



National Treasury

NATIONAL TREASURY LAUNCHES AN INVESTMENT WHICH OFFERS GUARANTEED-RETURNS TO THE PUBLIC

The National Treasury launches the new RSA Government Retail Bond today, 14 May 2004.

The RSA Retail Bond is a no cost, safe, secure and risk free investment for ordinary South Africans, which offer Bond Market returns directly to the public.

Government's primary objectives for issuing the RSA Retail Bond are to:

- Diversify the financial instruments on offer to the market by the government;
- Target a different source of funding for the government; and
- Create an awareness of the importance to save amongst the public.

Returns in the government bond market have outperformed the rest of the market for the past 10 years. With the addition of the RSA Retail Bond to the National Treasury's already diversified portfolio of financial instruments on offer, ordinary RSA citizens now have the opportunity to benefit from similar returns.

The interest rates on the RSA Retail bond will be priced off the government bond yield curve. The prevailing interest rate of the retail bond will be fixed from the date of purchase until maturity. If rates move more than fifty basis points during a month, new rates will be determined for the following month. The new rates will be published on the RSA Retail Bond website, National Treasury website, at Post Offices countrywide and in the newspapers. The public can buy a two-year, three-year or five-year maturity retail bond. They can also make a combination of these three bonds with a minimum of R1000 per bond.

The first RSA Retail Bond will be issued on 24 May 2004. Members of the public can buy an RSA Retail Bond at one of the following places:

- Online on the RSA Retail Bond website at www.rsaretailbonds.gov.za;
- By posting an application form directly to the National Treasury addressed to: The Head: Asset and Liability Management Division, National Treasury, Private Bag x115, Pretoria, 0001; and
- At any Post Office.

Payments are made through four major South African banks

Only South African citizens or permanent residents over the age of 18 are allowed to purchase the bond and the following is needed when purchasing it:

- A valid South Africa ID book (driver's licenses and passports are not acceptable);
- Your personal bank account details;
- An amount of not less than R1000 and no more than R1m; and
- A duly completed application form.

The National Treasury hopes the RSA Retail Bond will encourage a new generation of South African savers.

The RSA Retail Bond is the smart way to save

1. The website address of the RSA Retail Bond is www.rsaretailbonds.gov.za.
2. The RSA Retail Bond help line is (012) 315 5888.

For details on the Retail Bond please contact the helpline.

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