



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

South Africa successfully places US\$2.5 billion in new notes

The Republic of South Africa has successfully placed US\$2.5 billion in new notes maturing in 2027 (10-year) and 2047 (30-year) in the international capital markets; US\$1 billion was allocated to the 10-year bond and US\$1.5 billion to the 30-year bond.

The transactions were more than two times oversubscribed in aggregate with investor demand from across the major investor centres in Asia, Continental Europe, the United Kingdom and the United States. Overall the bonds received bids of just over US\$5.3 billion - US\$2.1 billion in the 10-year and US\$3.2 billion in the 30-year tranche.

The 10-year bond was priced at a coupon rate of 4.85 per cent (at par value) which represents a spread of 260.5 basis points above the 10-year US Treasuries. The 30-year bond was priced at a coupon rate of 5.65 per cent (at par value) which represents a spread of 283.7 basis points above the 30-year US Treasuries.

The South African government sees the success of the transaction as an expression of investor confidence in the country's sound macro-economic policy framework and prudent fiscal management.

National Treasury appointed joint lead managers, Citigroup, HSBC Bank plc, the Deutsche bank/Nedbank Limited consortium and co-lead manager, ABSA Bank Limited to arrange the new issuance of the foreign currency denominated bonds. This appointment included each bank's BBBEE partner, namely Crede Capital, Nations Capital, Rho Capital and Quartile Capital respectively. The proceeds from the bond issuance will be used to finance government's foreign currency commitment as stipulated in the 2017 Budget document.

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