



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

ISSUANCE OF A FLOATING-RATE NOTE AND REVISION OF THE SWITCH AUCTION PROGRAMME

Government continues to support the development of South African debt capital markets through a diversified portfolio of debt instruments. Going forward, this portfolio will include a floating-rate note. The first floating-rate note auction has been scheduled for 06 July 2022.

The key features of the floating-rate note issuance include the following:

- (i) the floating-rate note will be available as collateral for repo transactions;
- (ii) the reference rate will be the 3-month JIBAR;
- (iii) the frequency of floating-rate note auctions will be announced a day after the initial auction through an auction calendar that will be uploaded on the National Treasury investor relations website; and
- (iv) the initial floating-rate note auction will be conducted as an open tender without a pre-announced auction amount.

Further details will be available in the Applicable Pricing Supplement. In the event that the reference rate changes during the life of the instrument, the National Treasury reserves the right to change the reference rate from the 3-month Jibar to the new prevailing reference rate.

In line with prudent debt management practice, the National Treasury will monitor risks associated with the cost of servicing floating-rate debt through the weighted average time to refixing measure, set between 3 and 12 months.

In addition, the preliminary outcome of the 2021/22 Budget has resulted in R24 billion higher operational cash balances, mainly due to higher revenue collection. As a result, National Treasury will not conduct further switch auctions related to the R2023 bond for the remainder of the fiscal year. The balance will be used to support performance targets related to the overall bond portfolio. As such, the current bond auction levels will remain unchanged.

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