

**SAFA's Funding Requirement for APRIL 2020**

In line with SAFA's March announcement, SAFA did not access term markets during the month.

**Select Line Fixed and Floating Rate Outstandings as at  
31 March 2020**

<b>Coupon</b>	<b>Maturity</b>	<b>Outstandings \$'m</b>	<b>Change \$'m</b>
<b>5.00%</b>	20 May 2021	2,044.500	Nil
<b>1.50%</b>	22 September 2022	2,000.000	Nil
<b>4.25%</b>	20 November 2023	1,520.000	Nil
<b>2.25%</b>	15 August 2024	2,000.000	Nil
<b>2.75%</b>	16 April 2025	1,250.000	Nil
<b>3.00%</b>	20 July 2026	2,250.000	Nil
<b>3.00%</b>	20 September 2027	1,500.000	Nil
<b>3.00%</b>	24 May 2028	2,000.000	Nil
<b>2.75%</b>	24 May 2030	1,750.000	Nil
<b>1.75%</b>	24 May 2032	1,000.000	Nil
<b>Total</b>		<b>17,314.500</b>	<b>Nil</b>

**PLEASE SEE THE FOLLOWING PAGE FOR SAFA's APRIL FUNDING INTENTIONS**

## **Issuance Intentions**

Following SAFA's March 6 announcement where SAFA revealed that due to current market conditions it was looking to have some flexibility in the timing and methods of when and how it would access markets (including pre-funding), SAFA is announcing a mandate for an Open Tap of its existing Even Year Select Lines for an aggregate total of up to \$1.5 billion. The lines which will be included within the execution process are:

- 1) 1.50% Select Line due 22 September 2022
- 2) 2.25% Select Line due 15 August 2024
- 3) 3.00% Select Line due 20 July 2026
- 4) 3.00% Select Line due 24 May 2028
- 5) 2.75% Select Line due 24 May 2030
- 6) 1.75% Select Line due 24 May 2032

CBA, Citi, NAB and UBS are acting as Joint Lead Managers (JLMs) on the transaction.

SAFA, in consultation with the JLMs, may open all or a subset of the even year Select Lines.

Based on the execution timeline detailed below, the Open Tap may be completed in one or multiple re-openings, subject to market conditions.

## **Budget and Funding**

SAFA's 2019-20 revised funding program was released in December 2019. At that time it was determined that SAFA required \$3 billion of term debt. To date SAFA has raised \$2.5 billion of this amount. SAFA has not revised its 2019-20 program further, however is aware of schemes announced by the Federal and State Governments to deal with the effects of the bushfire and the emergency responses to the impacts from COVID-19. The Federal Government has announced a delay in its 2020-21 budget to October 6, with SA also postponing its budget although a date has yet to be finalised. SAFA is unsure if an updated funding program will be released prior to the 2020-21 budget, however will continue to update markets as and when information becomes publically available. To date, SAFA is aware of a Federal scheme for bushfires <https://www.bushfirerecovery.gov.au/>, and two state based announcements regarding COVID-19 for industry, business and personal assistance to a total of \$1 billion, details of which can be found here: <https://business.sa.gov.au/COVID-19-business-information-and-support/Economic-response-package>. SAFA is not aware as yet of the timing or budget impact of these announcements, however is aware that some of the assistance will be co-funded, and across forward estimates.

## **Communication**

SAFA has considered how to best communicate with banks and investors in the most transparent way regarding its funding intentions and requirement to access markets. SAFA considers that the regular monthly issuance intentions remains our best communication method, and our approach to markets remains unchanged, although noting that we are building flexibility into our program regarding timing, methodologies and pre-funding.

## **Execution Process**

- SAFA's current intention is that it will announce the launch of its Open Tap as soon as possible following the RBA buyback announcement has been made for a given day for an intraday execution process, noting it will not be opening its tap on a day the RBA announces it is active in the semi-government market
- For each select line included within the Open Tap, Price Guidance versus the appropriate futures contract (either 3-year or 10-year) will be revealed at launch, and orders will be accepted in that range. Any allocations will be solely at SAFA's discretion regarding both price and volume in line with SAFA's allocation strategy
- Consistent with SAFA's approach to markets, orders will be accepted into the orderbook(s) on an outright or EFP basis only and any switches should be negotiated bilaterally outside of the transaction with one of the JLMs or any of SAFA's dealer panel banks or other market participant
- Should on the day of launch the transaction not be allocated to the maximum aggregate volume stated above, SAFA (in consultation with the JLMs) will have the option to re-open the Open Tap of its existing even year Select Lines on a future date of its discretion until such time as its maximum stated aggregate volume requirement of the Open Tap has been fulfilled.

## **Contact**

Please direct any enquiries regarding this proposed transactions to SAFA or one of the JLMs.

### SAFA's Short Term Outstandings:

	Currency	Outstandings \$'m	Change \$'m
<b>PN</b>	AUD	2,200	+575
<b>ECP</b>	AUD	Nil	Nil
<b>ECP</b>	USD	100	Nil
<b>ECP</b>	EUR	Nil	Nil
<b>AONIA FRN</b>	AUD	1,270	+520

(Indicative AUD \$3,090m vs \$2,000m target)

### SAFA Turnover (raw data; excludes primary issuance, repo/stock borrowing)

	Turnover \$'m	Investor %	Outstandings \$'m
<b>2020 - February*</b>	<b>494</b>	<b>68%</b>	<b>17,315</b>
<b>2020 - January</b>	<b>1,627</b>	<b>66%</b>	<b>18,315</b>
<b>2019 - Actual</b>	15,399	76%	18,315
<b>2018 - Actual</b>	11,081	72%	18,065
<b>2017 - Actual</b>	13,381	67%	16,315
<b>2016 - Actual</b>	8,560	69%	15,561
<b>2015 - Actual</b>	9,341	43%	15,218
<b>2014 - Actual</b>	19,222	53%	15,518
<b>2013 - Actual</b>	14,166		12,312
<b>2012 - Actual</b>	19,909		11,456
<b>2011 - Actual</b>	24,365		9,214
<b>2010 - Actual</b>	18,143		7,589

\*Data set for February incomplete at this stage

*For enquiries please contact:*

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*1 April 2020*