



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

Over R10 billion invested in RSA Retail Savings Bonds

The National Treasury launched the RSA Retail Savings Bonds in 2004 to encourage more South Africans to save by providing accessible, safe, no-fee savings products. The bonds have proven to be highly successful, with over R4.3 billion invested since April 2010. In November 2010, National Treasury recorded R916 million worth of investments, the highest ever in a single month.

This brings the total amount invested in these products since their launch to R10.9 billion, with over 36 000 active investors and over 70 000 active investments.

The bonds are intended to support government's savings initiative and encourage a longer-term savings outlook among South Africans. Savings rates in South Africa are relatively low, leaving households vulnerable to unplanned events and emergencies. The bonds are part of an overall campaign to educate and encourage people to manage their finances. They are an affordable investment product, offering competitive returns, and are backed by government.

The bonds also represent a diversification of government's funding instruments on offer, providing government with a retail source of funding. Based on their performance, National Treasury is optimistic that investments in the Retail Bonds will be able to fund between 5% and 10% of the country's total borrowing requirements within the next two years. A target of between R4 billion and R5 billion in investments per year is being aimed for.

Find out more about the bonds at www.rsaretailbonds.gov.za. See the attached annexure for details on the performance of the bonds. For further information contact Kershia Singh on 012 315 5819 / 072 623 4608.

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Annexure A

Applicable rates for January 2011 on the fixed rate RSA Retail Savings Bonds:

2 year investment – 7.50%

3 year investment – 7.75%

5 year investment – 8.00%

Applicable rates for 1 December 2010 – 31 May 2011 on the inflation-linked RSA Retail Savings Bonds:

3 year – 2.25%

5 year – 2.50%

10 year – 3.00%

Average per investor – R241 000

Investments through various distribution channels (as at 31 December 2010):

National Treasury	4.97%
Website	20.05%
Post Office	50.48%
Pick n' Pay	1.82%
Roll Overs	4.28%
Restarts	2.92%
Telephonic	15.48%

The age breakdown of investors:

- 30.04% are over 70 years
- 26.39% are between 60 – 69 years
- 13.16% are between 50 – 59 years
- 10.73% are between 40 – 49 years
- 10.30% are between 30 – 39 years
- 5.98% are between 20 – 29 years
- 3.36% are younger than 20 years