/2020	I2046	3/31/2046	2,500		430	665	5,420
3/27/2020	I2012	1/31/2029	2,750		760	3 065	3,600
3/27/2020	I2038	1/31/2038	2,250	1040	180	615	6,550
3/27/2020	I2050	12/31/2050	2,500		100	3 080	6,390

7. ANNEXURES ▸ *continued*

ANNEXURE H : GLOSSARY

Auction	A process in which participants can submit bids to purchase a given amount of a good or service at a specific price.
Benchmark bond	A bond that provides a standard against which the performance of other bonds can be measured. Government bonds are almost always used as benchmark bonds
Bond	A certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest on a specified future date.
Bridging finance	A short-term loan used provide immediate cash flow to meet current obligation
Contingent liability	A government obligation that will only result in expenditure if a specific event occurs, such as a default by a state-owned company which results in government being called on to meet the obligation.
Coupon (bond)	The periodic interest payment made to bondholders during the life of a bond. Interest is usually paid twice a year.
COVID-19	A disease caused by the transmission of severe acute respiratory syndrome coronavirus 2, first identified in December 2019 in Wuhan, China
DMTN	A Domestic Medium Term Note (DMTN) programme is a debt issuance note programme, registered with a securities exchange and continuously offered to investors through a dealer. Notes and bonds can range between 1 and 30 years in maturity. The DMTN programme allows an issuer to tailor its debt issuance to meet its financing needs over time.
Liquidity	Ease of converting an asset into cash.
Perpetual bond	A bond with no maturity date.
Primary dealer	A firm that buys government securities directly from a government with the intention of reselling them to others, thus acting as a market maker for the securities.
Primary listing	The main exchange on which a stock is listed.
Provisions	Liabilities for which the payment date or amount is uncertain. The provisions for multilateral institutions are the unpaid portion of government's subscription to these institutions, payable on request.
Public debt	All money owed at any given time by any branch of government. Also referred to as government debt.
Refinancing risk	The possibility that a borrower will not be able to refinance by borrowing to repay existing debt.
Secondary market	A market in which an investor purchases a security from another investor rather than from the issuer, subsequent to the original issuance in the primary market. It is also called the aftermarket.
Sterilisation deposit	Operations by central banks to mitigate potentially undesired effects (currency appreciation or inflation) of inbound capital. The South African Reserve Bank "sterilises" excess cash created in the money market when purchasing foreign currency.
STRATE	Share Transactions Totally Electronic (STRATE) is the authorised central securities depository for electronic settlement of financial instruments in South Africa.

7. ANNEXURES ▸ *continued*

Switch programme	A liability management exercise where short-term debt is exchanged for long-term debt. The purpose is to reduce near-term exposure to refinancing risk by exchanging short-term debt for long-term debt.
Tenor	The amount of time left for the redemption of a bond.
Three-legged bond	A bond with three maturities and priced on the middle maturity (second leg); all maturities have the same price. Investors are given the option to split the bond into three maturities two years before the maturity of the first leg.
Yield	A financial return or interest paid to buyers of government bonds. The yield takes into account the total of annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.
Yield curve	A graph showing the relationship between the yield on bonds of the same credit quality but different maturities at a given point in time.
Zero-coupon bond	A bond that does not pay interest. However, it trades at a deep discount, redeeming at full face value at maturity.

7. ANNEXURES ▸ *continued*

ANNEXURE I: ACRONYMS

ACSA	Airports Company of South Africa
Capex	Capital expenditure
CFI	Cooperative financial institution
COVID-19	Coronavirus disease 2019
CPD	Corporation for Public Deposits
CPI	Consumer Price Index
DBSA	Development Bank of Southern Africa
DFI	Development finance institution
DMTN	Domestic Medium-Term Note
ETP	Electronic trading platform
Fitch	Fitch Ratings Inc.
FRN	Floating-rate note
FY	Financial year
GDP	Gross Domestic Product
GEHS: ILSF	Government Employees Housing Scheme: Individual-Linked Savings Facility
GFECRA	Gold and Foreign Exchange Contingency Reserve Account
ICASA	Independent Communications Authority of South Africa
IDC	Industrial Development Corporation
ILB	Inflation-linked bond
JSE	Johannesburg Stock Exchange
Land Bank	Land and Development Bank of South Africa
MFI	Multilateral finance institution
Moody's	Moody's Investors Service
MTBPS	Medium Term Budget Policy Statement
NRF	National Revenue Fund
PFMA	Public Finance Management Act
PRASA	Passenger Rail Agency of South Africa
R&I	Rating and Investment Information, Inc.
Repo	Repurchase
RoW	Rest of the world
RSA	Republic of South Africa
S&P	Standard and Poor's
SA	South Africa
SAA	South African Airways

7. ANNEXURES ▸ *continued*

SANRAL	South African National Roads Agency Limited
SAPO	South African Post Office
SARB	South African Reserve Bank
SOC	State-owned company
STRATE	Share Transactions Totally Electronic
TCTA	Trans-Caledon Tunnel Authority
Transnet	Transnet Limited
UK	United Kingdom
US	United States

NOTES

2019/20 DEBT MANAGEMENT REPORT

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