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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## MEDIA STATEMENT

### REPUBLIC OF SOUTH AFRICA ISSUES TWO NEW BONDS IN THE INTERNATIONAL CAPITAL MARKETS

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On 15 May 2018, the Republic of South Africa successfully placed US\$2 billion in notes maturing in 2030 (12-year) and 2048 (30-year) in the international capital markets through an intra-day execution. The breakdown of the total issuance amount consisted of US\$1.4 billion on the 12-year tranche and US\$600 million on the 30-year tranche.

The 12-year bond priced at a coupon rate of 5.875 per cent (re-offer price 99.992 per cent) which represents a spread of 280.5 basis points above the 10-year US Treasury benchmark bond. The 30-year bond priced at a coupon rate of 6.300 per cent (re-offer price 99.991 per cent) which represents a spread of 310.1 basis points above the 30-year US Treasury benchmark bond.

The transaction was more than 1.7 times oversubscribed in aggregate with investor demand from across all the major financial centres in the United States, Europe, the United Kingdom, Middle East and Asia.

The 2018 Budget Review specified an amount of US\$9 billion to be raised in the international capital markets as part of South Africa's annual borrowing requirement over the medium term.

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The proceeds from the bond issuance will be used to finance government's foreign currency commitments.

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.

The National Treasury mandated Deutsche Bank/ Nedbank (consortium), J.P. Morgan, Rand Merchant Bank and Standard Bank as Joint Bookrunners. The appointment included each bank's BEE partners, namely RHO Capital and Pamoja Capital, Dew Partners, Basis Points Capital, and Africa Rising Capital respectively.

**Issued by National Treasury**

**Date: 16 May 2018**

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