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:

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

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.
MEDIA STATEMENT

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”)

For enquiries email media@treasury.gov.za

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