



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

THE REPUBLIC OF SOUTH AFRICA TRADES INAUGURAL RAND-DENOMINATED SUKUK SENIOR UNSECURED SHARI'AH TRUST CERTIFICATES IN THE DOMESTIC CAPITAL MARKETS

The National Treasury of the Republic of South Africa is pleased to announce the successful launch of the first sovereign Rand-denominated Al-Ijarah Sukuk on the African continent through The RSA Domestic Sukuk Trustee (RF) Proprietary Limited, as trustee of The RSA Domestic Sukuk Trust, a landmark transaction totaling ZAR20.386 billion.

The Senior Unsecured *Shari'ah* Trust Certificates, introduced in the domestic capital markets, comprise four tranches with varying maturities and will be listed on the Interest Rate Market of the exchange operated by the Johannesburg Stock Exchange Limited (JSE). This significant achievement was realised with an efficient intra-day execution.

The *Shari'ah* Trust Certificates to be issued on Wednesday, 29 November 2023 consist of:

Stock code	RS2029	RS2031	RS2034	RS2036
Tenor	5.3-year	7.3-year	10.3-year	12.3-year
Total Bids Received (ZAR'm)	13 929	16 146	3 175	2 267
Volume Allocated (ZAR'm)	7 490	8 866	2 479	1 551
Fixed Profit Rate	9.87%	10.64%	11.58%	11.90%

The transaction was 1.74 times over-subscribed with investor demand from a diverse investor base including South African banks, large Islamic funds and Islamic banks attracting 13 unique bidders who bid in the auction.

This transaction marks a significant milestone in the Government's funding strategy. This strategic development, first outlined in the 2021 budget, represents the culmination of nearly two years of dedicated effort. The launch of the Sukuk is a key step in broadening RSA's investor base and enhancing our funding strategy which has been traditionally reliant on Fixed Rate Bonds (FRB), Inflation Linked Bonds (ILB) and Floating Rate Notes (FRN).

This initiative is a testament to the depth and liquidity of South Africa's domestic capital markets, demonstrating National Treasury's constitutional mandate and ongoing commitment to financial innovation and market expansion.

The National Treasury mandated Rand Merchant Bank, a division of FirstRand Bank Limited, BNP Paribas S.A (Consortium), acting through its Bahrain Conventional Wholesale Bank Branch and The Standard Bank of South Africa Limited as Joint Lead Managers. The

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Tirelo ya Matlotlo a Bosetshahaba • Tshebeletso ya Matlotlo a Naha • UMnyango weziMali • Isebe leNgxowa Mali yeLizwe



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appointment included each bank's B-BBEE partners, THEZA Capital and Africa Rising Capital, respectively.

The RSA Domestic Sukuk Trustee (RF) Proprietary Limited (as trustee of The RSA Domestic Sukuk Trust) Incorporated in the Republic of South Africa
Registration number: 2023/671880/07
Issuer code: ZA126120
("Trustee")

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