



**NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA**

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## ABSA BANK LIMITED JOINING THE PANEL OF PRIMARY DEALERS

The National Treasury is pleased to announce that ABSA Bank has been appointed to the panel of primary dealers in RSA government bonds. ABSA Bank will begin its duties as a primary dealer on **1 July 2002**

The National Treasury is confident that a bank of ABSA Bank's caliber will add value to the development of the South African Bond Market.

Since the appointment of primary dealers on 01 April 1998, the South African securities market has become increasingly liquid, partly in response to the primary dealers market-making role. There is a general consensus in the market that the market making role of the panel of primary dealers has not only improved transparency of the National Treasury's debt management framework, but has also enhanced the efficiency of the domestic capital market. ABSA will be part of part of this team and it is expected that this bank will add value.

The National Treasury has stated that there is no official limit to the number of primary dealers in the panel and that each application will be considered on merit. This is premised on the notion that any additional market making entity will improve the liquidity of the domestic capital market. While this is true, stringent qualifying criteria has been formulated. This is in pursuit of the objective of accepting only financial and technically sound banks in the interest of an efficiently functioning domestic capital market, and of ensuring that the market making operations of primary dealers do not impose prudential and systematic risks to the financial markets.

In line with this and as a standard practice, ABSA Bank's application was forwarded to the Bank Supervision Department of the SARB in order to conduct due diligence. The due diligence focused primarily on corporate governance, expertise, capital adequacy and IT systems operations. Through the SARB's Bank Supervision Department, the due diligent

report was compiled by independent auditors and found that ABSA Bank qualifies to be a member of the panel of primary dealers.

The National Treasury welcomes ABSA Bank to the Panel of Primary Dealers.

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