MEDIA RELEASE

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The Government of the Kingdom of Eswatini issues new R4 billion Protea Bond programme on the JSE

Johannesburg, 21 May 2024: The Government of the Kingdom of Eswatini, through Absa Bank Limited, recently issued a R4 billion bond programme on the Johannesburg Stock Exchange's (JSE) debt board.

This new issuance is the latest bond to list under the "Protea Bonds" segment. Protea bonds are a unique offering that describe ZAR-denominated bond issuances by foreign Governments on the JSE.

The Kingdom of Eswatini's first ZAR 400 million bond under the programme was issued at a yield to maturity of 11.875% per annum and a maturity period of 3 years. The unsecured fixed rate notes programme involves an initial auction which took place on 8 May 2024 and will mature on 8 May 2027. The listing on the JSE will provide investors with a convenient and transparent platform to trade and invest in the Kingdom of Eswatini's Protea Bond. The bond issuance marks an important step in supporting regional African development through the local bond market.

"The listing on the JSE represents a key milestone for the Government of the Kingdom of Eswatini and provides an opportunity for the Kingdom to introduce itself to the international investment community. This programme will help us diversify our funding sources, contribute to regional economic integration initiatives, and raise the necessary capital required for us to meet our infrastructure and developmental needs. Choosing to list in the South African market represents a demonstration of our confidence in the South African markets given our participation in the Common Monetary Area and strong economic links with South Africa," said Finance Minister of the Government of the Kingdom of Eswatini, Neal Rijkenberg.

"Sovereign bonds are an important tool for governments to raise funds for large and critical capital projects such as roads, power stations and hospitals. We are thrilled that the Government of the Kingdom of Eswatini identified the JSE as the capital raising venue of choice, and we believe this issuance will enable the issuer to diversify its debt portfolio and access alternative funding," says Valdene Reddy, Director: Capital Markets at the JSE.

In recent years, other similar bonds have been issued on the bourse, including a Namibian bond programme via Rand Merchant Bank which bolsters this Protea segment at the JSE.

"Previously, we have seen the Republic of Namibia come to the JSE to issue a Protea Bond and we would like to encourage further issuances in this unique segment, particularly from the broader African region to grow the continent's capital markets," concludes Reddy.

The JSE's bond market is the largest and most liquid on the continent, with consistent yield above 20% since 2022. Through the Protea Bonds, the bourse aims to further bolster this position as it continues to expand its product offering.

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The JSE is currently ranked in the Top 20 largest stock exchanges in the world by market capitalization, and is the largest stock exchange in Africa, having been in operation for over 136 years. As a leading global exchange, the JSE co-creates, unlocks value & makes real connections happen. www.jse.co.za

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