



2022/23

# DEBT MANAGEMENT

Report



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA







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## 1. FOREWORD



**Dr DUNCAN PIETERSE**  
Director-General

The period under review was characterised by a continuation of global risks from the previous year. New challenges also emerged that caused global investors to reassess their risk evaluations and reduce exposure to emerging markets. Inflation in the United States continued to trend upwards, reaching levels last seen since the 1980s. This raised expectations of aggressive rate hikes that would curtail growth. Commodity prices at the beginning of the year were strong, with notable gains in gold, lithium and natural gas due to concerns about supply.

On the local front, investors were focused on the Eskom debt-relief announcement, which had been anticipated since the 2022 Medium Term Budget Policy Statement (MTBPS). The uncertainty about the debt-relief measures, along with the prospect of elevated stages of load shedding, resulted in the weakening of the fixed-rate funding curve by roughly 40 basis points across all maturities. A well-received 2023 Budget led to some temporary relief as spreads narrowed by 20 basis points towards the end of March.

Despite the transfer of R254 billion to government's balance sheet from Eskom, government's bond issuance strategy remained unchanged for weekly fixed-rate issuance, while inflation-linked issuances were reduced. To reduce the cost of government's debt portfolio, the focus remained on issuing short to mid- to long-term bond maturities. Foreign funding commitments were met through concessional loans from multilateral development banks and other international finance institutions.

In March 2023, S&P Global Ratings revised its outlook for South Africa from "positive" to "stable". In its rationale, the agency highlighted infrastructure constraints due to increased load shedding and the slow pace of reforms intended to address the performance of and infrastructure shortfalls at state-owned companies (SOCs).

Despite these uncertainties, government remains committed to its fiscal plans and debt-consolidation strategies. While these challenges persist, our focus remains firmly on prudent and disciplined financial management.

**Dr DUNCAN PIETERSE**  
Director-General



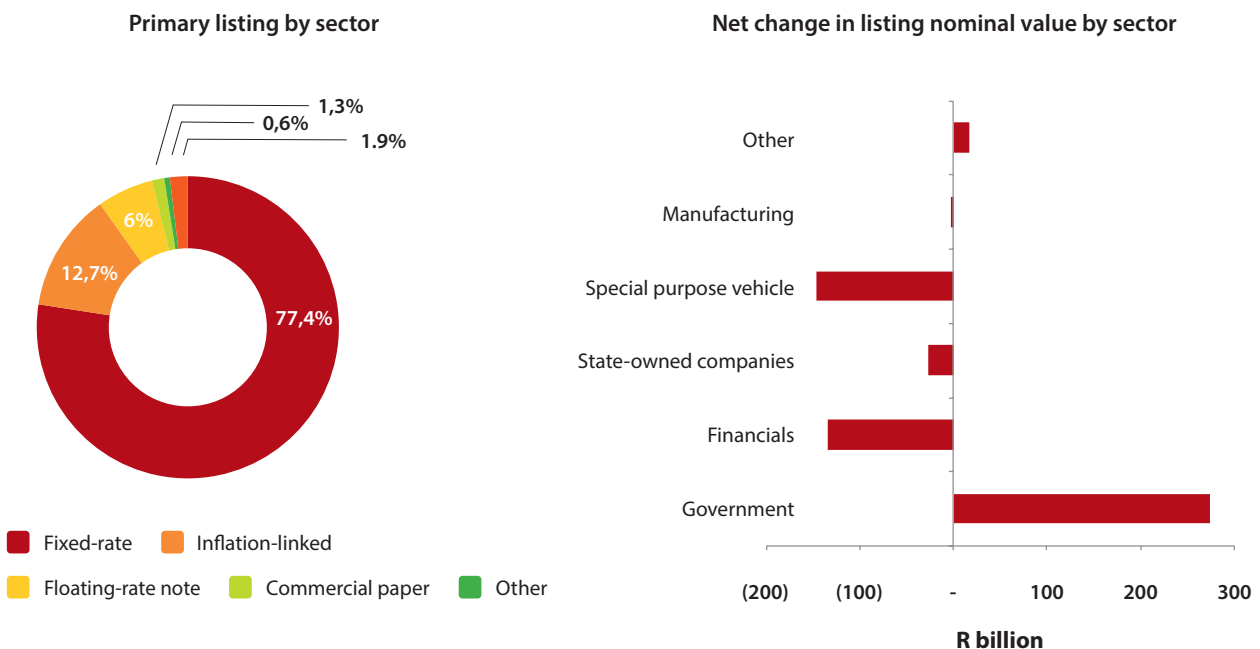


## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

### 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 R4.29 trillion as at 31 March 2023, R17.6 billion lower than the end of the previous year. The domestic debt capital market remains an important source of financing, especially for national government. For the reporting period, government was the highest contributor of total outstanding debt listed on the JSE, amounting to R3.3 trillion, a R273 billion increase from 2021/22. Other sectors saw a collective net reduction of R290.8 billion from the listing activity reported in 2021/22. By the end of 2022/23, the largest reductions among these were in special-purpose vehicles, which decreased by R145.2 billion, and financials, which decreased by R133.1 billion.

**Figure 1: Primary listing of debt securities on the JSE (31 March 2023)**

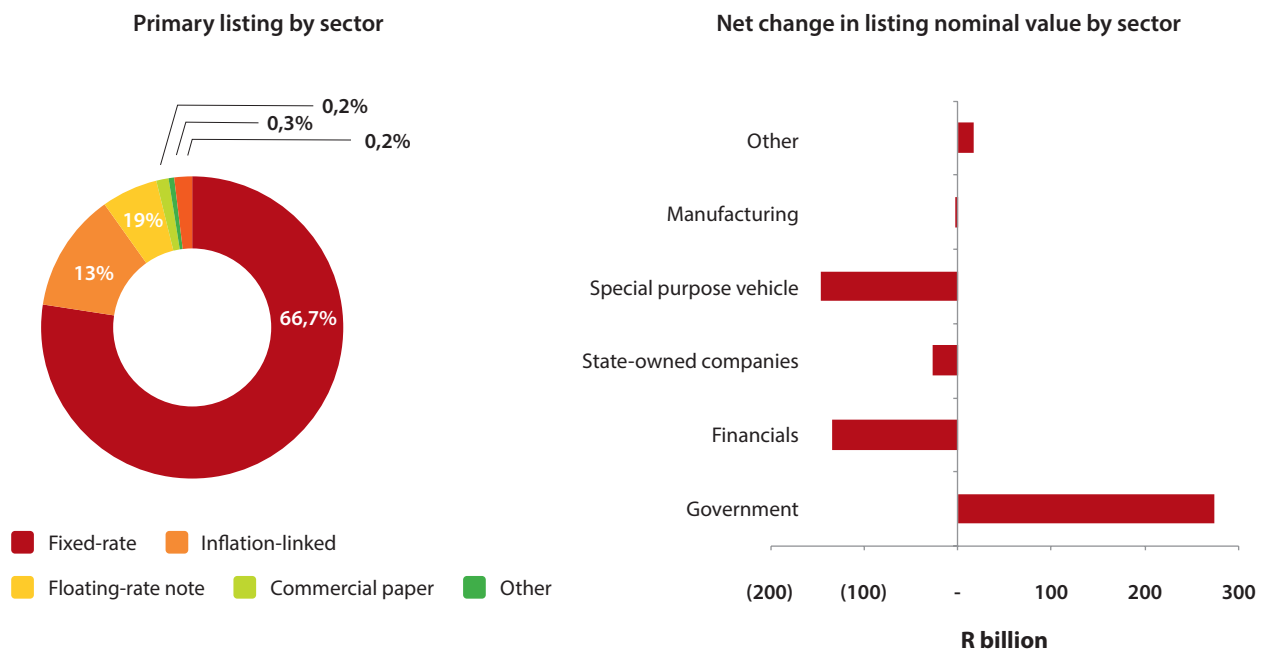


Sources: JSE, National Treasury

As at 31 March 2023, government's debt contributed about 77.4 per cent of listed debt. This was 6.6 per cent higher than the 70.8 per cent recorded as at 31 March 2022. The next largest sectors were financials, with a listing of 12.7 per cent, and SOCs, with a listing of 6 per cent.

## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 2: Composition of primary listings by instrument (31 March 2023)

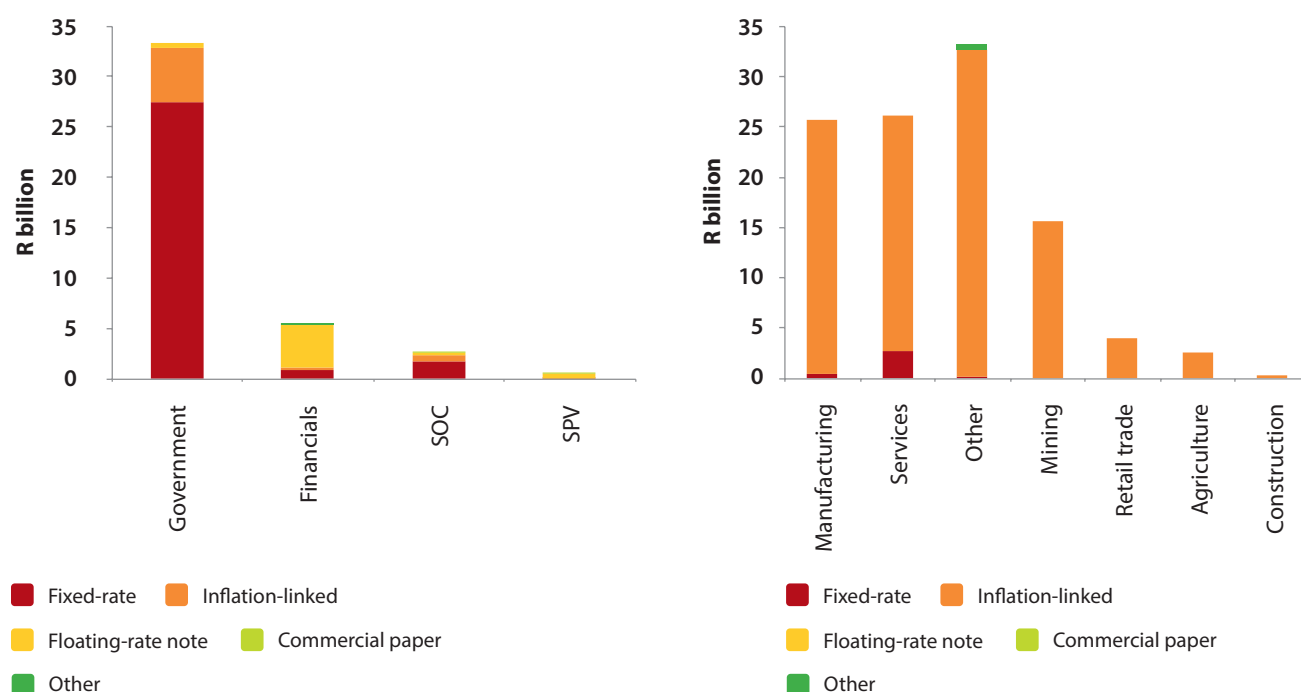


Sources: JSE, National Treasury

By a considerable margin, fixed-rate bonds account for the largest part of total primary listings. This is mainly because government, the largest issuer of listed debt, mostly issues fixed-rate bonds. As at 31 March 2023, fixed-rate instruments accounted for 69.7 per cent (R2.9 trillion) of total listed debt, 3 per cent higher than 2022/23. As illustrated in Figure 2, floating rate notes (FRNs) are the second-most issued instrument, accounting for 15.3 per cent of primary listings. In nominal terms, FRNs had the highest increase of roughly R202.3 billion, followed by fixed-rate bonds, which increased by R119.5 billion year-on-year. Inflation-linked bonds accounted for 14.6 per cent of primary listings, reflecting a net increase of R66.7 billion from the previous year.

## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 3: Sectoral composition of primary listings of debt securities on the JSE (31 March 2023)



Sources: JSE, National Treasury

Figure 3 shows the preference for issuing FRNs outside the government and SOC sectors. FRNs provide a good source of funding while investor demand is high, as many investors see the credit spread in their portfolios as having the potential to generate higher returns during increasing interest rate cycles.

### SECONDARY MARKET ACTIVITY IN SOUTH AFRICAN BONDS<sup>1</sup>

Trading activity in the secondary market remained relatively unchanged during 2022. Trading volumes as at 31 December 2022 were R33.6 trillion, reflecting a R415 billion decrease from the volumes recorded in December 2021.

Repurchase (repo) transactions are an efficient source of money market funding, providing investors with a range of options for investing surplus cash and helping to avoid settlement failures. As at 31 December 2022, the repo market amounted

<sup>1</sup> Due to the availability of the source data, information provided in this section is as at 31 December 2022, not 31 March 2023.

## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

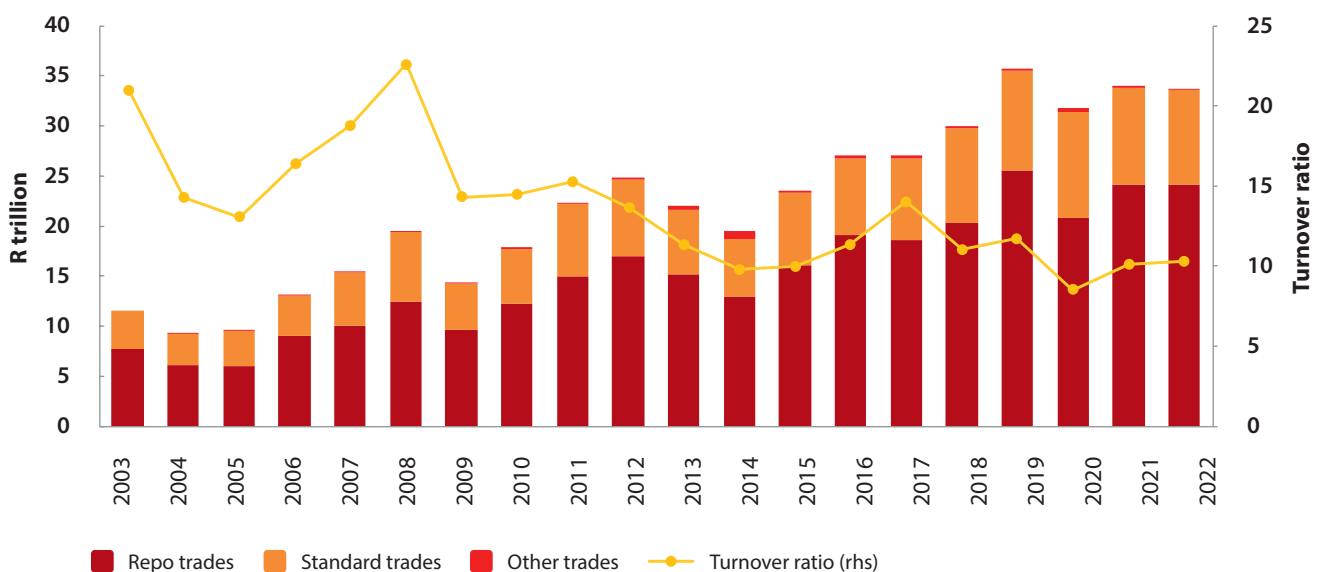
to 71.7 per cent of total trading volumes in the interest rate market, a 0.7 per cent increase from the 71 per cent recorded on 31 December 2021. Of the total trades in the secondary market, standard trades accounted for 28.2 per cent and other trades accounted for 0.1 per cent. In nominal terms, repo trades decreased by R39.5 billion, standard trades decreased by R126 billion and other trades decreased by R249.6 billion.

### Repo market

Repos are classified as money market instruments that are normally used to raise short-term capital. It is considered a repo when the party selling an asset (usually fixed-income securities) agrees to repurchase it in the future. A reverse repo agreement is in place when the party on the other end of the transaction buys the security and agrees to sell it in the future. 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 losses. The asset, therefore, acts as collateral and mitigates the credit risk that the buyer has on the seller.

Source: International Capital Market Association

Figure 4: South African bond market turnover (2003-2022)



Sources: JSE, National Treasury

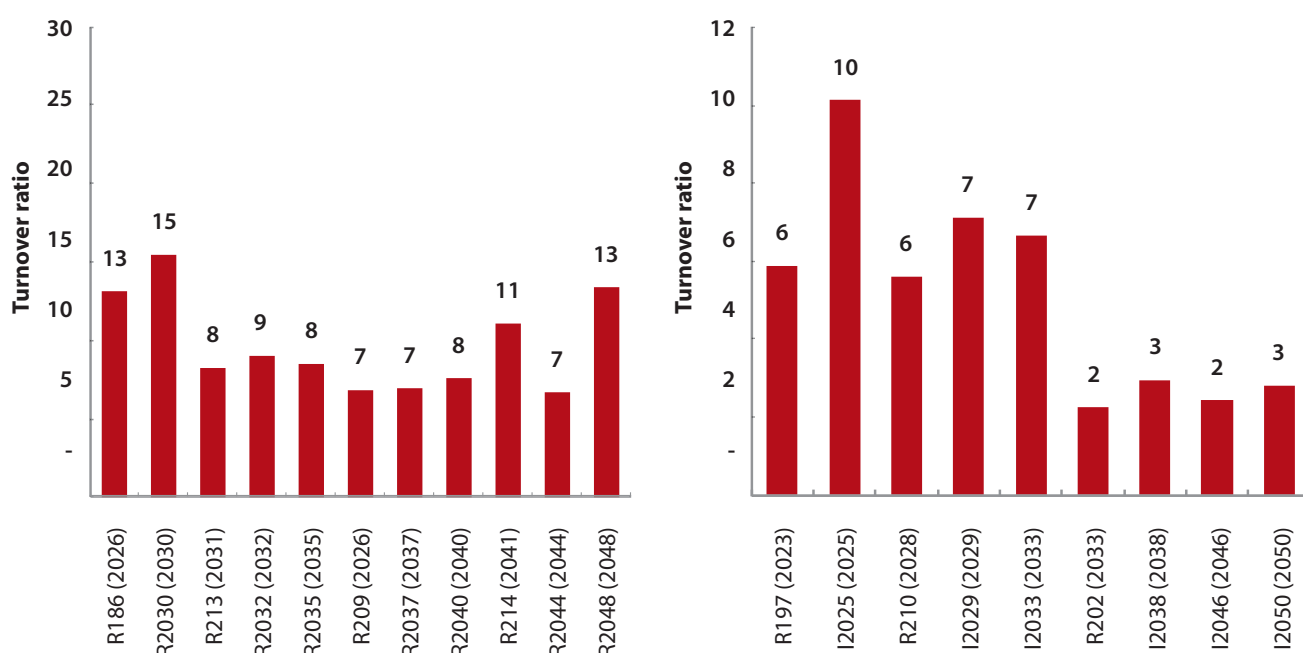


## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

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 R33.6 trillion traded in the secondary market, government bonds accounted for a significant portion of the volume traded in 2022. As Figure 5 shows, the R2030 (8%; 2030) bond had the highest turnover ratio (15 times), followed by the R186 (10.5%; 2025/26/27) and R2048 (8.75%; 2047/48/49) bonds with a turnover ratio of 13 times. The R2030 bond, with a total issuance of R351.5 billion as at 31 December 2022, is the most liquid bond in government’s bond portfolio, having traded R5.4 trillion on the exchange. A total of R4.9 trillion was traded in the R186 and R2048 bonds, with a total issuance of R378.1 billion and R366.1 billion, respectively.

**Figure 5: Government bond turnover ratios (31 December 2022)**



Sources: JSE, National Treasury



## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Among the inflation-linked bonds, the I2025 (2%; 2025) bond had the highest turnover ratio of 10 times during 2022. 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**

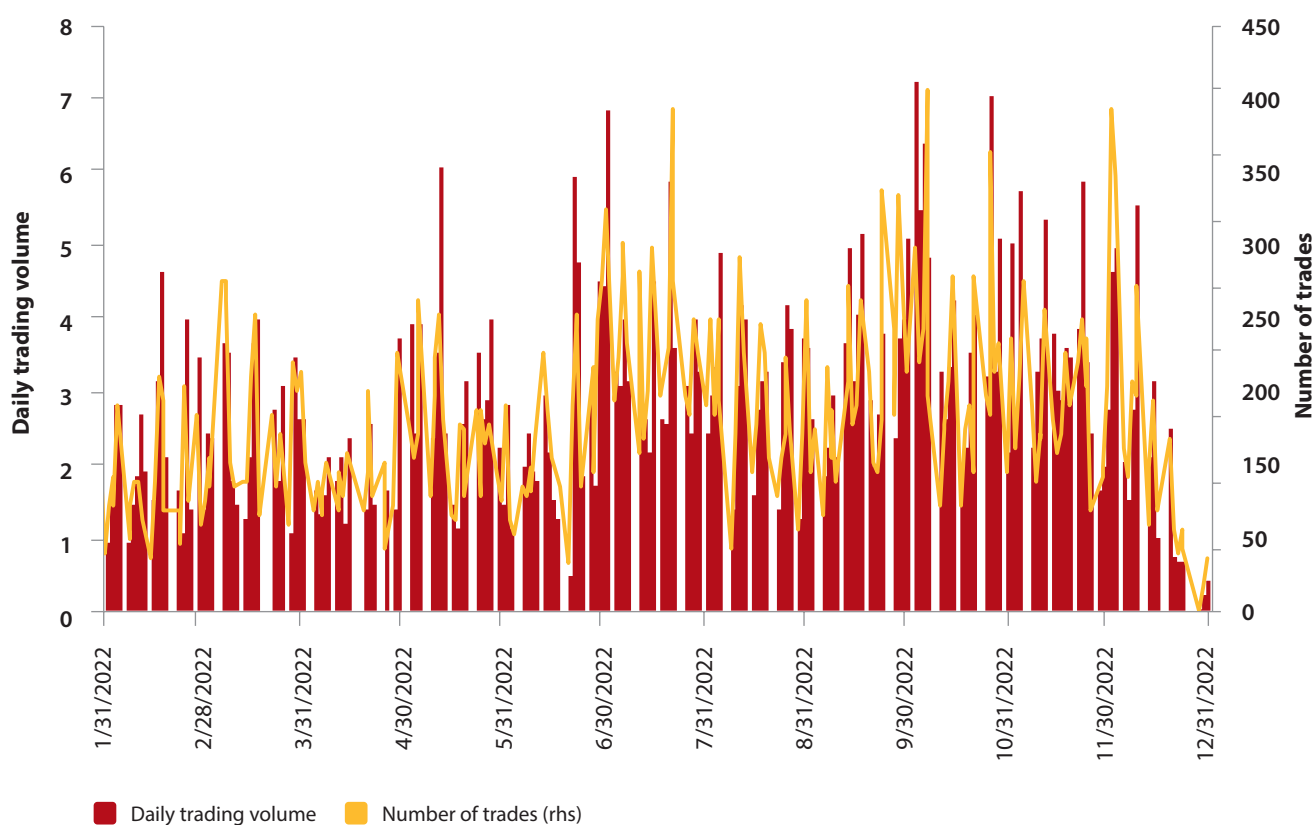
With technical assistance from the World Bank, the National Treasury launched the electronic trading platform (ETP) for government bonds in July 2018. This was done in collaboration with a group of stakeholders comprising the JSE, Share Transactions Totally Electronic (Strate), primary dealers, the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority. The aim of the ETP is to improve liquidity, price discovery and transparency in the domestic government bond market.

All 10 primary dealers are required to quote prices on the following obligatory bonds: R186 (10.25%; 2025/26/27), R2030 (8%; 2030), R2035 (8.875%; 2035), R2040 (9%; 2040) and R2048 (8.75%; 2047/48/49). They are also obliged to quote firm and executable current bid and ask prices/yields on the 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 the platform.



## 2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 6: Electronic trading platform daily volumes and trades (January to December 2022)



Source: MTS

The average daily volume traded increased to R2.7 billion in 2022, reflecting a R1 billion increase from the R1.7 billion recorded in 2021. The average number of trades per day increased to an average of 145 in 2022 from an average of 77 in 2021. As expected, there were fewer trades in December 2022 because of the holiday season.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

#### BORROWING REQUIREMENT

Government's gross borrowing for 2022/23 improved when compared to 2022 Budget, from R484.5 billion to R387.9 billion in the 2023 Budget, as a result of higher-than-anticipated revenue collection. Consequently, government's gross borrowing requirement and the budget deficit decreased significantly, from R484.5 billion in the 2022 Budget to the preliminary outcome of R400.3 billion.

Funding from international financial institutions was revised upwards, from the US\$3 billion projected in the 2022 Budget to a projected US\$3.1 billion and €991 million in the 2023 Budget.

Table 1 details the preliminary outcome of financing government's gross borrowing requirement. This was financed through a net reduction in domestic short-term loans of R25.6 billion, domestic long-term loans of R322.4 billion and foreign loans of R64.5 billion. Cash and other balances of R64.6 billion were used to finance part of the borrowing requirement during the year.

**Table 1: Financing of national government gross borrowing requirement (2022/23)**

R million	Budget	Revised budget	Preliminary outcome
Main budget balance	-387 213	-300 415	-335 640
Redemptions	-97 252	-87 474	-90 324
Domestic long-term loans	-81 292	-71 712	-74 562
Foreign loans	-15 960	-15 762	-15 762
<b>Borrowing requirement (gross)</b>	<b>-484 465</b>	<b>-387 889</b>	<b>-425 964</b>
<b>Financing</b>			
Domestic short-term loans	-	-25 493	-25 577
Treasury bills (net)		-25 493	-25 493
Corporation for Public Deposits	-	-	-84
Domestic long-term loans	330 400	310 900	322 420
Market loans	330 400	310 900	322 420
Loans issued for switches	-	-	-
Foreign loans	47 880	64 466	64 466
Market loans	47 880	64 466	64 466
Loans issued for switches	-	-	-
<b>Change in cash and other balances<sup>1</sup></b>	<b>106 185</b>	<b>38 017</b>	<b>64 655</b>
<b>Total financing</b>	<b>484 465</b>	<b>387 889</b>	<b>425 964</b>

1. A positive value indicates that cash is used to finance part of the borrowing requirement.

Source: National Treasury





## 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

### DOMESTIC SHORT-TERM BORROWING

Domestic short-term borrowing comprises Treasury bill issuance and borrowing from the Corporation for Public Deposits (CPD). The National Treasury conducts weekly Treasury bill auctions and borrows from the corporation to meet its funding requirements and alleviate short-term liquidity pressures.

To manage liquidity, Treasury bill auction levels were adjusted downwards by R1.4 billion to R10.4 billion during the second quarter of 2022/23 due to an increase in the collection of revenue tax. There was no borrowing from the CPD. Treasury bills showed a net redemption of R25.5 billion.

Details of the 2022/23 weekly Treasury bill auctions, including the allocated amount for each tenor, can be found in Annexure D and Annexure E.

**Table 2: Domestic short-term borrowing (2022/23)**

R million	Opening balance	Net change	Closing balance
<b>Corporation for Public Deposits</b>	72	-	72
Treasury bills	447 964	-25 493	422 471
91-day	8 684	-1 992	6 692
182-day	72 807	-3 423	69 384
273-day	149 364	-5 650	143 714
364-day	217 109	-14 428	202 681
<b>Total</b>	<b>448 036</b>	<b>-25 493</b>	<b>422 543</b>

Source: National Treasury

### Treasury bill auction performance

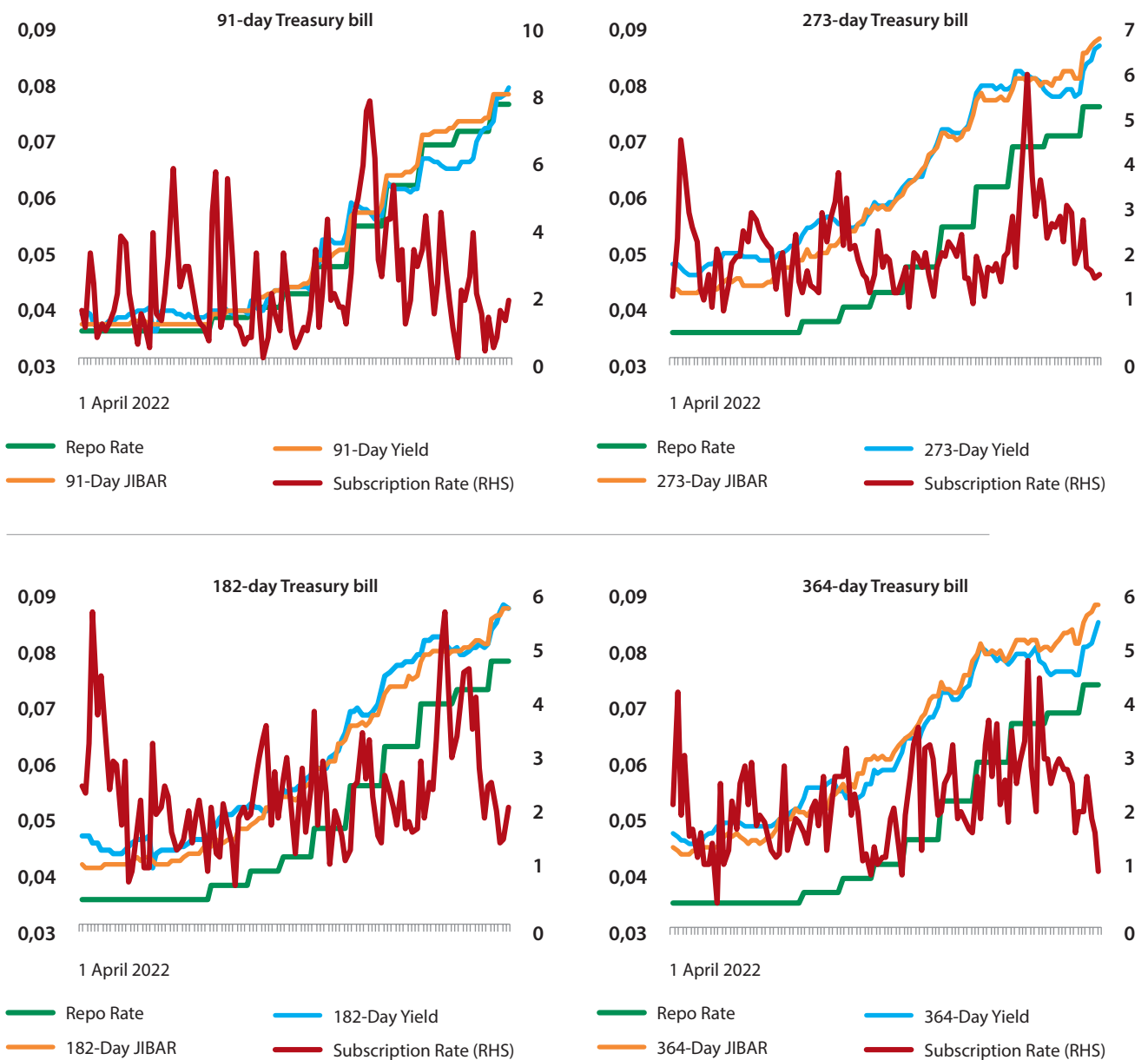
Treasury bill auction performance remained subdued in 2022/23 owing to existing supply levels, inflation pressure and the associated upward trend in short-term interest rates.

During the course of the reporting period, the SARB adjusted the repo rate by 350 basis points and the average Treasury bill rate weakened by 277 basis points. Treasury bill subscription rates remained suppressed while yields continued to trend upwards (see Figure 7).



## 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 7: Repo, Treasury bill and subscription rates (2022/23)



Source: National Treasury



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 3 shows the gross issuance and total under-allotments of Treasury bills in 2022/23. As a result of market volatility, R6.7 billion (1.2 per cent) of the total gross issuance was not allotted.

**Table 3: Treasury bill auction under-allotments, 2022/23**

R million	Gross issuance <sup>1</sup>	Under-allotted	Percentage of gross issuance under-allotted
91-day	32 951	-13 519	-41.0
182-day	137 873	3 273	2.4
273-day	198 585	6 285	3.2
364-day	202 680	-2 749	-1.4
<b>Total</b>	<b>572 089</b>	<b>-6 710</b>	<b>-1.2</b>

1. Gross issuance takes into account the total amount of issuance rolled over to the Treasury bill portfolio from 2021/22

Source: National Treasury

Table 4 provides a summary of the auction bid-to-cover ratios and effective yields. Government can increase or reduce the auction amount on offer in line with its funding requirements. On average, Treasury bill auctions were 2.51 times oversubscribed. However, a number of Treasury bill auctions were undersubscribed, with the 91-day maturity having the lowest subscription rate of 0.03 times.

**Table 4: Treasury bill auction analysis (2022/23)**

	91-day	182-day	273-day	364-day
<b>Bid-to-cover-ratios (times)</b>				
Highest	8,12	5,66	5,84	4,89
Lowest	0,03	1,14	1,08	1,02
Average	2,61	2,59	2,29	2,56
<b>Effective yields (%)</b>				
Highest	7,48	8,34	8,47	8,56
Lowest	4,32	5,41	5,92	6,05
Average	5,91	7,13	7,49	7,67

Source: National Treasury



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

#### 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 selected SOCs. 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 borrow amounts up to predetermined limits from the corporation.

In 2022/23, government used the facility only to perform its intra-day roll-up. This is a standing instruction between the National Treasury and the SARB to maintain government's main account with the SARB at a zero balance. Subsequently, there were no borrowings from the CPD in the reporting period.

#### **DOMESTIC LONG-TERM BORROWING**

Domestic long-term borrowing consists of the issuance of fixed-rate, inflation-linked FRNs and retail savings bonds. Fixed-rate and inflation-linked bond auctions are conducted weekly in line with a predetermined auction calendar. Fixed-rate bond auctions are conducted through a panel of primary dealers, whereas inflation-linked bond auctions are open to all registered members of the JSE. Retail savings bonds are available to South African citizens through the South African Post Office and the RSA Retail Savings Bond website. In 2022/23, a total nominal amount of R288.9 billion was issued in domestic long-term bonds (excluding RSA Retail Savings Bonds).

#### Fixed-rate bonds

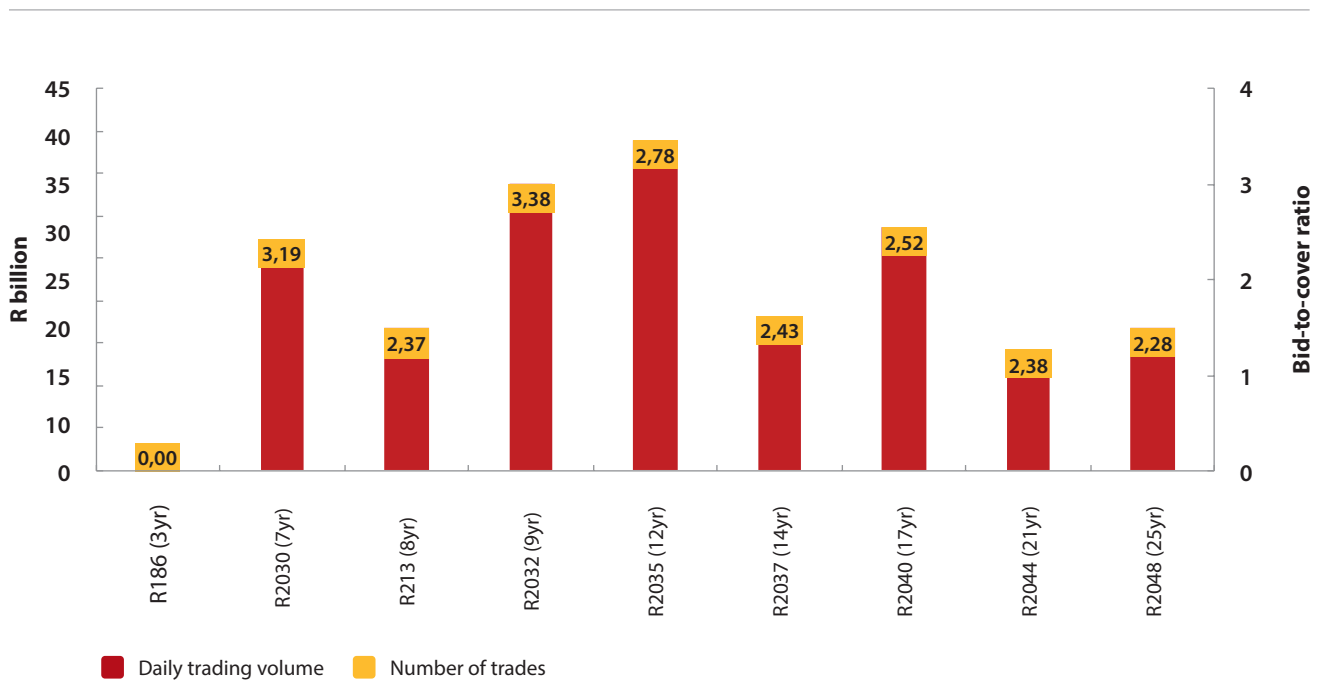
During 2022/23, a total nominal amount of R240.5 billion was issued in fixed-rate bonds. Of this amount, R195 billion was issued in the 50 weekly competitive bond auctions, while the remaining R45.5 billion was raised through non-competitive auctions. Owing to the volatility caused by high inflation globally and domestically, issuances were mostly concentrated at the short end of the curve: 60 per cent of issuances were between the two-year and 14-year maturities. As a result of the low cash prices and deep discount prices on the R209 (6.25%; 2036) and R214 (6.5%; 2041) bonds, these were not issued in 2022/23.

The R2035 bond (8.875%; 2035) was the highest issued bond for the year at R39 billion, followed by the R2032 bond (8.25%; 2032) at R33.8 billion. The National Treasury stopped issuance into the R186 bond (10.5%; 2025/26/27) as it is nearing maturity. This was also the least-issued bond with a bid-to-cover ratio of 2.67 times.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 8: Issuance of fixed-rate bonds excluding non-competitive bid auctions (2022/23)



Source: National Treasury

#### Yields curve movement

At the beginning of 2022/23, financial asset prices were volatile due to the Russian invasion of Ukraine, a cost-of-living crisis owing to persistent inflation pressures and China's economic slowdown.

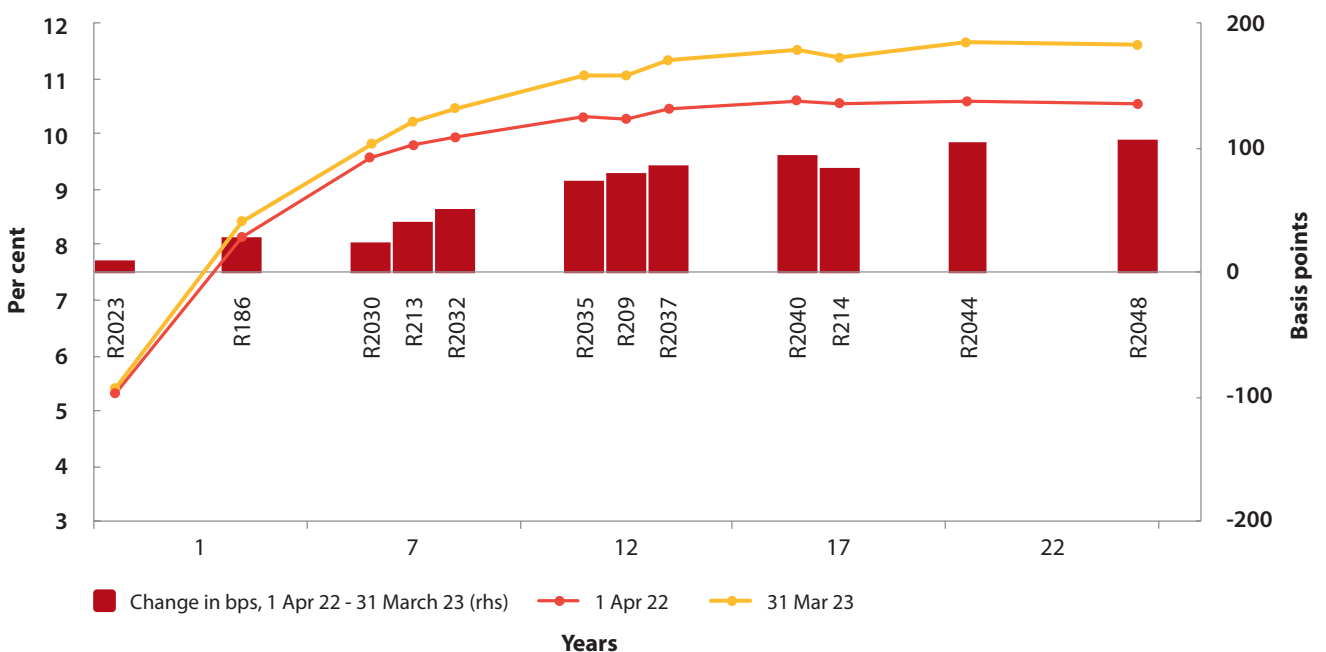
Most of the volatility was caused by central banks across the world imposing aggressive rate hikes to combat inflation. Renewed concerns of slowing global growth and the prospect of a recession, coupled with the hawkishness of the US Federal Reserve, kept the markets under pressure. The SARB's monetary policy committee raised interest rates at each of its meetings in 2022/23 to bring the repo rate to 7.75%, the highest since April 2009. Concerns about recession and rising repo rates led to risk-off sentiments in developed and emerging economies, which pushed South Africa's sovereign bond yields higher in 2022.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

The fixed-rate bond yield curve weakened by an average of 65 basis points from April 2022 to March 2023.

Figure 9: Yield curve movement of fixed-rate bonds (2022/23)



Sources: JSE, National Treasury

#### Primary dealers

The primary dealer panel is a group 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, who are obliged to adhere to certain terms and conditions that can be found on the National Treasury's investor relations website (<http://investor.treasury.gov.za>). The following banks are on the National Treasury's primary dealer panel:

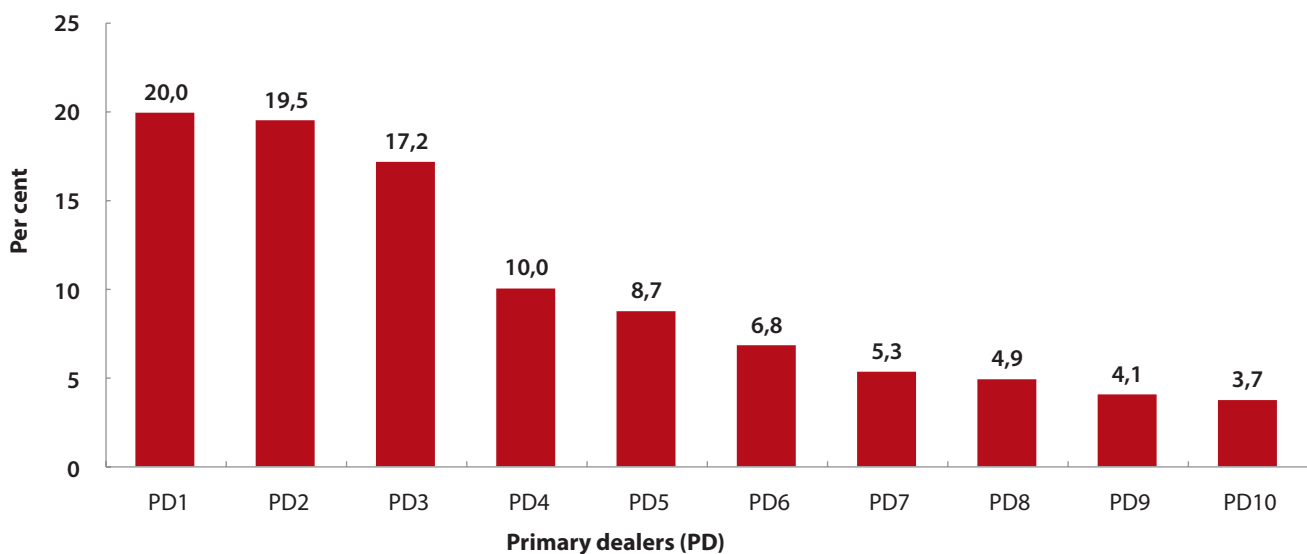
- ABSA
- Citibank
- Deutsche Bank
- HSBC
- FirstRand Bank
- Goldman Sachs
- Investec
- Standard Bank
- JPMorgan Chase
- Nedbank

### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

#### Primary dealer performance

Government's primary dealer panel comprises 10 international and domestic banks. The most recent addition, Goldman Sachs, was appointed by the National Treasury in June 2022. These primary dealers are required to distribute government bonds, make markets and provide liquidity in the secondary market. Primary dealers' performance for the period under review is shown in Figure 10. The top two primary dealers accounted for 39.5 per cent of the R195 billion issued in 2022/23.

**Figure 10: Primary dealer participation in fixed-rate bond auctions (2022/23)**



Source: National Treasury

#### Non-competitive bid auction performance

##### Non-competitive bid auctions

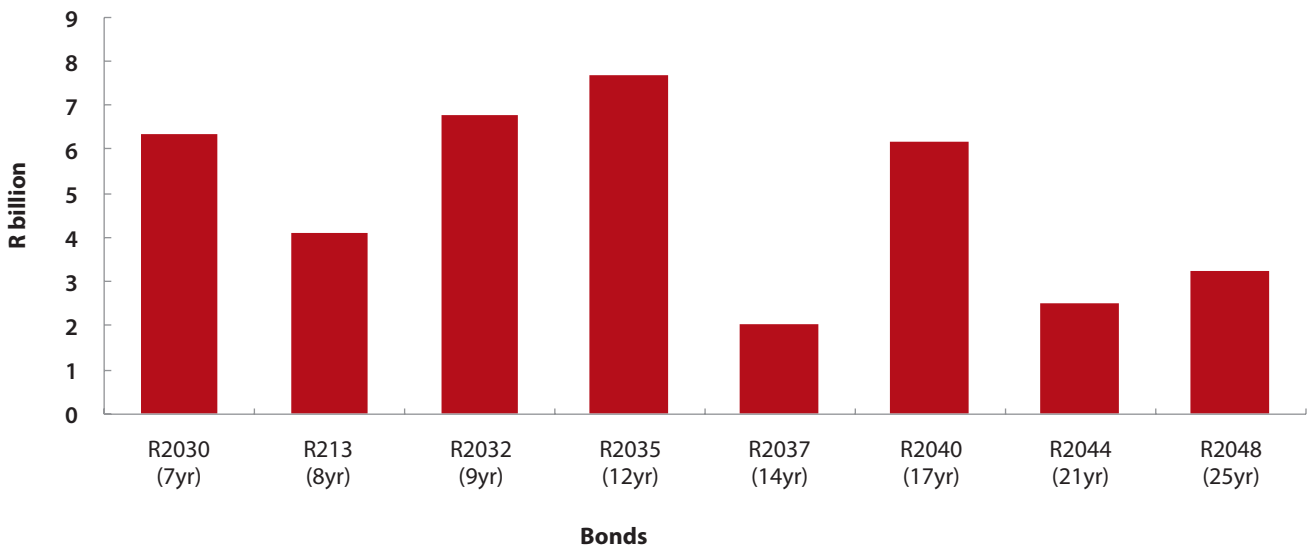
Primary dealers are entitled to take up an additional 50 per cent of the successful allocation amount at the same yield at which the fixed-rate competitive auction is settled. The non-competitive auction window is open for 48 hours immediately after the auction. Of this amount, 30 per cent is allocated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



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

An amount of R45.5 billion was raised through issuing the fixed-rate bond in non-competitive auctions in 2022/23. The R2032 (8.25%; 2032) and R2035 (8.875%; 2035) bonds were most in demand, accounting for 37.2 per cent of the total non-competitive take-up by primary dealers. The R2030 bond (8%; 2030) had the third-greatest demand with a take-up of 16.3 per cent. The R2044 (8.65%; 2044) and R213 (7%; 2031) bonds had the lowest non-competitive take-up in the fixed-rate bond auctions due to limited issuance.

**Figure 11: Non-competitive bond auction performance per bond (2022/23)**



Source: National Treasury

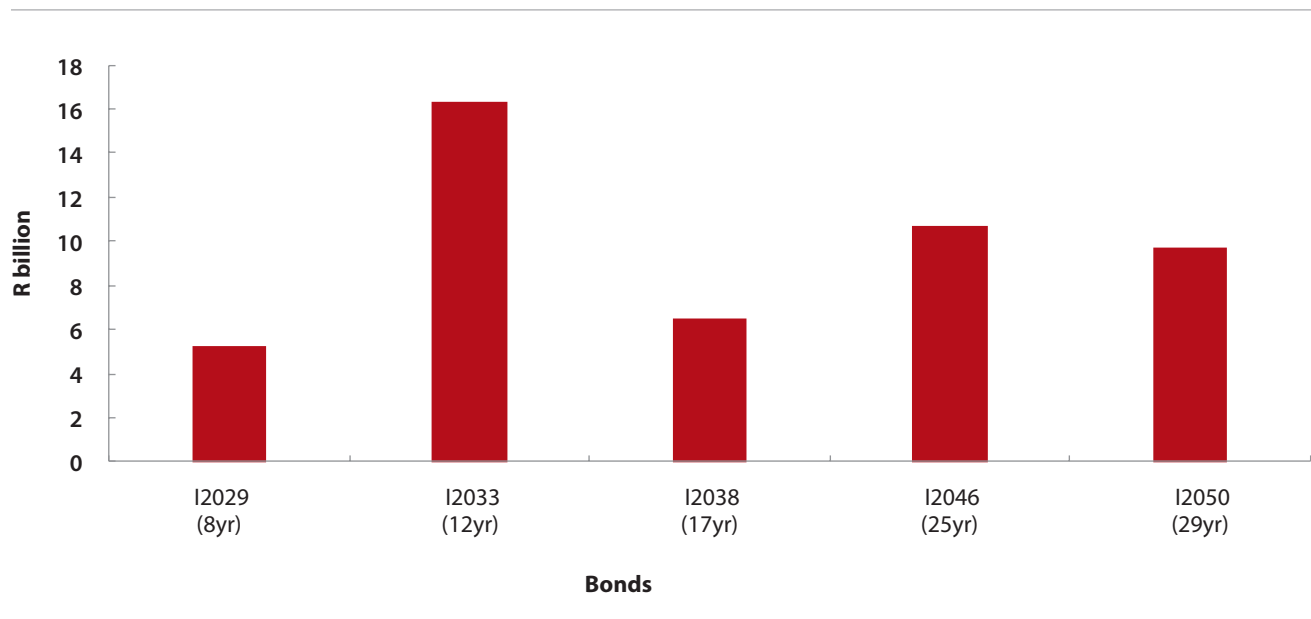
#### Inflation-linked bonds

A nominal amount of R48.4 billion was issued in the 47 inflation-linked bond auctions held in 2022/23. With a nominal amount of R16.3 billion, the I2033 bond (1.875%; 2033) was the most issued, followed by the I2044 bond (2.5%; 2044) with a total issuance of R10.7 billion. With a nominal amount of R5.3 billion, the R2029 (1.875%; 2029) was the least issued bond.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 12: Issuance of inflation-linked bonds (2022/23)



Source: National Treasury

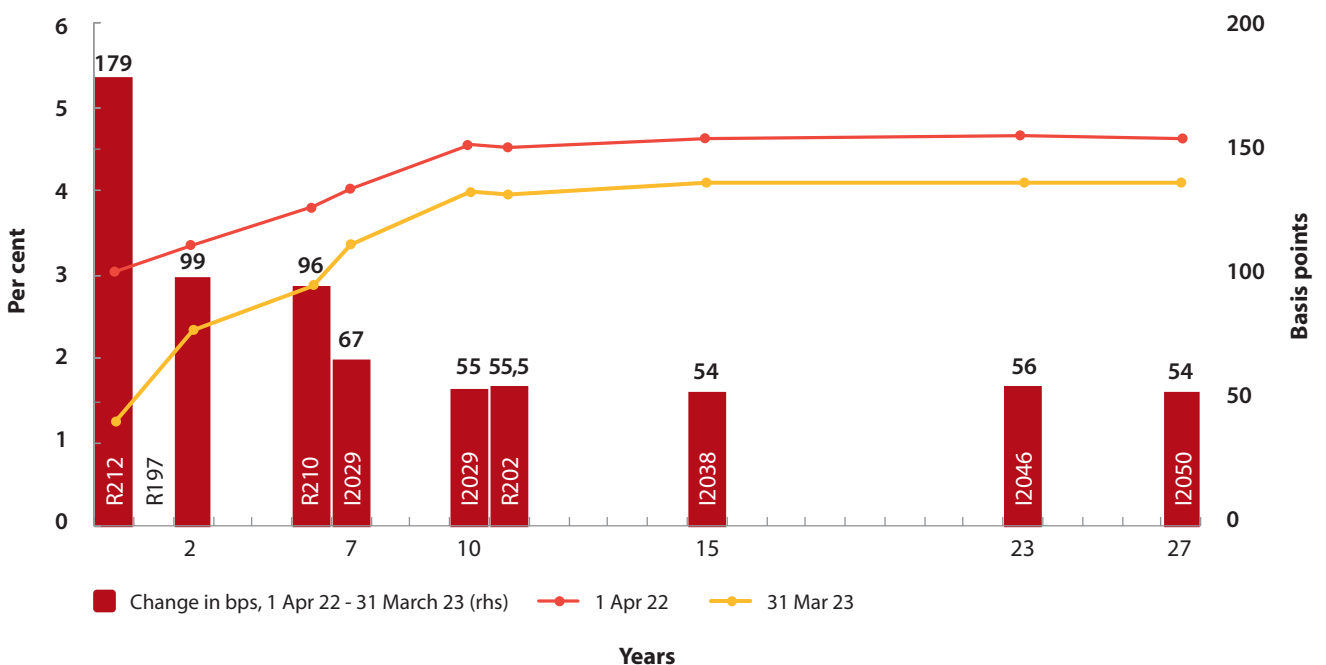
#### Real yields movement

As with the yield curve for fixed-rate bonds, between April 2022 and March 2023, the curve for inflation-linked bonds weakened by an average of 80 basis points, moving in tandem with fixed-rate bonds.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 13: Yield curve movement of inflation-linked bonds (2022/23)



Sources: JSE, National Treasury

#### Floating rate notes

The National Treasury debuted its FRN in 2022/23. In the past, the department issued variable rate bonds, with the last instrument of this nature, the R205 variable rate bond, maturing on 31 March 2012. These instruments were discontinued due, among other things, to the minimal amount of funding raised, unfavourable market conditions at the time and an effort by the National Treasury to reduce its interest rate risk exposure.

Over the past few years, the department's asset and liability management division held meetings with the financial market about how government's funding strategy could be better aligned with their asset requirements. The banks indicated a need for floating-rate instruments on their balance sheets. Several asset managers also asked that government diversify issuance into shorter-dated, floating-rate instruments (with three-year to 10-year maturities) to shorten the duration and risk of government bond issuance.

### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Given the overwhelming support from banks and investors, the National Treasury announced in the 2022 Budget Review that it would issue FRNs. On 6 July 2022, the debut auction of the RN2027 FRN was issued. This auction was well supported. Bids amounting to more than R27.2 billion were submitted and nearly R22.6 billion was allocated. Over the next four auctions, R28.6 billion was issued.

It was announced in October 2022 that due to revenue collection being much stronger than anticipated, as well as the success of the FRN auctions, the November 2022 auction of the RN2027 would be the last FRN auction of 2022/23.

#### Scrip lending facility

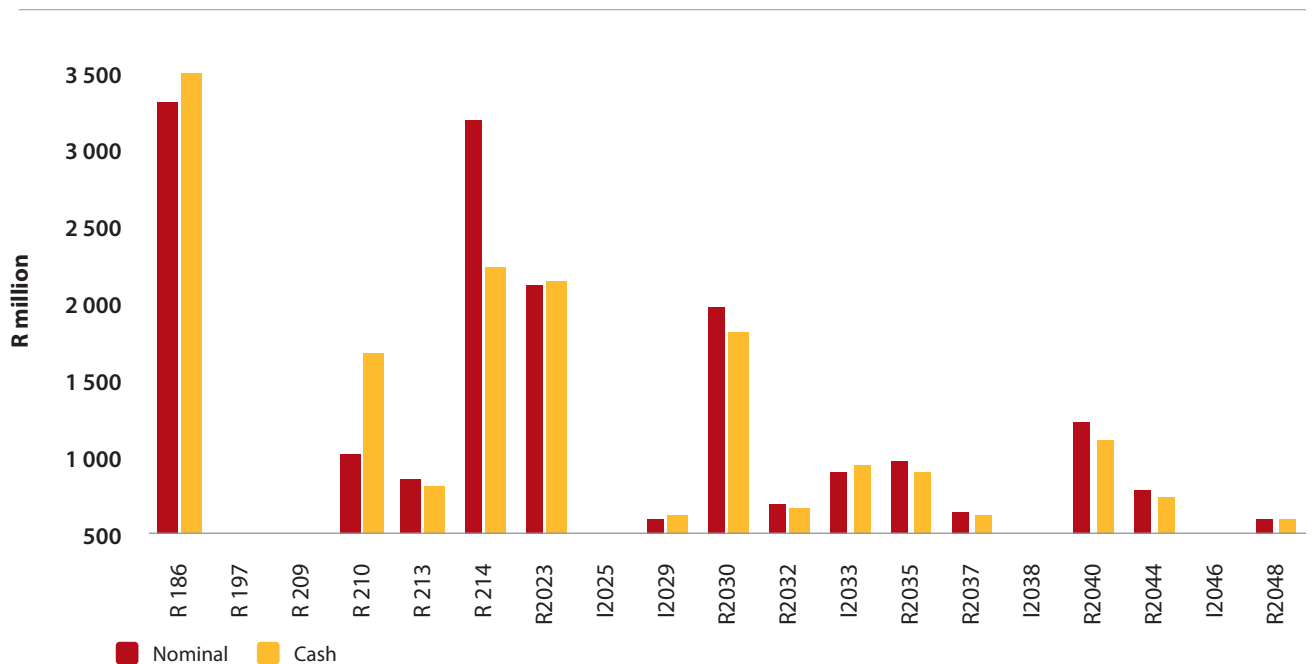
As a lender of last resort, the National Treasury is obligated to support the market for government bonds by acting to avoid settlement failures and subsequent systemic risks. The scrip lending facility is available on the ETP for over-the-counter interest rate and currency derivative market transactions. It is used only if other avenues of obtaining the scrip have been exhausted. As such, the facility is available strictly to primary dealers. Other market participants can access it only through the JSE.

Compared to 2021/22, there was an increase in demand for the facility in 2022/23. A nominal amount of R12.1 billion was taken, representing a 63 per cent increase from the R7.7 billion taken in 2021/22. Figure 14 provides a breakdown of the scrip lending facility used per bond. Most of the demand was on the fixed-rate R186 bond (10.5%; 2026), followed by the R214 (6.5%; 2041) and R2023 (7.75%; 2023) bonds.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 14: Scrip lending facility (2022/23)



Source: National Treasury

#### Bond switch auction programme

Government's bond switch auction programme has been successful in managing its refinancing risk during a period of protracted slow economic growth. Since the start of the programme in February 2015, R254.5 billion has been switched out of the following bonds: R203 (8.25%; 2017), R204 (8%; 2018), R207 (7.25%; 2020), R208 (6.75%; 2021) and R2023 (7.75%; 2023).

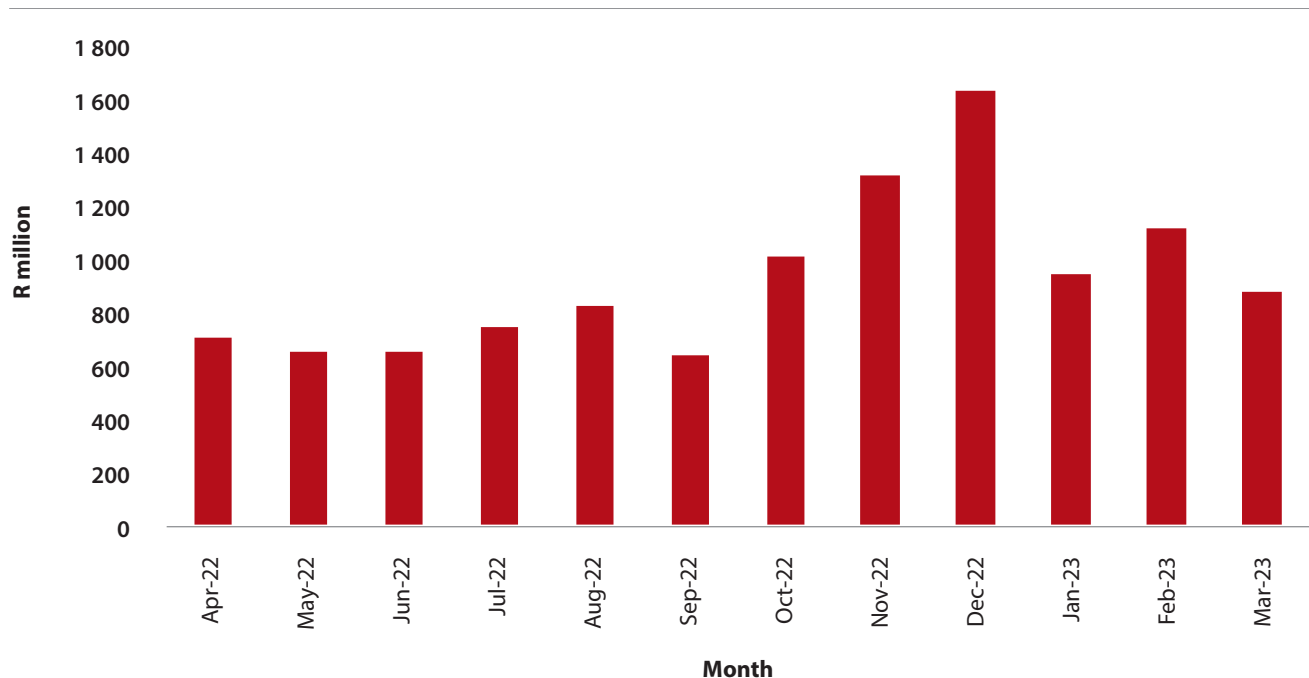
The bond switch programme was reviewed and continued in 2022/23. The programme aims to provide transparency and reduce speculation around switch auctions. Part of the programme's review included uploading the switch auction calendar and terms and conditions on to the National Treasury's investor relations website. Three switch auctions were conducted in 2022/23, with R7.7 billion switched out of the R2023 bond. Due to the preliminary outcome of the 2021/22 Budget resulting in an increase of R24 billion in operational cash balances, mainly due to higher revenue collection, the National Treasury halted further switch auctions related to the R2023 bond for the remainder of the reporting period.

### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

#### Retail savings bonds

The objective of retail savings bonds is to diversify government's long-term funding sources and promote a culture of household savings. The total outstanding amount increased by R5.6 billion, from R10.9 billion in 2021/22 to R16.5 billion as at 31 March 2023. As a result of an average interest rate of 10.48 per cent for a five-year term for the period under review and an ongoing marketing strategy that included increased digital and social media presence, retail savings bonds exceeded the target of R2.5 billion by R3.8 billion as at 31 March 2023. As such, the total raised for the period under review was R6.3 billion. In addition to conventional retail savings bonds, as at 31 March 2023, the Government Employees Housing Scheme's internal-linked savings facility had received R2.2 billion.

**Figure 15: Monthly retail savings bond deposits, including reinvestments (2022/23)**



Source: National Treasury

Table 5 shows the 2022/23 interest rates for the retail savings bond. The rates are published on the RSA Retail Savings Bonds website ([www.rsaretailbonds.gov.za](http://www.rsaretailbonds.gov.za)).



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

**Table 5: Interest rates on retail savings bonds (2022/23)**

Date	1-year	2-year	3-year	5-year	10-year
<b>Fixed-rate</b>					
30-Apr-22		8,00%	8,75%	10,00%	
31-Mar-23		8,50%	9,00%	10,50%	
<b>Inflation-linked</b>					
30-Apr-22		-0,50%	-0,25%	-0,50%	
31-Mar-23			3,50%	3,75%	4,50%
<b>Financial cooperatives</b>					
30-Apr-22	6,10%	8,00%	8,75%	-0,50%	-0,50%
31-Mar-23	8,07%	8,50%	9,00%		
<b>Top-up</b>					
30-Apr-22	-1,97%	-0,50%	-0,25%	8,75%	
31-Mar-23			9,00%		
			-0,25%		

Source: National Treasury

#### Retail savings top-up bonds

RSA Retail Savings Top-up Bonds was launched publicly on 1 April 2022. As at 31 March 2023, 10 374 individuals and 43 informal groups had invested a total of R115 million. The popularity of the RSA Retail Savings Top-up Bonds exceeded expectation and plans are in place to market the product more aggressively in 2023/24.

#### Financial cooperatives retail savings bonds

The National Treasury launched retail savings bonds for financial cooperatives in October 2011 to provide a secure savings instrument in which cooperative financial institutions (CFIs) and cooperative banks could invest. The bonds offer competitive interest rates, calculated biannually. Additional features consider the uniqueness of the financial cooperatives model. Through top-ups, the model allows for the preservation of capital and early withdrawals with no fees, charges or penalties. The CFIs that continue to save in retail savings bonds have accrued notable interest on their capital amounts. The Cooperative Banks Development Agency encourages CFIs to invest in this vehicle as it is risk-free and provides guaranteed financial growth.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 6 shows that, as at 31 March 2023, R15.2 million was invested in CFI retail savings bonds through 37 investments.

**Table 6: Summary of financial cooperatives retail savings bonds (2022/23)**

Bond	Average rate	Capital	Investments
FC01	7,28%	2 347 450,79	9
FC02	8,32%	2 078 241,25	8
FC03	8,62%	10 832 973,34	20
	8,07%	15 258 665,38	37

*Source: National Treasury*

Interest rates on fixed-rate, inflation-linked, top-up and financial cooperatives retail savings bonds are derived from the respective government bond and Treasury bill yields. Interest rates for fixed-rate and financial cooperatives retail savings bonds are reviewed monthly, rates for inflation-linked retail savings bonds are reviewed bi-annually and rates for retail savings top-up bonds are reviewed quarterly.

During the year, the rate for fixed-rate retail savings bonds increased by 50 basis points for two-year terms, 25 basis points for three-year terms and 50 basis points for five-year terms. For inflation-linked retail savings bonds, three-year terms increased by 50 basis points, five-year terms increased by 75 basis points and 10-year terms increased by 50 basis points. The rate for three-year top-up bonds increased by 25 basis points.

#### **FOREIGN LONG-TERM BORROWING**

Government's foreign-currency bonds – mainly denominated in US dollars and euros – are issued to meet foreign-currency commitments. The US\$3 billion equivalent provisioned in the 2022 Budget, that was envisaged to be raised in the last month of 2021/22 in the debt capital markets was instead raised in 2022/23 owing to market volatility arising from the Russia-Ukraine war. Given these market conditions, government is continuing to explore access to concessional financing from international financial institutions to meet its foreign currency commitments.

An amount of €454.4 million was sourced from the World Bank in June 2022 to support government's emergency response to COVID-19. France and Germany each extended bilateral loans of €300 million to South Africa to support government's policy and institutional reforms for the just energy transition. The budget-support loans were extended through Agence Française de Développement (the French Development Agency) and Kreditanstalt für Wiederaufbau (KfW, Germany). The loans are provided at concessional terms, and both have grace periods of five years. They are not earmarked and have been disbursed into the National Revenue Fund.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

**Table 7: Borrowing from international finance institutions**

Institutions	Disbursement date	Interest rate	Terms (years)	Grace period <sup>1</sup> (years)	Amount (US\$ million)
New Development Bank	20 July 2020	6-month LIBOR <sup>2</sup> plus 1.25%	30	5	US\$1000
International Monetary Fund	29 July 2020	1.066%	5	3	US\$4300
African Development Bank	15 October 2020	3-month JIBAR <sup>3</sup> plus 0.8%	20	5	R5000 <sup>5</sup>
New Development Bank	17 June 2021	6-month LIBOR <sup>2</sup> plus 1.25%	30	5	US\$1000
New Development Bank	15 November 2021	6-month LIBOR <sup>2</sup> plus 1.05%	25	4.5	US\$1000 <sup>6</sup>
World Bank	22 March 2022	6-month SOFR <sup>4</sup> plus 0.75%	13	3	US\$750
World Bank	22 September 2022	6-month EURIBOR <sup>5</sup> plus 0.67%	13	3	€ 454
French Development Bank	22 December 2022	6 month EURIBOR <sup>5</sup> plus 1.29%	20	5	€ 300
KfW Development Bank	20 January 2023	6-month EURIBOR <sup>5</sup> plus 0.69%	20	5	€ 300

1. The period after the disbursement where no capital repayments are required.

2. LIBOR (London interbank offered rate)

3. JIBAR (Johannesburg interbank average rate)

4. The US dollar equivalent is US\$0.29 billion

5. EURIBOR (Euro interbank offered rate)

6. Loan approval for US\$1 billion, first tranche of US\$0.5 billion received

Source: National Treasury

### INTEREST AND REDEMPTION PAYMENTS ON LONG-TERM LOANS

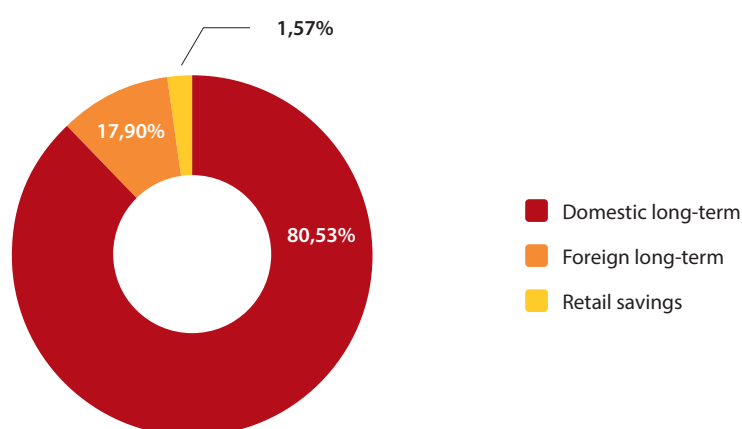
Figure 16 shows the composition of government's interest and redemption payments for 2022/23. The payments are split between domestic and foreign long-term loans, and retail savings bonds.

Interest payments and redemptions for domestic and foreign debt amounted to R398.8 billion in 2022/23. Of this, interest payments accounted for R308.5 billion and redemptions for R90.4 billion. The R2023 fixed-rate bond was redeemed in February 2023 with an outstanding amount of R68.2 billion.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

**Figure 16: Interest and redemption payments (2022/23)**



Source: National Treasury

#### GOVERNMENT CASH BALANCES

In managing cash, government's primary objective is to ensure that it has enough funds to meet its financial commitments as they become due, and that weekly borrowings are predictable and stable.

Government's total cash balances include deposits held by commercial banks and the SARB. Cash deposits with the SARB comprise foreign currency deposits in the foreign currency accumulation account. To reduce government's gross borrowing requirement and the cost of funding, the National Treasury used sterilisation deposits with the SARB amounting to R41 billion in 2022/23.

Foreign currency deposits comprise funds borrowed in international capital markets and/or from multilateral institutions. They are used to meet government's foreign currency commitments. In 2022/23, government borrowed US\$4.1 billion from foreign sources.

Table 8 details government's cash balances as at 31 March 2022 and 31 March 2023. The year-on-year decrease, from R264.6 billion to R233.9 billion, is mainly a result of the drawdown of the sterilisation deposit account to reduce the gross borrowing requirement and the cost of funding.



### 3. GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

**Table 8: National government's cash balances as at 31 March 2022 and 31 March 2023**

R billion	Mar 22	Mar 23
Reserve bank	135,6	113,4
Sterilisation deposits	41,2	-
Foreign currency deposits	94,4	113,4
<b>Commercial banks</b>	<b>129,0</b>	<b>120,5</b>
Tax and loan accounts	129,0	120,5
<b>Total</b>	<b>264,6</b>	<b>233,9</b>

*Source: National Treasury*

Table 9 shows total foreign currency commitments of US\$3 billion in 2022/23. This consisted of redemptions of foreign loans amounting to US\$1 billion, and interest on loans and departmental payments amounting to US\$2 billion. These commitments were financed by proceeds from foreign currency loans.

**Table 9: US dollar flows on foreign exchange deposits, 2022/23**

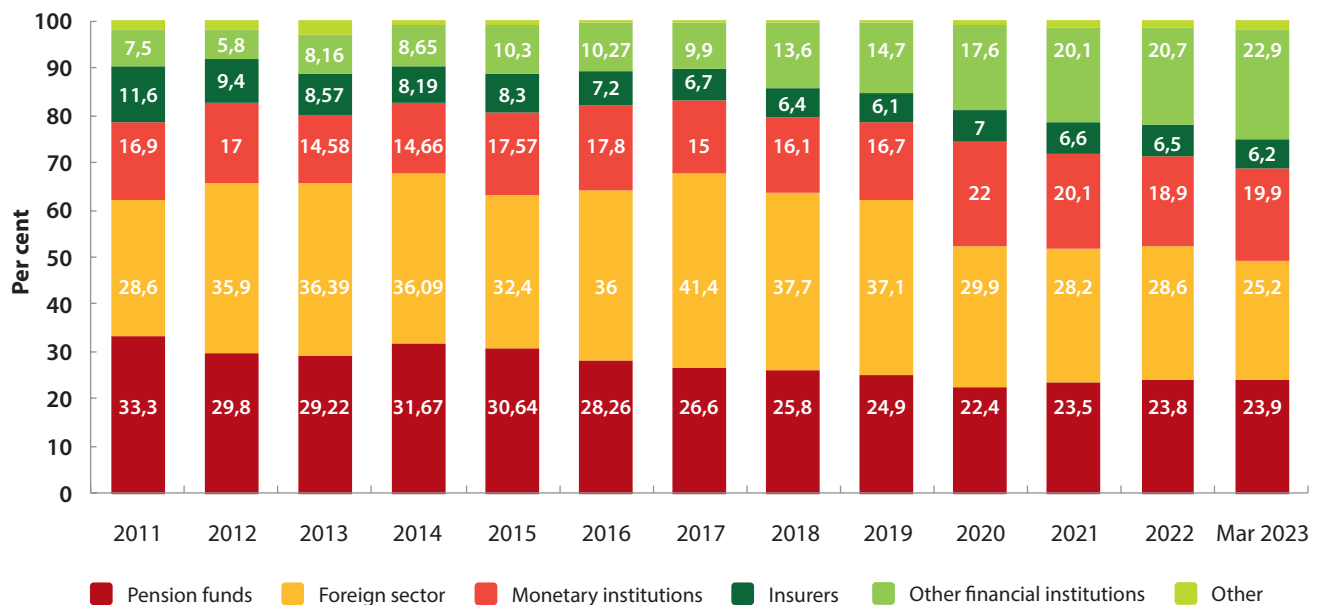
US\$ million	2021/22 Outcome	Revised budget	Preliminary outcome
<b>Opening balance</b>	<b>6 380</b>	<b>5 925</b>	<b>5 925</b>
<b>Inflows</b>	<b>2 156</b>	<b>4 138</b>	<b>4 203</b>
Foreign loan	2 150	4 131	4 131
Purchases	-	-	-
Interest	6	7	72
<b>Outflows</b>	<b>-2 611</b>	<b>-2 944</b>	<b>-3 009</b>
Interest on debt portfolio	-1 201	-1 162	-1 177
Loan redemptions	-270	-1 000	-1 000
Payments by departments	-1 140	-782	-832
<b>Closing balance</b>	<b>5 925</b>	<b>7 119</b>	<b>7 119</b>

## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

### HOLDINGS OF DOMESTIC MARKETABLE GOVERNMENT BONDS

South African government bonds are mainly supported by foreign investors, pension funds, monetary institutions and other financial institutions, with a combined aggregate holding of about 92 per cent of outstanding government bonds. As at 31 March 2023, foreign investors remained the largest holders of government bonds at 25.2 per cent, followed by pension funds at 23.9 per cent and other financial institutions at 19.9 per cent. Non-residents marginally reduced their holdings of government bonds during the reporting period owing to the ongoing monetary tightening globally and domestic factors such as persistent power outages.

**Figure 17: Historical government bond holdings (31 December 2011 to 31 March 2023)**



Sources: Strate, National Treasury

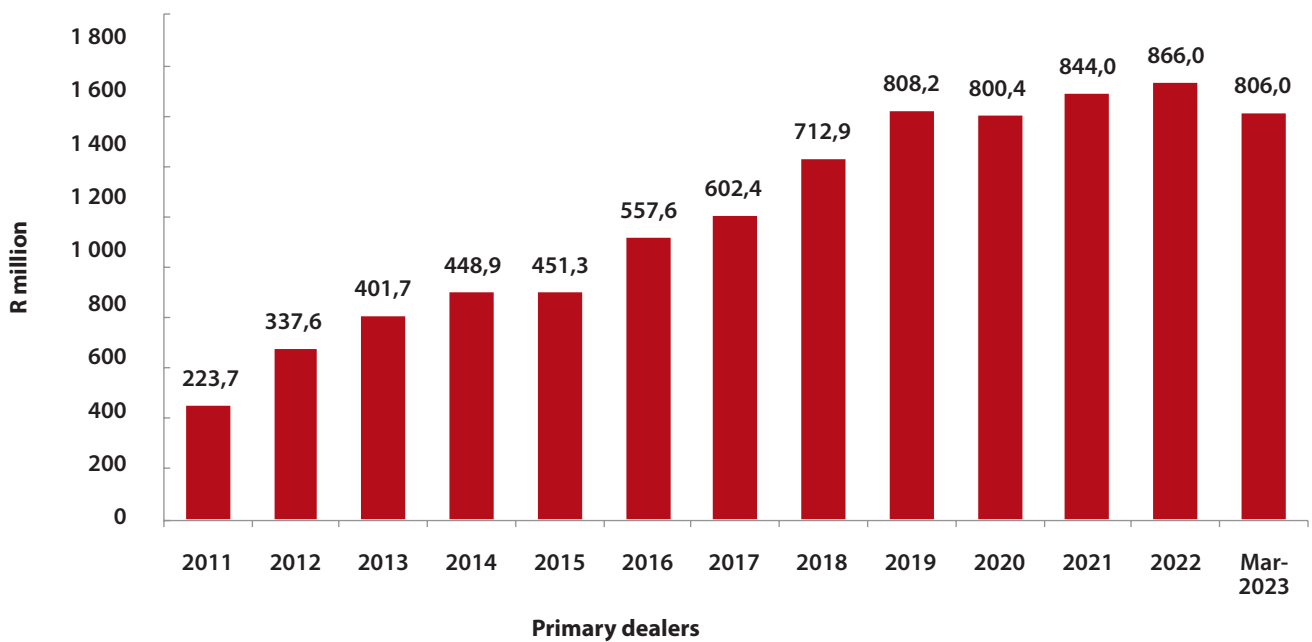
In 2022/23, holdings of South African domestic bonds by foreign investors fluctuated from a high of 28 per cent in May 2022 to a low of 25 per cent between November and December 2022. This was offset by an increase in other financial institutions, as shown in Figure 17. Concerns have been raised about rapid normalisation of global interest rates, resulting in capital outflows from developing nations as investors opt for exposure to safe-haven assets in developed nations.



## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

In nominal terms, holdings of government bonds by foreign investors decreased by R54 billion between March 2022 and March 2023 (see Figure 18).

**Figure 18: Foreign investor holdings of government bonds (31 December 2011 to 31 March 2023)**



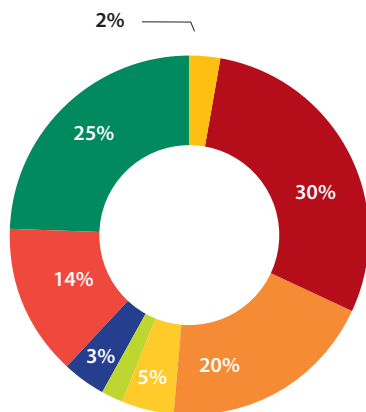
Sources: *Strate, National Treasury*

Figure 19 shows the holdings of fixed-rate and inflation-linked bonds by investor type as at 31 March 2023. Foreign investors held 30 per cent of fixed-rate bonds, a 5 per cent year-on-year decrease. Monetary authorities decreased their holdings from 24 per cent to 20 per cent. Official pension funds kept their holdings of inflation-linked bonds relatively unchanged from 46 per cent in March 2022 to 47 per cent in March 2023. The inflation-linked bond portfolio holdings of monetary authorities changed marginally, from 14 per cent in March 2022 to 13 per cent in March 2023. Holdings of inflation-linked bonds by foreign investors remained relatively low at 5 per cent, an increase from 4 per cent in March 2022.

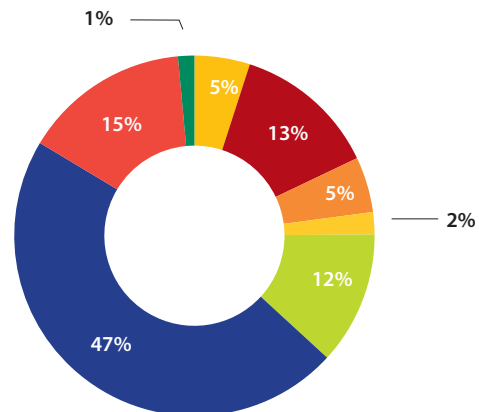
## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 19: Holdings of domestic fixed-rate and inflation-linked bonds (31 March 2023)

Fixed-rate bonds holdings



Inflation-linked bonds holdings



- Foreign sector
 ■ Monetary authorities
 ■ Long-term insurers
 ■ Short-term insurers
- Private self-administered funds
 ■ Official pension funds
 ■ Other financial institutions
 ■ Other sector

Sources: Strate, National Treasury

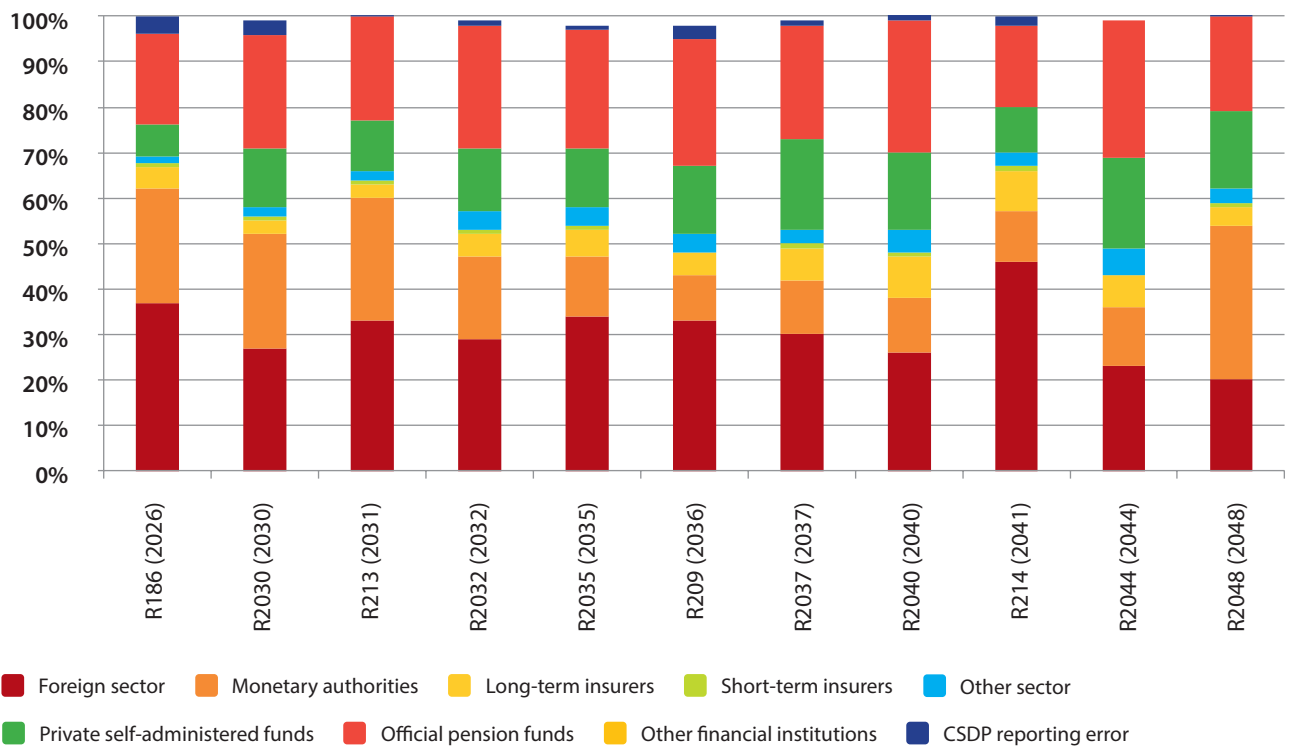
Figure 20 shows holdings of domestic fixed-rate bonds by instrument as at 31 March 2023. At 46 per cent, the foreign sector holds the largest amount of the off-the-run R214 bond (6.5%; 2041). The issuance of the R214 bond was discontinued after discounted price considerations given the increased borrowing requirement.

The foreign sector is the largest holder of the R186 bond (10.5%; 2026) with 37 per cent, with the first tranche maturing on 21 December 2025. The nominal amount due is about R126 billion. The sovereign has a number of options to address this redemption, including a full cash redemption or switching a part of the outstanding amount.



## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 20: Holdings of domestic fixed-rate bonds by instrument (31 March 2023)



Sources: Strate, National Treasury

As at 31 March 2023, official pension funds held the largest percentages of instruments across all maturities of inflation-linked bonds. Monetary authorities held marked percentages in shorter and longer maturities.



## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 21: Holdings of domestic inflation-linked bonds by instrument (31 March 2023)



Sources: Strate, National Treasury

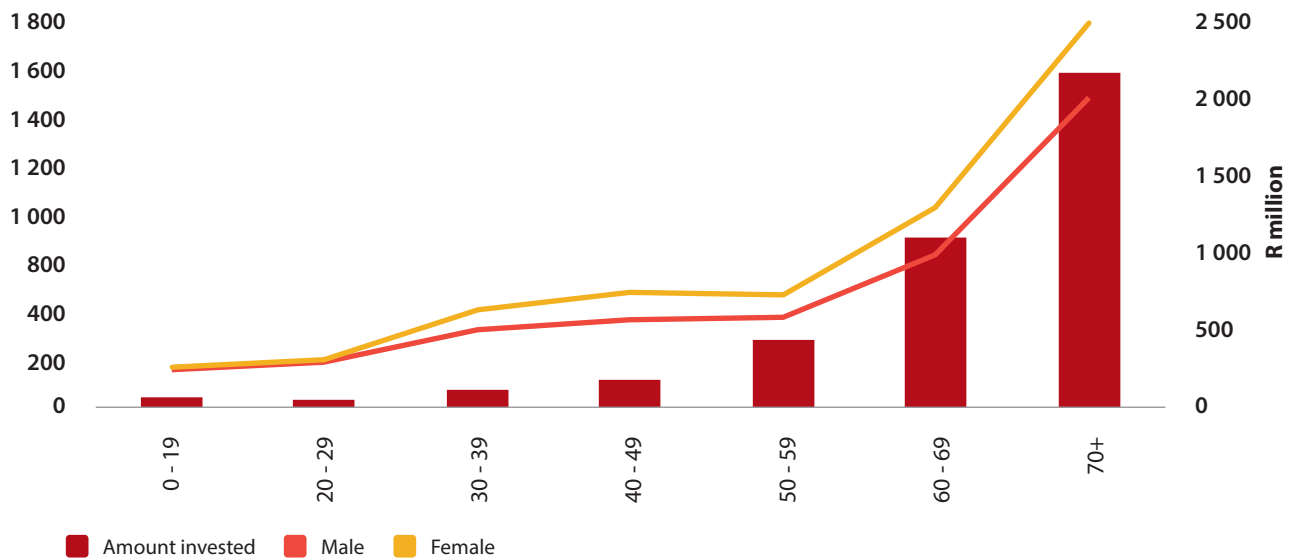
### HOLDINGS OF RETAIL SAVINGS BONDS

An estimated 61 per cent of active investors in retail savings bonds are older than 50. This could be attributed to older investors saving for retirement and benefiting from monthly payments. Investor demographics are slowly changing with the introduction of the RSA Retail Savings Top-up Bonds and the amendments of terms and conditions, which allow investors who invest in fixed-rate RSA Retail Savings Bonds to opt for monthly interest payments regardless of their age. Prior to the amendment, only investors aged 60 and older with investments in fixed-rate RSA Retail Savings Bonds could opt to receive their interest monthly.



## 4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 22: Retail investor demographics (31 March 2023)



Source: National Treasury





## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

### GOVERNMENT DEBT PORTFOLIO

Government debt is influenced by the budget balance and market variables such as the prevailing interest, exchange and inflation rates. Government debt is presented on a gross and net basis. Table 10 shows that, in 2022/23, domestic net loan debt increased by R51.2 billion in the preliminary outcome when compared to the 2022 Budget. Foreign gross loan debt increased by R22.2 billion in the preliminary outcome when compared to the 2022 Budget, whereas foreign cash balances decreased by R10.4 billion. The gross loan debt (debt less cash balances) was 71.6 per cent of GDP over the same period.

**Table 10: Total government debt (2022/23)**

R billion	Budget	Revised budget	Preliminary outcome
<b>Domestic debt</b>			
Gross loan debt	4 158,7	4 187,1	4 209,9
Cash balances	-50,0	-122,1	-120,5
Net loan debt	4 108,7	4 065,0	4 089,4
<b>Foreign debt</b>			
Gross loan debt	533,5	540,3	555,7
Cash balances	-139,1	-122,4	-128,7
Net loan debt	394,4	417,9	427,0
<b>Total gross loan debt</b>	<b>4 692,2</b>	<b>4 727,4</b>	<b>4 765,5</b>
<b>Total net loan debt</b>	<b>4 503,1</b>	<b>4 483,0</b>	<b>4 516,4</b>
<i>As percentage of GDP:</i>			
<i>Total gross loan debt</i>	<i>72,8</i>	<i>71,1</i>	<i>71,6</i>
<i>Total net loan debt</i>	<i>69,9</i>	<i>67,4</i>	<i>67,9</i>
<b>Foreign debt as percentage of:</b>			
<i>Gross loan debt</i>	<i>11,4</i>	<i>11,4</i>	<i>11,7</i>
<i>Net loan debt</i>	<i>8,8</i>	<i>9,3</i>	<i>9,5</i>

Source: National Treasury

Table 11 details the composition of domestic debt between 2021/22 and 2022/23. Of the total domestic debt portfolio in the reporting period, short-term loans comprised 10 per cent (R422.7 billion).



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

**Table 11: Composition of domestic debt by instrument (2021/22 to 2022/23)**

R billion	2020/21 Outcome	2021/22 Preliminary outcome
<b>Short-term loans</b>	<b>448,1</b>	<b>422,7</b>
Shorter than 91 days	0,1	0,3
91-day	8,7	6,7
182-day	72,8	69,4
273-day	149,4	143,7
364-day	217,1	202,7
<b>Long-term loans</b>	<b>3 417,2</b>	<b>3 787,1</b>
Fixed-rate	2 545,0	2 770,3
Inflation-linked	853,5	992,2
Retail	18,7	24,6
<b>Total</b>	<b>3 865,3</b>	<b>4 209,8</b>

Source: National Treasury

### 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 2022/23 amounted to R308.5 billion, 4.6 per cent of GDP. This was R6.6 billion higher than the initial budget, mainly as a result of the increase in the short-term loans by R6.5 billion, to R30 billion.

**Table 12: Debt-service costs (2022/23)**

R billion	Budget	Revised budget	Preliminary outcome
<b>Domestic loans</b>	<b>277,7</b>	<b>284,9</b>	<b>284,1</b>
Short-term	23,5	30,4	30,0
Long-term	254,2	254,5	254,1
<b>Foreign loans</b>	<b>24,1</b>	<b>22,3</b>	<b>24,3</b>
<b>Total</b>	<b>301,8</b>	<b>307,2</b>	<b>308,5</b>
<i>As a percentage of:</i>			
GDP	4,7	4,6	4,6
Expenditure	15,3	15,3	15,1
Revenue	19,0	18,0	18,1
Revenue	20,0%	17,3%	17,2%

Source: National Treasury



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

### FUNDING PORTFOLIO INDICATORS

Table 13 presents funding and portfolio benchmark indicators. The funding indicators relate to domestic fixed-income funding instruments. The focus on the high volume of debt, sovereign credit risk and associated costs has an influence on these indicators, as well as on the need to link various components of the desired and existing stock of sovereign debt.

In this regard, modified duration, which acts as a proxy for yield curve risk, measures the degree of price sensitivity relative to small changes in yields. The target range for this indicator is between 5.5 per cent and 7.5 per cent for fixed-rate bonds, and between 9 per cent and 12 per cent for inflation-linked bonds. The issuance strategy contributes to the market's overall duration and therefore prompts the system's sensitivity to interest rates. This is helpful in terms of the sovereign's aggregate credit risk, and thus demand, for certain segments of the yield curve.

The weighted cost of funding indicates the cost at which government borrows. For the period under review, this indicator was anchored by a split where 75 per cent of funding was allocated to fixed-rate bonds (including FRNs) and 25 per cent to inflation-linked bonds. The cost of funding indicates a positive relationship in that a higher modified duration implies a higher cost of funding. The weighted cost of funding for 2022/23 was higher than the targeted 10.07 per cent for fixed-rate bonds by 127 basis points, and higher than the targeted 4.17 per cent for inflation-linked bonds by 203 basis points. This is attributable to rising interest rates. The real curve had a limited number of instruments in the maturity bucket between three and 10 years. As such, 55 per cent of inflation-linked bond issuance was allocated to the maturity bucket of 16 years or more.

The weighted average term to refixing seeks to measure the sovereign's exposure to the risk of interest rate refixing in terms of frequency (time) and exposure (volume). A relatively lower weighted average term to refixing is desirable, particularly for an unhedged exposure, as is the case for South Africa. The share of debt maturing within five years increased by 1.65 per cent as a result of the inclusion of the R186 bond into the five-year maturity bucket. The share of foreign debt as a percentage of total government debt remains within the defined currency risk exposure of 15 per cent.



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

**Table 13: Funding benchmark indicators**

Proposed funding benchmark indicators	Benchmark	31 March 2022	31 March 2023
Weighted modified duration (fixed-rate bonds and liquidity management instrument) (%)	5.5 - 7.5	6.23	6.77
Weighted term to maturity (fixed-rate bonds and liquidity management instrument in years)	9.5 - 14	11.47	12.66
Weighted cost of funding (fixed-rate bonds and liquidity management instrument) (%)	10.07	9.88	11.15
Weighted modified duration (inflation-linked bonds) (%)	9 - 12	4.69	12.28
Weighted term to maturity (inflation-linked bonds in years)	12.5 - 15.5	13.65	12.89
Weighted cost of funding (inflation-linked bonds) (%)	3.82	2.61	4.64
Weighted average term to refixing (domestic debt)	0.25 - 1	-	0.37
<b>Portfolio risk indicators</b>			
Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt	15%	11.65%	10.10%
Share of long-term debt maturing in 5 years as a percentage of fixed-rate bonds and inflation-linked bonds	25%	14.00%	15.65%
Share of inflation-linked bonds as a percentage of total domestic debt	20-25%	22.19%	23.71%
Share of foreign debt as a percentage of total government debt	15%	9.68%	11.72%

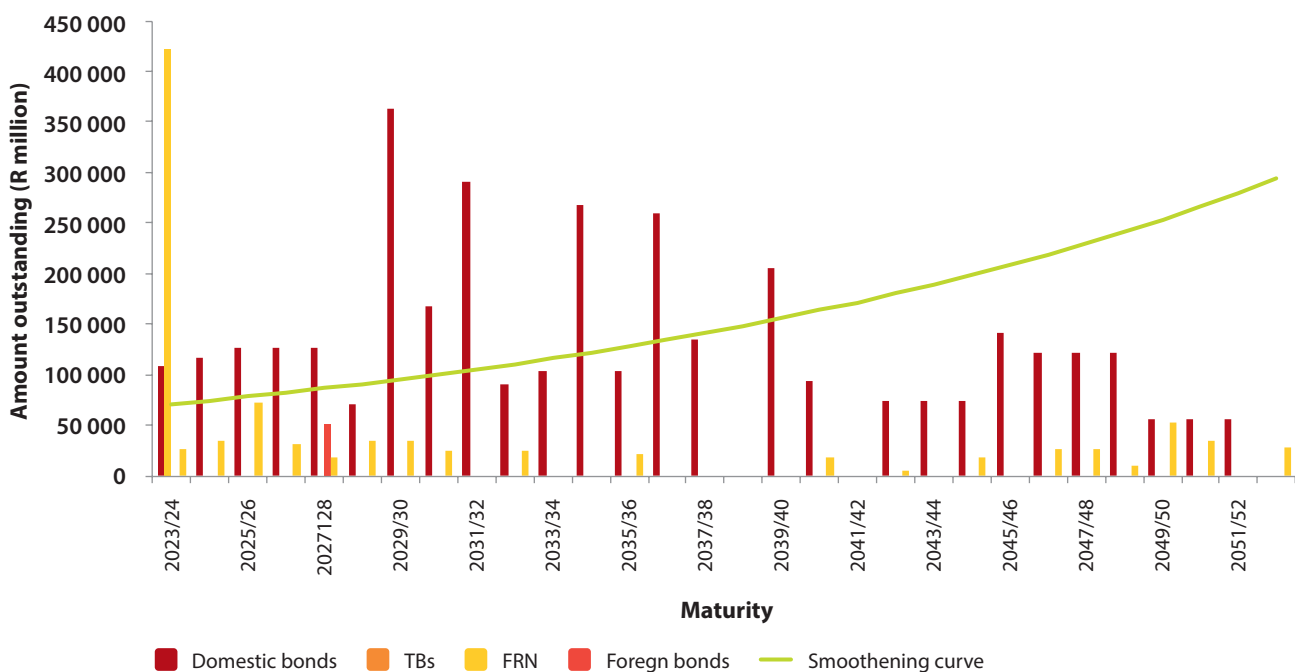
Source: National Treasury

### GOVERNMENT MATURITY PROFILE

The affordable cash redemption line, as identified by the smoothing curve, indicates government's ideal affordability level for the repayment of debt, as illustrated in Figure 23. Any amount above this line poses refinancing risk (albeit not immediate) and has to be switched or catered for well in advance. As at 31 March 2023, a total of R55.63 billion was successfully switched out of the R2023 bond (7.75%; 2023) and R68.21 billion was redeemed.

## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Figure 23: Maturity profile of government debt (31 March 2023)



Source: National Treasury

### SOVEREIGN RISK ASSESSMENT

South Africa's sovereign credit rating is under considerable pressure. Ratings agencies remain concerned about the country's low economic growth, which is exacerbated by electricity shortages, slow economic reform and socioeconomic inequalities. These challenges complicate policy efforts and intensify tensions that fuel political risk. In addition, expected lower revenue collection, the country's large debt burden and financially weak SOCs continue to drain public finances. However, ratings agencies acknowledge and highlight the following as key credit strengths:

- The effectiveness of core institutions such as the judiciary and the SARB.
- A resilient and deep financial sector, including banks.
- A low share of foreign currency liabilities for government and the broader economy.



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

On 20 May 2022, S&P Global Ratings affirmed South Africa's long-term foreign and local currency debt ratings at BB- and BB, and revised its outlook from "stable" to "positive". According to S&P, recent favourable terms of trade in South Africa improved the external and fiscal trajectory, while the country's reasonably large net external asset position, flexible currency and deep domestic capital markets provide strong buffers against shifts in external financing.

On 7 July 2022, Fitch also affirmed the country's long-term foreign and local currency debt ratings at BB-, and maintained its "stable" outlook. The affirmation took into consideration that government's debt trajectory was lower than previously anticipated, and that recent improvements were made in several key credit metrics, including the current account balance.

On 18 November 2022, S&P affirmed South Africa's long-term foreign and local currency debt ratings at BB- and BB, and maintained a "positive" outlook. The agency highlighted that government's economic and fiscal reforms could improve the country's medium-term growth and debt trajectory. Also, higher-than-expected tax revenue, relative to the agency's expectations six months prior, helped reduce the fiscal deficit as a proportion of GDP. However, on 8 March 2023, S&P again revised South Africa's credit rating outlook from "positive" back to "stable", citing that economic growth in the country faces increasing pressure from infrastructure constraints, particularly severe electricity shortages.

On 25 November 2022, Fitch affirmed South Africa's long-term foreign and local currency debt ratings at BB-, and maintained a "stable" outlook. The agency highlighted that the affirmation considered the recent high revenue collection and government's strong efforts to control expenditure, which, if continued successfully, could stabilise debt. However, the agency assumed a substantial part of recent higher revenue collection to be temporary and saw public sector wage demands pointing to increased upward pressure on spending.



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

**Table 14: South Africa's solicited credit ratings, 2022/23**

Rating agency	Moody's		Fitch		S&P	
Date of review	08-Mar-23		25-Nov-22		01-Apr-22	
	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating
Foreign currency credit rating	BB-	BB-	BB-	BB-	Ba2	Ba2
Domestic currency credit rating	BB	BB	BB-	BB-	Ba2	Ba2
Outlook	Stable	Positive	Stable	Stable	Stable	Negative
	Foreign currency credit rating is three notches below investment grade and the domestic currency credit rating is two notches below investment grade		Both foreign and domestic currency credit ratings are three notches below investment grade		Both foreign and domestic currency credit ratings are two notches below investment grade	

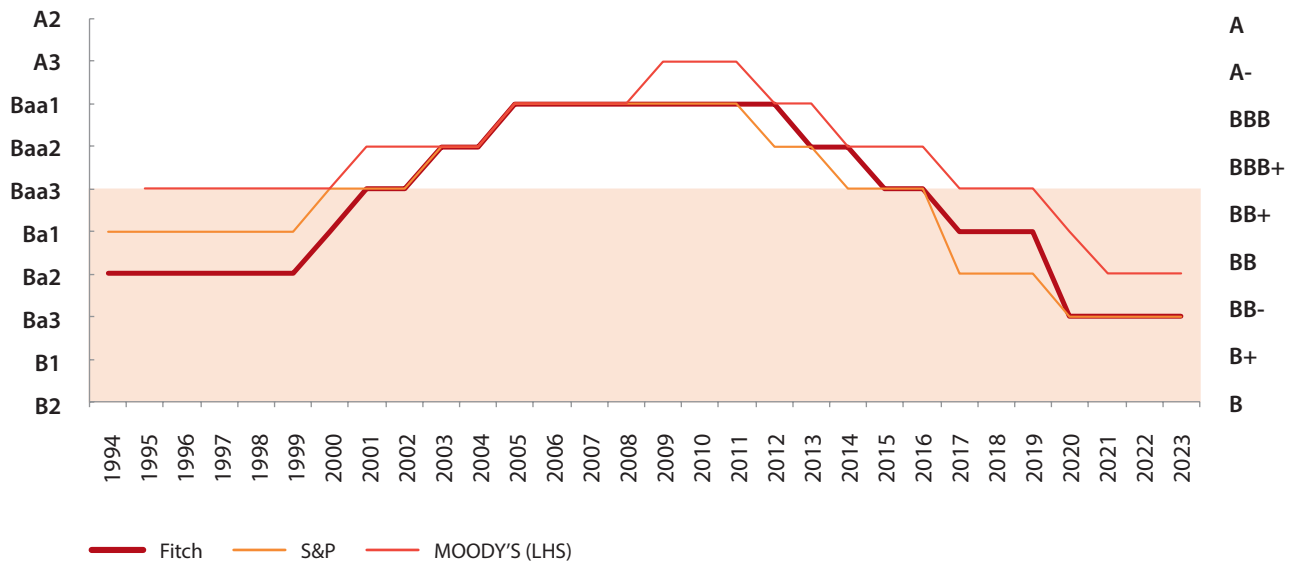
Sources: National Treasury, S&P, Fitch, Moody's

Moody's most recent credit rating was on 1 April 2022. The agency affirmed the country's long-term foreign and local currency debt ratings at Ba2, and revised its outlook from "negative" to "stable". Moody's based its revision on the improved fiscal outlook, which raised the likelihood of government's debt burden stabilising over the medium term.



## 5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Figure 24: South Africa's long-term foreign currency credit ratings history (1994-2023)



Sources: National Treasury, Fitch, S&P, Moody's



## 6. INVESTOR RELATIONS

### INVESTOR ROADSHOWS

The National Treasury runs an active investor relations programme. Each year, after releasing the Budget Review in February and the MTBPS in October/November, the department conducts domestic and international roadshows with the SARB. These are aimed at strengthening relationships with investors and keeping them informed about economic, fiscal, political and social developments in the country.

During the reporting period, the National Treasury issued a global call to address investors on the Eskom debt takeover and conducted domestic and international roadshows to update investors about funding requirements and the country's fiscal status. The roadshows took place in Cape Town, Johannesburg, New York, Boston and London.

The National Treasury also holds meetings with investors throughout the year and provides information about funding programmes and strategies through the JSE's Stock Exchange News Service.

### INVESTOR RELATIONS WEBSITE

Launched in June 2011, the National Treasury's investor relations website (<http://investor.treasury.gov.za>) provides relevant information to institutional investors. This includes bond auction calendars, historical results for auctions, sovereign credit ratings and reports, holdings of domestic government bonds, policy documents, economic indicators, details of pending events, investor presentations and links to other relevant websites.

### MARKETING AND PROMOTION OF RSA RETAIL SAVINGS BONDS

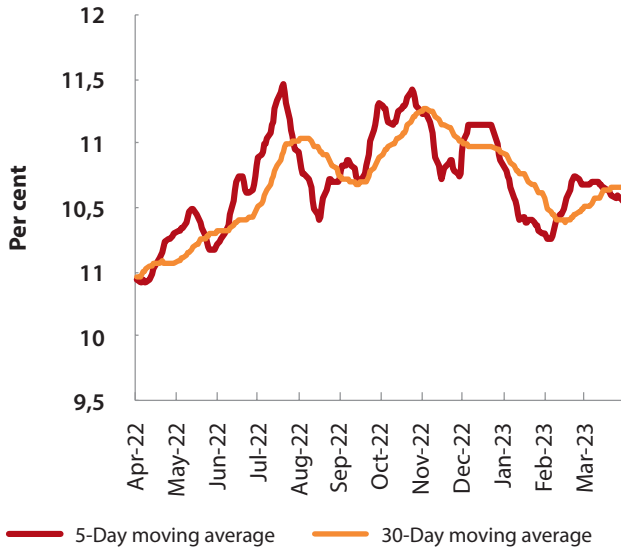
Expos and exhibitions restarted after COVID-19 lockdown restrictions were lifted. The RSA Retail Savings Bonds directorate participates in expos and conducts digital marketing campaigns through email and various social media platforms. The RSA Retail Savings Bonds website is in the process of being updated to include blogs, podcasts and an events calendar.



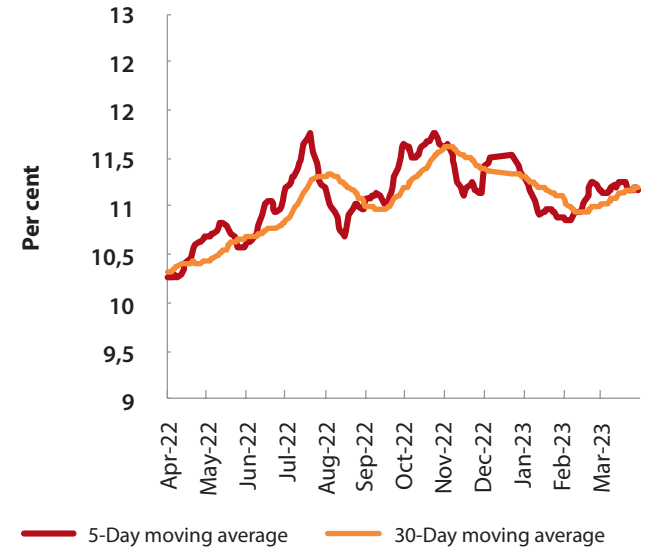
## 7. ANNEXURES

### Annexure A: Redemption schedule of Treasury bills (31 March 2023)

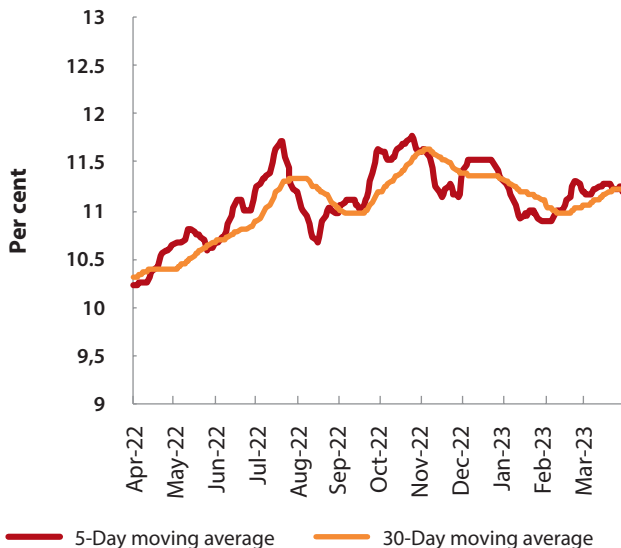
R2032 bond - 8.25% 31 March 2032



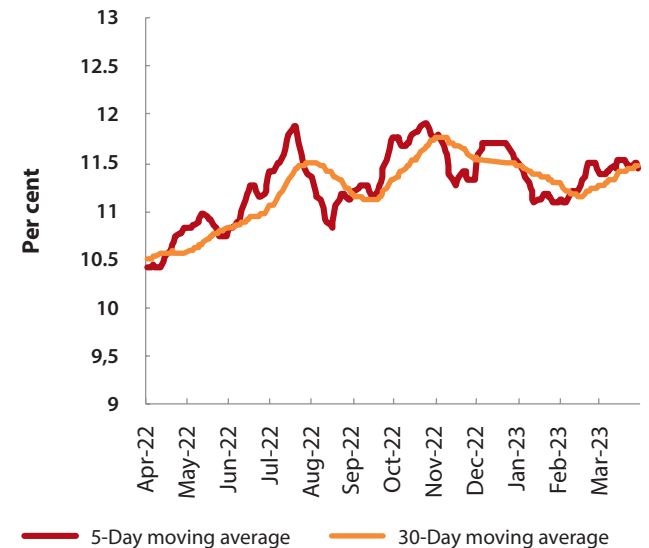
R2035 bond - 8.875% 28 February 2035



R209 bond - 6.25% 31 March 2036



R2037 bond - 8.50% 31 January 2037

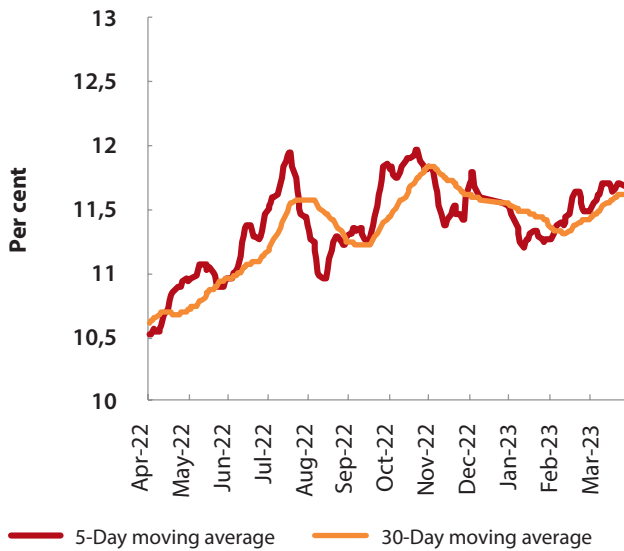




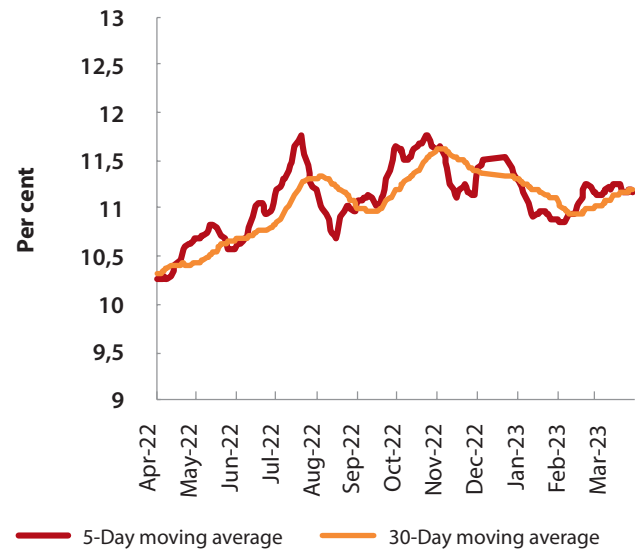
## 7. ANNEXURES

### Annexure B: Yield trends of government fixed-rate bonds (2022/23)

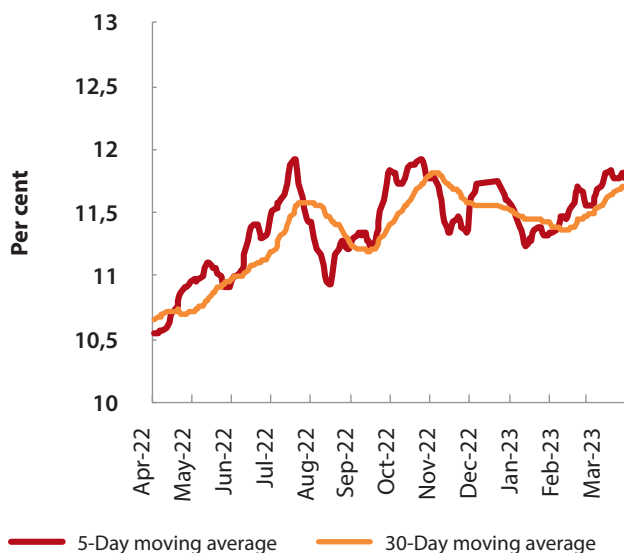
R2040 bond - 9.00% 31 January 2040



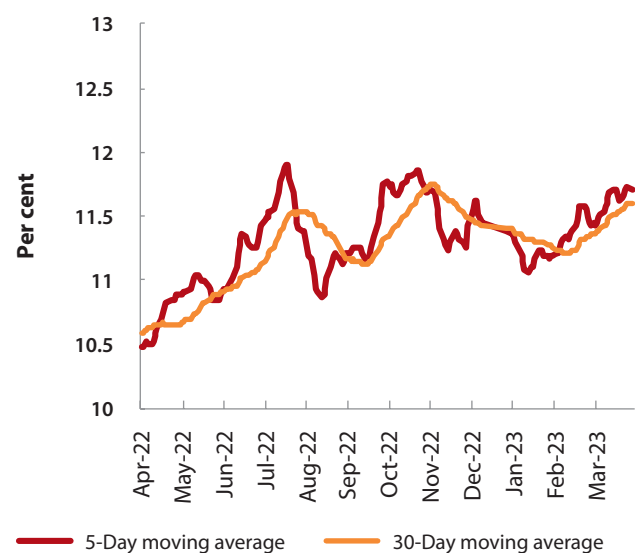
R214 bond - 6.50% 28 February 2041



R2044 bond - 8.75% 31 January 2044



R2048 bond - 8.75% 28 February 2048









## 7. ANNEXURES

### Annexure D: Summary of 91-day and 182-day Treasury bill auctions (2022/23)

Issue date	91-day				182-day			
	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
2022/04/01	2 241	1 000	2,24	4,35	8 195	3 074	3,04	5,41
2022/04/08	724	715	0,72	4,34	6 244	3 224	2,31	5,44
2022/04/15	343	343	0,34	4,36	3 557	2 700	1,32	5,50
2022/04/22	600	500	0,60	4,35	5 736	2 700	2,12	5,55
2022/04/30	1 003	503	1,00	4,34	7 609	3 197	2,82	5,54
2022/05/07	910	410	0,91	4,33	4 590	2 850	1,70	5,66
2022/05/14	1 552	550	1,55	4,32	6 687	3 694	2,48	5,74
2022/05/21	3 455	1 000	3,45	4,81	10 355	2 700	3,84	5,89
2022/05/28	1 001	-	1,00	4,81	5 024	2 700	1,86	5,86
2022/06/04	2 010	1 000	2,01	5,27	7 949	2 700	2,94	5,85
2022/06/11	4 349	1 000	4,35	5,24	6 439	2 700	2,38	5,86
2022/06/18	1 860	280	1,86	5,26	3 090	2 725	1,14	6,01
2022/06/25	2 085	1 000	2,09	5,18	5 703	2 700	2,11	6,10
2022/07/02	1 568	1 000	1,57	5,20	5 135	2 405	1,90	6,19
2022/07/09	1 657	526	1,66	5,19	4 409	1 849	1,63	6,36
2022/07/16	1 065	65	1,07	5,39	3 280	1 570	1,21	6,51
2022/07/23	2 708	693	2,71	5,97	3 816	2 201	1,41	6,85
2022/07/30	4 543	1 000	4,54	5,90	6 749	2 700	2,50	6,89
2022/08/06	5 039	1 000	5,04	5,87	6 993	2 700	2,59	6,91
2022/08/13	6 100	1 000	6,10	5,80	9 408	2 700	3,48	6,83
2022/08/20	7 715	1 000	7,72	5,79	7 139	2 700	2,64	6,81
2022/08/27	5 682	700	8,12	5,76	8 088	2 400	3,37	6,77
2022/09/03	4 364	700	6,23	5,65	5 583	2 400	2,33	6,86
2022/09/10	2 206	700	3,15	5,73	3 962	2 400	1,65	7,00
2022/09/17	1 821	700	2,60	5,71	3 592	2 400	1,50	7,25
2022/09/24	3 028	700	4,33	6,30	6 454	2 400	2,69	7,50
2022/10/01	3 054	700	4,36	6,23	5 746	2 400	2,39	7,58
2022/10/08	3 820	700	5,46	6,22	5 100	2 400	2,12	7,63



## 7. ANNEXURES

### Annexure D: Summary of 91-day and 182-day Treasury bill auctions (2022/23)

- Continued

Issue date	91-day					182-day		
	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)
2022/10/15	1 730	700	2,47	6,22	4 409	2 400	1,84	7,69
2022/10/22	2 357	700	3,37	6,21	6 269	2 400	2,61	7,71
2022/10/29	773	273	1,10	6,21	4 202	2 400	1,75	7,74
2022/11/05	1 280	500	1,83	6,13	4 568	2 400	1,90	7,77
2022/11/12	2 383	700	3,40	6,18	4 046	2 400	1,69	7,76
2022/11/19	2 050	400	2,93	6,18	4 228	2 400	1,76	7,85
2022/11/26	2 421	700	3,46	6,75	7 206	2 400	3,00	7,88
2022/12/03	3 099	700	4,43	6,77	4 753	2 400	1,98	8,13
2022/12/10	2 251	700	3,22	6,74	6 258	2 400	2,61	8,15
2022/12/17	991	700	1,42	6,69	5 856	2 400	2,44	8,18
2022/12/24	1 651	700	2,36	6,67	8 092	2 400	3,37	8,20
2022/12/31	3 196	700	4,57	6,61	12 178	2 400	5,07	8,17
2023/01/07	1 946	700	2,78	6,59	13 578	2 400	5,66	8,08
2023/01/14	1 271	700	1,82	6,56	10 409	2 400	4,34	8,03
2023/01/21	719	619	1,03	6,55	7 291	2 481	3,04	7,97
2023/01/28	20	20	0,03	6,56	8 280	3 080	3,45	7,99
2023/02/04	1 500	200	2,14	6,69	9 608	2 900	4,00	7,88
2023/02/11	1 300	-	0,00	6,69	10 915	4 000	3,76	7,89
2023/02/18	1 801	-	0,00	6,69	11 054	3 729	3,81	7,93
2023/02/25	2 742	1 100	2,49	6,78	8 468	2 900	2,92	7,99
2023/03/04	1 454	454	1,32	7,11	9 856	2 900	3,40	8,02
2023/03/11	980	779	0,89	7,28	6 849	3 193	2,36	8,07
2023/03/18	321	321	0,29	7,33	5 721	2 900	1,97	8,02
2023/03/25	1 479	1 100	1,34	7,31	7 338	2 900	2,53	8,04
2023/03/31	330	130	0,30	7,48	7 597	2 900	2,62	8,34



## 7. ANNEXURES

### Annexure E: Summary of 273-day and 364-day Treasury bill auctions (2022/23)

Issue date	273-day				364-day				
	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
2022/04/01	10 112	4 614	2,66	5,92	4 862	3 012	4 200	1,16	6,05
2022/04/08	7 151	5 536	1,88	5,94	5 595	2 224	4 200	1,33	6,11
2022/04/15	8 085	5 149	2,13	5,94	5 409	3 509	4 200	1,29	6,12
2022/04/22	7 595	4 200	2,00	5,96	8 463	4 300	4 200	2,02	6,13
2022/04/30	5 083	3 800	1,34	6,03	9 178	4 200	4 200	2,19	6,14
2022/05/07	5 191	4 159	1,37	6,12	6 386	4 281	4 200	1,52	6,33
2022/05/14	6 291	3 918	1,66	6,24	4 263	1 058	4 200	1,02	6,48
2022/05/21	7 101	3 800	1,87	6,35	8 785	4 200	4 200	2,09	6,75
2022/05/28	4 108	3 800	1,08	6,40	11 553	5 200	4 200	2,75	6,74
2022/06/04	8 350	3 800	2,20	6,44	13 987	4 200	4 200	3,33	6,72
2022/06/11	7 947	3 800	2,09	6,45	15 300	4 200	4 200	3,64	6,71
2022/06/18	7 275	4 495	1,91	6,47	6 120	4 200	4 200	1,46	6,91
2022/06/25	8 182	3 800	2,15	6,65	13 870	4 200	4 200	3,30	7,04
2022/07/02	6 630	3 800	1,74	6,81	13 999	4 495	4 200	3,33	7,13
2022/07/09	5 016	3 366	1,32	6,94	12 879	5 525	4 200	3,07	7,17
2022/07/16	7 082	3 800	1,86	7,07	8 591	4 200	4 200	2,05	7,38
2022/07/23	8 270	3 800	2,18	7,38	9 027	4 200	4 200	2,15	7,66
2022/07/30	7 892	3 800	2,08	7,38	11 165	4 200	4 200	2,66	7,67
2022/08/06	9 105	3 800	2,40	7,37	11 763	4 200	4 200	2,80	7,63
2022/08/13	9 408	3 800	2,48	7,30	14 040	4 200	4 200	3,34	7,51
2022/08/20	8 074	3 800	2,12	7,28	8 408	4 200	4 200	2,00	7,53
2022/08/27	9 173	3 550	2,58	7,28	7 826	3 700	3 700	2,12	7,59
2022/09/03	5 860	3 550	1,65	7,37	7 329	3 700	3 700	1,98	7,70
2022/09/10	6 030	3 550	1,70	7,43	6 725	3 700	3 700	1,82	7,77
2022/09/17	4 060	3 550	1,14	7,78	6 556	3 700	3 700	1,77	8,04
2022/09/24	7 542	3 550	2,12	8,08	10 179	3 700	3 700	2,75	8,35
2022/10/01	6 037	3 550	1,70	8,22	7 294	3 700	3 700	1,97	8,54





## 7. ANNEXURES

### Annexure E: Summary of 273-day and 364-day Treasury bill auctions (2022/23)

- Continued

Issue date	273-day					364-day			
	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)
2022/10/08	4 622	3 550	1,30	8,18	12 335	3 700	3 700	3,33	8,46
2022/10/15	6 685	3 550	1,88	8,16	13 911	3 700	3 700	3,76	8,39
2022/10/22	6 474	3 550	1,82	8,17	10 133	3 700	3 700	2,74	8,39
2022/10/29	7 029	3 550	1,98	8,13	13 739	3 700	3 700	3,71	8,27
2022/11/05	5 616	3 550	1,58	8,16	8 250	3 700	3 700	2,23	8,31
2022/11/12	7 513	3 550	2,12	8,10	9 962	3 700	3 700	2,69	8,23
2022/11/19	7 781	3 550	2,19	8,09	7 190	3 700	3 700	1,94	8,18
2022/11/26	10 267	3 550	2,89	8,17	13 257	3 700	3 700	3,58	8,27
2022/12/03	6 565	3 550	1,85	8,47	9 850	3 700	3 700	2,66	8,39
2022/12/10	12 709	4 628	3,58	8,45	11 260	2 622	3 700	3,04	8,39
2022/12/17	16 425	4 628	4,63	8,39	12 620	3 700	3 700	3,41	8,37
2022/12/24	20 730	4 628	5,84	8,36	18 080	3 700	3 700	4,89	8,34
2022/12/31	13 240	4 628	3,73	8,35	10 875	3 700	3 700	2,94	8,39
2023/01/07	10 480	3 550	2,95	8,34	7 760	3 700	3 700	2,10	8,51
2023/01/14	13 022	3 550	3,67	8,24	16 825	3 700	3 700	4,55	8,28
2023/01/21	11 302	3 550	3,18	8,13	11 470	3 700	3 700	3,10	8,21
2023/01/28	8 790	3 550	2,48	8,02	11 300	3 700	3 700	3,05	8,09
2023/02/04	9 949	3 550	2,80	7,95	9 762	3 700	3 700	2,64	8,02
2023/02/11	9 570	3 900	2,45	7,95	10 881	4 200	4 200	2,59	8,06
2023/02/18	10 471	4 071	2,68	8,00	11 415	4 300	4 200	2,72	8,07
2023/02/25	8 457	3 900	2,17	8,08	10 689	4 200	4 200	2,54	8,07
2023/03/04	11 115	3 900	2,85	8,09	10 627	4 846	4 200	2,53	8,06
2023/03/11	10 545	3 900	2,70	8,09	9 666	4 228	4 200	2,30	8,04
2023/03/18	7 664	3 900	1,97	8,00	7 278	4 979	4 200	1,73	7,98
2023/03/25	8 800	3 900	2,26	8,03	8 872	4 200	4 200	2,11	8,02
2023/03/31	10 970	3 900	2,72	8,44	9 010	5 170	4 200	2,15	8,56



# DEBT MANAGEMENT

## Report

## 7. ANNEXURES

### Annexure F: Summary of fixed-rate bond auctions (2022/23)

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/04/05	R2032	2032/03/31	8,250	1 300	1 300	4 935	9,840
2022/04/05	R2037	2037/01/31	8,500	1 300	1 300	4 725	10,330
2022/04/05	R2040	2040/01/31	9,000	1 300	1 300	2 460	10,480
2022/04/12	R2035	2035/02/28	8,875	1 300	1 300	3 100	10,430
2022/04/12	R2044	2044/01/31	8,750	1 300	1 300	3 815	10,690
2022/04/12	R2048	2048/02/28	8,750	1 300	1 300	3 395	10,650
2022/04/19	R2030	2030/01/31	8,000	1 300	1 300	4 190	9,890
2022/04/19	R2035	2035/02/28	8,875	1 300	1 300	3 025	10,675
2022/04/19	R2044	2044/01/31	8,750	1 300	1 300	3 680	10,920
2022/04/26	R2030	2030/01/31	8,000	1 300	1 300	3 045	9,810
2022/04/26	R2032	2032/03/31	8,250	1 300	1 300	3 090	10,190
2022/04/26	R2048	2048/02/28	8,750	1 300	1 300	3 055	10,770
2022/05/03	R2032	2032/03/31	8,250	1 300	1 300	4 695	10,390
2022/05/03	R2040	2040/01/31	9,000	1 300	1 300	4 145	11,030
2022/05/03	R2048	2048/02/28	8,750	1 300	1 300	3 715	10,990
2022/05/10	R2030	2030/01/31	8,000	1 300	1 300	4 875	10,155
2022/05/10	R2035	2035/02/28	8,875	1 300	1 300	2 630	10,890
2022/05/10	R2048	2048/02/28	8,750	1 300	1 300	2 665	11,110
2022/05/17	R2032	2032/03/31	8,250	1 300	1 300	4 940	10,350
2022/05/17	R2035	2035/02/28	8,875	1 300	1 300	4 390	10,720
2022/05/17	R2040	2040/01/31	9,000	1 300	1 300	2 665	11,020
2022/05/24	R213	2031/02/28	7,000	1 300	1 300	3 915	10,045
2022/05/24	R2035	2035/02/28	8,875	1 300	1 300	3 080	10,570
2022/05/24	R2044	2044/01/31	8,750	1 300	1 300	2 825	10,895
2022/05/31	R213	2031/02/28	7,000	1 300	1 300	2 195	10,080
2022/05/31	R2037	2037/01/31	8,500	1 300	1 300	3 075	10,800
2022/05/31	R2044	2044/01/31	8,750	1 300	1 300	2 100	11,020
2022/06/07	R2032	2032/03/31	8,250	1 300	1 300	4 315	10,380
2022/06/07	R2037	2037/01/31	8,500	1 300	1 300	2 620	10,960
2022/06/07	R2048	2048/02/28	8,750	1 300	1 300	3 185	11,015



## 7. ANNEXURES

### Annexure F: Summary of fixed-rate bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/06/14	R2035	2035/02/28	8,875	1 300	1 300	2 620	11,170
2022/06/14	R2040	2040/01/31	9,000	1 300	1 300	3 140	11,485
2022/06/14	R2044	2044/01/31	8,750	1 300	1 300	2 905	11,505
2022/06/21	R2035	2035/02/28	8,875	1 300	1 300	3 160	10,975
2022/06/21	R2040	2040/01/31	9,000	1 300	1 300	3 355	11,300
2022/06/21	R2048	2048/02/28	8,750	1 300	1 300	2 235	11,305
2022/06/28	R2032	2032/03/31	8,250	1 300	1 300	5 180	10,870
2022/06/28	R2037	2037/01/31	8,500	1 300	1 300	2 795	11,400
2022/06/28	R2044	2044/01/31	8,750	1 300	1 300	2 810	11,520
2022/07/05	R2035	2035/02/28	8,875	1 300	1 300	2 685	11,310
2022/07/05	R2040	2040/01/31	9,000	1 300	1 300	2 460	11,600
2022/07/05	R2048	2048/02/28	8,750	1 300	1 300	3 340	11,490
2022/07/12	R2037	2037/01/31	8,500	1 300	1 300	2 480	11,820
2022/07/12	R2044	2044/01/31	8,750	1 300	1 300	2 600	11,910
2022/07/12	R2048	2048/02/28	8,750	1 300	1 300	4 660	11,870
2022/07/19	R213	2031/02/28	7,000	1 300	1 300	4 000	11,370
2022/07/19	R2035	2035/02/28	8,875	1 300	1 300	3 470	11,790
2022/07/19	R2040	2040/01/31	9,000	1 300	1 300	3 720	11,945
2022/07/26	R2032	2032/03/31	8,250	1 300	1 300	4 360	10,850
2022/07/26	R2037	2037/01/31	8,500	1 300	1 300	4 400	11,265
2022/07/26	R2044	2044/01/31	8,750	1 300	1 300	3 480	11,300
2022/08/02	R213	2031/02/28	7,000	1 300	1 300	3 370	10,670
2022/08/02	R2035	2035/02/28	8,875	1 300	1 300	3 450	11,060
2022/08/02	R2040	2040/01/31	9,000	1 300	1 300	3 510	11,295
2022/08/09	R2032	2032/03/31	8,250	1 300	1 300	6 750	10,660
2022/08/09	R2037	2037/01/31	8,500	1 300	1 300	4 230	11,025
2022/08/09	R2040	2040/01/31	9,000	1 300	1 300	4 260	11,090
2022/08/16	R2030	2030/01/31	8,000	1 300	1 300	3 110	10,010
2022/08/16	R2037	2037/01/31	8,500	1 300	1 300	2 875	10,955
2022/08/16	R2048	2048/02/28	8,750	1 300	1 300	2 770	10,990



# DEBT MANAGEMENT

## Report

## 7. ANNEXURES

### Annexure F: Summary of fixed-rate bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/08/23	R2030	2030/01/31	8,000	1 300	1 300	3 805	10,280
2022/08/23	R213	2031/02/28	7,000	1 300	1 300	2 465	10,600
2022/08/23	R2032	2032/03/31	8,250	1 300	1 300	2 820	10,750
2022/08/30	R213	2031/02/28	7,000	1 300	1 300	2 950	10,550
2022/08/30	R2035	2035/02/28	8,875	1 300	1 300	3 035	10,910
2022/08/30	R2040	2040/01/31	9,000	1 300	1 300	2 695	11,200
2022/09/06	R2030	2030/01/31	8,000	1 300	1 300	3 305	10,360
2022/09/06	R2037	2037/01/31	8,500	1 300	1 300	2 190	11,270
2022/09/06	R2048	2048/02/28	8,750	1 300	1 300	2 610	11,200
2022/09/13	R2032	2032/03/31	8,250	1 300	1 300	5 065	10,600
2022/09/13	R2035	2035/02/28	8,875	1 300	1 300	3 670	10,960
2022/09/13	R2044	2044/01/31	8,750	1 300	1 300	3 290	11,215
2022/09/20	R2032	2032/03/31	8,250	1 300	1 300	2 470	10,960
2022/09/20	R2037	2037/01/31	8,500	1 300	1 300	3 390	11,350
2022/09/20	R2040	2040/01/31	9,000	1 300	1 300	2 775	11,440
2022/09/27	R2030	2030/01/31	8,000	1 300	1 300	5 390	10,790
2022/09/27	R2037	2037/01/31	8,500	1 300	1 300	3 500	11,700
2022/09/27	R2040	2040/01/31	9,000	1 300	1 300	2 615	11,790
2022/10/04	R2030	2030/01/31	8,000	1 300	1 300	3 295	10,590
2022/10/04	R2032	2032/03/31	8,250	1 300	1 300	3 135	11,070
2022/10/04	R2037	2037/01/31	8,500	1 300	1 300	3 125	11,540
2022/10/11	R2030	2030/01/31	8,000	1 300	1 300	3 690	10,700
2022/10/11	R2035	2035/02/28	8,875	1 300	1 300	2 990	11,565
2022/10/11	R2040	2040/01/31	9,000	1 300	1 300	3 210	11,820
2022/10/18	R213	2031/02/28	7,000	1 300	1 300	2 475	11,200
2022/10/18	R2032	2032/03/31	8,250	1 300	1 300	3 320	11,230
2022/10/18	R2035	2035/02/28	8,875	1 300	1 300	3 240	11,645
2022/10/25	R2030	2030/01/31	8,000	1 300	1 300	5 430	10,960
2022/10/25	R2040	2040/01/31	9,000	1 300	1 300	3 335	12,000
2022/10/25	R2044	2044/01/31	8,750	1 300	1 300	3 915	11,950



## 7. ANNEXURES

### Annexure F: Summary of fixed-rate bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/11/01	R2030	2030/01/31	8,000	1 300	1 300	6 265	10,745
2022/11/01	R2040	2040/01/31	9,000	1 300	1 300	3 780	11,850
2022/11/01	R2048	2048/02/28	8,750	1 300	1 300	4 355	11,710
2022/11/08	R2030	2030/01/31	8,000	1 300	1 300	3 595	10,550
2022/11/08	R2032	2032/03/31	8,250	1 300	1 300	4 170	11,010
2022/11/08	R2044	2044/01/31	8,750	1 300	1 300	2 680	11,540
2022/11/15	R2032	2032/03/31	8,250	1 300	1 300	3 350	10,700
2022/11/15	R2037	2037/01/31	8,500	1 300	1 300	3 585	11,245
2022/11/15	R2040	2040/01/31	9,000	1 300	1 300	3 585	11,340
2022/11/22	R2030	2030/01/31	8,000	1 300	1 300	7 385	10,260
2022/11/22	R2032	2032/03/31	8,250	1 300	1 300	5 580	10,810
2022/11/22	R2035	2035/02/28	8,875	1 300	1 300	3 750	11,190
2022/11/29	R2030	2030/01/31	8,000	1 300	1 300	3 570	10,185
2022/11/29	R213	2031/02/28	7,000	1 300	1 300	4 700	10,550
2022/11/29	R2035	2035/02/28	8,875	1 300	1 300	3 370	11,110
2022/12/06	R213	2031/02/28	7,000	1 300	1 300	2 360	10,960
2022/12/06	R2032	2032/03/31	8,250	1 300	1 300	2 225	11,160
2022/12/06	R2035	2035/02/28	8,875	1 300	1 300	2 415	11,500
2022/12/13	R213	2031/02/28	7,000	1 300	1 300	3 120	10,960
2022/12/13	R2040	2040/01/31	9,000	1 300	1 300	3 265	11,860
2022/12/13	R2048	2048/02/28	8,750	1 300	1 300	2 425	11,740
2023/01/10	R2030	2030/01/31	8,000	1 300	1 300	4 130	9,685
2023/01/10	R213	2031/02/28	7,000	1 300	1 300	2 185	10,250
2023/01/10	R2035	2035/02/28	8,875	1 300	1 300	2 345	10,900
2023/01/17	R2030	2030/01/31	8,000	1 300	1 300	4 775	9,845
2023/01/17	R2035	2035/02/28	8,875	1 300	1 300	4 415	11,030
2023/01/17	R2040	2040/01/31	9,000	1 300	1 300	3 915	11,370
2023/01/24	R2030	2030/01/31	8,000	1 300	1 300	4 430	9,740
2023/01/24	R2032	2032/03/31	8,250	1 300	1 300	4 035	10,380
2023/01/24	R2035	2035/02/28	8,875	1 300	1 300	5 195	10,955



## 7. ANNEXURES

### Annexure F: Summary of fixed-rate bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2023/01/31	R2030	2030/01/31	8,000	1 300	1 300	4 805	9,625
2023/01/31	R2035	2035/02/28	8,875	1 300	1 300	4 435	10,900
2023/01/31	R2040	2040/01/31	9,000	1 300	1 300	2 645	11,340
2023/02/07	R2030	2030/01/31	8,000	1 300	1 300	4 445	9,710
2023/02/07	R2032	2032/03/31	8,250	1 300	1 300	5 190	10,370
2023/02/07	R2035	2035/02/28	8,875	1 300	1 300	2 815	10,965
2023/02/14	R2030	2030/01/31	8,000	1 300	1 300	5 040	9,795
2023/02/14	R2032	2032/03/31	8,250	1 300	1 300	6 190	10,420
2023/02/14	R2035	2035/02/28	8,875	1 300	1 300	5 550	10,915
2023/02/21	R2032	2032/03/31	8,250	1 300	1 300	5 905	10,790
2023/02/21	R2035	2035/02/28	8,875	1 300	1 300	4 920	11,315
2023/02/21	R2040	2040/01/31	9,000	1 300	1 300	3 150	11,720
2023/02/28	R2030	2030/01/31	8,000	1 300	1 300	2 520	10,080
2023/02/28	R2032	2032/03/31	8,250	1 300	1 300	3 975	10,640
2023/02/28	R2035	2035/02/28	8,875	1 300	1 300	5 640	11,135
2023/03/07	R2032	2032/03/31	8,250	1 300	1 300	7 240	10,650
2023/03/07	R2035	2035/02/28	8,875	1 300	1 300	3 845	11,120
2023/03/07	R2040	2040/01/31	9,000	1 300	1 300	3 555	11,490
2023/03/14	R213	2031/02/28	7,000	1 300	1 300	3 735	10,380
2023/03/14	R2035	2035/02/28	8,875	1 300	1 300	3 295	11,200
2023/03/14	R2037	2037/01/31	8,500	1 300	1 300	3 295	11,460
2023/03/22	R213	2031/02/28	7,000	1 300	1 300	2 570	10,410
2023/03/22	R2032	2032/03/31	8,250	1 300	1 300	4 065	10,585
2023/03/22	R2035	2035/02/28	8,875	1 300	1 300	3 515	11,200
2023/03/28	R2032	2032/03/31	8,250	1 300	1 300	4 360	10,570
2023/03/28	R2035	2035/02/28	8,875	1 300	1 300	3 035	11,230
2023/03/28	R2040	2040/01/31	9,000	1 300	1 300	2 985	11,700



## 7. ANNEXURES

### Annexure G: Summary of inflation-linked bond auctions (2022/23)

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/04/01	I2033	2033/03/28	1,875	1200	875	1 080	4,010
2022/04/01	I2038	2038/01/31	2,250		80	180	4,090
2022/04/01	I2046	2046/03/31	2,500		245	525	4,090
2022/04/08	I2033	2033/03/28	1,875	1200	770	2 830	3,920
2022/04/08	I2038	2038/01/31	2,250		80	1 040	4,005
2022/04/08	I2050	2050/12/31	2,500		350	1 335	4,020
2022/04/22	I2033	2033/03/28	1,875	1200	560	1 570	3,820
2022/04/22	I2046	2046/03/31	2,500		30	970	3,900
2022/04/22	I2050	2050/12/31	2,500		610	865	3,940
2022/04/29	I2029	2029/03/31	1,875	1200	740	1 220	3,295
2022/04/29	I2033	2033/03/28	1,875		415	595	3,830
2022/04/29	I2050	2050/12/31	2,500		45	105	3,930
2022/05/06	I2029	2029/03/31	1,875	1200	515	685	3,250
2022/05/06	I2038	2038/01/31	2,250		110	325	3,910
2022/05/06	I2046	2046/03/31	2,500		-	30	-
2022/05/13	I2033	2033/03/28	1,875	1200	535	535	3,950
2022/05/13	I2038	2038/01/31	2,250		-	280	0,000
2022/05/13	I2046	2046/03/31	2,500		10	30	3,950
2022/05/20	I2029	2029/03/31	1,875	1200	405	1 175	3,415
2022/05/20	I2033	2033/03/28	1,875		425	805	4,000
2022/05/20	I2038	2038/01/31	2,250		370	535	4,080
2022/05/27	I2033	2033/03/28	1,875	1200	15	35	3,830
2022/05/27	I2038	2038/01/31	2,250		50	170	3,900
2022/05/27	I2046	2046/03/31	2,500		860	860	3,940
2022/06/03	I2029	2029/03/31	1,875	1200	765	1 170	3,010
2022/06/03	I2038	2038/01/31	2,250		135	165	3,790
2022/06/03	I2050	2050/12/31	2,500		300	600	3,840
2022/06/10	I2029	2029/03/31	1,875	1200	450	450	3,250
2022/06/10	I2033	2033/03/28	1,875		-	60	0,000
2022/06/10	I2046	2046/03/31	2,500		750	790	4,020



## 7. ANNEXURES

### Annexure G: Summary of inflation-linked bond auctions (2022/23) - Continued

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/06/17	I2033	2033/03/28	1,875	1200	280	900	4,020
2022/06/17	I2038	2038/01/31	2,250		570	870	4,070
2022/06/17	I2050	2050/12/31	2,500		350	985	4,070
2022/06/24	I2033	2033/03/28	1,875	1200	555	1 150	3,930
2022/06/24	I2038	2038/01/31	2,250		345	460	4,030
2022/06/24	I2046	2046/03/31	2,500		300	860	4,030
2022/07/01	I2033	2033/03/28	1,875	1200	660	660	4,050
2022/07/01	I2046	2046/03/31	2,500		270	330	4,080
2022/07/01	I2050	2050/12/31	2,500		270	300	4,100
2022/07/08	I2033	2033/03/28	1,875	1200	255	1 605	4,405
2022/07/08	I2038	2038/01/31	2,250		120	310	4,410
2022/07/08	I2050	2050/12/31	2,500		615	1 095	4,450
2022/07/15	I2029	2029/03/31	1,875	1200	155	155	3,510
2022/07/15	I2033	2033/03/28	1,875		230	420	4,210
2022/07/15	I2038	2038/01/31	2,250		10	140	4,230
2022/07/22	I2033	2033/03/28	1,875	1200	65	275	4,180
2022/07/22	I2038	2038/01/31	2,250		85	195	4,210
2022/07/22	I2046	2046/03/31	2,500		505	665	4,260
2022/07/29	I2029	2029/03/31	1,875	1200	525	545	3,580
2022/07/29	I2038	2038/01/31	2,250		270	315	4,300
2022/07/29	I2050	2050/12/31	2,500		405	510	4,350
2022/08/05	I2033	2033/03/28	1,875	1200	255	355	4,160
2022/08/05	I2038	2038/01/31	2,250		185	210	4,200
2022/08/05	I2046	2046/03/31	2,500		610	610	4,210
2022/08/12	I2033	2033/03/28	1,875	1200	80	80	4,130
2022/08/12	I2038	2038/01/31	2,250		310	310	4,150
2022/08/12	I2050	2050/12/31	2,500		415	475	4,170
2022/08/19	I2029	2029/03/31	1,875	1200	-	110	0,000
2022/08/19	I2046	2046/03/31	2,500		400	995	4,360
2022/08/19	I2050	2050/12/31	2,500		800	1 305	4,390





## 7. ANNEXURES

### Annexure G: Summary of inflation-linked bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/08/26	I2033	2033/03/28	1,875	1200	540	1 985	4,180
2022/08/26	I2038	2038/01/31	2,250		210	780	4,250
2022/08/26	I2050	2050/12/31	2,500		450	1 090	4,270
2022/09/02	I2033	2033/03/28	1,875	1200	1 180	1 790	4,160
2022/09/02	I2046	2046/03/31	2,500		-	600	0,000
2022/09/02	I2050	2050/12/31	2,500		20	535	4,180
2022/09/09	I2033	2033/03/28	1,875	1200	950	1 555	4,240
2022/09/09	I2038	2038/01/31	2,250		100	630	4,240
2022/09/09	I2046	2046/03/31	2,500		150	885	4,260
2022/09/16	I2033	2033/03/28	1,875	1200	800	2 000	4,270
2022/09/16	I2038	2038/01/31	2,250		-	970	0,000
2022/09/16	I2050	2050/12/31	2,500		400	725	4,335
2022/09/23	I2033	2033/03/28	1,875	1200	180	1 445	4,350
2022/09/23	I2038	2038/01/31	2,250		565	800	4,420
2022/09/23	I2046	2046/03/31	2,500		455	1 080	4,430
2022/09/30	I2029	2029/03/31	1,875	1200	-	1 050	0,000
2022/09/30	I2046	2046/03/31	2,500		490	1 190	4,570
2022/09/30	I2050	2050/12/31	2,500		710	1 050	4,590
2022/10/07	I2029	2029/03/31	1,875	1200	670	810	3,950
2022/10/07	I2033	2033/03/28	1,875		430	1 295	4,480
2022/10/07	I2046	2046/03/31	2,500		100	1 200	4,540
2022/10/14	I2033	2033/03/28	1,875	1200	-	180	0,000
2022/10/14	I2038	2038/01/31	2,250		100	380	4,550
2022/10/14	I2046	2046/03/31	2,500		1 100	1 350	4,590
2022/10/21	I2029	2029/03/31	1,875	1200	-	550	0,000
2022/10/21	I2038	2038/01/31	2,250		90	610	4,900
2022/10/21	I2050	2050/12/31	2,500		1 045	1 145	5,000
2022/10/28	I2029	2029/03/31	1,875	1200	185	205	4,040
2022/10/28	I2033	2033/03/28	1,875		385	435	4,580
2022/10/28	I2038	2038/01/31	2,250		45	130	4,600



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## 7. ANNEXURES

### Annexure G: Summary of inflation-linked bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/11/04	I2029	2029/03/31	1,875	1200	-	-	0,000
2022/11/04	I2033	2033/03/28	1,875		-	-	0,000
2022/11/04	I2046	2046/03/31	2,500		-	-	0,000
2022/11/11	I2029	2029/03/31	1,875	1200	75	200	3,965
2022/11/11	I2033	2033/03/28	1,875		595	68	4,500
2022/11/11	I2046	2046/03/31	2,500		530	870	4,580
2022/11/18	I2033	2033/03/28	1,875	1200	510	735	4,800
2022/11/18	I2038	2038/01/31	2,250		25	25	4,810
2022/11/18	I2050	2050/12/31	2,500		665	955	4,855
2022/11/25	R210	2028/03/31	2,600	1200	505	1 030	3,850
2022/11/25	I2033	2033/03/28	1,875		415	1 600	4,660
2022/11/25	I2046	2046/03/31	2,500		280	455	4,720
2022/12/02	I2033	2033/03/28	1,875	1200	290	1 240	4,860
2022/12/02	I2038	2038/01/31	2,250		10	35	4,850
2022/12/02	I2050	2050/12/31	2,500		165	205	4,970
2022/12/09	I2033	2033/03/28	1,875	1200	740	2 380	4,850
2022/12/09	I2038	2038/01/31	2,250		155	280	4,900
2022/12/09	I2046	2046/03/31	2,500		305	605	4,910
2023/01/13	I2033	2033/03/28	1,875	1200	575	575	4,380
2023/01/13	I2038	2038/01/31	2,250		300	300	4,440
2023/01/13	I2050	2050/12/31	2,500		325	855	4,470
2023/01/20	I2033	2033/03/28	1,875	1200	50	50	4,470
2023/01/20	I2038	2038/01/31	2,250		60	110	4,580
2023/01/20	I2050	2050/12/31	2,500		80	180	4,550
2023/01/27	I2029	2029/03/31	1,875	1200	595	1 030	4,160
2023/01/27	I2033	2033/03/28	1,875		55	935	4,560
2023/01/27	I2046	2046/03/31	2,500		550	1 250	4,660
2023/02/03	I2033	2033/03/28	1,875	1200	355	1 575	4,625
2023/02/03	I2046	2046/03/31	2,500		405	1 790	4,710
2023/02/03	I2050	2050/12/31	2,500		440	1 955	4,710



## 7. ANNEXURES

### Annexure G: Summary of inflation-linked bond auctions (2022/23) - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2023/02/10	I2029	2029/03/31	1,875	1200	185	2 215	4,180
2023/02/10	I2038	2038/01/31	2,250		500	700	4,720
2023/02/10	I2050	2050/12/31	2,500		515	1 495	4,720
2023/02/17	I2033	2033/03/28	1,875	1200	510	510	4,700
2023/02/17	I2046	2046/03/31	2,500		250	250	4,740
2023/02/17	I2050	2050/12/31	2,500		150	150	4,740
2023/02/24	I2033	2033/03/28	1,875	1200	425	640	4,710
2023/02/24	I2038	2038/01/31	2,250		475	575	4,780
2023/02/24	I2046	2046/03/31	2,500		300	975	4,790
2023/03/03	I2033	2033/03/28	1,875	1200	340	470	4,640
2023/03/03	I2038	2038/01/31	2,250		505	505	4,700
2023/03/03	I2050	2050/12/31	2,500		355	570	4,690
2023/03/10	I2033	2033/03/28	1,875	1200	405	505	4,640
2023/03/10	I2046	2046/03/31	2,500		680	1 265	4,685
2023/03/10	I2050	2050/12/31	2,500		115	685	4,660
2023/03/17	I2033	2033/03/28	1,875	1200	265	915	4,650
2023/03/17	I2038	2038/01/31	2,250		625	825	4,710
2023/03/17	I2046	2046/03/31	2,500		310	1 220	4,710
2023/03/24	I2033	2033/03/28	1,875	1200	305	820	4,580
2023/03/24	I2046	2046/03/31	2,500		355	555	4,650
2023/03/24	I2050	2050/12/31	2,500		540	700	4,660
2023/03/31	I2029	2029/03/31	1,875	1200	210	1 155	3,310
2023/03/31	I2046	2046/03/31	2,500		470	970	4,090
2023/03/31	I2050	2050/12/31	2,500		520	975	4,100



## 7. ANNEXURES

### Annexure H: Glossary

<b>Auction</b>	A process through which participants can submit bids to purchase a given amount of a good or service at a specific price.
<b>Bid-to-cover ratio</b>	A ratio used to express the demand for a particular security during auctions. It is calculated by dividing the total number of bids received by the total number of bids accepted.
<b>Benchmark bond</b>	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.
<b>Bond</b>	A certificate of debt issued by a government or corporation guaranteeing the payment of the original investment plus interest on a specified future date.
<b>Liquidity</b>	The ease of converting an asset to cash.
<b>Primary dealer</b>	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.
<b>Primary listing</b>	The main exchange on which a stock is listed.
<b>Public debt</b>	All money owed at any given time by any branch of government, also referred to as government debt.
<b>Refinancing risk</b>	The possibility that a borrower will not be able to refinance by borrowing to repay existing debt.
<b>Secondary market</b>	A market in which an investor purchases a security from another investor rather than from the issuer after the original issuance in the primary market. It is also called the aftermarket.
<b>Sterilisation deposit</b>	Operations by central banks to mitigate potentially undesired effects (currency appreciation or inflation) of inbound capital. The SARB "sterilises" excess cash created in the money market when purchasing foreign currency.
<b>Strate</b>	Share Transactions Totally Electronic Limited is the authorised central securities depository for the electronic settlement of financial instruments in South Africa.
<b>Switch programme</b>	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.
<b>Tenor</b>	The remaining time for the redemption of a bond.
<b>Yield</b>	A financial return or interest paid to bond buyers. The yield considers the total of annual interest payments, purchase price, redemption value and time remaining until maturity.
<b>Yield curve</b>	A graph showing the relationship between the yield on bonds of the same credit quality but different maturity at a given point in time.



## 7. ANNEXURES

### Annexure I: Abbreviations and acronyms

<b>CFI</b>	Cooperative financial institution
<b>CPD</b>	Corporation for Public Deposits
<b>COVID-19</b>	Coronavirus disease
<b>ETP</b>	Electronic trading platform
<b>Fitch</b>	Fitch Ratings
<b>FRN</b>	Floating-rate note
<b>GDP</b>	Gross domestic product
<b>JSE</b>	Johannesburg Stock Exchange
<b>Moody's</b>	Moody's Investors Service
<b>MTBPS</b>	Medium Term Budget Policy Statement
<b>Repo</b>	Repurchase
<b>RSA</b>	Republic of South Africa
<b>S&amp;P</b>	S&P Global Ratings
<b>SARB</b>	South African Reserve Bank
<b>SOC</b>	State-owned company
<b>Strate</b>	Share Transactions Totally Electronic Limited
<b>US</b>	United States of America





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