2015/16

DEBT MANAGEMENT REPORT

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National Treasury
REPUBLIC OF SOUTH AFRICA

2015/16

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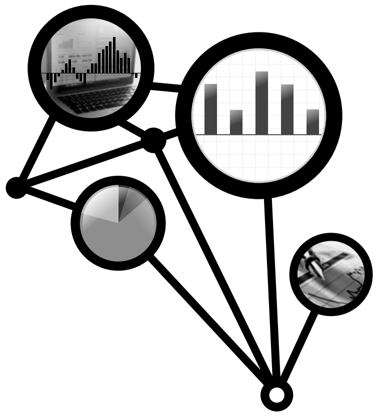

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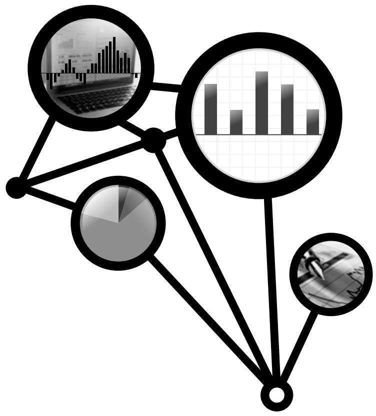

Mr P Gordhan, **Minister of Finance.**

I have the honour of submitting the Debt Management Report of the National Treasury for the period 1 April 2015 to 31 March 2016.

Lungisa Fuzile

Director-General

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FOREWORD

Lungisa Fuzile
Director-General

It gives me great pleasure to present the fifth edition of National Treasury's Annual Debt Report. Over the years, the scope of the report has grown and it now offers its readers a deeper understanding of South Africa's approach to and strategy for debt management.

Between 1 April 2015 and 31 March 2016, the period covered by this report (2015/16), the economic environment became increasingly challenging. Global financial markets were highly volatile, geo-political developments in Europe weighed on investors' appetite for risk and slowing economic growth among key trading partners led to a fall in commodity prices.

Emerging market currencies, including the South African rand, were hit by two major developments. On the one hand, the interest rate increase announced by the US Federal Reserve in December – the first in seven years – and the prospect of further tightening of monetary policy on the back of a recovering economy saw the US dollar strengthening. On the other hand, the slower global growth put pressure on commodity prices to the detriment of commodity-producing countries and their currencies.

Domestically, the falling value of the rand contributed to higher inflation. The market had expected only moderate rate increases by the South African Reserve Bank (SARB). However, the bank increased rates by 125 basis points over the year. Moreover, economic growth was lower than expected, putting pressure on revenue and narrowing government's fiscal space.

In this difficult global and domestic economic context, South Africa's credit ratings have come under pressure. Fitch Ratings Inc. (Fitch) downgraded the country's rating to 'BBB-' (stable) and Moody's Investors Service (Moody's) placed the country's 'Baa2' (negative) rating under review for a possible downgrade. Since the period covered by this report, Moody's has since affirmed its rating but maintained the negative outlook. Due to the uncertain economic outlook and the weaker fiscal environment, major risks to South Africa's investment grade ratings remain.

FOREWORD

Despite this challenging environment, the country's debt market continued to grow during 2015/16, with government debt accounting for the largest proportion of the growth. Given the difficult market conditions, South Africa did not tap international markets during the year.

Government remains committed to fiscal consolidation and will demonstrate this by moderating the growth of the outstanding debt stock. Debt sustainability remains one of the key principles of government's approach to fiscal management. As indicated in the 2016 Budget Review, we expect annual gross debt issuance to decrease over the medium term. This should protect the country's investment grade credit rating and ensure sustainable debt management over the longer term.

Lungisa Fuzile
Director-General

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

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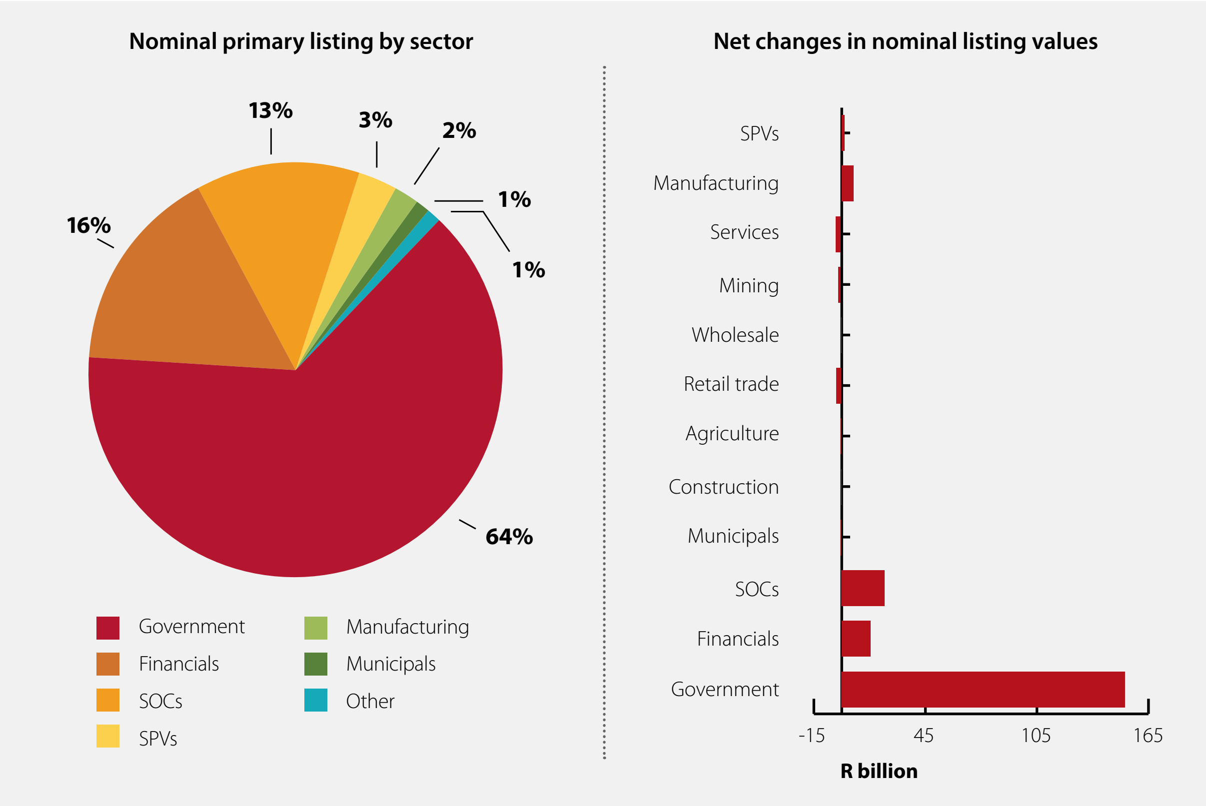
1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

LISTING ACTIVITY IN THE PRIMARY DEBT CAPITAL MARKET

The South African debt capital market is well developed and highly liquid. It remains an important source of funding for national government, state-owned companies (SOCs) and corporates. About 1 750 debt instruments were listed on the Johannesburg Stock Exchange (JSE) as at 31 March 2016, with the nominal amount outstanding increasing from R2.0 trillion in March 2015 to R2.2 trillion in March 2016. Market capitalisation reached R2.4 trillion in 2015, up from R2 trillion in 2014. At R1.4 trillion of the outstanding total, government debt accounts for 64 per cent of debt listed on the JSE. As shown in Figure 1, Financials and SOCs account respectively for 16 per cent and 13 per cent.

Figure 1: Primary listing of debt securities on the JSE, 31 March 2016



Source: Johannesburg Stock Exchange

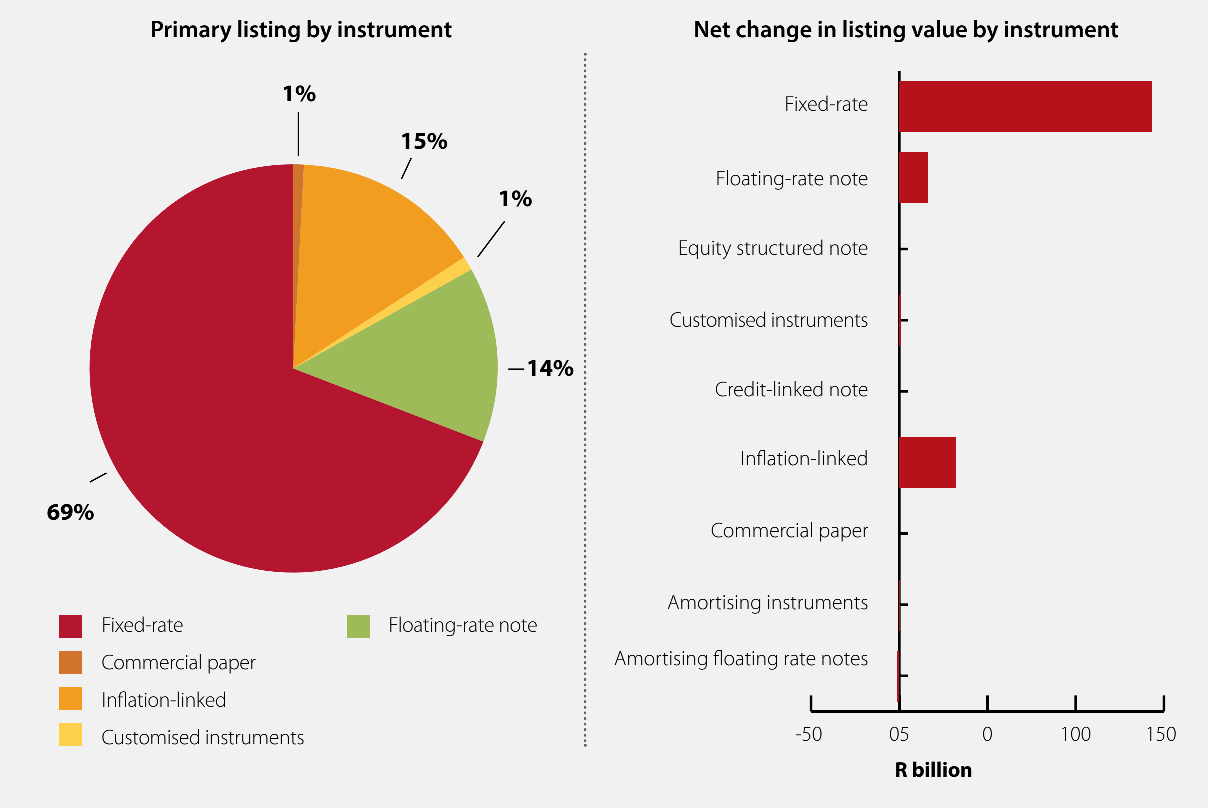
With an elevated borrowing requirement to finance the budget deficit, government recorded a notable increase of R152 billion in outstanding debt in the 2015/16 financial year. Driven by their infrastructure build programmes, SOCs added R24 billion to their debt stock. Financials added R16 billion, driven by the banking sector. Banks have been issuing debt aggressively in order to meet their Net Stable Funding Ratio (NSFR) requirement as per Basel III. The NSFR makes it mandatory for banks to maintain stable funding profiles so that they can better manage their assets and liabilities. This reduces the likelihood of disruption to regular funding sources spilling over to erode their liquidity positions, thus limiting the risk of failure.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Sectors including construction, municipals, agriculture, retail, wholesale, mining and services recorded a combined decline in net issuance of about R8.5 billion. This decrease may be attributed to the lower cost of funding of bank loans relative to debt capital markets i.e. listed debt issuance.

One of the reasons why bank loans are less expensive than listed debt is because of the ancillary business that banks can derive from their corporate clients. This enables them to charge lower interest on loans. However, with upward pressure on banks' costs of funding, this trend may not persist and listed debt issuance by these sectors is likely to increase in the future.

Figure 2: Composition of primary listings of debt securities on the JSE by instrument, 31 March 2016

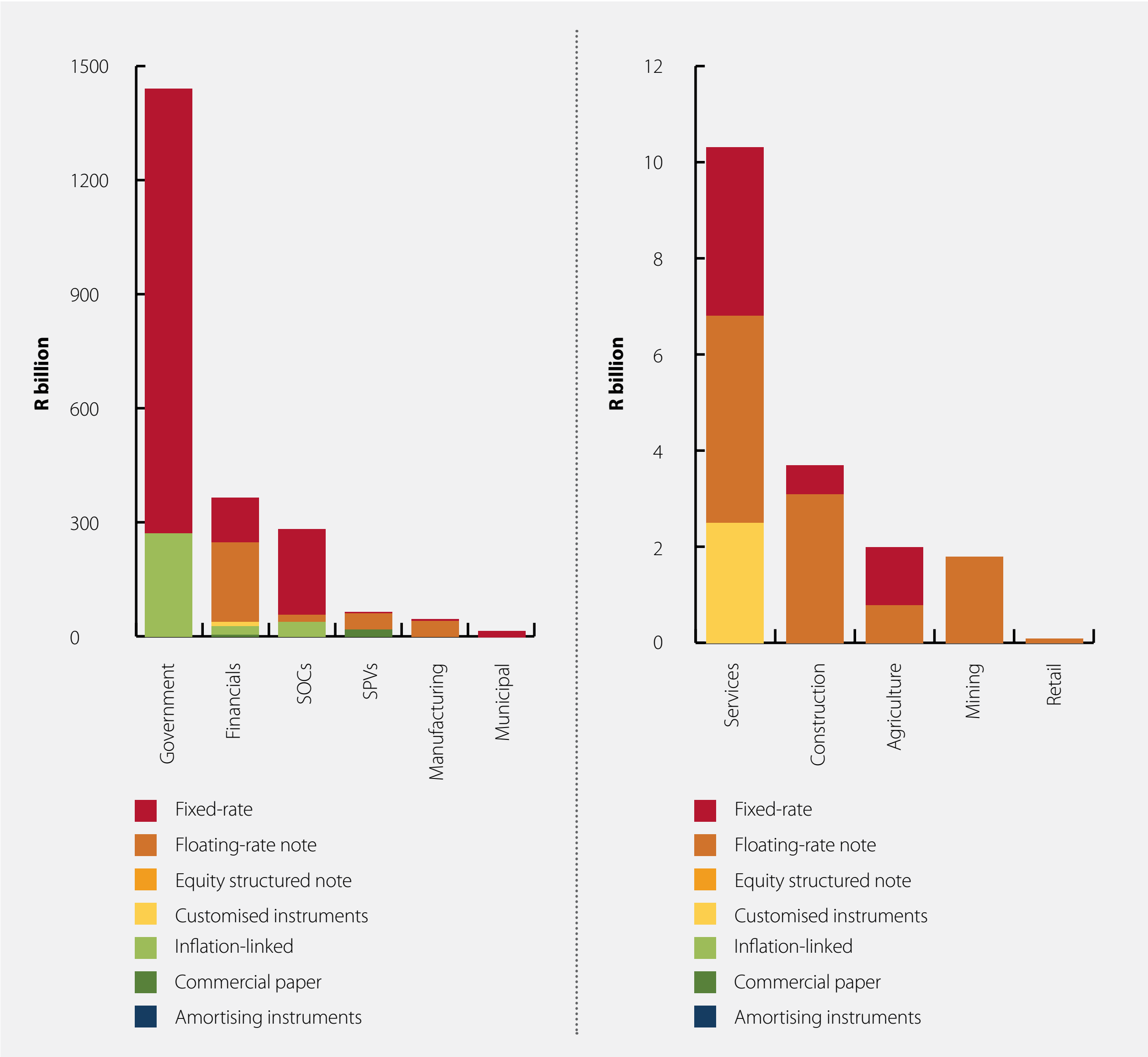


Source: Johannesburg Stock Exchange

Issuers continued to prefer fixed-rate instruments, regarded as lower risk because they offer predictable debt payments and protect against increases in interest rates. As Figure 2 shows, fixed-rate instruments accounted for 69 per cent of total primary listings, and remain the largest contributor to the net increase of R150 billion. This is because government is the largest issuer of listed debt, funding predominantly using fixed-rate bonds as shown in Figure 3. Inflation-linked bonds and floating-rate notes (FRNs) accounted respectively for 15 per cent and 14 per cent of the total primary listing on the JSE. Issuance by banking institutions is primarily in floating-rate notes. This is due to strong investor demand for FRNs from banks. Investors usually obtain their fixed-rate exposure by investing in government securities, and use the FRNs for credit spread pick-up in their portfolios.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 3: Sectorial composition of primary listings of debt securities on the JSE by instrument, 31 March 2016



Source: Johannesburg Stock Exchange

SECONDARY MARKET ACTIVITY IN SOUTH AFRICAN BONDS

Liquidity in the South African bond market remained resilient in 2015 despite global financial market volatility and uncertainty, and increasing international financial market regulation which limits banks' ability to hold inventory stock which in turn limits their market-making ability. As Figure 4 shows, trading volumes on the JSE increased to R23.5 trillion, up from R19.5 trillion and R22.4 trillion in 2014 and 2013 respectively.

The repurchase (repo) market continued to be an important element of daily trading volumes, contributing approximately 69 per cent of the total volume in 2015, up from 66 per cent in 2014. Repo transactions are an efficient source of money market funding and help to avoid settlement failures. These transactions mainly take place between banks, asset managers and corporates.

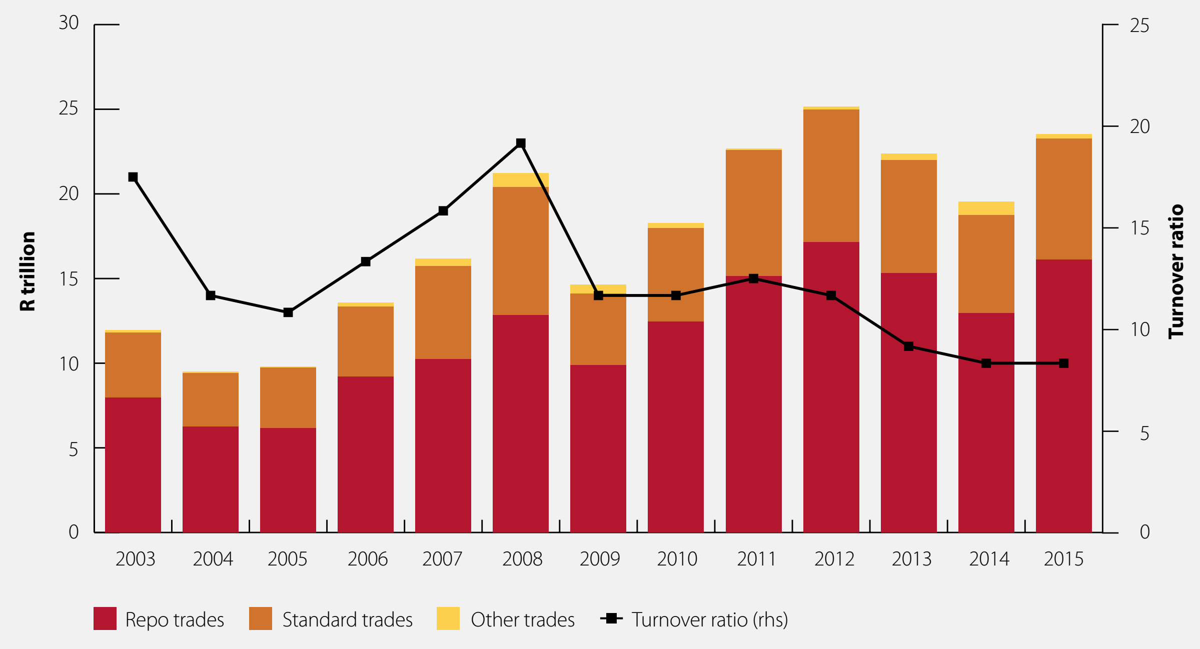
1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Repurchase (repo) market

Repos are classified as money-market instruments, normally used to raise short-term capital. For the party selling the asset (usually fixed-income securities), and agreeing to repurchase it in the future, it is a repo; for the party on the other end of the transaction, buying the security and agreeing to sell in the future, it is a reverse repurchase agreement. If the seller defaults during the life of the repo, the buyer (as the new owner) can sell the asset to a third party to offset his loss. The asset therefore acts as collateral and mitigates the credit risk that the buyer has on the seller.

Source: International Capital Market Association

Figure 4: South African bond market turnover, 2003-2015



Source: Johannesburg Stock Exchange

The turnover ratio is a measure of bond market liquidity and is used to assess which bonds are most liquid or most traded. The ratio shows the extent of trading in the secondary market relative to the total amount outstanding. The higher the turnover ratio, the larger the amount of trading activity.

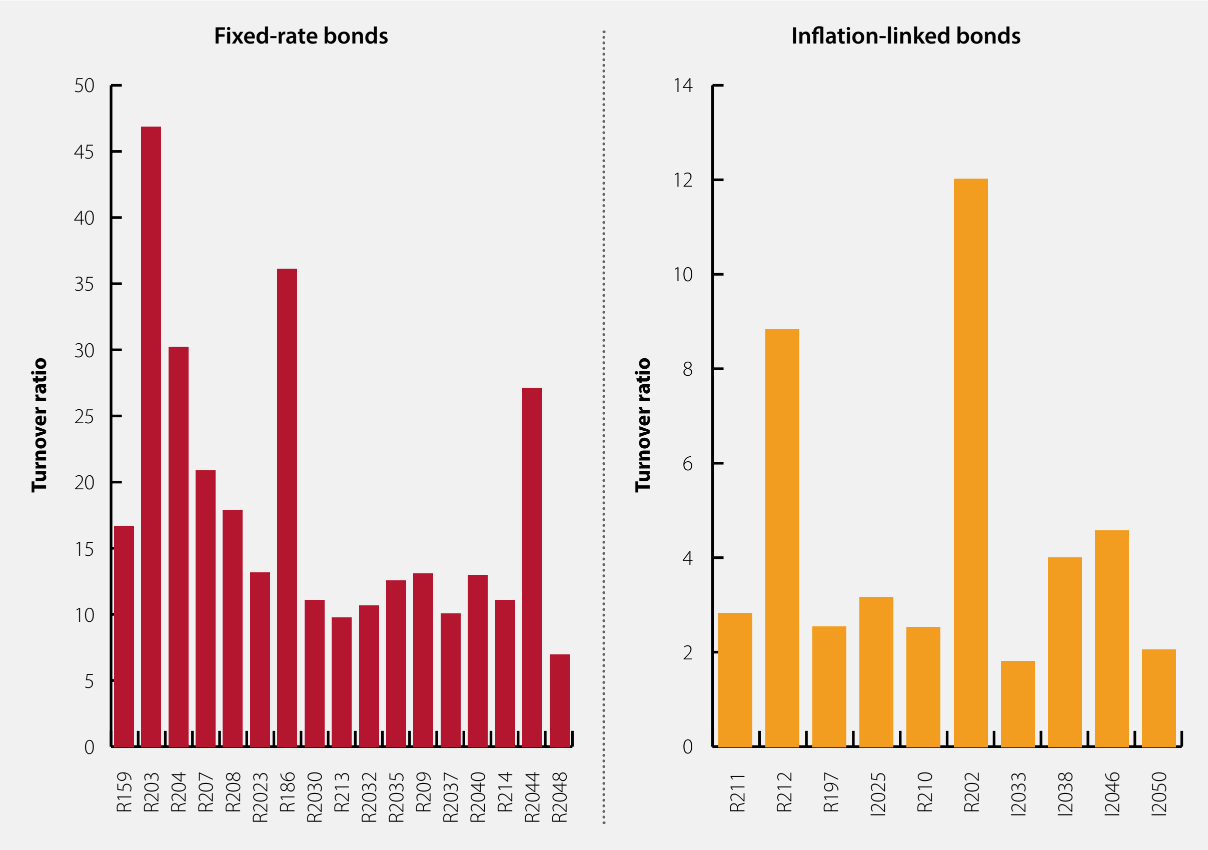
As Figure 5 shows, the R203 (8.25%; 2017) bond had the highest turnover ratio of 47 times. As the bond approaches maturity, there is increasing demand from investors looking to shorten the duration of their portfolios. The R186 (10.50%; 2025/26/27) bond remained the most actively traded bond in the government bond portfolio, with a total turnover of approximately R 5.98 trillion. Its lower turnover ratio of 36 times was pulled down by the outstanding amount of three times relative to that of the R203 (8.25%; 2017) bond. The high outstanding amount on the R186 (10.50%; 2025/26/27) bond means that it is easy to trade in the market, making it a benchmark bond. Moreover, the tenor, the attractive coupon and the fact that it is a three-legged bond contributes to its liquidity.

1. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Three-legged bonds

A three-legged bond is a bond with three maturity dates. It is priced on the middle maturity (second leg); as a result, all three maturity dates have the same price. Two years before the bond matures, investors are given the option to split the bond into three maturities, with the principal amount split equally. Following the redemption date of the first maturity, the split becomes automatic. The rationale for a three-legged bond is to build liquid benchmark bonds while managing government's refinancing risk.

Figure 5: Government bond turnover ratios, 2015



Source: Johannesburg Stock Exchange

The liquidity of inflation-linked bonds has improved over the years, with over R1 trillion traded in these instruments in 2015. This is due to their low correlation with risky assets and their ability to offer a direct hedge against inflation. Issuance of the R202 (3.45%; 2033) bond has been low and the bond has demonstrated the highest turnover ratio in the inflation-linked bond portfolio, as illustrated in Figure 5. However, liquidity of inflation-linked bonds remains low relative to fixed-rate bonds as most investors employ a buy-and-hold strategy for these instruments. This reflects the depth of the long-term insurance and pension fund industries that hold the majority of inflation-linked bonds as a hedge against inflation risk.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

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2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

BORROWING REQUIREMENT

National government's net borrowing requirement is the budget deficit, which includes National Revenue Fund (NRF) receipts and payments. Government's gross borrowing requirement consists of the net borrowing requirement and maturing loans. Table 1 shows the preliminary outcome of government's gross borrowing requirement for 2015/16.

Table 1: National government's gross borrowing requirement, 2015/16

R million	Budget	Revised budget	Preliminary outcome
Main budget balance	-173 054	-173 078	-170 094
of which:			
National Revenue Fund receipts	*2 000*	*14 160*	*14 378*
Premiums on loan transactions	-	*5 565*	*5 439*
Revaluation profits on foreign currency transactions	*2 000*	*8 592*	*8 869*
Refund on fees paid on foreign loans	-	-	*57*
Profit on scrip lending	-	*1*	*10*
Other	-	*2*	*3*
National Revenue Fund payments	*-121*	*-682*	*-682*
Premiums on loan transactions	-	*-529*	*-529*
Payment of Saambou Bank liability	-	-	-
Defrayal of GFECRA losses*	*-121*	*-153*	*-153*
Borrowing requirement (net)	**-173 054**	**-173 078**	**-170 094**
Loan redemptions	-31 424	-31 891	-32 023
Domestic long-term	*-27 691*	*-28 043*	*-28 144*
Foreign	*-3 733*	*-3 848*	*-3 879*
Borrowing requirement (gross)	**-204 478**	**-204 969**	**-202 117**

Source: National Treasury

**Gold and Foreign Exchange Contingency Reserve Account*

During 2015/16, government's net borrowing requirement amounted to R170.1 billion. NRF receipts totalled R14.4 billion and consisted mainly of R5.4 billion in premiums on loan transactions and revaluation profits of R8.9 billion on foreign currency transactions. In 2015/16, NRF payments of R682 million were incurred relating to premiums on debt portfolio restructuring and payments to defray realised losses on the Gold and Foreign Exchange Contingency Reserve Account (GFECRA).

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 2 shows the preliminary outcome of the government's financing programme for 2015/16. The gross borrowing requirement of R202.1 billion was financed through issuing domestic short-term loans of R13.1 billion and domestic long-term loans of R174.3 billion. The foreign debt portfolio declined by R3.9 billion because the planned new foreign loan issuance was postponed to 2016/17. This contributed to cash and other balances reducing by R14.7 billion.

Table 2: Financing the national gross borrowing requirement, 2015/16

R million	Budget	Revised budget	Preliminary outcome
Domestic short-term loans (net)	13 000	13 000	13 075
Treasury bills	13 000	7 557	7 252
Corporation for Public Deposits	-	5 443	5 823
Domestic long-term loans (gross)	172 500	172 500	174 316
Market loans	172 500	174 979	176 795
Loans issued for switches	-	-2 479	-2 479
Foreign loans (gross)	11 530	16 220	-
Change in cash and other balances	7 448	3 249	14 726
Financing	**204 478**	**204 969**	**202 117**

Source: National Treasury

DOMESTIC SHORT-TERM BORROWING

Short-term borrowing consists of Treasury bill issuance and borrowing from the Corporation for Public Deposits (CPD). Table 3 shows that in 2015/16 a net amount of R13.1 billion was raised from short-term domestic loans. This consisted of R7.3 billion of Treasury bill issuance and R5.8 billion raised through borrowing from the CPD.

Table 3: Domestic short-term borrowing, 2015/16

R million	Opening balance	Net change	Closing balance	Weekly auction
Corporation for Public Deposits	21 370	5 823	27 193	
Treasury Bills	202 217	7 252	209 469	7 370
91-day	33 205	-321	32 884	2 555
182-day	46 090	-135	45 955	1 845
273-day	56 330	2 880	59 210	1 560
364-day	66 592	4 828	71 420	1 410
Total	**223 587**	**13 075**	**236 662**	

Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Treasury bill auction performance

Treasury bill auctions are conducted weekly. The net change in the different maturities of Treasury bills shows that issuance was concentrated in the longer-maturity bills. Shorter-maturity bills were reserved for cash management purposes.

Demand for Treasury bills was weaker in 2015/16 than in the previous year due to the market at times being uncertain about increases in the policy rate. Of the R374.3 billion on auction, R16.3 billion or 4.3 per cent was not allotted, as shown in Table 4. The under-allotments resulted in an increase in borrowing from the CPD.

Table 4: Treasury bill auction under-allotments, 2015/16

R million	Gross issuance[1]	Under allotment	Percentage of gross issuance
91-day	129 405	6 010	4,6
182-day	91 601	6 184	6,8
273-day	80 500	2 180	2,7
364-day	72 829	1901	2,6
Total	**374 335**	**16 275**	**4,3**

Source: National Treasury

[1] Gross issuance takes into account the total amount of issuance to roll-over the total Treasury bill portfolio in 2015/16

A summary of the auction bid-to-cover ratios and effective yields is shown in Table 5. On average, Treasury bill auctions were 2.7 times oversubscribed. Annexures D and E give detailed information about the 2015/16 Treasury bill auctions.

Table 5: Treasury bill auction analysis, 2015/16

	91-day	182-day	273-day	364-day
Bid-to-cover-ratios (times)				
Highest	3,6	4,1	4,9	4,7
Lowest	0,9	1,0	1,0	1,1
Average	2,3	2,6	3,0	2,9
Effective yields (%)				
Highest	6,5	6,5	6,7	7,1
Lowest	5,8	6,1	6,2	6,4
Average	6,2	6,3	6,5	6,8

Source: National Treasury

Corporation for Public Deposits

The CPD is a wholly-owned subsidiary of the South African Reserve Bank. Its main function is to invest surplus cash received from provincial governments and SOCs. Provincial governments and selected SOCs are required to invest their surplus cash with the CPD. Government uses these funds to finance a portion of its borrowing requirement and for bridging finance (money used for short-term liquidity management). Provincial governments may also borrow to finance short-term cash shortfalls.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

In 2015/16, daily balances invested in the CPD on average amounted to R54.5 billion of which the government borrowed daily R36.6 billion on average. This is significantly higher than the daily average of R30.7 billion borrowed in 2014/15 and is due to the under-allotment of the Treasury bills as stated above.

DOMESTIC LONG-TERM BORROWING

Long-term borrowing consists of the issuance of fixed-rate bonds, inflation-linked bonds and retail savings bonds. Fixed-rate bond and inflation-linked bond auctions are conducted weekly in line with a pre-determined auction calendar. The fixed-rate bond auctions are conducted through a panel of primary dealers; inflation-linked bond auctions are open to all members of the JSE. Retail savings bonds are made available to South African citizens through Pick n Pay stores, the South African Post Office, the Retail Savings Bonds' website and the National Treasury walk-in centre in Pretoria.

Primary dealers

Primary dealers are a panel of banks which buy government bonds directly from government fixed-rate bond auctions. Investors buy government bonds by submitting their bids at the auction through the primary dealers. These dealers are obliged to adhere to certain terms and conditions which can be found on National Treasury's investor relations website www.investor.treasury.gov.za.

- Barclays Africa Group
- Citibank
- Deutsche Bank
- FirstRand Bank Limited
- HSBC Bank
- Investec Bank Limited
- JPMorgan Chase Bank
- Nedbank Limited
- Standard Bank

Fixed-rate bonds

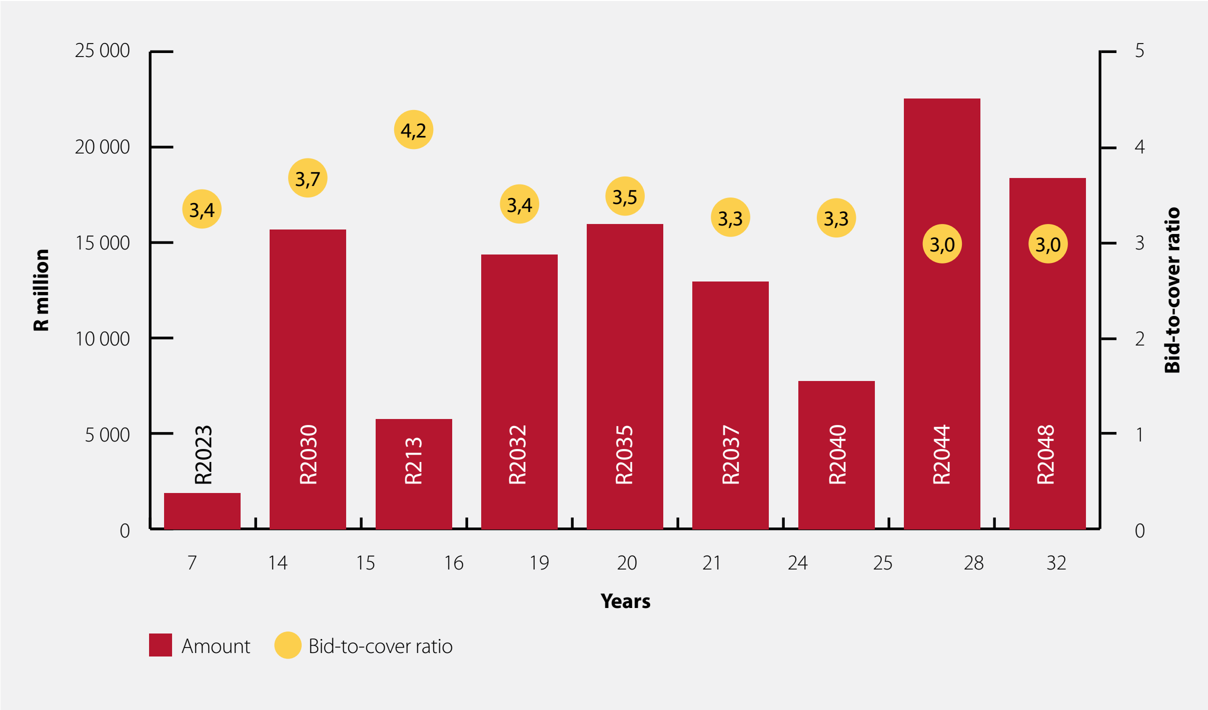
A weekly nominal auction level of R2 350 million was maintained in 2015/16, with a nominal amount of R115 billion issued over 49 competitive auctions excluding non-competitive bond auctions (non-comps). Demand at fixed-rate bond auctions remained high, as demonstrated by an average bid-to-cover ratio of 3.4 times. Figure 6 shows the total nominal issuance by maturity area and bid-to-cover ratio.

Due to limited issuance leading to higher demand for the bond, the R213 (7.00%; 2031) bond had the highest bid-to-cover ratio of 4.2 times. Issuance of the R213 bond is limited due to its high outstanding amount which poses a high refinancing risk for the portfolio. The R2030 (8.00%; 2030) bond had the second highest bid-to-cover ratio of 3.7 times.

The highest issuance was in the R2044 (8.75%; 2044) bond, with a nominal amount of R21.6 billion, followed by the R2048 (8.75%; 2048) bond at R16.4 billion. This is in line with government's funding strategy of issuing mainly at the longer end of the curve to manage refinancing risk.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 6: Issuance of fixed-rate bonds (excluding non-competitive bid auctions), 2015/16



Source: National Treasury

To broaden the range of funding instruments available to government, two new fixed-rate bonds, the R2035 (8.875%; 2035) and R2040 (9.00%; 2040), were introduced in July and September 2015 respectively. As at 31 March 2016, R22.8 billion had been issued in these bonds. Annexure F gives a summary of the 2015/16 fixed-rate bond auctions.

Yields curve movement

Government's borrowing cost increased significantly in 2015/16 due to global financial market volatility. Months of political turmoil regarding the Greek debt crisis, the crash of the Chinese stock market and subsequent devaluation of the yuan, the commodity price plunge and speculation over the US Fed interest rate hike resulted in volatile financial markets and increased interest rates globally. Domestic factors such as the downgrade of South Africa's sovereign credit rating and political uncertainty also contributed to an unfavorable funding environment. As a result, government fixed-rate bond yields increased by 145 basis points on average across the curve in 2015/16, as Figure 7 shows.

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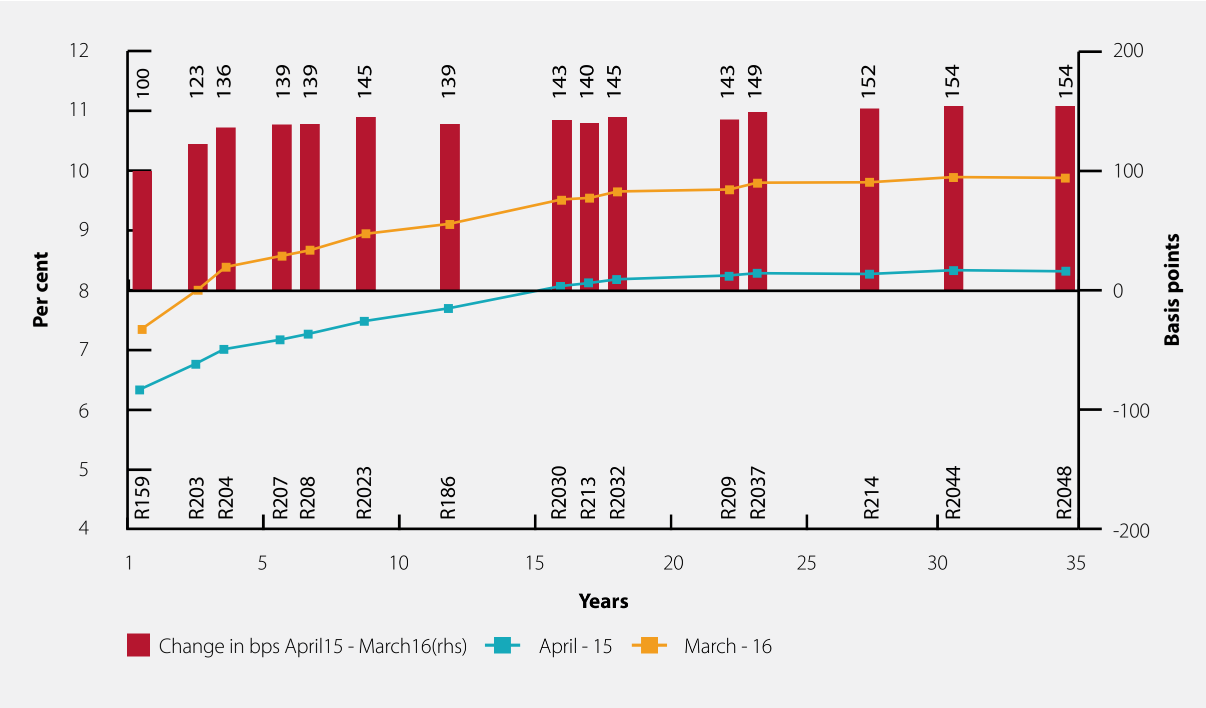
Figure 7: Yield curve movement of fixed-rate bonds, 2015/16



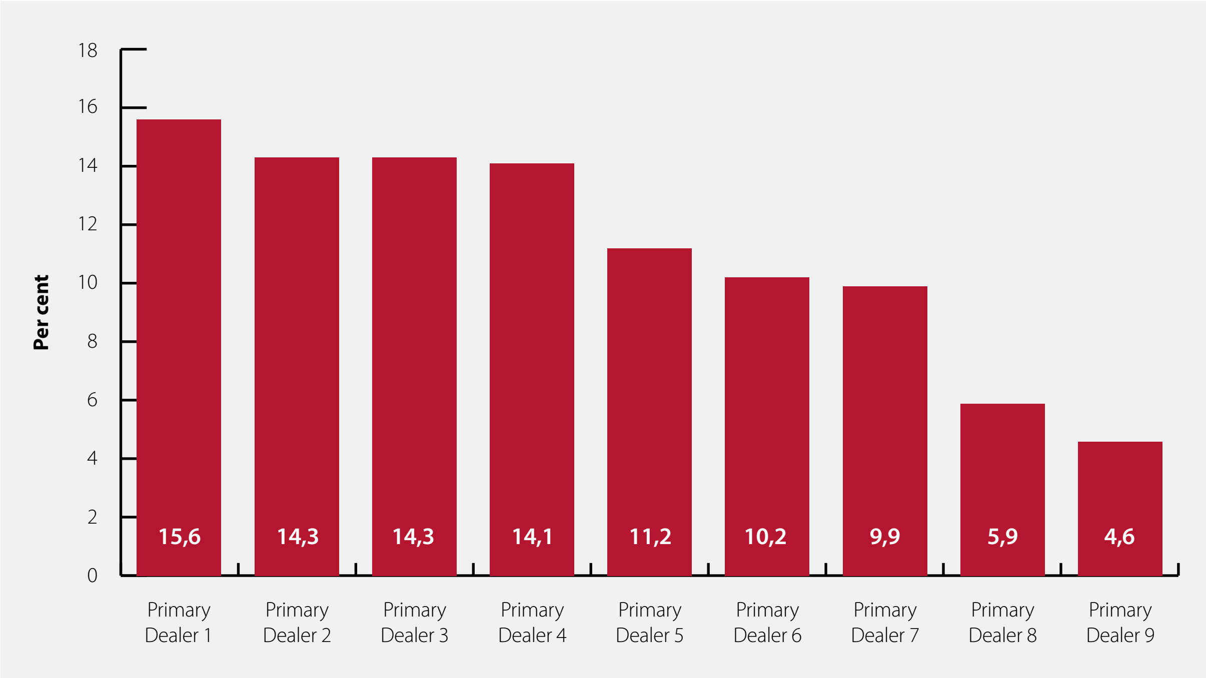
Source: Johannesburg Stock Exchange

Primary dealer performance

Primary dealers are required to submit bids to the value of 13.1 per cent (1/(number of primary dealers) + 0.02) for each bond on offer in the weekly fixed-rate bond auctions. This minimum bidding requirement was met in all auctions in the year under review. The performance of the nine primary dealers is shown in Figure 8. There were three tiers of performance in 2015/16, with the top four primary dealers taking up on average just over 14 per cent of the total, the middle three an average of around 10 per cent and the bottom two less than 6 per cent.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 8: Primary dealer participation in fixed-rate bond auctions, 2015/16



Source: National Treasury

Non-competitive fixed-rate bond auction performance

A total of R35 billion was raised through non-comps. Figure 9 shows that take-up was concentrated in the R2044 (8.75%; 2044) bond which accounted for 18 per cent of the total, followed by the new R2035 (8.875%; 2035) bond at 16 per cent.

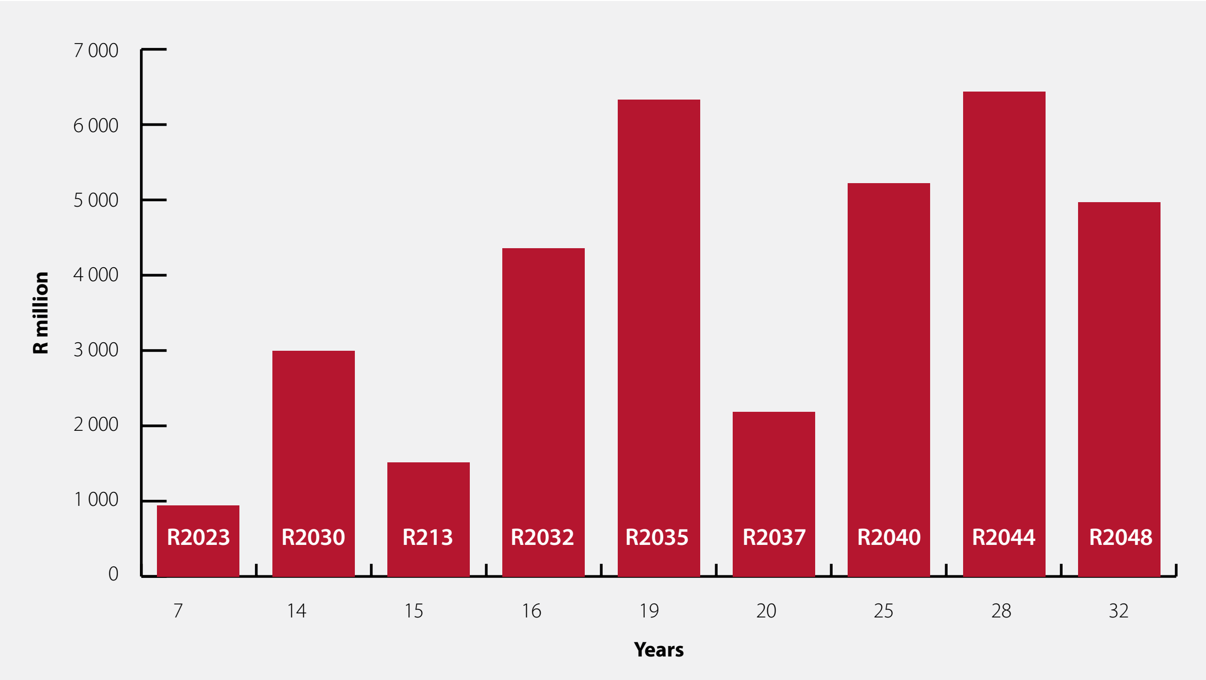
The high non-comps take-up of the R2035 bond is attributable to government's strategy of allocating 100 per cent non-comps on new bonds until they reach an outstanding amount of R10 billion at which point primary dealers are obliged to provide two-way pricing on the bonds. This assists in building liquidity for the new bonds. After the outstanding amount on the bonds reaches R10 billion, non-comps on the bonds are dropped back to 50 per cent.

Non-competitive fixed-rate bond auctions

Primary dealers are entitled to take-up an additional 50 per cent of the successful allocation amount at the same yield at which the competitive fixed-rate bond auction settled. The non-competitive auction window is open immediately after the auction for 48 hours.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 9: Non-competitive bond auction performance per bond, 2015/16



Source: National Treasury

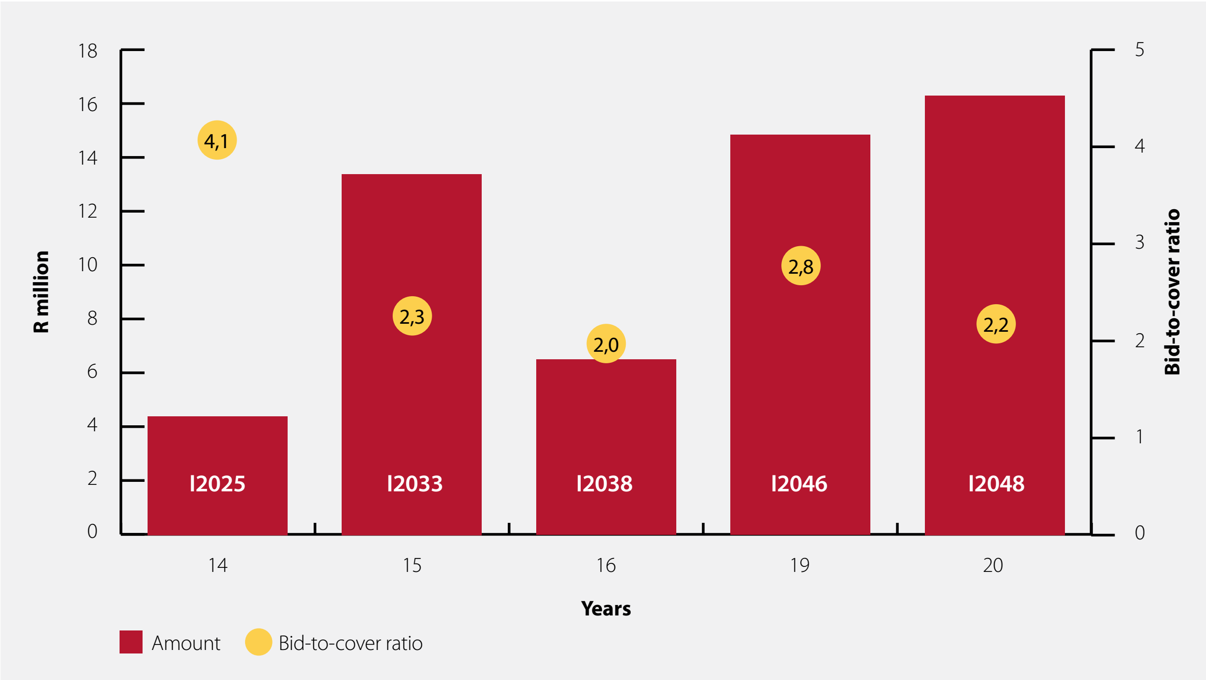
Inflation-linked bonds

A total of 47 auctions were conducted in 2015/16 in line with the pre-determined calendar. To maintain government strategic risk benchmarks, the weekly auction level was reduced to R650 million from R800 million in 2014/15. A nominal amount of R32.5 billion was issued, accounting for 22 per cent of domestic long-term bond issuance.

National Treasury had five undersubscribed inflation-linked bond auctions in 2015/16. Three were in May and one each in September and October. The most undersubscribed auction was on 8 May, with only R90 million worth of bids received relative to the R650 million on offer. The main reason for the under-subscription was the stronger break-even yields due to significant weakening of fixed-rate bond yields making them more attractive and cheaper relative to inflation-linked bonds. The nominal issuance by maturity area and bid-to-cover ratio is shown in Figure 10.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 10: Issuance of inflation-linked bonds, 2015/16



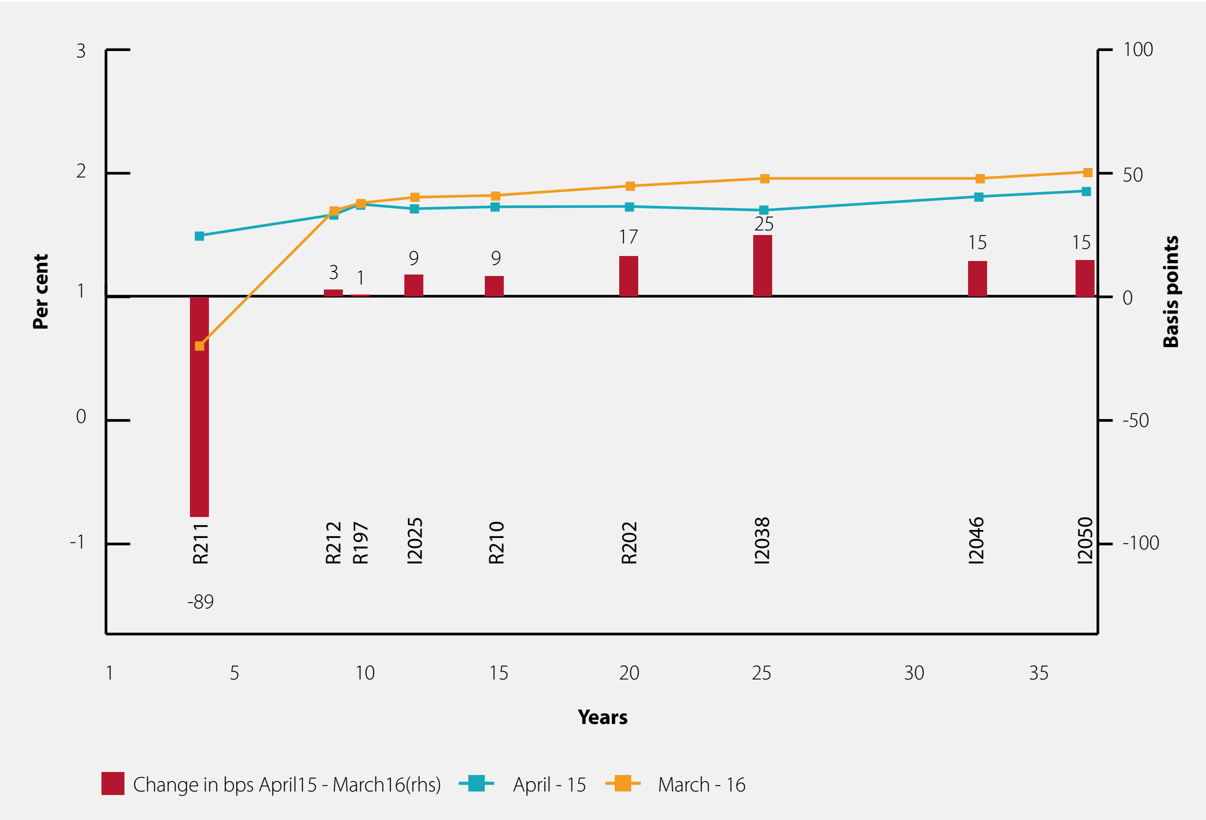
Source: National Treasury

Real yields movement

Figure 11 shows yield movements of inflation-linked bonds during 2015/16. During the year under review, inflation-linked bond yields weakened by an average 5 basis points across the curve. However, the R211 (2.50%; 2017) bond strengthened by 89 basis points due to hedge funds buying as the bond draws closer to maturity. Stripping out the effect of the large strengthening of the R211 bond, there was an average weakening of 12 basis points across the curve. Overall, inflation-linked bond yields tend to remain stable over time relative to fixed-rate bond yields due to the instruments' lower liquidity. Yields on inflation-linked bonds are expected to increase further in 2016 due to increasing inflation expectations.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 11: Yield curve movement of inflation-linked bonds, 2015/16



Source: Johannesburg Stock Exchange

Scrip lending facility

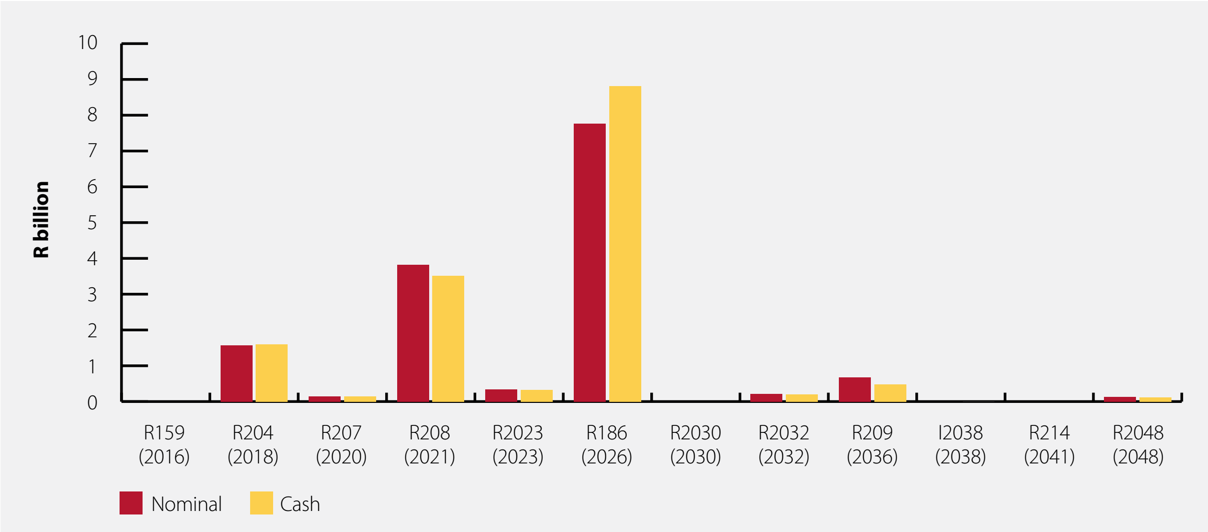
Within the South African government bond market, a percentage of trades in government bonds takes place outside the country. These trades are settled through global central securities depositories (CSDs) such as EuroClear. Due to differences in time zones and settlement cycles, with offshore markets settling in T+5 and the local market in T+3, a potential settlement failure could occur in the local bond market if there is a failure to deliver scrip on time by an international counterparty.

To avoid settlement failures and subsequent systemic risk, National Treasury has an obligation to support the market for government bonds by acting as a lender of last resort. The scrip lending facility is available strictly to primary dealers and is used only if other avenues of obtaining the scrip have been exhausted. As a lender of last resort, National Treasury provides an overnight scrip lending facility at zero interest rate.

Utilisation of the National Treasury scrip lending facility increased during the year under review. A total nominal amount of R14.7 billion was issued compared with R5 billion issued in 2014/15. Issuance was concentrated in the R186 (10.50%; 2026) and R208 (6.75%; 2021) bonds, with a nominal R7.9 billion and R3.8 billion issued in the bonds respectively, as shown in Figure 12.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 12: Fixed-rate bond scrip lending facility utilisation, 2015/16

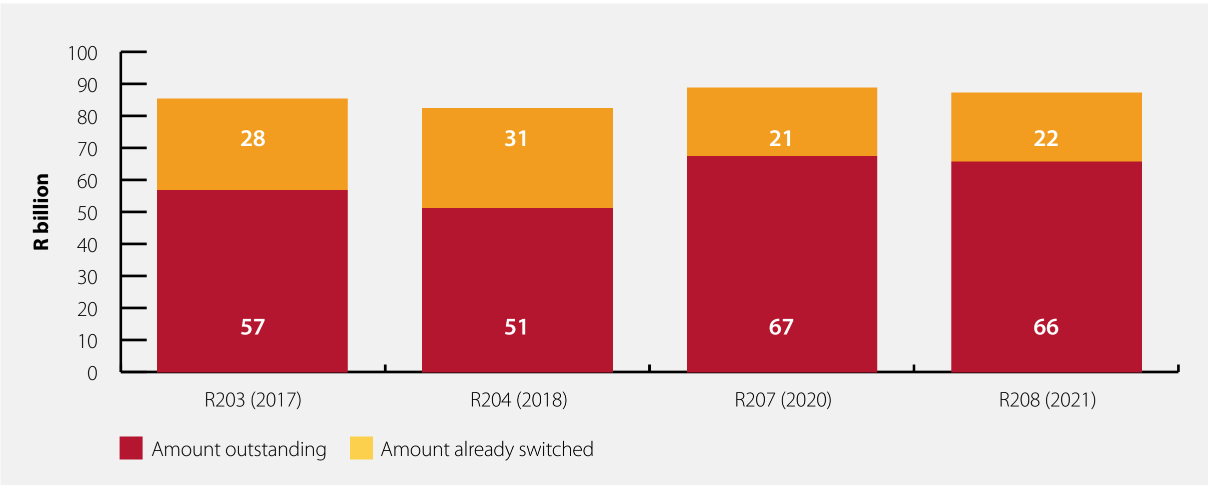


Source: National Treasury

Bond switch auction programme

In 2015/16, National Treasury continued the government bond switch programme aimed at mitigating refinancing risk. A total of R53.3 billion was switched in 2015/16. Figure 13 shows the total amount switched since the inception of the switch model in 2014. The source bonds were the R203 (8.25%; 2017), R204 (8.00%; 2018), R207 (7.25%; 2020) and R208 (6.75%; 2021).

Figure 13: Amount switched in respective bonds

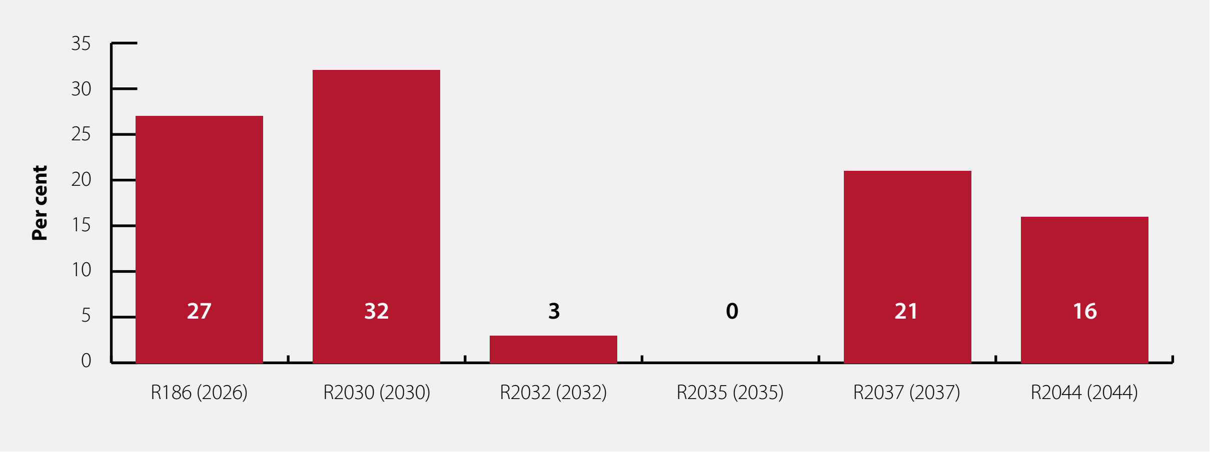


Source: National Treasury

Figure 14 shows that the R2030 (8.00%; 2030) bond was the preferred destination bond with 32 per cent switched into it, followed by R186 (10.50%; 2025/26/27) bond with 27 per cent. The high switch take-up of these bonds can be attributed to high demand for bonds in the mid-area of the yield curve.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 14: Percentage allocation by destination bond



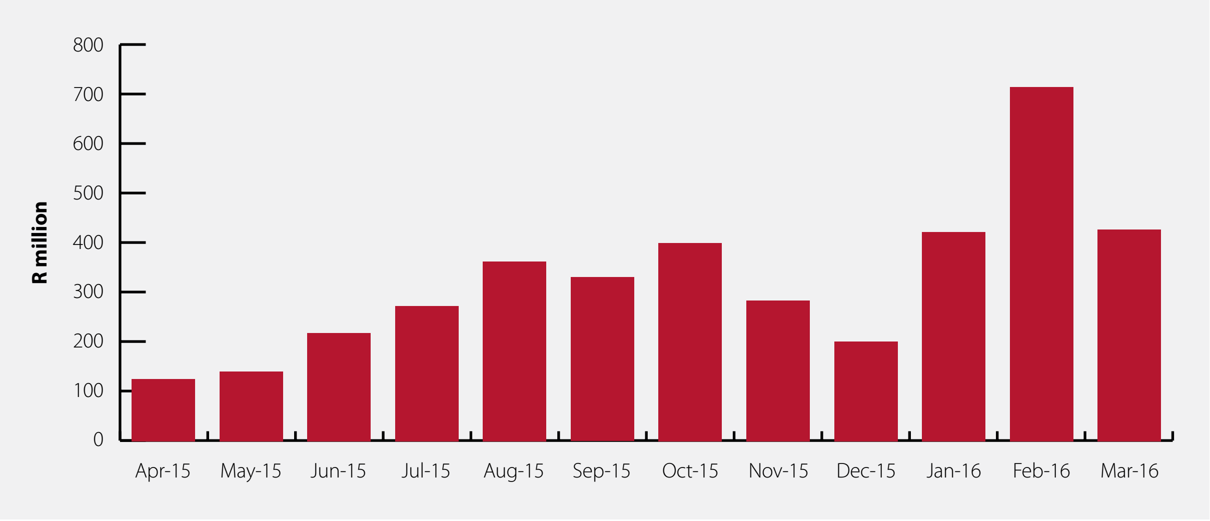
Source: National Treasury

Retail savings bonds

The main objective of retail savings bonds is to educate and to promote a savings culture in the country. In 2015/16, R3.9 billion worth of new investments were activated, approximately 25 per cent of which were restarted investments, as shown in Figure 15.

Restarted investments are investments that are active for longer than one year and re-started for a new term with the objective of earning a higher interest rate. The combination of increased interest rates and the new retail savings bonds television commercial saw February 2016 with the highest take-up of the fiscal year for normal investment deposits, reinvestments and restarts. The total invested amount as at 31 March 2016 was R10.1 billion.

Figure 15: Monthly retail savings bond deposits, including re-investments, 2015/16



Source: National Treasury

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Interest rates on fixed-rate, inflation-linked and financial co-operatives retail savings bonds are derived from the respective government bond yield curves and Treasury bill rates.

Table 6 shows the retail savings bond interest rates for the year under review. The rates are published on the retail savings bonds website (www.rsaretailbonds.gov.za).

Table 6: Interest rates on retail savings bonds, 2015/16

Date	2-year	3-year	5-year	10-year
Fixed-rate (%)				
30-Apr-2015	7,25	7,75	8,00	
31-Mar-2016	9,25	9,50	9,75	
Inflation-linked (%)				
30-Apr-2015		1,25	1,75	2,00
31-Mar-2016		1,50	1,75	2,00

Source: National Treasury

The interest rates for fixed-rate and financial co-operatives retail savings bonds are reviewed monthly and those for inflation-linked retail savings bonds semi-annually. During the year, retail savings bonds rates increased in line with the increase in government bond yields and the Treasury bill rates from which they are priced.

Financial co-operative retail savings bonds

Since their launch in 2011, 18 financial co-operatives have been registered with currently only 16 active investments. Interest for these instruments is capitalised semi-annually and determined on 30 April and 31 October. As shown in Table 7, the current total outstanding amount is over R 6.1 million from 34 multi-term investments.

Table 7: Summary of financial cooperatives retail savings bonds, 2015/16

Bond term	Average interest rate (%)	Current capital (R million)
FC01 - 1 Year	7,03	R 1,51
FC02 - 2 Year	7,81	R 0,14
FC03 - 3 Year	8,30	R 4,52
Total		**R 6,17**

Source: National Treasury

FOREIGN LONG-TERM BORROWING

The 2015 Budget Review made provision for the equivalent of US$1 billion to be issued in the international capital markets in 2015/16. However, market conditions were not conducive and the issuance was postponed to 2016/17. Consequently, there was no foreign long-term borrowing in 2015/16 and foreign-currency commitments were financed from government's foreign-exchange deposits held at the SARB.

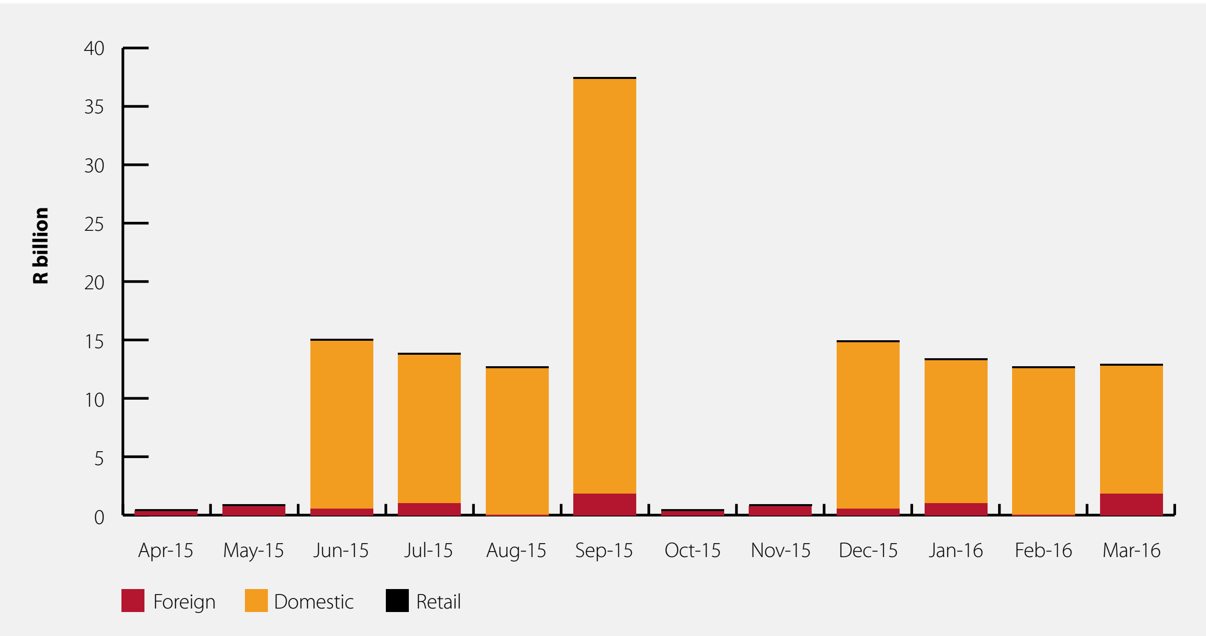
2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

INTEREST AND REDEMPTION PAYMENTS

Figure 16 shows government's monthly interest and redemption payments for 2015/16. The payments are split between long-term domestic, foreign and retail savings bonds. Interest and redemption payments for domestic and foreign debt amounted to R160 billion. Payments on interest and redemptions were R128 billion and R32 billion respectively.

In the domestic debt portfolio, the R158 (13.50%; 2015) bond, the second leg of the R157 (13.50%; 2015) bond, matured with a redemption amount of R24 billion. The portfolio of zero-coupon bonds has decreased markedly over the years with three bonds, the Z014 (12.60%; 2015), Z071 (15.64%; 2015) and Z020 (13.20%; 2015), redeeming in 2015/16 with a total redemption amount of R715 million. There is currently only one zero-coupon bond outstanding: the Z083 (15.25%; 2019) bond, with an outstanding amount of R150 million. Retail savings bond redemptions amounted to R2.8 billion. There were no foreign bond redemptions during 2015/16.

Figure 16: Monthly schedule of interest and redemption payments, 2015/16



Source: National Treasury

GOVERNMENT CASH BALANCES

The primary objective of managing cash balances is to ensure that government has enough cash available to meet its commitments. Effective management of cash also contributes to market stability by keeping government's weekly borrowing stable and predictable.

Cash management also plays a pivotal role in supporting collaboration between National Treasury and the SARB in managing market liquidity. Government's total cash balances include deposits held by the SARB and commercial banks. Cash deposits with the SARB include rand sterilisation and foreign exchange deposits.

2. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Sterilisation deposits are excess cash deposits made with the SARB to counter the effects of increased money supply as a result of the accumulation of reserves. These deposits are only available as bridging finance. The SARB also enters into foreign exchange swaps to neutralise the effects of sizable foreign direct investment flows. When capacity is available, National Treasury has committed to assist in unwinding these maturing swaps.

Foreign exchange deposits consist of funds borrowed in global markets and/or foreign currencies purchased in the domestic market. Foreign exchange deposits can be used to meet government's foreign exchange commitments. The government's cash balances from 31 March 2015 to 31 March 2016 are shown in Table 8.

Table 8: National government's cash balances, 31 March 2015-31 March 2016

R billion	Mar-15	Mar-16
Reserve bank	**136,6**	**132,9**
Sterilisation deposits	67,2	67,2
Foreign currency deposits	69,4	65,7
Commercial banks	**53,1**	**45,1**
Tax and loan accounts	53,1	45,1
Total	**189,7**	**178,0**
Of which:		
Rand	*120,3*	*112,3*
Foreign currency deposits	*69,4*	*65,7*
US$ equivalent	*8,2*	*7,4*

Source: National Treasury

Table 9 shows that total foreign currency commitments in 2015/16 amounted to US$1.7 billion. This consisted of redemptions of foreign loans amounting to US$0.3 billion and interest on loans and other departmental commitments amounting to US$1.4 billion. These commitments were financed by drawing on cash balances and from interest earned.

Table 9: Flows on foreign exchange deposits, 2015/16

US$ million	Budget	Revised budget	Preliminary outcome
Opening balance	**8 271**	**8 231**	**8 231**
Inflows	**1 087**	**1 792**	**836**
Foreign loan	1 000	1 000	-
Purchases	-	717	717
Interest	87	75	119
Outflows	**-1 579**	**-1 657**	**-1 700**
Interest on debt portfolio	-811	-733	-744
Loan redemptions	-324	-305	-304
Payments by departments	-444	-619	-652
Closing balance	**7 779**	**8 366**	**7 367**

Source: National Treasury

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

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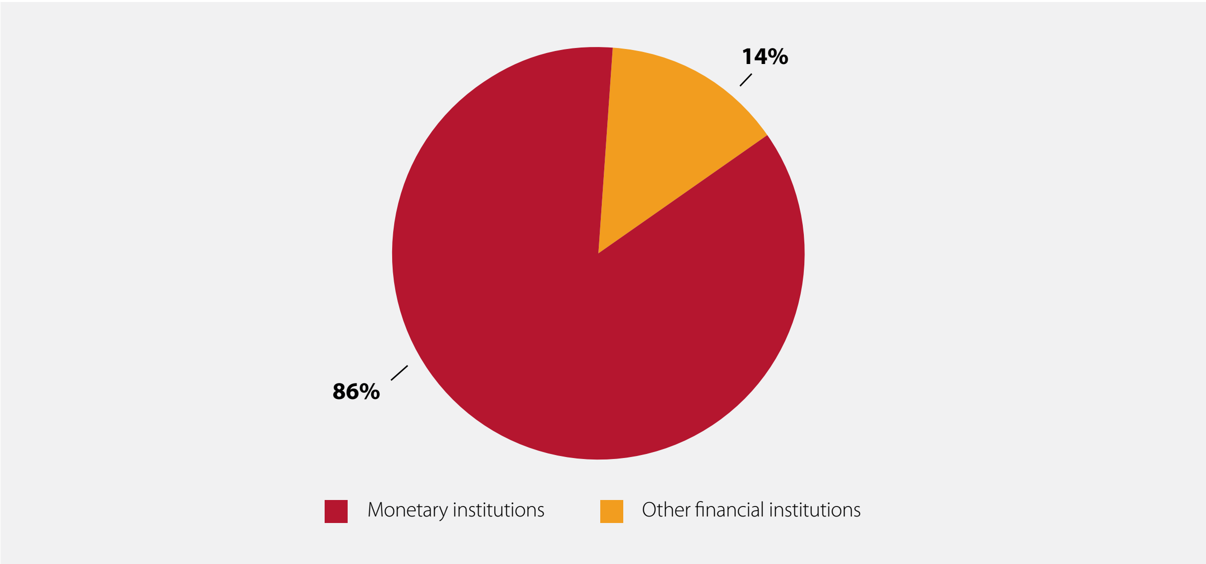
3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

HOLDINGS OF TREASURY BILLS

As at 31 March 2016, the outstanding amount on Treasury bills was R209.4 billion. Of the total amount issued, 86 per cent is held by Monetary institutions mainly to meet their prescribed liquid asset requirements. The remaining 14 per cent is held by various other financial institutions, as shown in Figure 17.

Figure 17: Holdings of Treasury bills, 31 March 2016



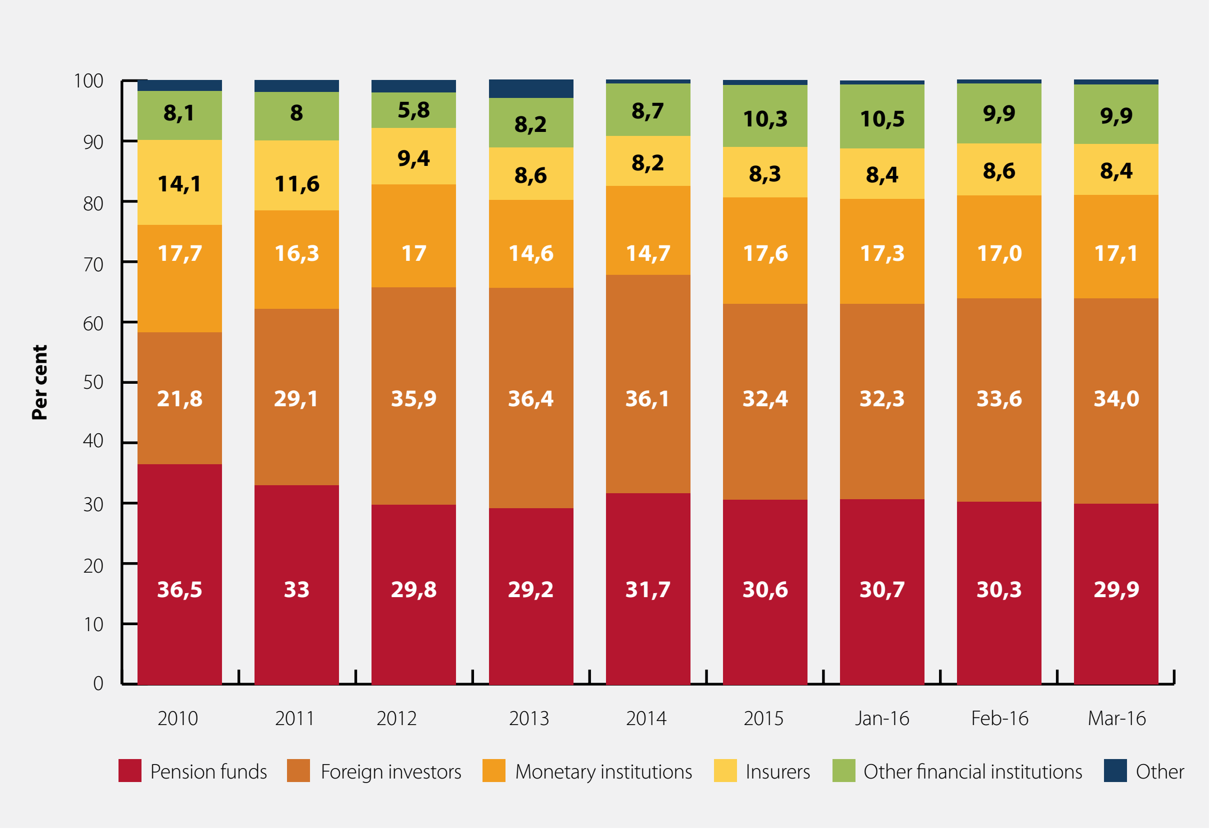
Source: Share Transactions Totally Electronic

HOLDINGS OF DOMESTIC MARKETABLE GOVERNMENT BONDS

As a result of low interest rates in developed countries since the global financial crisis of 2008, foreign investors hold a relatively high volume of South African government debt. This has increased gradually from around 21.8 per cent in 2010 to around 34.0 per cent as at 31 March 2016 as shown in Figure 18. In nominal terms, foreign investors' holdings of local government bonds increased by an annual average of R50 billion between 2008 and 2014, increasing from R177 billion to R477 billion over that period.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 18: Historical government bond holdings, 2010-31 March 2016

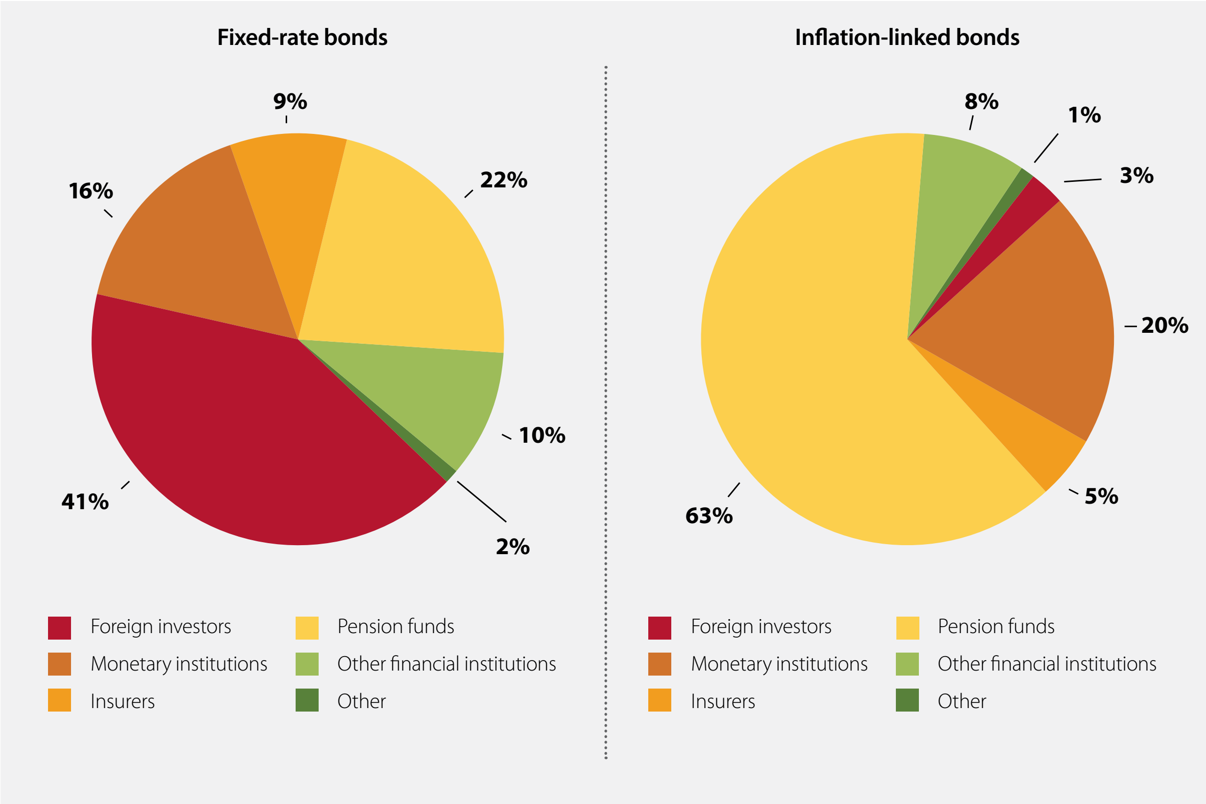


Source: Share Transactions Totally Electronic

Figure 19 shows investor holdings by bond type. As at 31 March 2016, foreign investors held the largest single holding of fixed-rate bonds, with a 41 per cent holding. However, with only a 3 per cent holding, they hold few inflation-linked bonds. This is because they do not need to hedge against South African inflation. Domestic pension funds hold a majority of inflation-linked bonds, with a 63 per cent holding as at 31 March 2016. This is a 13 percentage points increase from the 50 per cent holding of 31 March 2015. The increase is due to the fact that these bonds are held as a hedge against inflation, which is expected to increase in 2016.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 19: Holdings of domestic fixed-rate and inflation-linked bonds, 31 March 2016

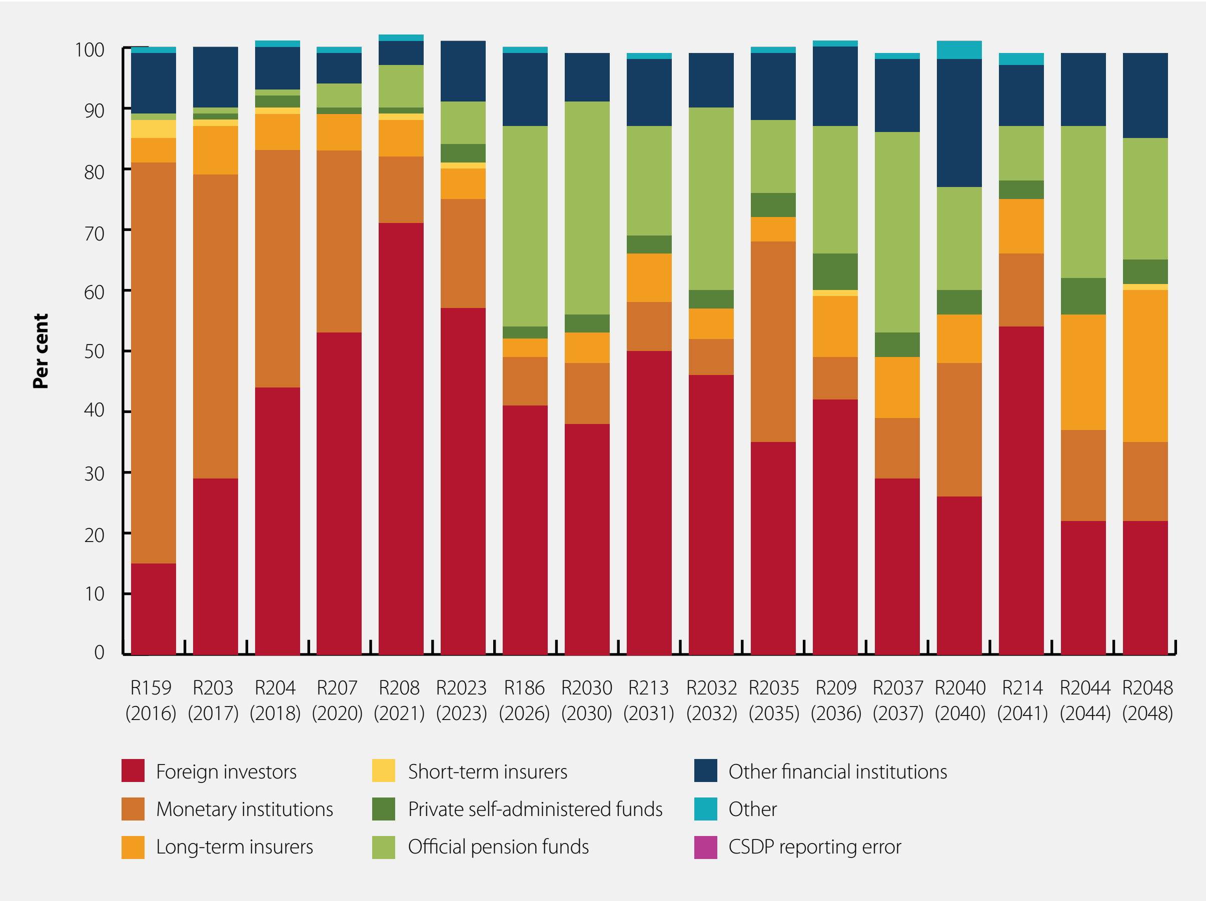


Source: Share Transactions Totally Electronic

Figure 20 shows investor holdings of domestic fixed-rate bonds by instrument as at 31 March 2016. Monetary institutions are the largest single holders of short term bonds, with a 66 per cent holding of the R159 (13.5%; 2016) bond, 50 per cent of the R203 (8.25%; 2017) bond, 39 per cent of the R204 (8.00%; 2018) bond and 30 per cent of R207 (7.25%, 2020) bond. Official pension funds' holdings are concentrated in the mid- to long-end maturities.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 20: Holdings of domestic fixed-rate bonds by instrument, 31 March 2016

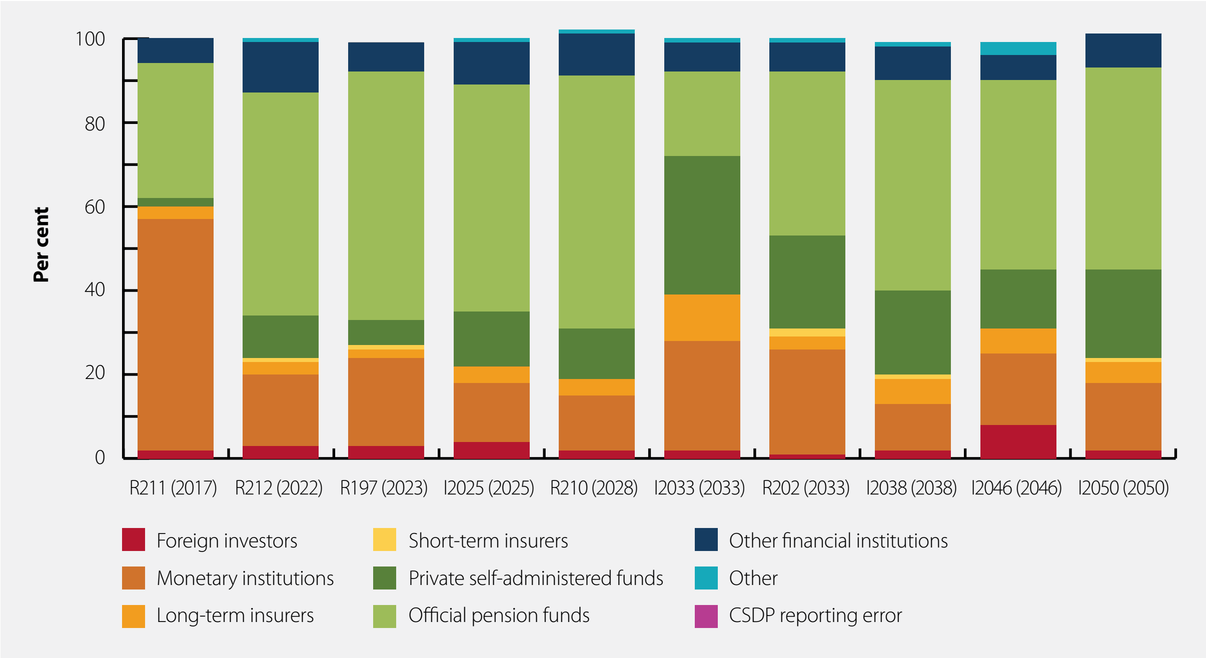


Source: Share Transactions Totally Electronic

Figure 21 shows investor holdings of domestic inflation-linked bonds by instrument as at 31 March 2016. In line with their overall majority holdings in inflation-linked bonds, with the exception of the R211 (2.50%; 2017) bond, official pension funds hold the majority of inflation-linked bonds across all maturities.

3. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 21: Holdings of domestic inflation-linked bonds by instrument, 31 March 2016

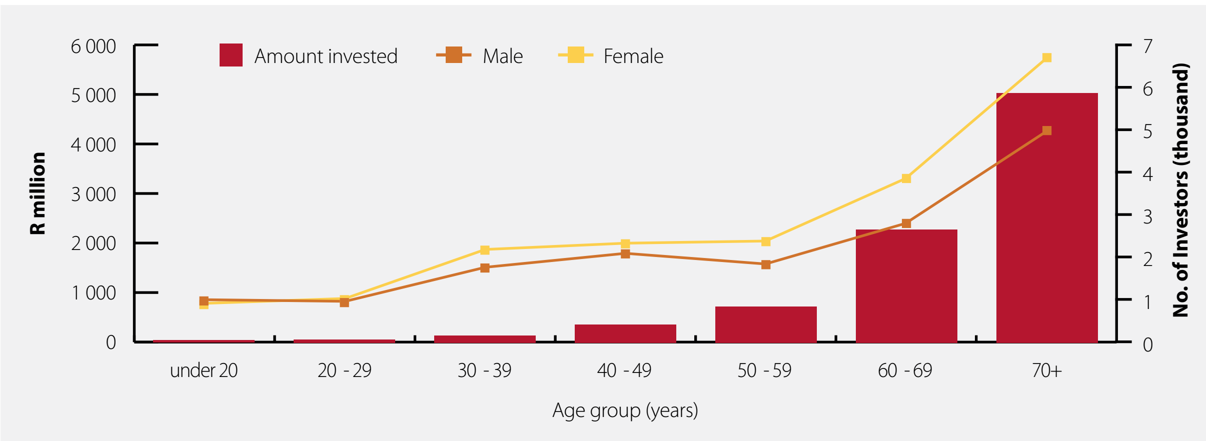


Source: Share Transactions Totally Electronic

HOLDINGS OF RETAIL SAVINGS BONDS

Figure 22 shows that the majority of investors in retail savings bonds are aged 50 years and older. This may be attributed to the fact that these people are saving their retirement funds. Efforts are underway to increase the range of products on offer to attract younger investors. To improve the efficiency of the service provided to investors, work is also in progress to replace the existing retail savings bond information technology system.

Figure 22: Retail investor demographics, 31 March 2016



Source: National Treasury

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

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4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

GOVERNMENT DEBT PORTFOLIO

The volume of government's debt is influenced by its net borrowing requirement and by market variables such as interest, exchange and inflation rates. Government debt is presented on a gross and net basis. Table 10 shows that at the end of 2015/16 net loan debt (debt less cash balances) amounted to R1.8 trillion or 44.3 per cent of GDP. A large part of government's foreign debt is hedged by government's foreign currency deposits with the SARB. The ratio of net foreign debt to total net loan debt reached 5.4 per cent in 2015/16.

Table 10: Total government debt, 2015/16

R billion	Budget	Revised budget	Preliminary outcome
Domestic debt			
Gross loan debt	1 814,5	1 822,9	1 819,3
Cash balances	-112,2	-115,7	-112,2
Net loan debt	1 702,3	1 707,2	1 707,1
Foreign debt			
Gross loan debt	168,6	232,8	199,6
Cash balances	-89,7	-135,6	-102,1
Net loan debt	78,9	97,2	97,5
Total gross loan debt	**1 983,1**	**2 055,7**	**2 018,9**
Total net loan debt	**1 781,2**	**1 804,4**	**1 804,6**
As percentage of GDP:			
Total gross loan debt	*47,3*	*50,5*	*49,6*
Total net loan debt	*42,5*	*44,3*	*44,3*
Foreign debt as percentage of:			
Gross loan debt	*8,5*	*11,3*	*9,9*
Net loan debt	*4,4*	*5,4*	*5,4*

Source: National Treasury

Table 11 shows the composition of domestic government debt for the period 2014/15 to 2015/16. Of the total domestic debt portfolio, only 13 per cent consists of short-term loans to limit refinancing risk.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Table 11: Composition of domestic debt by instrument, 2014/15-2015/16

R billion	2014/15 Outcome	2015/16 Preliminary outcome
Short-term loans	**223,6**	**236,6**
Shorter than 91-days	21,4	27,2
91-day	33,2	32,9
182-day	46,1	45,9
273-day	56,3	59,2
364-day	66,6	71,4
Long-term loans	**1 408,4**	**1 582,7**
Fixed-rate	1 039,9	1 163,4
Inflation-linked	358,7	409,1
Retail	9,0	10,0
Zero coupon	0,7	0,2
Total	**1 632,0**	**1 819,3**

Source: National Treasury

Debt-service costs

The cost of servicing government debt is influenced by the volume of debt, new borrowing and market variables such as interest, exchange and inflation rates. Table 12 shows that, in 2015/16, debt-service costs amounted to R128.8 billion or 3.2 per cent of GDP. This was R2.4 billion higher than initially budgeted, mainly because of rising Treasury bill yields following multiple repo rate hikes by the SARB, weakening bond yields and a sharp depreciation of the rand against currencies in which foreign debt is denominated.

Table 12: Debt-service costs, 2015/16

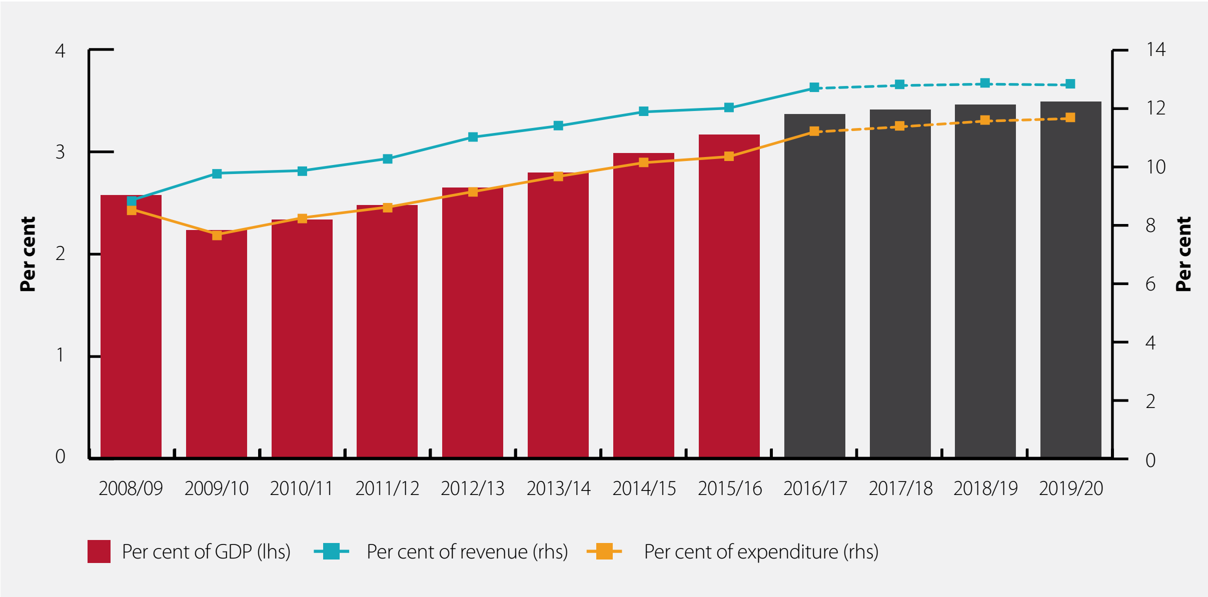
R billion	Budget	Revised budget	Preliminary outcome
Domestic loans	117,0	118,6	118,5
Short-term	15,2	16,2	16,2
Long-term	101,8	102,4	102,3
Foreign loans	9,4	10,5	10,3
Total	**126,4**	**129,1**	**128,8**
As a percentage of:			
GDP	*3,0*	*3,2*	*3,2*
Expenditure	*10,3*	*10,4*	*10,4*
Revenue	*12,1*	*12,0*	*12,0*

Source: National Treasury

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Figure 23 shows debt-service costs as a percentage of revenue, expenditure and GDP since 2008/09. These ratios are projected to stabilise in the medium-term as government reduces the budget deficit and debt accumulation in line with its objective of fiscal consolidation.

Figure 23: Debt-service costs, 2008/09-2019/20



Source: National Treasury

PORTFOLIO RISK BENCHMARKS

Government debt portfolio risk benchmarks serve as guidelines for managing the potential impact of risk factors on the debt portfolio. During the period under review, all risk benchmark indicators remained below or within their respective limits and ranges. Table 13 shows the performance of the government debt portfolio against risk benchmarks.

As at 31 March 2016, foreign debt as a percentage of total government debt increased by 0.64 percentage points to 10.08 per cent. This is slightly above the internal government tolerance level of 10 per cent, but remains well below the 15 per cent limit. The increase was mainly due to the weaker exchange rate during the period under review. In 2016/17, it is anticipated that there will be upside risks to the foreign debt portfolio as the rand is expected to depreciate further against currencies in which foreign debt is denominated. Around 93 per cent of total foreign debt is denominated in the US dollar and the euro. However, the indicator is still expected to remain below the upper limit of 15 per cent.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Compared to the previous year, the percentage of total domestic debt made up by short-term debt maturing in 12 months, such as Treasury bills, declined in 2015/16 by 0.85 percentage points to 11.78 per cent. This was mainly due to a lower net issuance of Treasury bills during the year.

As a percentage of fixed-rate bonds and inflation-linked bonds, the share of long-term debt maturing within 5 years declined significantly by 2.34 percentage points to 18.60 per cent between 31 March 2015 and 31 March 2016. This was mainly due to the R80 billion switched from the R203 (8.25%; 2017), R204 (8.00%; 2018) and R207 (7.25%; 2020) bonds; the R24.5 billion redemption of the R158 (13.5%; 2017) bond; and continued issuances in the longer-end of the curve. In 2016/17, a further decline of 2.66 percentage points is expected due to the R24.5 billion and R21.5 billion redemption of the R159 (13.50%; 2016) and R211 (2.50%; 2017)[1] bonds respectively, and continued issuances in the long end of the curve.

Table 13: Performance of the government debt portfolio against risk benchmarks

Benchmark Indicators	Range or limit		
	Benchmark	31 March 2015	31 March 2016
Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt (%)	15,00	12,63	11,78
Share of long-term debt maturing in 5 years as a percentage of fixed-rate bonds and inflation-linked bonds (%)	25,00	20,94	18,60
Share of inflation-linked bonds as a percentage of total domestic debt (%)	20 - 25	22,41	22,96
Share of foreign debt as a percentage of total government debt (%)	15	9,44	10,08
Weighted term-to-maturity (fixed-rate bonds and Treasury bills in years)	10 - 14	11,60	12,60
Weighted term-to-maturity (inflation-linked bonds in years)	14 - 17	14,98	14,89
Average term-to-maturity (total government debt in years)		*13,66*	*14,20*
Average term-to-maturity (foreign debt in years)		*9,58*	*8,37*

Source: National Treasury

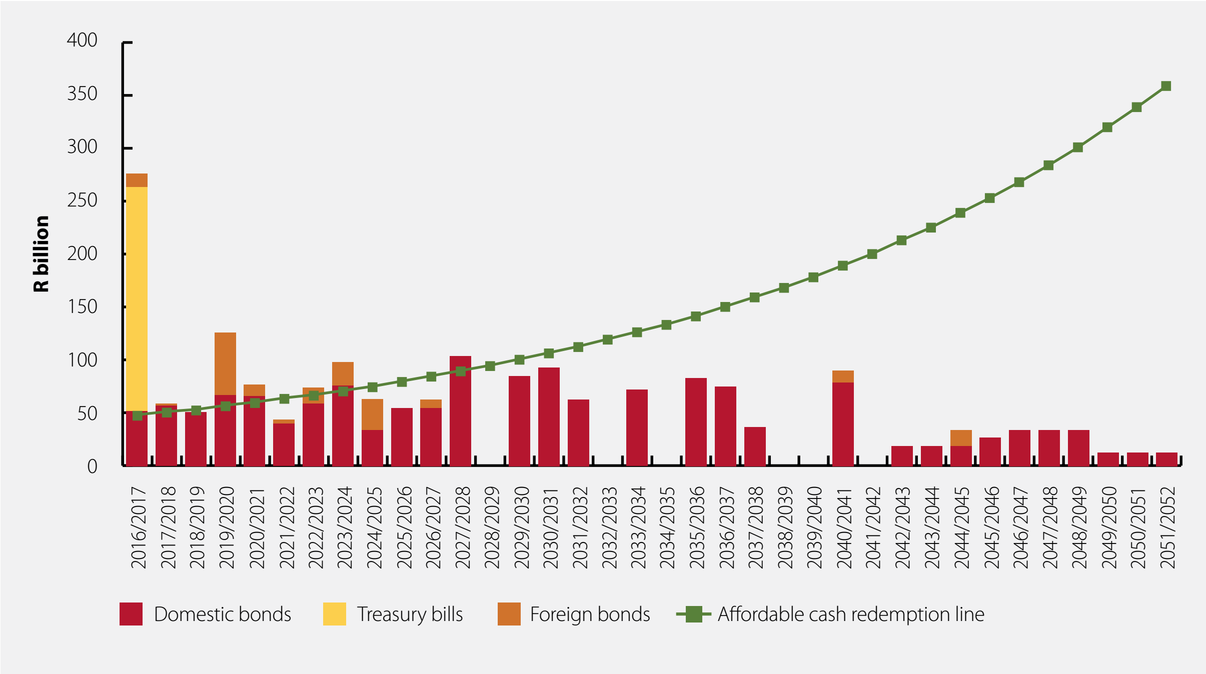
The share of inflation-linked bonds as a percentage of total domestic debt increased during the reporting period by 0.55 percentage points to 22.96 per cent. In 2016/17, the indicator is expected to increase further because of higher revaluations expected throughout the year due to higher inflation expectations in 2016. However, the indicator is still expected to remain within the benchmark.

Figure 24 shows the maturity profile of the government debt portfolio and gives the amounts outstanding per maturity. The affordable cash redemption line indicates government's affordability level for the repayment of debt. Any amount above this line is unaffordable and will therefore have to be switched. The switch programme implemented during 2015/16 helped to reduce refinancing pressures in the short end of the curve between 2016/17 and 2020/21.

1 The R21.5 billion redemption of the R211 (2.50%, 2017) bond is the nominal amount and does not include revaluations.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Figure 24: Maturity profile of government debt, 31 March 2016*



Source: National Treasury

**Excludes CPD and retail savings bonds*

SOVEREIGN RISK ASSESSMENT

Sovereign credit ratings play an important role in a country's ability to access capital markets, as they influence investor perceptions of the quality of its debt. Credit rating agencies carry out annual reviews of South Africa's credit-worthiness. However, since the inception of the European Union's Credit Regulation Act 3 in 2013, European-based credit rating agencies are obliged to review their credit ratings every six months. South Africa continues to solicit ratings from four major credit rating agencies: Moody's, S&P Global Ratings (S&P), Fitch and Rating and Investment Information, Inc. (R&I). Fitch and S&P conduct semi-annual reviews while Moody's and R&I conduct annual reviews.

4. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Table 14: South Africa's solicited credit ratings, June 2016

	Moody's		S&P		Fitch		R&I	
Date of Review	**May-16**		**Jun-16**		**Jun-16**		**Jan-16**	
	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating
Foreign currency credit rating	Baa2	Baa2	BBB-	BBB-	BBB-	BBB	BBB+	BBB+
Domestic currency credit rating	Baa2	Baa2	BBB+	BBB+	BBB	BBB+	A-	A-
Outlook	**Negative**	**Negative**	**Negative**	**Negative**	**Stable**	**Stable**	**Negative**	**Stable**
	2 notches above junk status for foreign and domestic debt		1 notch above junk status for foreign debt and 3 notches above junk for domestic debt		1 notch above junk status for foreign debt and 2 notches above junk for domestic debt		3 notches above junk status for foreign debt and 4 notches for domestic debt	

Source: National Treasury

In 2015/16, the country maintained the investment grade credit ratings assigned by all four of the solicited ratings agencies as shown in Table 14. In June 2015, Fitch and S&P re-affirmed South Africa's credit ratings at 'BBB' (negative outlook) and 'BBB-' (stable outlook) respectively. In September 2015, Moody's affirmed the country's credit rating at 'Baa2' (stable outlook).

In December 2015, Fitch downgraded the country to 'BBB-' (stable outlook) and S&P simultaneously re-affirmed at 'BBB-' (outlook revised from stable to negative). Moody's re-affirmed South Africa's credit rating at 'Baa2' (outlook revised from stable to negative).

In January 2016, R&I re-affirmed South Africa's credit rating of 'BBB+' (outlook revised from stable to negative). In March 2016, Moody's placed the country's 'Baa2' (negative outlook) credit rating under review for possible downgrade. Moody's had stated that the review would conclude within three months, and in May 2016 it re-affirmed the country's 'Baa2' (negative outlook) credit rating. In their mid-year reviews in June 2016, S&P and Fitch affirmed South Africa's credit ratings at 'BBB-' (negative outlook) and 'BBB-' (stable outlook) respectively.

South Africa maintained investment grade ratings from all credit rating agencies in 2015/16. However, there have been a number of concerns among the agencies that could put the sovereign's rating at risk of further downgrades. The key risks to South Africa's credit rating are a perceived loss of control over fiscal policy together with a deteriorating domestic economic growth outlook.

The credit rating agencies have indicated four key triggers for a downgrade:

- Spending overruns in the short to medium term
- Significantly slower economic growth
- Heightened political instability
- Slow progress in implementing domestic reforms to boost growth

Guarantees issued to SOCs pose an additional risk to the fiscal outlook. Government is committed to implementing the structural reforms necessary to mitigate risks to the country's credit rating.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

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5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

NATIONAL TREASURY'S ROLE IN RELATION TO STATE-OWNED COMPANIES

National Treasury is mandated to perform financial oversight over SOCs. This ensures that they comply with the applicable provisions of the Public Finance Management Act (PFMA). National Treasury is also responsible for monitoring and advising SOCs on their strategic plans and financial performance. To enable National Treasury to carry out these responsibilities, SOCs are required to submit annual borrowing plans and quarterly updates of their funding progress.

SOCs are classified into three categories: Schedule 2, 3A and 3B entities. Schedule 2 entities are major public entities that are allowed, in terms of Section 66(3)(a) of the PFMA, to borrow with the approval of their Boards of Directors. Examples of such entities are Eskom, Transnet Limited (Transnet), the Airports Company of South Africa (ACSA) and the Trans-Caledon Tunnel Authority (TCTA).

Schedule 3A SOCs are national public entities which are fully or substantially funded from the National Revenue Fund or by way of a levy imposed in terms of national legislation. These entities may borrow money only in exceptional circumstances and if fully compliant with the provisions of Section 66(3)(c) of the PFMA. The South African National Roads Agency (SANRAL) and the National Housing Finance Corporation (NHFC) are examples of such entities.

Schedule 3B entities are national government business enterprises that have been assigned the financial and operational authority to carry out certain business activities financed fully or substantially from sources other than the National Revenue Fund. These entities are allowed to borrow money if fully compliant with the provisions of Section 66(3)(b) of the PFMA. Examples of such entities are Rand Water and Umgeni Water.

The issuance programmes of government and the SOCs are coordinated by National Treasury through a published annual bond issuance calendar which consolidates the bond issuance plans of government and the SOCs.

National Treasury monitors the status of contingent liabilities, which include guarantees extended to SOCs. Once a guarantee has been issued, National Treasury takes appropriate actions necessary to minimise any risks that may emerge.

FUNDING OUTCOME OF STATE-OWNED COMPANIES

As at 31 March 2016, SOCs' spending on capital projects was below budget, amounting to R98.9 billion or 90.9% of the budgeted amount. Table 15 gives a summary of capital expenditure (capex) for the year, and shows the outcome of the capex of the five largest entities in terms of infrastructure spending. Among the five SOCs with the highest capex, that of three entities was significantly below budget. SANRAL (toll)[2] spent only 47.6 per cent of its budget, TCTA 47.7 per cent and the Central Energy Fund (CEF) 60.5 per cent. The under-spending by the CEF and SANRAL reflects their financial distress as a result of declining operational income which partly funds their capex. The TCTA's under-spending was the result of delays in implementing Phase 2 of the Lesotho Highlands Water Project, the entity's largest capital project.

2 SANRAL's operations are divided into two broad categories: toll roads (SANRAL (toll)), which are self-funding; and non-toll roads (SANRAL (non-toll)), which are funded by transfers from the Department of Transport.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Table 15: SOCs' infrastructure spending, 2015/16*

R million	Budget	Actual	Expenditure of Budget %
Eskom	55 436,8	56 978	102,8
Transnet	33 592,0	29 415	87,6
CEF	3 303,3	1 998	60,5
Sanral (non-toll)	8 087,1	6 281	77,7
Sanral (Toll)	2 222,6	1 058	47,6
TCTA	2 003,9	956,3	47,7
Total of Top 5	**104 645,7**	**96 686,0**	**92,4**
Other SOCs[1]	4 178,3	2 281,7	54,6
Total	**108 824,0**	**98 967,7**	**90,9**

Source: National Treasury

**Unaudited*

1. *"Other SOCs" include the following entities: ACSA; Armscor; Air Traffic Naviation Services (ATNS); Denel; Broadband Infraco; the Nuclear Energy Corporation (NECSA); the South African Broadcasting Corporation (SABC); and the South African Post Office (SAPO).*

Table 16 shows SOCs' consolidated borrowings for 2014/15 and 2015/16, and projections for the medium-term. As at 31 March 2016, total actual borrowings amounted to R162.4 billion, or 97.8 per cent of planned borrowings. Domestic and foreign borrowings amounted respectively to R122.8 billion and R39.6 billion, or 75.6 per cent and 24.4 per cent of total borrowing.

In the first half of the financial year, investors preferred domestic short-term debt instruments rather than long-term domestic debt instruments, with investor sentiment deteriorating because of volatile domestic and international capital markets, lower growth expectations due to the drought, lower commodity prices and in, some instances, policy uncertainty.

Overall, however, funding for SOCs in 2015/16 was mainly in long-term debt, with some short-term debt refinanced into long-term debt towards the end of the financial year. Foreign debt as a percentage of total debt was below 30 per cent for the year, and is projected to remain at these levels over the medium term.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Table 16: Borrowing by SOCs, 2014/15-2018/19*

R billion	2014/15		2015/16		2016/17	2017/18	2018/19
	Budgeted	Actual	Budgeted	Actual	Medium-term estimates		
Domestic loans (gross)	**67 162**	**74 529**	**112 269**	**122 812**	**115 850**	**142 655**	**91 577**
Short-term	29 868	36 036	64 284	61 019	63 886	78 303	25 162
Long-term	37 294	38 493	47 985	61 743	51 964	64 352	66 415
Foreign loans (gross)	**46 244**	**34 027**	**53 693**	**39 551**	**46 739**	**43 295**	**32 136**
Long-term	46 244	34 027	53 693	39 551	46 739	43 295	32 136
Total	**113 406**	**108 556**	**165 962**	**162 363**	**162 589**	**185 950**	**123 713**
Total borrowings as percentage of planned borrowings		96,0		97,8			
Percentage of total:							
Domestic Loans	*59,2*	*68,7*	*67,6*	*75,6*	*71,3*	*76,7*	*74,0*
Foreign Loans	*40,8*	*31,3*	*32,4*	*24,4*	*28,7*	*23,3*	*26,0*
Redemptions			*88 706*	*85 431*	*61 150*	*32 360*	*61 647*
Net Borrowings			**77 256**	**76 932**	**101 439**	**153 590**	**62 066**

Source: ACSA, Eskom, Transnet, DBSA, SANRAL, TCTA, IDC and Land Bank

**Unaudited*

Bonds and money-market paper were the SOCs' dominant domestic funding instruments in 2015/16. Development finance institutions and multilateral agencies were the main foreign funding sources. Although capital expenditure was lower than the budgeted amount for the year, SOCs managed to fund close to planned borrowings. Planned redemptions for the year amounted to R88.7 billion. This was expected to result in net borrowings of R77.3 billion, with most of this being raised to redeem debt. As at 31 March 2016, actual redemptions amounted to R85.4 billion or 96 per cent of total planned redemptions.

Eskom borrowing

As at 31 March 2016, Eskom had exceeded its planned borrowing target as it had raised R58.4 billion or 106 per cent of its planned borrowings. During the reporting year, the entity introduced new debt instruments, Eskom Corporate Notes (ECNs). These are unguaranteed bonds issued through private placements. This increased Eskom's funding base and reduced the entity's use of government guarantees for funding in the domestic market.

Transnet borrowing

Transnet planned to borrow R27.8 billion in 2015/16. As at 31 March 2016, R36 billion or 129 per cent of the planned total had been borrowed. The entity's funding strategy provided mainly for foreign funding sources. Funding in the first two quarters of 2015/16 was in line with this strategy. However, in the third quarter the entity raised 87 per cent of its debt in the domestic market. This was because of unfavourable funding conditions in international capital markets that would have resulted in higher costs if the entity had issued a foreign bond.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

FUNDING COSTS OF STATE-OWNED COMPANIES

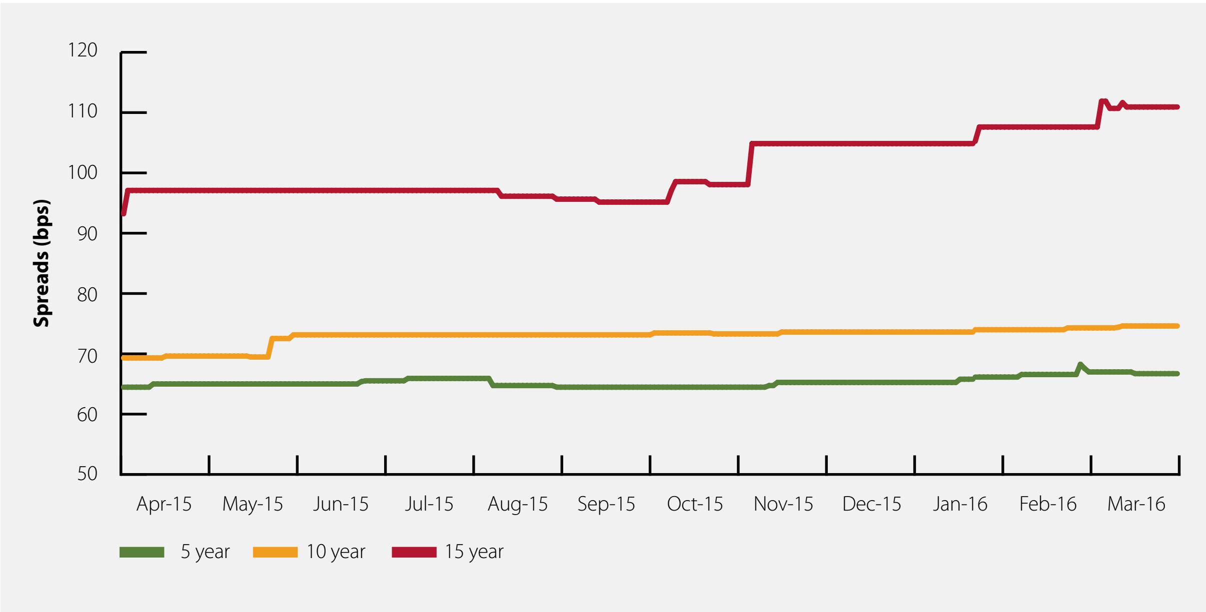
In 2015/16, the cost of funding for SOCs increased due to volatile domestic and international capital markets and in line with increased government funding costs. The credit rating downgrade of some SOCs also contributed to their increased borrowing costs.

SANRAL and Eskom successfully raised funding from the debt capital market through the use of guarantees, while Transnet raised funding without the use of guarantees. The following entities' bonds[3] for 2015/16 are analysed in the sections below: ACSA, Eskom, Transnet, the Development Bank of Southern Africa, SANRAL, the TCTA, the Industrial Development Corporation and the Land Bank.

Guaranteed bonds

Guaranteed bonds are expected to trade at spreads narrower than those of unguaranteed bonds with the same maturity. This is because they are backed by the credit quality of the government and therefore trade at lower yields. Figure 25 shows the average bond spreads for SOCs' guaranteed bonds. The average spreads are split into different tenures to reflect changes in the risk premium. In 2015/16, the average spread for guaranteed bonds with a 5-year tenure was 65 basis points above the government benchmark, while bonds with 10- and 15-year tenures had an average spread of 73 basis points and 101 basis points respectively.

Figure 25: Average credit spreads of guaranteed SOCs' bonds, 2015/16



Source: INET BFA

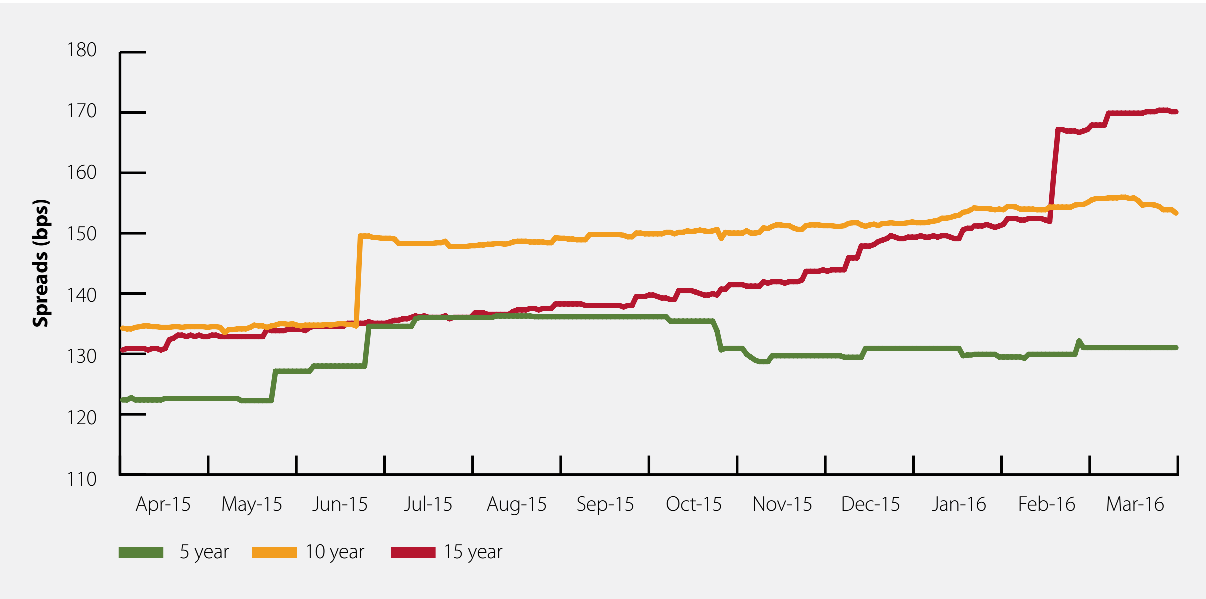
[3] SOC bonds included in this analysis are: E170, SZ25 and ES26 – Eskom Bonds, TN25, TN30 and TN20 – Transnet bond, DV22, DV24, DV29 and DV2021 – DBSA bonds, HWAY20, HWAY34, HWAY35 and SZ25 – SANRAL bonds, AIR01 and AIR04 – ACSA bonds, LBK11 – Land Bank bond and WSP3, WSP4, WSP5 – TCTA bonds.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Unguaranteed bonds

Unguaranteed bonds, particularly those with longer maturities, generally have higher yields and wider spreads. The wide spreads on the longer end of the curve can be explained by the credit risk premium. A credit risk premium in this instance is the relatively higher price for an asset due to its potentially uncertain payoff in the future. As Figure 26 shows, the average bond spread for SOCs' unguaranteed 5-year, 10-year and 15-year tenure bonds was 131 basis points, 147 basis points and 143 basis points respectively.

Figure 26: Average credit spreads of unguaranteed SOCs' bonds, 2015/16



Source: INET BFA

GOVERNMENT'S CONTINGENT LIABILITIES

Guarantees and exposure to SOCs

Government issues guarantees to some SOCs. These form part of government's contingent liabilities and represent only the proportion of the guaranteed amounts that the SOCs have borrowed against rather than the full guaranteed amount. If an SOC defaults on its guaranteed debt obligations, creditors can call on government to service it or even pay it off. Table 17 shows that, as at 31 March 2016, government guarantees issued to SOCs amounted to R467 billion, an increase of 1 per cent from the previous year's amount of R462.4 billion. This was mainly due to an additional R2.5 billion guarantee issued to the South African Post Office. In the reporting year, Eskom held 75 per cent of the total guarantee portfolio, followed by SANRAL with 8.3 per cent.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Table 17: Government guarantee exposure, 2013/14-2015/16

	2013/14		2014/15		2015/16	
R billion	**Guarantee**	**Exposure[1]**	**Guarantee**	**Exposure[1]**	**Guarantee**	**Exposure[1]**
State-owned companies	469,3	209,5	462,4	225,8	467,0	258,0
of which:						
Eskom	*350,0*	*125,1*	*350,0*	*149,9*	*350,0*	*168,5*
SANRAL	*38,9*	*23,9*	*38,9*	*32,4*	*38,9*	*35,0*
Trans-Caledon Tunnel Authority	*25,7*	*20,5*	*25,6*	*20,8*	*25,8*	*20,6*
South African Airways	*7,9*	*5,0*	*14,4*	*8,4*	*14,4*	*14,4*
Land Bank	*3,5*	*1,1*	*6,6*	*2,1*	*6,6*	*5,3*
Development Bank of Southern Africa	*29,6*	*25,7*	*12,9*	*4,1*	*14,0*	*4,5*
Transnet	*3,5*	*3,8*	*3,5*	*3,8*	*3,5*	*3,8*
Denel	*1,9*	*1,9*	*1,9*	*1,9*	*1,9*	*1,9*
South African Express	*0,5*	*0,5*	*1,1*	*0,5*	*1,1*	*1,1*
South African Post Office	*0,0*	*0,0*	*1,9*	*0,3*	*4,4*	*1,3*
Industrial Development Corporation	*2,1*	*0,5*	*1,6*	*0,3*	*2,1*	*0,3*
Independent power producers	0,0	0,0	0,0	0,0	200,2	200,2
Public-private partnerships[2]	10,1	10,1	10,1	10,1	8,9	8,9
South African Reserve Bank	0,0	0,0	7,0	0,0	7,0	0,0

Source: National Treasury

1. Total amount of borrowing and accrued interest for the period made against the guarantee.

2. This amount only includes the national and provincial public-private partnership agreements.

Utilised guarantees

Government's exposure amount, which is the amount that the institutions have borrowed against guarantees, increased from R225.8 billion to R258 billion in 2015/16. Eskom borrowed an additional R18.6 billion against its current approved guarantee of R350 billion, and South African Airways increased its borrowing against its guarantee by R6 billion to reach full capacity of its approved guarantee. With 65.3 per cent of the total utilised guarantees, Eskom had the largest exposure amount. This created a concentration risk for the portfolio, although it was in line with the size of its capital expenditure programme. To mitigate risk to the fiscus, government conducts regular risk assessments on Eskom and all entities with guarantees.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Guarantees and exposure to commercial banks and other financial institutions

In a situation where the financial position of a financial institution or a commercial bank deteriorates to a point where it may destabilise the financial system, as a lender of last resort the SARB may step in to bail out the institution. As part of this bailout package, the SARB may require a government guarantee, constituting an explicit contingent liability. The R7 billion guarantee issued to African Bank in 2014 as part of a bailout is an example of such a guarantee. The SARB has not yet realised any exposure against this guarantee.

Guarantees to renewable energy independent power producers

Renewable energy independent power producers (REIPP) are included in the definition of government's contingent liabilities, and R200 billion in guarantees have been issued to them. The power-purchasing agreements (PPAs) that Eskom and independent power producers (IPPs) enter into create a contractual obligation for Eskom to purchase power from these IPPs over a 20-year period at a price agreed to by the National Energy Regulator of South Africa.

Government provides guarantees to Eskom in respect of its obligation under these contracts. If Eskom is unable to buy some or all of the power as agreed in the PPAs, government will have to purchase the power on Eskom's behalf. This probability is relatively low. However, if Eskom's financial position deteriorates further and/or if there is excess electricity supply because energy-intensive sectors increasingly generate their own electricity, this may increase government's exposure to financial risk. Government also provides guarantees to the REIPPs in the case of termination of contract through expropriation or nationalisation of the facilities or default by government.

Guarantees to public-private partnerships

In the case of public-private partnerships (PPPs), a contingent liability is only recognised in relation to possible terminations of contract where government is required to reimburse the private partner. The obligation materialises upon the termination of the contract. In 2015/16, the inclusion of PPPs added about R9 billion to government's contingent liabilities, with national PPPs accounting for 37 per cent of the total and provincial PPPs 63 per cent. No contingent liabilities have been realised from PPPs since the first contract was entered into around 2000. They are therefore considered very low risk.

Provisions for multilateral institutions

Government recognises provisions in respect of the callable portion of South Africa's subscriptions to shares issued by multilateral institutions such as the African Development Bank (AfDB), the International Bank for Reconstruction and Development, the International Monetary Fund (IMF), the New Development Bank and the Multilateral Investment Guarantee Agency. These provisions have to be recognised because, in the unlikely event that recapitalisation of one of these institutions is required, South Africa will be called on to make payment proportionate to its shareholding. Provisions in 2015/16 increased by R72.5 billion, compared with the 2014/15 amount, to R232.9 billion. The callable portion of South Africa's quota in the IMF increased by R39.7 billion, and that in the AfDB by R14.5 billion. The planned subscriptions to the shares issued by the New Development Bank increased government's provisions by R9.7 billion as at 31 March 2016.

5. FUNDING PROGRAMMES OF STATE-OWNED COMPANIES

Other contingent liabilities

Government's other contingent liabilities include the actuarial deficits of social security funds. These deficits are made up of the difference between claims owed by the entities and their total assets. Government commitments to the Export Credit Insurance Corporation of South Africa, in the form of the net underwriting exposure of the company and its total assets, also fall into this category as do claims against government departments, and post-retirement medical benefits to government employees. Other contingent liabilities were expected to amount to R286.1 billion as at 31 March 2016[4], R33.5 billion higher than the previous period due to an increase in claims by exporters and increased exposure to the Road Accident Fund.

4 Final audited figures are expected after the publication of the 2015/16 Annual Debt Management Report.

6. INVESTOR RELATIONS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2015/16 DEBT MANAGEMENT REPORT

6. INVESTOR RELATIONS

INVESTOR ROADSHOWS

National Treasury runs an active investor relations programme and conducts domestic and international roadshows with the SARB after the release of the Budget Review in February and the Medium-Term Budget Policy Statement (MTBPS) in October each year. Their purpose is to strengthen relationships with investors and keep them informed about economic, fiscal, political and social developments in South Africa.

The following cities were visited in 2015/16:

- New York
- Boston
- Los Angeles
- San Francisco
- London
- Munich
- Frankfurt
- The Hague
- Geneva
- Zurich

INVESTOR RELATIONS WEBSITE

The investor relations website (http://investor.treasury.gov.za) was introduced in June 2011 to provide institutional investors with relevant information. This includes the bond auction calendar, policy documents, economic indicators, details of pending events, investor presentations and links to other websites such as those of the SARB and Statistics South Africa (Stats SA).

MARKETING AND PROMOTION OF RETAIL SAVINGS BONDS

National Treasury conducts retail savings bond promotions throughout the country. During 2015/16, promotions took place in cities and town across all nine provinces at various shopping malls and Pick n Pay stores. An industrial theatre play was piloted in two provinces to promote retail savings bonds and educate communities about the importance of saving.

An extensive marketing campaign was implemented during the year to promote retail savings bonds in particular and household savings in general. This included print, digital, billboard and radio campaigns as well as a television advertising campaign. A television commercial was produced and flighted on all SABC channels, ETV and various DSTV channels. National Treasury also held promotions at various expos including the Retirement Expo, Baba Indaba and the 2016 Rand Show.

ANNEXURES

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2015/16 DEBT MANAGEMENT REPORT

ANNEXURE A: REDEMPTION SCHEDULE OF TREASURY BILLS, 31 MARCH 2016

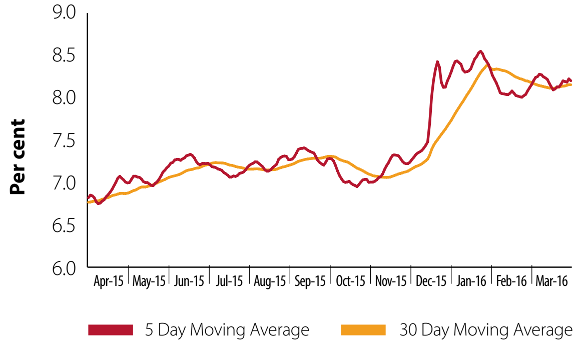
R million	91-day	182-day	273-day	365-day	Total
4/6/2016	2 225	1 845	1 560	1 410	7 040
4/13/2016	2 555	1 845	1 560	1 410	7 370
4/20/2016	2 555	1 845	1 560	1 410	7 370
4/28/2016	2 555	1 845	1 560	1 410	7 370
5/4/2016	2 555	1 845	1 560	1 410	7 370
5/11/2016	2 555	1 845	1 560	1 410	7 370
5/18/2016	2 555	1 845	1 560	1 410	7 370
5/25/2016	2 555	1 845	1 560	1 155	7 115
6/1/2016	2 555	1 845	1 560	990	6 950
6/8/2016	2 555	1 845	1 560	1 410	7 370
6/15/2016	2 555	1 125	1 560	1 410	6 650
6/22/2016	2 555	550	1 560	1 410	6 075
6/29/2016	2 555	1 845	1 560	1 410	7 370
7/6/2016	-	1 845	1 560	1 410	4 815
7/13/2016	-	1 845	1 560	1 410	4 815
7/20/2016	-	1 845	1 560	1 410	4 815
7/27/2016	-	1 845	1 560	1 410	4 815
8/3/2016	-	1 845	1 560	1 410	4 815
8/10/2016	-	1 845	1 560	1 410	4 815
8/17/2016	-	1 845	1 560	1 410	4 815
8/24/2016	-	1 845	1 560	1 410	4 815
8/31/2016	-	1 845	1 560	1 410	4 815
9/7/2016	-	1 845	1 560	1 410	4 815
9/14/2016	-	1 845	725	1 410	3 980
9/21/2016	-	1 845	1 065	1 410	4 320
9/28/2016	-	1 845	1 560	1 410	4 815
10/5/2016	-	-	1 560	1 410	2 970
10/12/2016	-	-	1 560	1 410	2 970
10/19/2016	-	-	1 560	1 410	2 970
10/26/2016	-	-	1 560	1 410	2 970
11/2/2016	-	-	1 560	1 410	2 970
11/9/2016	-	-	1 560	1 410	2 970
11/16/2016	-	-	1 560	1 410	2 970
11/23/2016	-	-	1 560	1 410	2 970
11/30/2016	-	-	1 560	1 410	2 970
12/7/2016	-	-	1 560	550	2 110
12/14/2016	-	-	1 260	1 410	2 670
12/21/2016	-	-	1 560	1 050	2 610
12/28/2016	-	-	1 560	1 410	2 970
1/4/2017	-	-	-	1 410	1 410

ANNEXURE A: REDEMPTION SCHEDULE OF TREASURY BILLS, 31 MARCH 2016

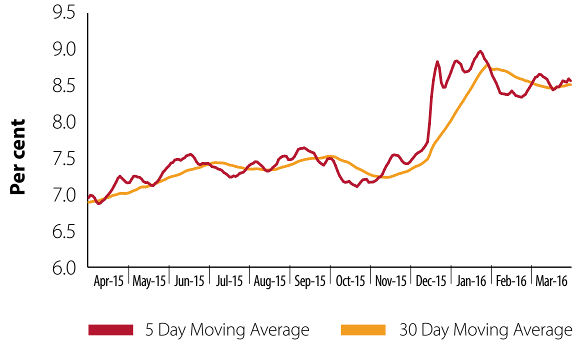
R million	91-day	182-day	273-day	365-day	Total
1/11/2017	-	-	-	1 410	1 410
1/18/2017	-	-	-	1 410	1 410
1/25/2017	-	-	-	1 410	1 410
2/1/2017	-	-	-	1 410	1 410
2/8/2017	-	-	-	1 410	1 410
2/15/2017	-	-	-	1 410	1 410
2/22/2017	-	-	-	1 410	1 410
3/1/2017	-	-	-	1 404	1 404
3/8/2017	-	-	-	1 410	1 410
3/15/2017	-	-	-	1 410	1 410
3/22/2017	-	-	-	1 410	1 410
3/29/2017	-	-	-	1 410	1 410
Total	**32 885**	**45 955**	**59 210**	**71 419**	**209 469**

ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2015/16

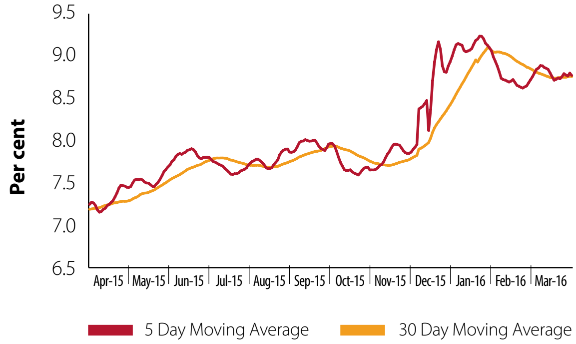
R203 bond - 8.25% 15 September 2017



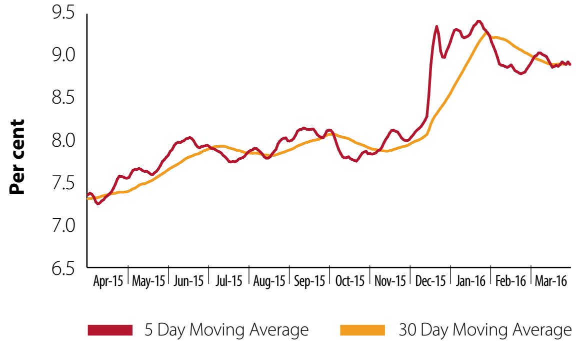
R204 bond - 8.00% 21 December 2018



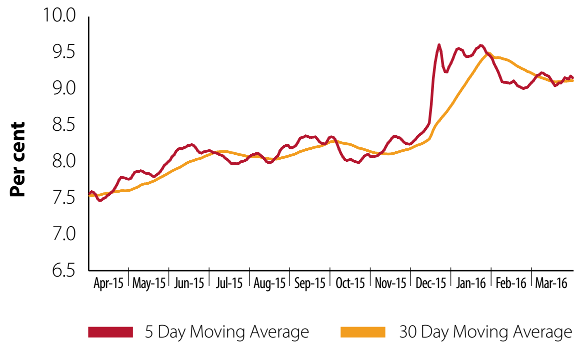
R207 bond - 7.25% 25 January 2020



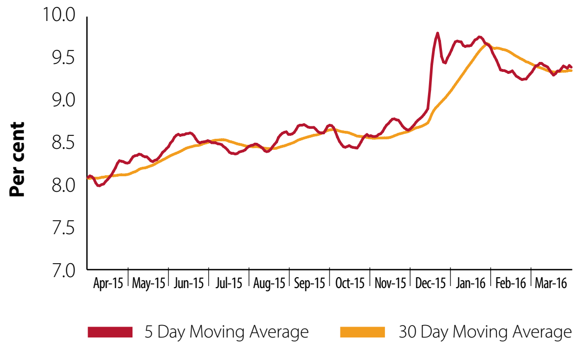
R208 bond - 6.75% 31 March 2021



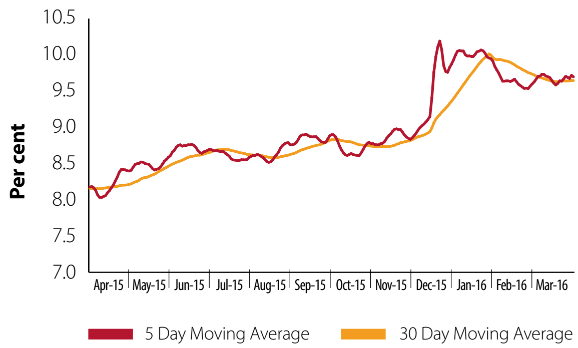
R2023 bond - 7.75% 28 February 2023



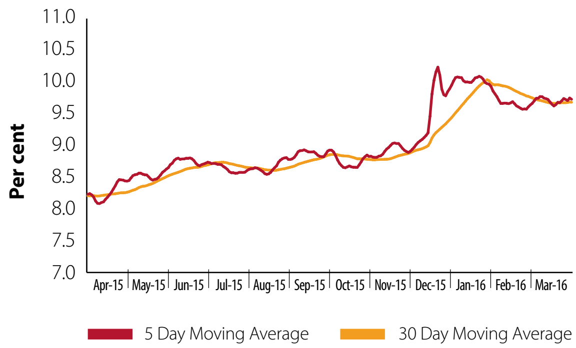
R186 bond - 10.5% 21 December 2026



R 2030 bond - 8.00% 31 January 2030

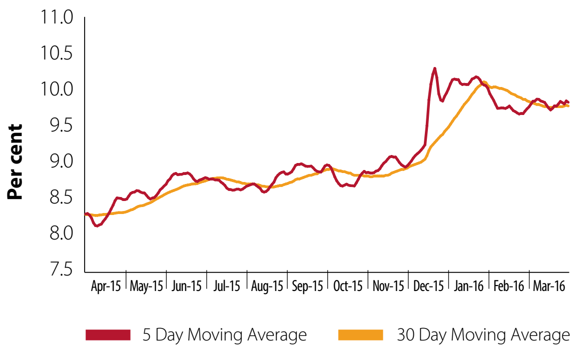


R213 bond - 7.00% 28 February 2031

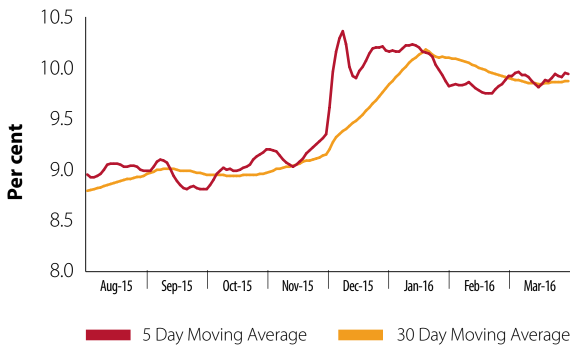


ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2015/16

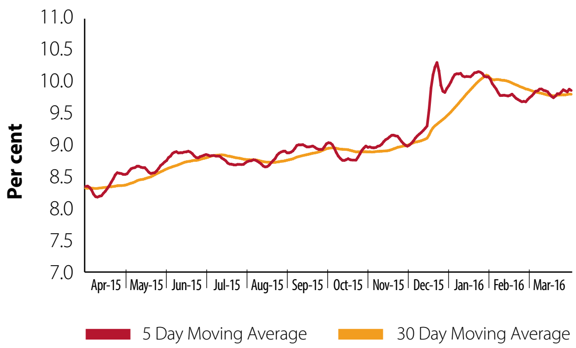
R2032 bond - 8.25% 31 March 2032



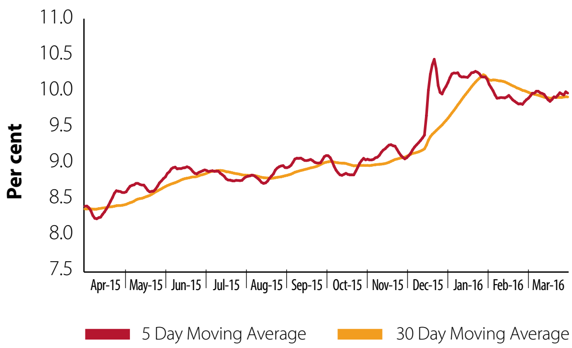
R2035 bond - 8.875% 28 February 2035



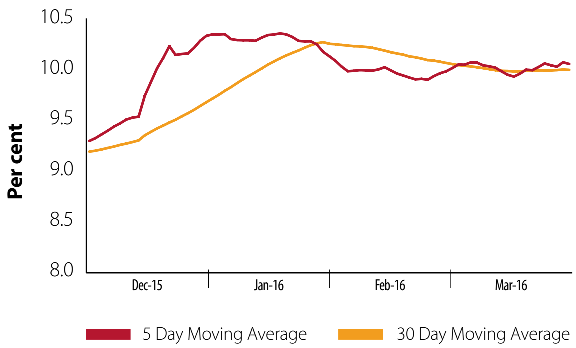
R209 bond - 6.25% 31 March 2036



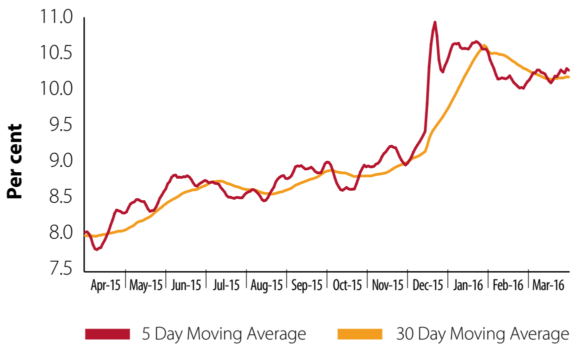
R2037 bond - 8.50% 31 January 2037



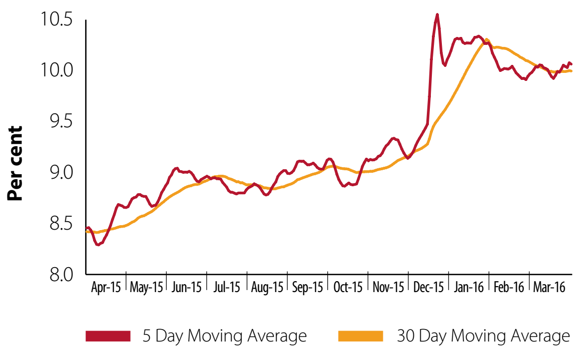
R2040 bond - 9.00% 31 January 2040



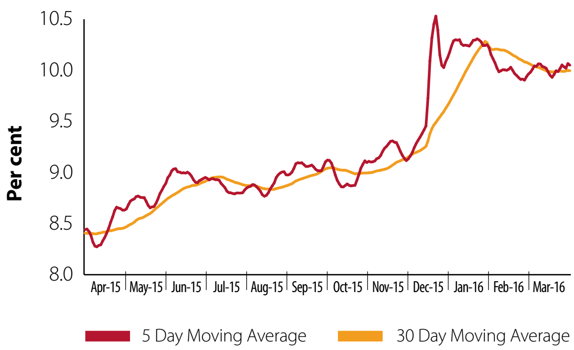
R214 bond - 6.50% 28 February 2041



R2044 bond - 8.75% 28 February 2048



R2048 bond - 8.75% 28 February 2048



ANNEXURE C: FIXED-RATE BOND YIELD SPREADS, 2015/16

Fixed-rate bond yield spreads, 01 April 2015

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R209 (2036)	R2037 (2037)	R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	25	41	50,5	72	93,5	130,5	136,5	142	147,5	152,5	151	157	156
R204 (2018)		16	25,5	47	68,5	105,5	111,5	117	122,5	127,5	126	132	131
R207 (2020)			9,5	31	52,5	89,5	95,5	101	106,5	111,5	110	116	115
R208 (2021)				21,5	43	80	86	91,5	97	102	100,5	106,5	105,5
R2023 (2023)					21,5	58,5	64,5	70	75,5	80,5	79	85	84
R186 (2026)						37	43	48,5	54	59	57,5	63,5	62,5
R2030 (2030)							6	11,5	17	22	20,5	26,5	25,5
R213 (2031)								5,5	11	16	14,5	20,5	19,5
R2032 (2032)									5,5	10,5	9	15	14
R209 (2036)										5	3,5	9,5	8,5
R2037 (2037)											-1,5	4,5	3,5
R214 (2041)												6	5
R2044 (2044)													-1

Fixed-rate bond yield spreads, 31 March 2016

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R209 (2036)	R2037 (2037)	R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	38,5	57	67	94,5	110	150,5	154	164,5	168	179	180,5	188,5	187,5
R204 (2018)		18,5	28,5	56	71,5	112	115,5	126	129,5	140,5	142	150	149
R207 (2020)			10	37,5	53	93,5	97	107,5	111	122	123,5	131,5	130,5
R208 (2021)				27,5	43	83,5	87	97,5	101	112	113,5	121,5	120,5
R2023 (2023)					15,5	56	59,5	70	73,5	84,5	86	94	93
R186 (2026)						40,5	44	54,5	58	69	70,5	78,5	77,5
R2030 (2030)							3,5	14	17,5	28,5	30	38	37
R213 (2031)								10,5	14	25	26,5	34,5	33,5
R2032 (2032)									3,5	14,5	16	24	23
R209 (2036)										11	12,5	20,5	19,5
R2037 (2037)											1,5	9,5	8,5
R214 (2041)												8	7
R2044 (2044)													-1

ANNEXURE C: FIXED-RATE BOND YIELD SPREADS, 2015/16

Change in basis points, 2015/16

	R204 (2018)	R207 (2020)	R208 (2021)	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R209 (2036)	R2037 (2037)	R214 (2041)	R2044 (2044)	R2048 (2048)
R203 (2017)	13,5	16	16,5	22,5	16,5	20	17,5	22,5	20,5	26,5	29,5	31,5	31,5
R204 (2018)		2,5	3	9	3	6,5	4	9	7	13	16	18	18
R207 (2020)			0,5	6,5	0,5	4	1,5	6,5	4,5	10,5	13,5	15,5	15,5
R208 (2021)				6	0	3,5	1	6	4	10	13	15	15
R2023 (2023)					-6	-2,5	-5	0	-2	4	7	9	9
R186 (2026)						3,5	1	6	4	10	13	15	15
R2030 (2030)							-2,5	2,5	0,5	6,5	9,5	11,5	11,5
R213 (2031)								5	3	9	12	14	14
R2032 (2032)									-2	4	7	9	9
R209 (2036)										6	9	11	11
R2037 (2037)											3	5	5
R214 (2041)												2	2
R2044 (2044)													0

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2015/16

	91-day				182-day			
Issue date	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
4/2/2015	3 493	2 555	1,37	5,90	4 396	1 845	2,38	6,06
4/10/2015	6 204	2 555	2,43	5,89	3 910	1 845	2,12	6,06
4/17/2015	4 689	2 555	1,84	5,89	3 898	1 845	2,11	6,02
4/24/2015	6 843	2 555	2,68	5,85	2 205	1 845	1,20	6,06
4/30/2015	4 207	2 555	1,65	5,86	2 835	1 845	1,54	6,07
5/8/2015	4 644	2 555	1,82	5,85	4 675	1 845	2,53	6,06
5/15/2015	6 165	2 555	2,41	5,78	2 669	1 845	1,45	6,04
5/22/2015	7 350	2 555	2,88	5,76	2 917	1 845	1,58	6,03
5/29/2015	2 730	1 730	1,58	5,77	4 473	1 845	2,42	6,02
6/5/2015	5 362	2 555	2,10	5,78	3 215	1 845	1,74	5,99
6/12/2015	2 205	1 705	1,29	5,79	833	83	10,04	5,97
6/19/2015	2 383	1 383	1,72	5,80	1 005	5	201,00	6,02
6/26/2015	1 103	1 003	1,10	6,15	1 487	1 487	1,00	6,29
7/3/2015	5 613	2 555	2,20	6,13	1 636	1 636	1,00	6,50
7/10/2015	2 288	2 038	1,12	6,15	5 234	1 845	2,84	6,42
7/17/2015	6 686	2 555	2,62	6,06	5 168	1 845	2,80	6,41
7/24/2015	7 505	2 555	2,94	6,13	3 345	1 845	1,81	6,51
7/31/2015	3 630	2 555	1,42	6,26	4 525	1 845	2,45	6,56
8/7/2015	5 467	2 555	2,14	6,27	3 040	1 845	1,65	6,63
8/14/2015	5 984	2 555	2,34	6,26	4 613	1 845	2,50	6,62
8/21/2015	6 893	2 555	2,70	6,25	3 917	1 845	2,12	6,65
8/28/2015	3 480	2 555	1,36	6,29	4 720	1 845	2,56	6,63
9/4/2015	3 840	2 555	1,50	6,36	2 865	1 845	1,55	6,71
9/11/2015	5 765	2 555	2,26	6,42	3 555	1 845	1,93	6,73
9/18/2015	7 997	2 555	3,13	6,31	4 395	1 845	2,38	6,66
9/25/2015	6 067	2 555	2,37	6,29	3 511	1 845	1,90	6,66
10/2/2015	4 943	2 555	1,93	6,30	6 157	1 845	3,34	6,64
10/9/2015	4 555	2 555	1,78	6,28	4 020	1 845	2,18	6,59
10/16/2015	7 478	2 555	2,93	6,21	3 097	1 845	1,68	6,54
10/23/2015	5 242	2 555	2,05	6,20	4 885	1 845	2,65	6,55
10/30/2015	3 553	2 553	1,39	6,28	2 848	1 845	1,54	6,66
11/6/2015	3 273	2 555	1,28	6,34	5 417	1 845	2,94	6,69
11/13/2015	5 842	2 555	2,29	6,43	3 631	1 845	1,97	6,70

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2015/16

	91-day				182-day			
Issue date	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
11/20/2015	3 979	2 555	1,56	6,56	4 072	1 845	2,21	6,82
11/27/2015	4 546	2 555	1,78	6,59	4 140	1 845	2,24	6,85
12/4/2015	6 365	2 555	2,49	6,63	2 274	1 845	1,23	6,94
12/11/2015	2 385	1 695	1,41	7,10	1 475	1 125	1,31	7,41
12/18/2015	4 212	2 555	1,65	6,92	650	550	1,18	7,53
12/24/2015	4 393	2 555	1,72	6,95	2 300	1 560	1,47	7,86
12/31/2015	2 460	2 225	1,11	7,01	3 106	1 845	1,68	7,66
1/8/2016	12 696	2 555	4,97	6,96	5 675	1 845	3,08	7,50
1/15/2016	6 388	2 555	2,50	6,95	4 263	1 845	2,31	7,50
1/22/2016	4 455	2 555	1,74	6,97	4 732	1 845	2,56	7,39
1/29/2016	5 923	2 555	2,32	7,06	5 820	1 845	3,15	7,48
2/5/2016	6 303	2 555	2,47	7,04	4 692	1 845	2,54	7,43
2/12/2016	4 720	2 555	1,85	7,05	5 039	1 845	2,73	7,44
2/19/2016	4 333	2 555	1,70	7,04	5 917	1 845	3,21	7,40
2/26/2016	3 981	2 555	1,56	7,09	5 369	1 845	2,91	7,40
3/4/2016	3 618	2 555	1,42	7,13	3 452	1 845	1,87	7,40
3/11/2016	5 499	2 555	2,15	7,13	3 878	1 845	2,10	7,36
3/18/2016	4 989	2 555	1,95	7,23	5 650	1 845	3,06	7,52
3/24/2016	5 770	2 555	2,26	7,24	4 420	1 845	2,40	7,54

ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2015/16

	273-day				364-day			
Issue date	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
4/2/2015	4 185	1 560	2,68	6,14	2 070	1 410	1,47	6,20
4/10/2015	3 267	1 560	2,09	6,14	2 451	1 410	1,74	6,19
4/17/2015	2 867	1 560	1,84	6,14	3 025	1 410	2,15	6,18
4/24/2015	1 800	1 560	1,15	6,17	1 750	1 410	1,24	6,18
4/30/2015	2 190	1 560	1,40	6,22	1 620	1 410	1,15	6,25
5/8/2015	1 510	1 010	1,50	6,27	1 430	1 410	1,01	6,26
5/15/2015	2 650	1 560	1,70	6,26	1 950	1 410	1,38	6,29
5/22/2015	3 535	1 560	2,27	6,26	2 155	1 155	1,87	6,39
5/29/2015	2 200	1 560	1,41	6,33	1 490	990	1,51	6,48
6/5/2015	3 310	1 560	2,12	6,36	4 217	1 410	2,99	6,51
6/12/2015	2 446	1 560	1,57	6,42	3 556	1 410	2,52	6,59
6/19/2015	3 085	1 560	1,98	6,49	2 486	1 410	1,76	6,73
6/26/2015	2 510	1 560	1,61	6,62	4 338	1 410	3,08	6,80
7/3/2015	3 730	1 560	2,39	6,64	3 658	1 410	2,59	6,81
7/10/2015	3 352	1 560	2,15	6,55	3 461	1 410	2,45	6,72
7/17/2015	3 200	1 560	2,05	6,60	4 072	1 410	2,89	6,71
7/24/2015	3 225	1 560	2,07	6,73	3 963	1 410	2,81	6,85
7/31/2015	3 861	1 560	2,48	6,81	4 955	1 410	3,51	6,87
8/7/2015	5 285	1 560	3,39	6,81	3 745	1 410	2,66	6,84
8/14/2015	4 130	1 560	2,65	6,80	4 190	1 410	2,97	6,81
8/21/2015	3 844	1 560	2,46	6,82	3 259	1 410	2,31	6,82
8/28/2015	3 341	1 560	2,14	6,82	3 019	1 410	2,14	6,94
9/4/2015	1 920	1 560	1,23	6,93	2 215	1 410	1,57	7,08
9/11/2015	4 995	1 560	3,20	6,92	5 125	1 410	3,63	7,07
9/18/2015	5 855	1 560	3,75	6,88	4 405	1 410	3,12	7,01
9/25/2015	5 030	1 560	3,22	6,84	5 675	1 410	4,02	6,96
10/2/2015	5 119	1 560	3,28	6,78	6 051	1 410	4,29	6,90
10/9/2015	3 180	1 560	2,04	6,75	3 415	1 410	2,42	6,80
10/16/2015	5 192	1 560	3,33	6,70	4 177	1 410	2,96	6,73
10/23/2015	5 010	1 560	3,21	6,69	3 365	1 410	2,39	6,81
10/30/2015	3 992	1 560	2,56	6,75	3 696	1 410	2,62	6,89
11/6/2015	3 433	1 560	2,20	6,85	4 034	1 410	2,86	6,98
11/13/2015	2 765	1 560	1,77	6,90	3 544	1 410	2,51	7,00

ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2015/16

	273-day				364-day			
Issue date	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
11/20/2015	3 955	1 560	2,54	7,03	3 760	1 410	2,67	7,13
11/27/2015	2 550	1 560	1,63	7,08	2 738	1 410	1,94	7,18
12/4/2015	1 913	1 560	1,23	7,18	4 150	1 410	2,94	7,19
12/11/2015	925	725	1,28	8,13	1 050	550	1,91	7,94
12/18/2015	1 115	1 065	1,05	7,82	2 168	1 410	1,54	7,62
12/24/2015	2 300	1 560	1,47	8,01	1 076	1 050	1,02	8,19
12/31/2015	2 490	1 560	1,60	8,05	1 920	1 410	1,36	8,29
1/8/2016	6 205	1 560	3,98	7,90	6 776	1 410	4,81	8,15
1/15/2016	4 570	1 560	2,93	7,83	5 150	1 410	3,65	8,09
1/22/2016	3 947	1 560	2,53	7,65	4 649	1 410	3,30	7,92
1/29/2016	5 000	1 560	3,21	7,76	6 930	1 410	4,91	7,83
2/5/2016	5 510	1 560	3,53	7,65	4 515	1 410	3,20	7,73
2/12/2016	6 282	1 560	4,03	7,63	4 330	1 410	3,07	7,70
2/19/2016	6 359	1 560	4,08	7,60	4 150	1 410	2,94	7,56
2/26/2016	7 204	1 560	4,62	7,60	1 904	1 404	1,36	7,82
3/4/2016	3 938	1 560	2,52	7,55	2 822	1 410	2,00	7,80
3/11/2016	1 760	1 260	1,40	7,71	3 000	1 410	2,13	7,78
3/18/2016	6 850	1 560	4,39	7,68	5 045	1 410	3,58	7,90
3/24/2016	2 980	1 560	1,91	7,83	5 215	1 410	3,70	7,84

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
3/31/2015	R2030	1/31/2030	8,000	900	900	2 610	8,290
3/31/2015	R2032	3/31/2032	8,250	800	800	3 425	8,395
3/31/2015	R2048	2/28/2048	8,750	650	650	2 060	8,540
4/7/2015	R2032	3/31/2032	8,250	900	900	2 375	8,125
4/7/2015	R2044	1/31/2044	8,750	800	800	1 620	8,345
4/7/2015	R2048	2/28/2048	8,750	650	650	1 130	8,350
4/14/2015	R2030	1/31/2030	8,000	900	900	2 830	8,160
4/14/2015	R2032	3/31/2032	8,250	800	800	2 095	8,270
4/14/2015	R2037	1/31/2037	8,500	650	650	2 015	8,360
4/21/2015	R2030	1/31/2030	8,000	850	850	4 685	8,340
4/21/2015	R2037	1/31/2037	8,500	850	850	2 910	8,580
4/21/2015	R2048	2/28/2048	8,750	650	650	2 450	8,620
4/28/2015	R2030	1/31/2030	8,000	850	850	5 690	8,360
4/28/2015	R2032	3/31/2032	8,250	850	850	3 740	8,475
4/28/2015	R2048	2/28/2048	8,750	650	650	2 715	8,610
5/5/2015	R2030	1/31/2030	8,000	850	850	3 785	8,455
5/5/2015	R2037	1/31/2037	8,500	850	850	3 365	8,650
5/5/2015	R2048	2/28/2048	8,750	650	650	3 370	8,680
5/12/2015	R2032	3/31/2032	8,250	800	800	3 140	8,630
5/12/2015	R2044	1/31/2044	8,750	900	900	3 240	8,850
5/12/2015	R2048	2/28/2048	8,750	650	650	2 740	8,860
5/19/2015	R2032	3/31/2032	8,250	650	650	3 545	8,480
5/19/2015	R2037	1/31/2037	8,500	850	850	3 260	8,600
5/19/2015	R2048	2/28/2048	8,750	850	850	3 835	8,655
5/26/2015	R2030	1/31/2030	8,000	800	800	2 945	8,510
5/26/2015	R2037	1/31/2037	8,500	650	650	2 110	8,710
5/26/2015	R2044	1/31/2044	8,750	900	900	1 930	8,815
6/2/2015	R2030	1/31/2030	8,000	850	850	2 750	8,650
6/2/2015	R2037	1/31/2037	8,500	850	850	2 410	8,860
6/2/2015	R2048	2/28/2048	8,750	650	650	2 330	8,950
6/9/2015	R213	2/28/2031	7,000	700	700	3 845	8,745
6/9/2015	R2037	1/31/2037	8,500	800	800	2 745	8,890
6/9/2015	R2044	1/31/2044	8,750	850	850	2 735	8,985
6/17/2015	R2032	3/31/2032	8,250	950	950	4 190	8,870
6/17/2015	R2044	1/31/2044	8,750	700	700	2 645	9,010
6/17/2015	R2048	2/28/2048	8,750	700	700	2 625	9,000
6/23/2015	R2030	1/31/2030	8,000	750	750	1 785	8,630
6/23/2015	R2032	3/31/2032	8,250	700	700	1 932	8,715

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
6/23/2015	R2048	2/28/2048	8,750	900	900	1 870	8,895
6/30/2015	R2030	1/31/2030	8,000	850	850	2 810	8,715
6/30/2015	R2037	1/31/2037	8,500	750	750	1 880	8,940
6/30/2015	R2044	1/31/2044	8,750	750	750	2 010	8,985
7/7/2015	R2030	1/31/2030	8,000	850	850	1 915	8,705
7/7/2015	R2037	1/31/2037	8,500	800	800	1 420	8,970
7/7/2015	R2048	2/28/2048	8,750	700	700	1 465	9,000
7/14/2015	R2030	1/31/2030	8,000	800	800	3 125	8,620
7/14/2015	R2032	3/31/2032	8,250	650	650	2 415	8,720
7/14/2015	R2035	2/28/2035	8,875	250	250	1 460	8,820
7/14/2015	R2044	1/31/2044	8,750	650	650	1 615	8,900
7/21/2015	R2030	1/31/2030	8,000	600	600	3 060	8,570
7/21/2015	R2035	2/28/2035	8,875	350	350	1 125	8,760
7/21/2015	R2044	1/31/2044	8,750	600	600	2 320	8,810
7/21/2015	R2048	2/28/2048	8,750	800	800	2 415	8,820
7/28/2015	R2030	1/31/2030	8,000	700	700	3 880	8,555
7/28/2015	R2035	2/28/2035	8,875	600	600	990	8,740
7/28/2015	R2037	1/31/2037	8,500	350	350	2 510	8,775
7/28/2015	R2044	1/31/2044	8,750	700	700	1 965	8,835
8/4/2015	R2032	3/31/2032	8,250	700	700	2 480	8,620
8/4/2015	R2035	2/28/2035	8,875	400	400	1 790	8,720
8/4/2015	R2037	1/31/2037	8,500	550	550	1 860	8,760
8/4/2015	R2044	1/31/2044	8,750	700	700	1 475	8,845
8/11/2015	R213	2/28/2031	7,000	550	550	2 800	8,540
8/11/2015	R2035	2/28/2035	8,875	500	500	1 490	8,700
8/11/2015	R2037	1/31/2037	8,500	550	550	2 240	8,720
8/11/2015	R2044	1/31/2044	8,750	750	750	2 075	8,780
8/18/2015	R213	2/28/2031	7,000	500	500	2 310	8,605
8/18/2015	R2035	2/28/2035	8,875	650	650	1 925	8,750
8/18/2015	R2037	1/31/2037	8,500	500	500	1 700	8,780
8/18/2015	R2048	2/28/2048	8,750	700	700	1 720	8,845
8/25/2015	R2032	3/31/2032	8,250	500	500	1 630	8,900
8/25/2015	R2035	2/28/2035	8,875	650	650	1 705	8,960
8/25/2015	R2037	1/31/2037	8,500	500	500	2 230	8,995
8/25/2015	R2048	2/28/2048	8,750	700	700	1 975	9,060
9/1/2015	R2030	1/31/2030	8,000	900	900	1 955	8,770
9/1/2015	R2035	2/28/2035	8,875	650	650	1 260	8,945
9/1/2015	R2044	1/31/2044	8,750	800	800	2 140	8,990

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
9/8/2015	R213	2/28/2031	7,000	600	600	2 035	8,970
9/8/2015	R2035	2/28/2035	8,875	700	700	2 075	9,105
9/8/2015	R2040	1/31/2040	9,000	250	250	1 585	9,130
9/8/2015	R2044	1/31/2044	8,750	800	800	3 035	9,130
9/15/2015	R2035	2/28/2035	8,875	700	700	1 745	9,025
9/15/2015	R2040	1/31/2040	9,000	300	300	1 555	9,030
9/15/2015	R2044	1/31/2044	8,750	800	800	1 770	9,050
9/15/2015	R2048	2/28/2048	8,750	550	550	1 675	9,030
9/22/2015	R2032	3/31/2032	8,250	700	700	3 040	8,820
9/22/2015	R2035	2/28/2035	8,875	650	650	2 210	8,945
9/22/2015	R2040	1/31/2040	9,000	300	300	845	8,990
9/22/2015	R2048	2/28/2048	8,750	700	700	1 870	8,980
9/29/2015	R2032	3/31/2032	8,250	650	650	3 635	9,045
9/29/2015	R2035	2/28/2035	8,875	700	700	1 900	9,175
9/29/2015	R2040	1/31/2040	9,000	350	350	695	9,205
9/29/2015	R2048	2/28/2048	8,750	650	650	1 600	9,210
10/6/2015	R2030	1/31/2030	8,000	550	550	2 055	8,610
10/6/2015	R2035	2/28/2035	8,875	700	700	3 905	8,835
10/6/2015	R2040	1/31/2040	9,000	400	400	1 340	8,895
10/6/2015	R2044	1/31/2044	8,750	700	700	1 690	8,890
10/13/2015	R2030	1/31/2030	8,000	500	500	1 910	8,670
10/13/2015	R2035	2/28/2035	8,875	750	750	3 475	8,860
10/13/2015	R2040	1/31/2040	9,000	450	450	1 340	8,940
10/13/2015	R2044	1/31/2044	8,750	650	650	1 805	8,950
10/20/2015	R2032	3/31/2032	8,250	600	600	1 625	8,675
10/20/2015	R2035	2/28/2035	8,875	700	700	2 525	8,780
10/20/2015	R2037	1/31/2037	8,500	500	500	1 475	8,830
10/20/2015	R2040	1/31/2040	9,000	550	550	1 675	8,865
10/27/2015	R2030	1/31/2030	8,000	500	500	1 660	8,770
10/27/2015	R2035	2/28/2035	8,875	700	700	1 715	9,010
10/27/2015	R2040	1/31/2040	9,000	550	550	1 115	9,140
10/27/2015	R2048	2/28/2048	8,750	600	600	990	9,140
11/3/2015	R2030	1/31/2030	8,000	600	600	1 680	8,740
11/3/2015	R2032	3/31/2032	8,250	600	600	1 885	8,850
11/3/2015	R2037	1/31/2037	8,500	600	600	1 655	9,050
11/3/2015	R2040	1/31/2040	9,000	550	550	1 295	9,125
11/10/2015	R2030	1/31/2030	8,000	600	600	2 120	8,930
11/10/2015	R213	2/28/2031	7,000	600	600	1 870	9,000

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
11/10/2015	R2035	2/28/2035	8,875	600	600	2 380	9,165
11/10/2015	R2040	1/31/2040	9,000	550	550	2 025	9,285
11/17/2015	R2030	1/31/2030	8,000	550	550	1 475	8,960
11/17/2015	R2037	1/31/2037	8,500	550	550	2 220	9,225
11/17/2015	R2040	1/31/2040	9,000	550	550	1 745	9,295
11/17/2015	R2048	2/28/2048	8,750	700	700	1 720	9,280
11/24/2015	R213	2/28/2031	7,000	900	900	2 125	8,930
11/24/2015	R2037	1/31/2037	8,500	800	800	2 375	9,070
11/24/2015	R2044	1/31/2044	8,750	650	650	2 135	9,140
12/1/2015	R2032	3/31/2032	8,250	600	600	1 870	9,110
12/1/2015	R2044	1/31/2044	8,750	850	850	1 355	9,360
12/1/2015	R2048	2/28/2048	8,750	900	900	1 775	9,310
12/8/2015	R2030	1/31/2030	8,000	900	900	1 770	9,185
12/8/2015	R2032	3/31/2032	8,250	800	800	1 330	9,290
12/8/2015	R2048	2/28/2048	8,750	650	650	1 160	9,495
12/15/2015	R2032	3/31/2032	8,250	750	750	3 015	10,180
12/15/2015	R2035	2/28/2035	8,875	800	800	2 720	10,310
12/15/2015	R2044	1/31/2044	8,750	800	800	4 025	10,500
1/12/2016	R2032	3/31/2032	8,250	750	750	1 725	10,200
1/12/2016	R2035	2/28/2035	8,875	800	800	1 195	10,315
1/12/2016	R2044	1/31/2044	8,750	800	800	1 830	10,370
1/19/2016	R2037	1/31/2037	8,500	750	750	2 400	10,250
1/19/2016	R2044	1/31/2044	8,750	800	800	2 360	10,305
1/19/2016	R2048	2/28/2048	8,750	800	800	1 930	10,290
1/26/2016	R2035	2/28/2035	8,875	800	800	2 325	10,210
1/26/2016	R2044	1/31/2044	8,750	850	850	2 345	10,335
1/26/2016	R2048	2/28/2048	8,750	700	700	1 575	10,345
2/2/2016	R2035	2/28/2035	8,875	850	850	2 255	9,830
2/2/2016	R2040	1/31/2040	9,000	700	700	1 575	10,010
2/2/2016	R2044	1/31/2044	8,750	800	800	1 405	10,060
2/9/2016	R2023	2/28/2023	7,750	750	750	2 100	9,170
2/9/2016	R2035	2/28/2035	8,875	700	700	2 325	9,930
2/9/2016	R2040	1/31/2040	9,000	900	900	2 675	10,080
2/16/2016	R2023	2/28/2023	7,750	500	500	2 030	8,985
2/16/2016	R213	2/28/2031	7,000	600	600	2 055	9,580
2/16/2016	R2040	1/31/2040	9,000	650	650	2 265	9,900
2/16/2016	R2044	1/31/2044	8,750	600	600	2 185	9,925
2/23/2016	R213	2/28/2031	7,000	500	500	4 250	9,575

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2/23/2016	R2035	2/28/2035	8,875	500	500	3 080	9,760
2/23/2016	R2044	1/31/2044	8,750	750	750	4 165	9,900
2/23/2016	R2048	2/28/2048	8,750	600	600	3 240	9,905
3/1/2016	R2035	2/28/2035	8,875	650	650	2 580	9,910
3/1/2016	R2044	1/31/2044	8,750	900	900	3 175	10,020
3/1/2016	R2048	2/28/2048	8,750	800	800	2 810	10,020
3/8/2016	R2023	2/28/2023	7,750	650	650	2 095	9,190
3/8/2016	R213	2/28/2031	7,000	800	800	2 085	9,760
3/8/2016	R2044	1/31/2044	8,750	900	900	2 505	10,035
3/15/2016	R2035	2/28/2035	8,875	850	850	3 085	9,780
3/15/2016	R2040	1/31/2040	9,000	700	700	2 055	9,920
3/15/2016	R2044	1/31/2044	8,750	800	800	2 535	9,910
3/22/2016	R2032	3/31/2032	8,250	700	700	1 620	9,770
3/22/2016	R2044	1/31/2044	8,750	850	850	1 295	10,070
3/22/2016	R2048	2/28/2048	8,750	800	800	1 625	10,020
8/4/2015	R2032	3/31/2032	8,250	700	700	2 480	8,620
8/4/2015	R2035	2/28/2035	8,875	400	400	1 790	8,720
8/4/2015	R2037	1/31/2037	8,500	550	550	1 860	8,760
8/4/2015	R2044	1/31/2044	8,750	700	700	1 475	8,845
8/11/2015	R213	2/28/2031	7,000	550	550	2 800	8,540
8/11/2015	R2035	2/28/2035	8,875	500	500	1 490	8,700
8/11/2015	R2037	1/31/2037	8,500	550	550	2 240	8,720
8/11/2015	R2044	1/31/2044	8,750	750	750	2 075	8,780
8/18/2015	R213	2/28/2031	7,000	500	500	2 310	8,605
8/18/2015	R2035	2/28/2035	8,875	650	650	1 925	8,750
8/18/2015	R2037	1/31/2037	8,500	500	500	1 700	8,780
8/18/2015	R2048	2/28/2048	8,750	700	700	1 720	8,845
8/25/2015	R2032	3/31/2032	8,250	500	500	1 630	8,900
8/25/2015	R2035	2/28/2035	8,875	650	650	1 705	8,960
8/25/2015	R2037	1/31/2037	8,500	500	500	2 230	8,995
8/25/2015	R2048	2/28/2048	8,750	700	700	1 975	9,060
9/1/2015	R2030	1/31/2030	8,000	900	900	1 955	8,770
9/1/2015	R2035	2/28/2035	8,875	650	650	1 260	8,945
9/1/2015	R2044	1/31/2044	8,750	800	800	2 140	8,990
9/8/2015	R213	2/28/2031	7,000	600	600	2 035	8,970
9/8/2015	R2035	2/28/2035	8,875	700	700	2 075	9,105
9/8/2015	R2040	1/31/2040	9,000	250	250	1 585	9,130
9/8/2015	R2044	1/31/2044	8,750	800	800	3 035	9,130

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
9/15/2015	R2035	2/28/2035	8,875	700	700	1 745	9,025
9/15/2015	R2040	1/31/2040	9,000	300	300	1 555	9,030
9/15/2015	R2044	1/31/2044	8,750	800	800	1 770	9,050
9/15/2015	R2048	2/28/2048	8,750	550	550	1 675	9,030
9/22/2015	R2032	3/31/2032	8,250	700	700	3 040	8,820
9/22/2015	R2035	2/28/2035	8,875	650	650	2 210	8,945
9/22/2015	R2040	1/31/2040	9,000	300	300	845	8,990
9/22/2015	R2048	2/28/2048	8,750	700	700	1 870	8,980
9/29/2015	R2032	3/31/2032	8,250	650	650	3 635	9,045
9/29/2015	R2035	2/28/2035	8,875	700	700	1 900	9,175
9/29/2015	R2040	1/31/2040	9,000	350	350	695	9,205
9/29/2015	R2048	2/28/2048	8,750	650	650	1 600	9,210
10/6/2015	R2030	1/31/2030	8,000	550	550	2 055	8,610
10/6/2015	R2035	2/28/2035	8,875	700	700	3 905	8,835
10/6/2015	R2040	1/31/2040	9,000	400	400	1 340	8,895
10/6/2015	R2044	1/31/2044	8,750	700	700	1 690	8,890
10/13/2015	R2030	1/31/2030	8,000	500	500	1 910	8,670
10/13/2015	R2035	2/28/2035	8,875	750	750	3 475	8,860
10/13/2015	R2040	1/31/2040	9,000	450	450	1 340	8,940
10/13/2015	R2044	1/31/2044	8,750	650	650	1 805	8,950
10/20/2015	R2032	3/31/2032	8,250	600	600	1 625	8,675
10/20/2015	R2035	2/28/2035	8,875	700	700	2 525	8,780
10/20/2015	R2037	1/31/2037	8,500	500	500	1 475	8,830
10/20/2015	R2040	1/31/2040	9,000	550	550	1 675	8,865
10/27/2015	R2030	1/31/2030	8,000	500	500	1 660	8,770
10/27/2015	R2035	2/28/2035	8,875	700	700	1 715	9,010
10/27/2015	R2040	1/31/2040	9,000	550	550	1 115	9,140
10/27/2015	R2048	2/28/2048	8,750	600	600	990	9,140
11/3/2015	R2030	1/31/2030	8,000	600	600	1 680	8,740
11/3/2015	R2032	3/31/2032	8,250	600	600	1 885	8,850
11/3/2015	R2037	1/31/2037	8,500	600	600	1 655	9,050
11/3/2015	R2040	1/31/2040	9,000	550	550	1 295	9,125
11/10/2015	R2030	1/31/2030	8,000	600	600	2 120	8,930
11/10/2015	R213	2/28/2031	7,000	600	600	1 870	9,000
11/10/2015	R2035	2/28/2035	8,875	600	600	2 380	9,165
11/10/2015	R2040	1/31/2040	9,000	550	550	2 025	9,285
11/17/2015	R2030	1/31/2030	8,000	550	550	1 475	8,960
11/17/2015	R2037	1/31/2037	8,500	550	550	2 220	9,225

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
11/17/2015	R2040	1/31/2040	9,000	550	550	1 745	9,295
11/17/2015	R2048	2/28/2048	8,750	700	700	1 720	9,280
11/24/2015	R213	2/28/2031	7,000	900	900	2 125	8,930
11/24/2015	R2037	1/31/2037	8,500	800	800	2 375	9,070
11/24/2015	R2044	1/31/2044	8,750	650	650	2 135	9,140
12/1/2015	R2032	3/31/2032	8,250	600	600	1 870	9,110
12/1/2015	R2044	1/31/2044	8,750	850	850	1 355	9,360
12/1/2015	R2048	2/28/2048	8,750	900	900	1 775	9,310
12/8/2015	R2030	1/31/2030	8,000	900	900	1 770	9,185
12/8/2015	R2032	3/31/2032	8,250	800	800	1 330	9,290
12/8/2015	R2048	2/28/2048	8,750	650	650	1 160	9,495
12/15/2015	R2032	3/31/2032	8,250	750	750	3 015	10,180
12/15/2015	R2035	2/28/2035	8,875	800	800	2 720	10,310
12/15/2015	R2044	1/31/2044	8,750	800	800	4 025	10,500
1/12/2016	R2032	3/31/2032	8,250	750	750	1 725	10,200
1/12/2016	R2035	2/28/2035	8,875	800	800	1 195	10,315
1/12/2016	R2044	1/31/2044	8,750	800	800	1 830	10,370
1/19/2016	R2037	1/31/2037	8,500	750	750	2 400	10,250
1/19/2016	R2044	1/31/2044	8,750	800	800	2 360	10,305
1/19/2016	R2048	2/28/2048	8,750	800	800	1 930	10,290
1/26/2016	R2035	2/28/2035	8,875	800	800	2 325	10,210
1/26/2016	R2044	1/31/2044	8,750	850	850	2 345	10,335
1/26/2016	R2048	2/28/2048	8,750	700	700	1 575	10,345
2/2/2016	R2035	2/28/2035	8,875	850	850	2 255	9,830
2/2/2016	R2040	1/31/2040	9,000	700	700	1 575	10,010
2/2/2016	R2044	1/31/2044	8,750	800	800	1 405	10,060
2/9/2016	R2023	2/28/2023	7,750	750	750	2 100	9,170
2/9/2016	R2035	2/28/2035	8,875	700	700	2 325	9,930
2/9/2016	R2040	1/31/2040	9,000	900	900	2 675	10,080
2/16/2016	R2023	2/28/2023	7,750	500	500	2 030	8,985
2/16/2016	R213	2/28/2031	7,000	600	600	2 055	9,580
2/16/2016	R2040	1/31/2040	9,000	650	650	2 265	9,900
2/16/2016	R2044	1/31/2044	8,750	600	600	2 185	9,925
2/23/2016	R213	2/28/2031	7,000	500	500	4 250	9,575
2/23/2016	R2035	2/28/2035	8,875	500	500	3 080	9,760
2/23/2016	R2044	1/31/2044	8,750	750	750	4 165	9,900
2/23/2016	R2048	2/28/2048	8,750	600	600	3 240	9,905

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
3/1/2016	R2035	2/28/2035	8,875	650	650	2 580	9,910
3/1/2016	R2044	1/31/2044	8,750	900	900	3 175	10,020
3/1/2016	R2048	2/28/2048	8,750	800	800	2 810	10,020
3/8/2016	R2023	2/28/2023	7,750	650	650	2 095	9,190
3/8/2016	R213	2/28/2031	7,000	800	800	2 085	9,760
3/8/2016	R2044	1/31/2044	8,750	900	900	2 505	10,035
3/15/2016	R2035	2/28/2035	8,875	850	850	3 085	9,780
3/15/2016	R2040	1/31/2040	9,000	700	700	2 055	9,920
3/15/2016	R2044	1/31/2044	8,750	800	800	2 535	9,910
3/22/2016	R2032	3/31/2032	8,250	700	700	1 620	9,770
3/22/2016	R2044	1/31/2044	8,750	850	850	1 295	10,070
3/22/2016	R2048	2/28/2048	8,750	800	800	1 625	10,020

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
03/27/2015	I2025	01/31/2025	2,000	800	165	175	1,740
03/27/2015	I2038	01/31/2038	2,250		20	20	1,685
03/27/2015	I2050	12/31/2050	2,500		65	65	1,850
04/10/2015	I2025	01/31/2025	2,000	800	540	1 855	1,570
04/10/2015	I2038	01/31/2038	2,250		160	240	1,640
04/10/2015	I2050	12/31/2050	2,500		100	300	1,730
04/17/2015	I2038	01/31/2038	2,250	650	200	790	1,520
04/17/2015	I2046	03/31/2046	2,500		85	85	1,670
04/17/2015	I2050	12/31/2050	2,500		365	365	1,710
04/24/2015	I2038	01/31/2038	2,250	650	500	535	1,540
04/24/2015	I2046	03/31/2046	2,500		100	100	1,640
04/24/2015	I2050	12/31/2050	2,500		50	115	1,660
05/08/2015	I2038	01/31/2038	2,250	650	70	70	1,560
05/08/2015	I2046	03/31/2046	2,500		-	-	0,000
05/08/2015	I2050	12/31/2050	2,500		-	20	0,000
05/15/2015	I2025	01/31/2025	2,000	650	330	330	1,380
05/15/2015	I2038	01/31/2038	2,250		155	170	1,625
05/15/2015	I2046	03/31/2046	2,500		35	60	1,700
05/22/2015	I2025	01/31/2025	2,000	650	230	230	1,530
05/22/2015	I2038	01/31/2038	2,250		-	-	0,000
05/22/2015	I2046	03/31/2046	2,500		45	55	1,810
05/29/2015	I2025	01/31/2025	2,000	650	220	530	1,620
05/29/2015	I2038	01/31/2038	2,250		200	210	1,830
05/29/2015	I2046	03/31/2046	2,500		230	330	1,890
06/05/2015	I2025	01/31/2025	2,000	650	225	1 115	1,750
06/05/2015	I2038	01/31/2038	2,250		200	210	1,920
06/05/2015	I2046	03/31/2046	2,500		225	225	2,070
06/12/2015	I2025	01/31/2025	2,000	650	130	770	1,730
06/12/2015	I2038	01/31/2038	2,250		200	505	1,900
06/12/2015	I2046	03/31/2046	2,500		320	765	2,040
06/19/2015	I2025	01/31/2025	2,000	650	130	740	1,670
06/19/2015	I2038	01/31/2038	2,250		100	230	1,910
06/19/2015	I2046	03/31/2046	2,500		420	640	2,040
06/26/2015	I2025	01/31/2025	2,000	650	35	515	1,650
06/26/2015	I2038	01/31/2038	2,250		155	255	1,910
06/26/2015	I2046	03/31/2046	2,500		460	470	2,050
07/03/2015	I2038	01/31/2038	2,250	650	105	245	1,910
07/03/2015	I2046	03/31/2046	2,500		445	575	2,060
07/03/2015	I2050	12/31/2050	2,500		100	100	2,030

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
07/10/2015	I2025	01/31/2025	2,000	650	-	235	0,000
07/10/2015	I2033	03/28/2033	1,875		230	600	1,870
07/10/2015	I2046	03/31/2046	2,500		420	605	2,060
07/17/2015	I2033	03/28/2033	1,875	650	375	655	1,860
07/17/2015	I2046	03/31/2046	2,500		175	735	2,040
07/17/2015	I2050	12/31/2050	2,500		100	420	2,000
07/24/2015	I2033	03/28/2033	1,875	650	400	980	1,865
07/24/2015	I2046	03/31/2046	2,500		250	645	2,010
07/24/2015	I2050	12/31/2050	2,500		-	20	0,000
07/31/2015	I2033	03/28/2033	1,875	650	420	1 040	1,840
07/31/2015	I2046	03/31/2046	2,500		150	930	1,950
07/31/2015	I2050	12/31/2050	2,500		80	110	1,930
08/07/2015	I2033	03/28/2033	1,875	650	360	855	1,800
08/07/2015	I2046	03/31/2046	2,500		195	545	1,905
08/07/2015	I2050	12/31/2050	2,500		95	365	1,905
08/14/2015	I2033	03/28/2033	1,875	650	350	755	1,775
08/14/2015	I2046	03/31/2046	2,500		150	895	1,885
08/14/2015	I2050	12/31/2050	2,500		150	670	1,890
08/21/2015	I2033	03/28/2033	1,875	650	350	1 005	1,740
08/21/2015	I2038	01/31/2038	2,250		200	855	1,790
08/21/2015	I2050	12/31/2050	2,500		100	720	1,890
08/28/2015	I2033	03/28/2033	1,875	650	30	40	1,795
08/28/2015	I2038	01/31/2038	2,250		255	580	1,950
08/28/2015	I2050	12/31/2050	2,500		365	565	2,040
09/04/2015	I2033	03/28/2033	1,875	650	30	30	1,800
09/04/2015	I2038	01/31/2038	2,250		50	50	1,950
09/04/2015	I2050	12/31/2050	2,500		240	240	2,050
09/11/2015	I2033	03/28/2033	1,875	650	-	-	0,000
09/11/2015	I2038	01/31/2038	2,250		300	740	2,010
09/11/2015	I2050	12/31/2050	2,500		350	410	2,080
09/18/2015	I2033	03/28/2033	1,875	650	200	300	1,820
09/18/2015	I2038	01/31/2038	2,250		240	740	1,990
09/18/2015	I2050	12/31/2050	2,500		210	625	2,070
09/25/2015	I2033	03/28/2033	1,875	650	200	250	1,840
09/25/2015	I2038	01/31/2038	2,250		140	461	1,970
09/25/2015	I2050	12/31/2050	2,500		310	490	2,050
10/02/2015	I2033	03/28/2033	1,875	650	100	275	1,900
10/02/2015	I2046	03/31/2046	2,500		180	326	2,050
10/02/2015	I2050	12/31/2050	2,500		370	420	2,100

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
10/09/2015	I2033	03/28/2033	1,875	650	250	620	1,880
10/09/2015	I2046	03/31/2046	2,500		100	495	2,000
10/09/2015	I2050	12/31/2050	2,500		300	425	2,080
10/16/2015	I2025	01/31/2025	2,000	650	125	530	1,670
10/16/2015	I2046	03/31/2046	2,500		210	780	1,940
10/16/2015	I2050	12/31/2050	2,500		315	715	2,020
10/23/2015	I2033	03/28/2033	1,875	650	215	215	1,860
10/23/2015	I2046	03/31/2046	2,500		125	125	1,940
10/23/2015	I2050	12/31/2050	2,500		110	110	2,030
10/30/2015	I2033	03/28/2033	1,875	650	195	360	1,860
10/30/2015	I2046	03/31/2046	2,500		190	330	1,965
10/30/2015	I2050	12/31/2050	2,500		265	435	2,030
11/06/2015	I2033	03/28/2033	1,875	650	185	295	1,825
11/06/2015	I2046	03/31/2046	2,500		165	465	1,940
11/06/2015	I2050	12/31/2050	2,500		300	900	2,040
11/13/2015	I2033	03/28/2033	1,875	650	110	560	1,785
11/13/2015	I2046	03/31/2046	2,500		150	510	1,900
11/13/2015	I2050	12/31/2050	2,500		390	1 595	1,995
11/20/2015	I2033	03/28/2033	1,875	650	30	230	1,740
11/20/2015	I2046	03/31/2046	2,500		15	215	1,850
11/20/2015	I2050	12/31/2050	2,500		605	1 530	1,940
11/27/2015	I2033	03/28/2033	1,875	650	180	280	1,740
11/27/2015	I2046	03/31/2046	2,500		165	265	1,860
11/27/2015	I2050	12/31/2050	2,500		305	305	1,930
12/04/2015	I2033	03/28/2033	1,875	650	35	35	1,730
12/04/2015	I2046	03/31/2046	2,500		205	625	1,850
12/04/2015	I2050	12/31/2050	2,500		410	905	1,910
12/11/2015	I2033	03/28/2033	1,875	650	-	40	0,000
12/11/2015	I2046	03/31/2046	2,500		30	220	2,400
12/11/2015	I2050	12/31/2050	2,500		250	910	2,500
01/08/2016	I2033	03/28/2033	1,875	650	215	330	2,020
01/08/2016	I2046	03/31/2046	2,500		170	355	2,020
01/08/2016	I2050	12/31/2050	2,500		265	985	2,020
01/15/2016	I2033	03/28/2033	1,875	650	300	1 215	1,940
01/15/2016	I2046	03/31/2046	2,500		130	345	1,970
01/15/2016	I2050	12/31/2050	2,500		220	340	1,970
01/22/2016	I2033	03/28/2033	1,875	650	400	475	1,930
01/22/2016	I2046	03/31/2046	2,500		50	230	1,960
01/22/2016	I2050	12/31/2050	2,500		200	200	1,980

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
01/29/2016	I2033	03/28/2033	1,875	650	160	160	1,970
01/29/2016	I2046	03/31/2046	2,500		70	70	2,000
01/29/2016	I2050	12/31/2050	2,500		10	10	1,950
02/05/2016	I2033	03/28/2033	1,875	650	60	70	1,970
02/05/2016	I2046	03/31/2046	2,500		370	370	2,030
02/05/2016	I2050	12/31/2050	2,500		-	10	0,000
02/12/2016	I2025	01/31/2025	2,000	650	70	315	1,910
02/12/2016	I2033	03/28/2033	1,875		250	270	1,980
02/12/2016	I2046	03/31/2046	2,500		330	560	2,020
02/19/2016	I2033	03/28/2033	1,875	650	270	855	1,970
02/19/2016	I2046	03/31/2046	2,500		195	495	2,010
02/19/2016	I2050	12/31/2050	2,500		185	235	2,030
02/26/2016	I2033	03/28/2033	1,875	650	130	595	1,940
02/26/2016	I2046	03/31/2046	2,500		270	470	2,010
02/26/2016	I2050	12/31/2050	2,500		250	425	2,030
03/04/2016	I2033	03/28/2033	1,875	650	185	635	1,940
03/04/2016	I2046	03/31/2046	2,500		150	360	2,000
03/04/2016	I2050	12/31/2050	2,500		315	680	2,050
03/11/2016	I2033	03/28/2033	1,875	650	350	450	1,940
03/11/2016	I2046	03/31/2046	2,500		185	335	2,000
03/11/2016	I2050	12/31/2050	2,500		115	725	2,020
03/18/2016	I2033	03/28/2033	1,875	650	120	465	1,930
03/18/2016	I2046	03/31/2046	2,500		250	300	2,010
03/18/2016	I2050	12/31/2050	2,500		280	390	2,010
07/31/2015	I2033	03/28/2033	1,875	650	420	1 040	1,840
07/31/2015	I2046	03/31/2046	2,500		150	930	1,950
07/31/2015	I2050	12/31/2050	2,500		80	110	1,930
08/07/2015	I2033	03/28/2033	1,875	650	360	855	1,800
08/07/2015	I2046	03/31/2046	2,500		195	545	1,905
08/07/2015	I2050	12/31/2050	2,500		95	365	1,905
08/14/2015	I2033	03/28/2033	1,875	650	350	755	1,775
08/14/2015	I2046	03/31/2046	2,500		150	895	1,885
08/14/2015	I2050	12/31/2050	2,500		150	670	1,890
08/21/2015	I2033	03/28/2033	1,875	650	350	1 005	1,740
08/21/2015	I2038	01/31/2038	2,250		200	855	1,790
08/21/2015	I2050	12/31/2050	2,500		100	720	1,890
08/28/2015	I2033	03/28/2033	1,875	650	30	40	1,795
08/28/2015	I2038	01/31/2038	2,250		255	580	1,950
08/28/2015	I2050	12/31/2050	2,500		365	565	2,040

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
09/04/2015	I2033	03/28/2033	1,875	650	30	30	1,800
09/04/2015	I2038	01/31/2038	2,250		50	50	1,950
09/04/2015	I2050	12/31/2050	2,500		240	240	2,050
09/11/2015	I2033	03/28/2033	1,875	650	-	-	0,000
09/11/2015	I2038	01/31/2038	2,250		300	740	2,010
09/11/2015	I2050	12/31/2050	2,500		350	410	2,080
09/18/2015	I2033	03/28/2033	1,875	650	200	300	1,820
09/18/2015	I2038	01/31/2038	2,250		240	740	1,990
09/18/2015	I2050	12/31/2050	2,500		210	625	2,070
09/25/2015	I2033	03/28/2033	1,875	650	200	250	1,840
09/25/2015	I2038	01/31/2038	2,250		140	461	1,970
09/25/2015	I2050	12/31/2050	2,500		310	490	2,050
10/02/2015	I2033	03/28/2033	1,875	650	100	275	1,900
10/02/2015	I2046	03/31/2046	2,500		180	326	2,050
10/02/2015	I2050	12/31/2050	2,500		370	420	2,100
10/09/2015	I2033	03/28/2033	1,875	650	250	620	1,880
10/09/2015	I2046	03/31/2046	2,500		100	495	2,000
10/09/2015	I2050	12/31/2050	2,500		300	425	2,080
10/16/2015	I2025	01/31/2025	2,000	650	125	530	1,670
10/16/2015	I2046	03/31/2046	2,500		210	780	1,940
10/16/2015	I2050	12/31/2050	2,500		315	715	2,020
10/23/2015	I2033	03/28/2033	1,875	650	215	215	1,860
10/23/2015	I2046	03/31/2046	2,500		125	125	1,940
10/23/2015	I2050	12/31/2050	2,500		110	110	2,030
10/30/2015	I2033	03/28/2033	1,875	650	195	360	1,860
10/30/2015	I2046	03/31/2046	2,500		190	330	1,965
10/30/2015	I2050	12/31/2050	2,500		265	435	2,030
11/06/2015	I2033	03/28/2033	1,875	650	185	295	1,825
11/06/2015	I2046	03/31/2046	2,500		165	465	1,940
11/06/2015	I2050	12/31/2050	2,500		300	900	2,040
11/13/2015	I2033	03/28/2033	1,875	650	110	560	1,785
11/13/2015	I2046	03/31/2046	2,500		150	510	1,900
11/13/2015	I2050	12/31/2050	2,500		390	1 595	1,995
11/20/2015	I2033	03/28/2033	1,875	650	30	230	1,740
11/20/2015	I2046	03/31/2046	2,500		15	215	1,850
11/20/2015	I2050	12/31/2050	2,500		605	1 530	1,940
11/27/2015	I2033	03/28/2033	1,875	650	180	280	1,740
11/27/2015	I2046	03/31/2046	2,500		165	265	1,860
11/27/2015	I2050	12/31/2050	2,500		305	305	1,930

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2015/16

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
12/04/2015	I2033	03/28/2033	1,875	650	35	35	1,730
12/04/2015	I2046	03/31/2046	2,500		205	625	1,850
12/04/2015	I2050	12/31/2050	2,500		410	905	1,910
12/11/2015	I2033	03/28/2033	1,875	650	-	40	0,000
12/11/2015	I2046	03/31/2046	2,500		30	220	2,400
12/11/2015	I2050	12/31/2050	2,500		250	910	2,500
01/08/2016	I2033	03/28/2033	1,875	650	215	330	2,020
01/08/2016	I2046	03/31/2046	2,500		170	355	2,020
01/08/2016	I2050	12/31/2050	2,500		265	985	2,020
01/15/2016	I2033	03/28/2033	1,875	650	300	1 215	1,940
01/15/2016	I2046	03/31/2046	2,500		130	345	1,970
01/15/2016	I2050	12/31/2050	2,500		220	340	1,970
01/22/2016	I2033	03/28/2033	1,875	650	400	475	1,930
01/22/2016	I2046	03/31/2046	2,500		50	230	1,960
01/22/2016	I2050	12/31/2050	2,500		200	200	1,980
01/29/2016	I2033	03/28/2033	1,875	650	160	160	1,970
01/29/2016	I2046	03/31/2046	2,500		70	70	2,000
01/29/2016	I2050	12/31/2050	2,500		10	10	1,950
02/05/2016	I2033	03/28/2033	1,875	650	60	70	1,970
02/05/2016	I2046	03/31/2046	2,500		370	370	2,030
02/05/2016	I2050	12/31/2050	2,500		-	10	0,000
02/12/2016	I2025	01/31/2025	2,000	650	70	315	1,910
02/12/2016	I2033	03/28/2033	1,875		250	270	1,980
02/12/2016	I2046	03/31/2046	2,500		330	560	2,020
02/19/2016	I2033	03/28/2033	1,875	650	270	855	1,970
02/19/2016	I2046	03/31/2046	2,500		195	495	2,010
02/19/2016	I2050	12/31/2050	2,500		185	235	2,030
02/26/2016	I2033	03/28/2033	1,875	650	130	595	1,940
02/26/2016	I2046	03/31/2046	2,500		270	470	2,010
02/26/2016	I2050	12/31/2050	2,500		250	425	2,030
03/04/2016	I2033	03/28/2033	1,875	650	185	635	1,940
03/04/2016	I2046	03/31/2046	2,500		150	360	2,000
03/04/2016	I2050	12/31/2050	2,500		315	680	2,050
03/11/2016	I2033	03/28/2033	1,875	650	350	450	1,940
03/11/2016	I2046	03/31/2046	2,500		185	335	2,000
03/11/2016	I2050	12/31/2050	2,500		115	725	2,020
03/18/2016	I2033	03/28/2033	1,875	650	120	465	1,930
03/18/2016	I2046	03/31/2046	2,500		250	300	2,010
03/18/2016	I2050	12/31/2050	2,500		280	390	2,010

ANNEXURE H: GLOSSARY

Auction	A process in which participants can submit bids to purchase a given amount of a good or service at a specific price.
Bid-to-cover ratio	Bid-to-cover is a ratio used to express the demand for a particular security during auctions. It is computed by the total amount of bids received divided by the total amount of bids accepted.
Bond	A certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest on a specified future date.
Benchmark bond	A bond that provides a standard against which the performance of other bonds can be measured. Government bonds are almost always used as benchmark bonds.
Contingent liabilities	A government obligation that will only result in expenditure upon the occurrence of a specific event such a default by a state-owned company which results in government being called upon to meet the obligation.
Coupon (bond)	The periodic interest payment made to bondholders during the life of a bond. Interest is usually paid twice a year.
DMTN	A Domestic Medium Term Note (DMTN) programme is a debt issuance note programme, registered with a securities exchange, continuously offered to investors through a dealer. Notes and bonds can range between 1 and 30 years in maturity. The DMTN programme allows an issuer to tailor its debt issuance to meet its financing needs over time.
GMTN	A Global Medium-Term Note (GMTN) programme is a debt issuance note programme, registered with international securities exchanges, continuously offered to investors through a trust. Notes and bonds can range between 1 and 30 years in maturity. A GMTN programme allows a company to tailor its debt issuance to meet its financing needs over time.
Liquidity	Ease of converting an asset into cash.
Perpetual bond	A bond with no maturity date.
Primary dealer	A firm that buys government securities directly from a government with the intention of reselling them to others, thus acting as a market maker for the securities.
Primary listing	The main exchange on which a stock is listed.
Provisions	Liabilities for which the payment date or amount is uncertain. The provisions for multilateral institutions are the unpaid portion of government's subscription to these institutions, payable on request.
Government debt	The total amount of money owed by the government as a consequence of its past borrowing.
Refinancing risk	The possibility that a borrower will not be able to refinance by borrowing to repay existing debt.
Secondary market	A market in which an investor purchases a security from another investor rather than from the issuer, subsequent to the original issuance in the primary market. It is also called the aftermarket.
STRATE	Share Transactions Totally Electronic (STRATE) is the authorised central securities depository for electronic settlement of financial instruments in South Africa.

ANNEXURE H: GLOSSARY

Sterilisation deposit	Operations by central banks to mitigate potentially undesired effects (currency appreciation or inflation) of inbound capital. The South African Reserve Bank "sterilises" excess cash created in the money market when purchasing foreign currency.
Switch programme	A liability management exercise where short term debt is exchanged for long term debt. The purpose is to reduce near-term exposure to refinancing risk by exchanging short-term debt for long-term debt.
Tenor	Tenor refers to the amount of time left for the redemption of a bond.
Yield	A financial return or interest paid to buyers of government bonds. The yield takes into account the total of annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.
Yield curve	A graph showing the relationship between the yield on bonds of the same credit quality but different maturity at a given point in time.

ANNEXURE I: ACRONYMS

ACSA	Airports Company of South Africa
AfDB	African Development Bank
ALBI	All Bond Index
ATM	Average term to maturity
ATNS	Air Traffic Navigation Services
B-BBEE	Broad-Based Black Economic Empowerment
BPs	Basis points
Capex	Capital expenditure
CEF	Central Energy Fund
CFI	Cooperative financial institution
CP	Commercial paper
CPD	Corporation for Public Deposits
CPI	Consumer Price Index
CSDP	Central securities depository Participant
DBSA	Development Bank of Southern Africa
DFI	Development finance institution
DMTN	Domestic Medium-Term Note
ECA	Export credit agency
ECB	European Central Bank
ECN	Eskom Corporate Note
EDIH	Electricity Distribution Industry Holdings
EM	Emerging market
Fed	Federal Reserve Bank
Fitch	Fitch Ratings Inc.
FRN	Floating-rate note
FY	Financial year
GDP	Gross Domestic Product
GFIP	Gauteng Freeway Improvement Project
GMTN	Global Medium-Term Note
GFECRA	Gold and Foreign Exchange Contingency Reserve Account
ICASA	Independent Communications Authority of South Africa
IDC	Industrial Development Corporation
ILB	Inflation-linked bond
IMF	International Monetary Fund
IPP	Independent power producer

ANNEXURE I: ACRONYMS

JSE	Johannesburg Stock Exchange
Moody's	Moody's Investors Service
MTBPS	Medium-Term Budget Policy Statement
NDP	National Development Plan
NEC	Nuclear Energy Corporation
NHFC	National Housing Finance Corporation
Non-comp	Non-competitive bond auction
NSFR	Net Stable Funding Ratio
NRF	National Revenue Fund
OECD	Organization for Economic Co-operation and Development
PFMA	Public Finance Management Act
PPA	Power-purchasing agreement
PPP	Public-private partnership
PRASA	Passenger Rail Agency of South Africa
QE	Quantitative easing
R&I	Rating and Investment Information Inc.
REIPP	Renewable energy independent power producer
Repo	Repurchase
RSA	Republic of South Africa
S&P	Standard and Poor's Global Ratings
SA	South Africa
SAA	South African Airways
SABC	South African Broadcasting Corporation
SANRAL	South African National Roads Agency Limited
SAPO	South African Post Office
SARB	South African Reserve Bank
SASRIA	South African Special Risks Insurance Association
SOC	State-owned company
SPV	Special purpose vehicle
Stats SA	Statistics South Africa
STRATE	Share Transactions Totally Electronic
TCTA	Trans-Caledon Tunnel Authority
US	United States
WGBI	World Government Bond Index

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