



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

South Africa launches two bonds in international capital markets

The Republic of South Africa successfully priced and concluded a US\$1 billion 30-year and €500 million 12-year bond issuance in the international capital markets late on Thursday.

The dollar bond was priced at a coupon (interest rate) of 5.375 per cent which represents a spread of 220 basis points above the 30-year US Treasury's benchmark bond.

The euro bond was priced at a coupon (interest rate) of 3.75 per cent which represents a spread of 225 basis points above the 12-year euro swap rate. The global investor base was primarily located in Europe and the US.

Both transactions were more than three times oversubscribed. The South African government sees the success of the transaction as an expression of investor confidence in the country's stable political environment, sound macro-economic policy framework and prudent fiscal management.

This issuance forms part of South Africa's 2014/15 financing programme. A provision is made in the Budget Review 2014 for an amount of US\$1.5 billion equivalent to be raised from the international capital markets to partially finance the government's foreign currency commitments.

"While we are pleased with the confidence that the investors have shown in the sovereign, we are cognisant of our immediate challenges and can therefore not afford to be complacent as a country," said Minister of Finance Nhlanhla Nene.

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