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**Total Events Investigated**

**34**

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- Additional revenue raised to meet expenses

### Tax Reforms



- Structural changes to government spending to reduce expenditure to balance its accounts

### Fiscal Reforms



- Reduction in public expenditure (e.g. State Benefit Reductions)

### Austerity



- Central bank intervention to increase interest rates

### Interest Rate Increase



- A change in central bank policy to forgo an inflation target to potentially reduce the impact of future fixed rate commitments on local debt

### Increasing Inflation



- Purposeful devaluation of currency to increase exports or to stimulate growth

### Currency Devaluation



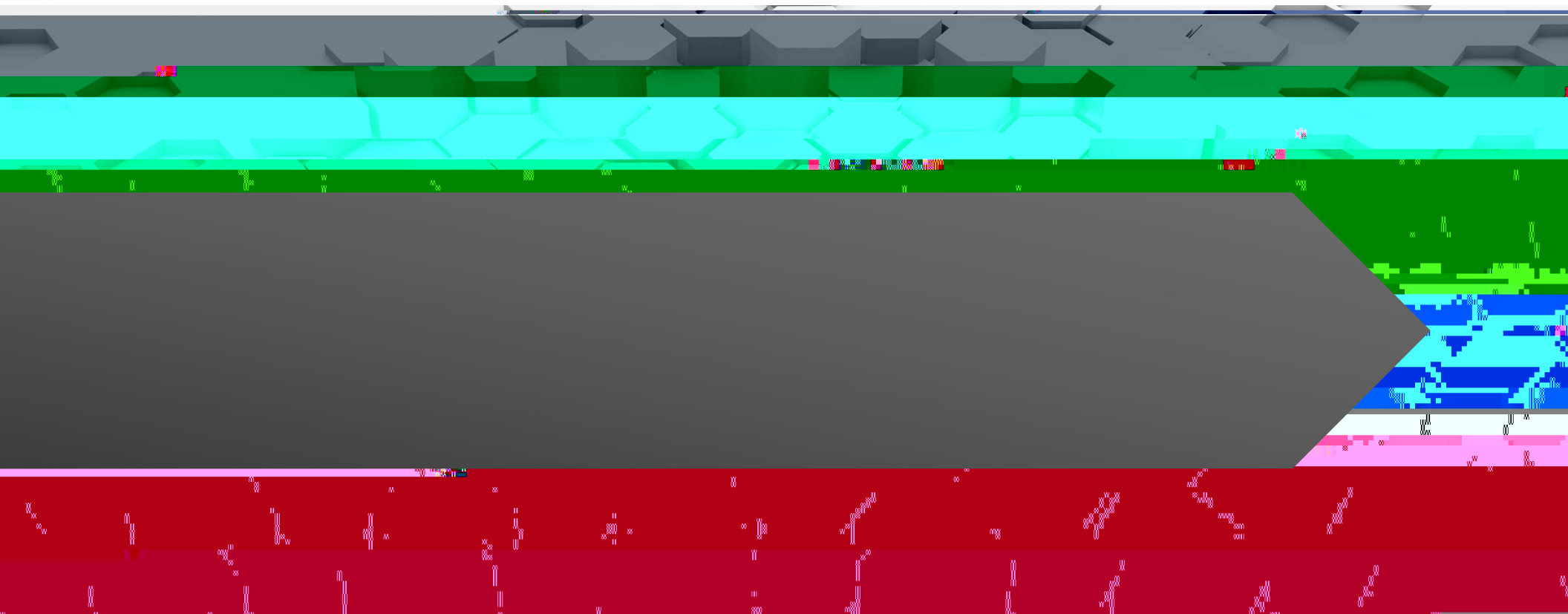
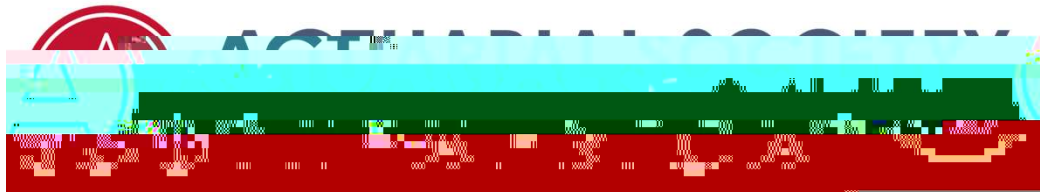
- Cash and investment withdrawal

“ firm is





















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| Solvency Position | Liquidity Risk |    |
|-------------------|----------------|----|
|                   | Yes            | No |
| Yes               |                |    |
| No                |                |    |

**Sovereign bonds are a core component of**

**Sovereign exposure is managed within certain limits but the**

**As government is no threat to solvency position- the threat emerges in the event of default**

**No credit risk to SA Government sovereign**

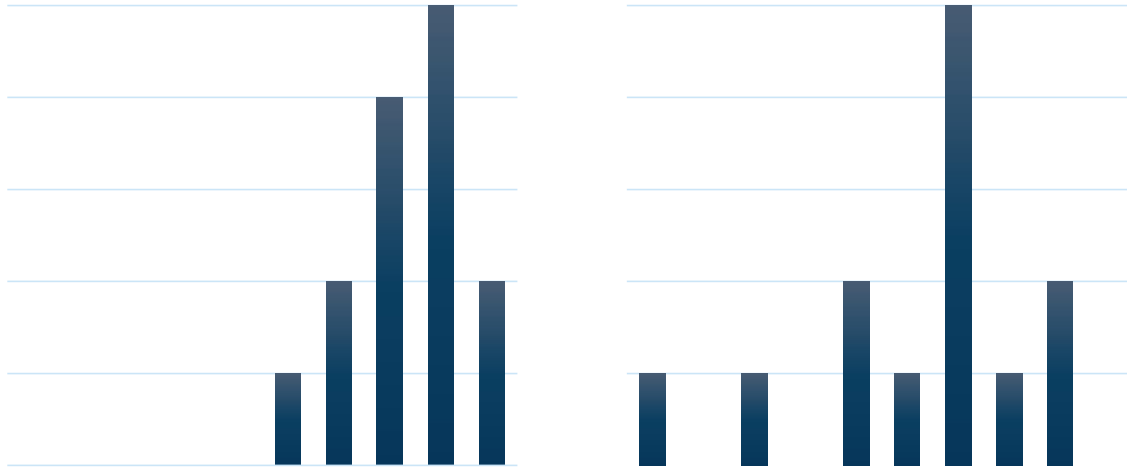
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| Year | Revenue | Operating Expenses | Operating Result | Financial Result | Equity |
|------|---------|--------------------|------------------|------------------|--------|
| 2016 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2017 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2018 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2019 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2020 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2021 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2022 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2023 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2024 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2025 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2026 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2027 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2028 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2029 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2030 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2031 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2032 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2033 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2034 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2035 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2036 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2037 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2038 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2039 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2040 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2041 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2042 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2043 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2044 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2045 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2046 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2047 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2048 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2049 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |
| 2050 | 12.8    | 12.8               | 0.0              | 0.0              | 12.8   |

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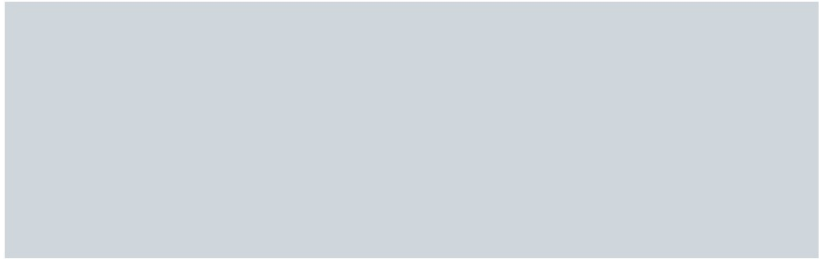
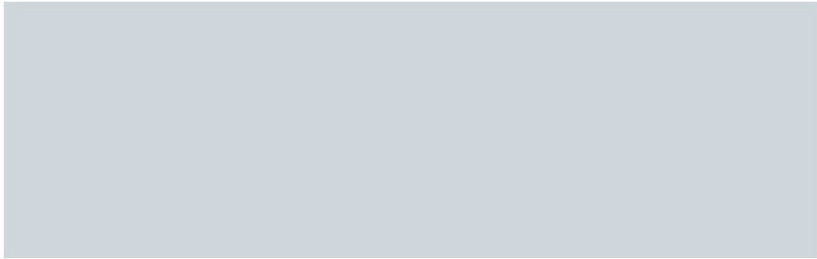
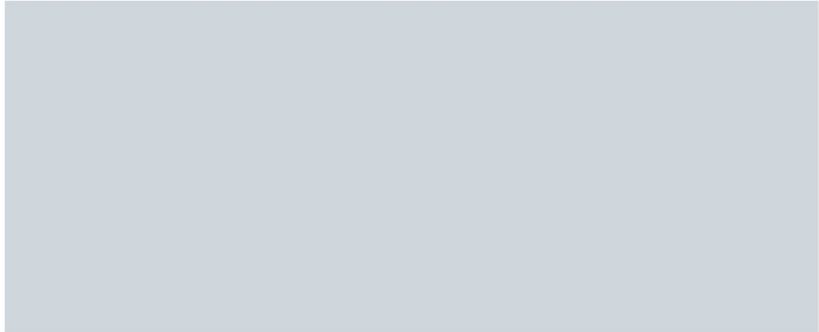
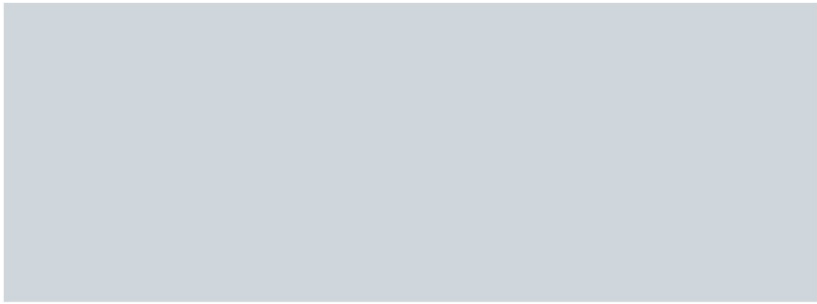








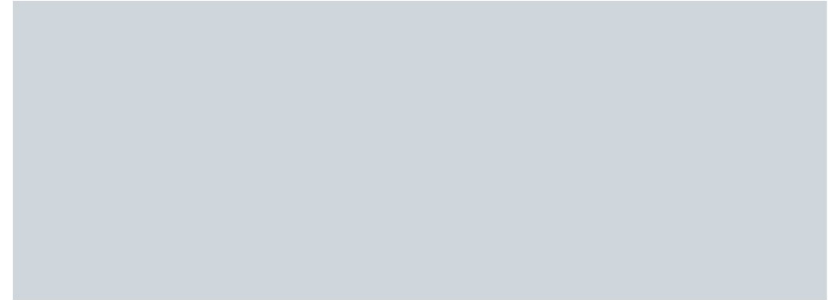






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**The impact of sovereign stress on bank behaviour is mainly in two folds:**







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