

## LIST OF ELIGIBLE COLLATERAL

01 March 2011

The South African Reserve Bank (Bank) accepts the following liquid assets as collateral in its refinancing operations from 1 March 2011.

- Government bonds (Rand denominated)
- Land bank bills
- Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- South African Reserve Bank debentures
- Treasury bills

The Bank will apply the following haircut ratios when the eligible assets are valued:

Haircut	Maturities (years)		
	0-1	1-10	More than 10
	1.010	1.025	1.035

### DESCRIPTIONS

- **Government bonds** are fixed-interest bearing securities issued by the central government under the Public Finance Management Act (No. 1 of 1999) and constitute evidence of debt of the Republic of South Africa and therefore represent a charge on the revenues and assets of the Republic.
- **Land Bank bills** are issued at a discount to their face value by the Land Bank under the Land Bank Act, (No. 13 of 1944), and represent a liability of the Land Bank.
- **SARB debentures** are issued by the SARB in terms of the South African Reserve Bank Act no 90 of 1989 for liquidity management purposes. The yield on debentures is calculated on an interest add-on basis and subsequently the maturity value includes interest. The SARB has the discretion to change the maturities, offer amounts or redeem the debentures prior to maturity.
- **Separate Trading of Registered Interest and Principal of Securities (STRIPS)**, issued in terms of the Public Finance Management Act, No. 1 of 1999. The Act provides the Minister of Finance with the authority to borrow money and to convert such loans into any loan with the concurrence of the lender. These strips trade as zero-coupon instruments.
- **Treasury bills** are short-term debt obligations of the central government and represent a charge on the revenues and assets of the Republic of South Africa. The issuing of Treasury bills is governed by the Public Finance Management Act (No. 1 of 1999). Treasury bills are issued at a discount to their face value. The amounts on offer and maturities of Treasury bills are determined by the National Treasury and can be changed at their discretion from time – to-time.