

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

6 FINANCING STRUCTURE AND COMMITMENTS

6.1 Borrowings

Borrowings are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 7.1.

Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised to the extent that it is probable that some or all of the facility will be drawn down. When the draw down is made, the transaction costs are amortised to profit or loss using the effective interest method. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Details of the Group's significant unsecured borrowings are provided below:

	2015 Rm	2014 Rm	Denomi- nated currency	Nominal interest (%)*	Interest payment	Final maturity
Unsecured						
MTN Holdings Proprietary Limited	15 829	13 139				
	4 517	4 506	ZAR ^{1,2}	7,9	Quarterly	February 2016
	3 105	–	ZAR ^{1,2}	7,9	Semi-annual	December 2017
	2 268	2 767	ZAR ^{2,3}	8,0	Quarterly	June 2016
	1 309	2 618	ZAR ^{4,5}	10,1	Semi-annual	July 2017
	1 996	1 994	ZAR ^{2,6}	7,7	Quarterly	May 2017
	–	1 003	ZAR ^{2,3}	7,1	–	Loan repaid during the year
	2 634	251	ZAR ^{5,7}	7,2	Monthly	January 2016
MTN Nigeria Communications Limited	26 153	24 673				
	19 474	17 697	NGN ^{1,2}	18,8	Annual	November 2019
	3 026	2 904	US\$ ^{1,2}	3,7	Semi-annual	April 2019
	2 540	1 351	US\$ ^{2,5,8}	1,7	Semi-annual	August 2019
	–	1 009	US\$ ^{5,8}	1,7	–	Loan repaid during the year
	1 113	915	US\$ ^{2,9}	3,9	Semi-annual	December 2019
	–	381	US\$ ^{5,8}	1,4	–	Loan repaid during the year
	–	291	US\$ ^{5,8}	3,3	–	Loan repaid during the year
	–	65	US\$ ^{2,8}	1,1	–	Loan repaid during the year
	–	60	US\$ ^{2,8}	3,0	–	Loan repaid during the year
MTN International Mauritius Limited	10 364	–	US\$ ^{2,3}	1,4	Quarterly	November 2019
MTN (Mauritius) Investments Limited	11 633	8 686	US\$ ^{5,10}	4,8	Semi-annual	November 2024

¹ Syndicated term loan facility

² Variable interest rate

³ Revolving credit facility

⁴ Domestic medium-term notes

⁵ Fixed interest rate

⁶ Bilateral term loan facility

⁷ General bank facility

⁸ Export credit facility

⁹ Vendor finance facility

¹⁰ Senior unsecured notes

¹¹ Bank borrowings

¹² Bridge finance

* Contractual interest rates on loans as at 31 December 2015.

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

	2015 Rm	2014 Rm	Denomi- nated currency	Nominal interest (%)*	Interest payment	Final maturity
MTN Zambia Limited	1 251	1 362				
	723	688	US\$ ^{2,11}	3,9	Semi-annual	June 2019
	528	674	ZMK ^{1,2}	21,5	Semi-annual	January 2016
Spacetel Benin SA	1 075	945				
	753	664	XOF ^{1,5}	7,3	Semi-annual	May 2020
	322	281	XOF ^{5,6}	7,5	Semi-annual	September 2019
MTN Côte d'Ivoire S.A.	2 838	745				
	–	426	XOF ^{5,11}	3,9	–	Loan repaid during the year
	–	319	XOF ^{5,11}	4,0	–	Loan repaid during the year
	502	–	XOF ^{5,6}	4,0	Quarterly	January 2016
	377	–	XOF ^{5,11}	4,0	Semi-annual	April 2016
	75	–	XOF ^{5,11}	6,0	Quarterly	February 2016
	1 884	–	XOF ^{5,12}	5,0	Bi-monthly	February 2016
MTN Cyprus Limited	1 092	254				
	830	1	EUR ^{2,6}	5,5	Semi-annual	September 2020
	262	253	EUR ^{2,6}	5,6	Quarterly	October 2020
Mobile Telephone Networks Cameroon Limited	769	134	XAF ^{1,5}	4,3	Semi-annual	September 2020
Other unsecured borrowings	501	550				
Total unsecured borrowings	71 505	50 488				

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Notes to the Group financial statements *continued*

for the year ended 31 December 2015

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

Details of the Group's significant secured borrowings are provided below:

	2015 Rm	2014 Rm	Denomi- nated currency	Nominal interest (%)*	Interest payment	Final maturity	Security/ collateral
Secured							
MTN Sudan Company Limited	2 435	1 933					
	1 216	817	EUR ^{2,9}	6,0	Quarterly	June 2020	Pledge of network and capital work-in- progress assets
	714	506	US\$ ^{2,5,9}	10,0	Quarterly	September 2017	Pledge of network and capital work-in- progress assets
	505	588	EUR ^{2,9}	3,5	Semi-annual	December 2019	Pledge of network and capital work-in- progress assets
	–	22	US\$ ^{5,11}	10,0	–	Loan repaid during the year	Deposit equivalent to 140% of the loan
MTN Afghanistan Limited	–	138					
	–	32	US\$ ^{2,6}	5,5	–	Loan repaid during the year	Pledge of shares
	–	106	US\$ ^{2,6}	5,5	–	Loan repaid during the year	Pledge of shares
Scancom Limited (MTN Ghana)	1 175	646					
	826	211	GHS ^{1,2}	25,5	Semi-annual	May 2017	Floating charge on Company assets
	349	435	US\$ ^{1,2}	3,5	Semi-annual	May 2017	Floating charge on Company assets
Other secured borrowings	18	48					
Total secured borrowings	3 628	2 765					
Total unsecured borrowings	71 505	50 488					
Total borrowings	75 133	53 253					

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⁵ Fixed interest rate

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¹⁰ Senior unsecured notes

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⁷ General bank facility

¹¹ Bank borrowings

⁴ Domestic medium-term notes

⁸ Export credit facility

¹² Bridge finance

* Contractual interest rates on loans as at 31 December 2015.

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

	2015 Rm	2014 Rm
The classification of the Group's borrowings is as follows:		
Current	22 472	13 783
Non-current	52 661	39 470
	75 133	53 253
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
Nigerian naira	19 474	17 697
United States dollar	30 462	17 722
South African rand	15 829	13 139
Euro	2 813	1 659
Benin Communauté Financière Africaine franc	1 075	945
Côte d'Ivoire Communauté Financière Africaine franc	2 838	745
Zambian kwacha	528	674
Congo-Brazzaville Communauté Financière Africaine franc	175	306
Cameroon Communauté Financière Africaine franc	769	134
Other currencies	1 170	232
	75 133	53 253
The Group has the following undrawn committed facilities:		
Floating rate	19 043	25 282
Fixed rate	9 560	7 561
	28 603	32 843

6.1.1 Events after reporting period

Facilities

During January and February 2016, additional loan facilities amounting to R14,9 billion were obtained by MTN Holdings. These facilities are expected to mature in the next five years.

Additionally, facilities amounting to R2,6 billion have been refinanced for a further period of three to six months.

During January 2016, a loan amounting to R481 million payable by MTN Zambia Limited was refinanced for a further three months.

6.2 Other non-current liabilities

Finance leases are accounted for in accordance with the accounting policy disclosed in note 6.6, deferred income is accounted for in accordance with the policy disclosed in note 2.2 and other liabilities are accounted for in accordance with the accounting policy disclosed in note 7.1.

	2015 Rm	2014 Rm
Finance lease obligations (note 6.6)	711	696
Deferred income	527	542
Licence renewal liability	495	–
Other	451	347
	2 184	1 585