OCTOBER 2025

Inflation Linked RSA Retail Savings BONDS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

RSA
RETAIL SAVINGS
BONDS
It's the smart way to save!

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www.rsaretailbonds.gov.za | **Helpline:** +27 12 315 5888

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Please note that this booklet only provides a basic introduction to the Inflation Linked RSA Retail Savings Bond Series. We recommend that you contact the National Treasury should you require more detailed information.

Tel: (012) 315 5888
eMail: queries@rsaretailbonds.gov.za

Inflation Linked RSA Retail Savings Bonds are the safest way to ensure you keep up with the rising cost of living. The capital you invest in Inflation Linked RSA Retail Savings Bonds will be adjusted for inflation every 6 months over the various terms. Your investment will also earn additional interest at a fixed coupon rate.

1 WHY CHOOSE THIS PRODUCT?

- Inflation protection for investors
- Safe - no risk
- Backed by Government
- Affordable
- Convenient

2 OTHER FEATURES OF INFLATION LINKED RSA RETAIL SAVINGS BONDS

- Non-transferable
- Non-tradable
- No monthly interest payments
- No capitalisation of interest payments received

3 WHO CAN INVEST?

Any person with a valid South African identity number and a bank account at a South African bank can invest in the RSA Retail Savings Bonds. If a minor (a person younger than eighteen years of age) applies for an investment, the application form must be countersigned by a parent or legal guardian.

Minimum purchase:	ZAR 1 000.00 (one thousand rand)
Investment terms:	3 years 5 years 10 years
Interest payment dates:	31 May and 30 November

4 HOW THIS BOND WORKS

Inflation Linked RSA Retail Savings Bonds give you the peace of mind of knowing that the value of your savings will stay ahead of rising costs

Your investment in these bonds will increase in value every six months in line with inflation (being the general increase in prices as measured by the Consumer Price Index announced by Statistics South Africa). This process is known as index linking. In addition to this inflation adjustment on the amount invested, you will also earn further interest on your investment, payable on specific interest payment dates. The investment will earn interest at a six monthly fixed real interest rate (this is the difference between the nominal interest rate and CPI rate). This rate is derived from government's inflation linked bonds yield curve, as traded on the JSE (Johannesburg Stock Exchange) and calculated separately by the National Treasury for the various terms.

The combination of index-linking and a fixed interest earned on Inflation Linked RSA Retail Savings Bonds means that your savings are guaranteed to grow ahead of the rate of inflation.

5 HOW ARE INTEREST PAYMENTS CALCULATED?

The Inflation Linked RSA Retail Savings Bonds offer inflation protection (growth) on capital invested until maturity and a real fixed interest rate, payable semi-annually, on the inflation adjusted capital.

Once you invest, you will receive your BASE- Consumer Price Index (CPI), this is the reference CPI, as determined by Statistics South Africa and calculated on the day you invest. Your capital will be adjusted upwards by multiplying your capital amount by the reference CPI on calculation date, which is the interest payment date (either May or November) and dividing it by your BASE-CPI. To calculate

your interest payable, the inflation adjusted amount/ capital, is then multiplied by the applicable or prevailing fixed interest rate, as determined on the last day prior to the next interest payment period. This is then divided by 2 (two) as interest is payable semi-annually. The interest, as calculated, will be paid on the interest payment date directly into your bank account.

Past figures are used for a working explanation of interest calculation and inflation adjustments. In the CPI/Index table below, the interest payment months of May 31 and November 30 are marked in red.

2009		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Index	103.1	104.3	105.7	106.2	106.6	107	108.2	108.5	108.9	108.9	108.9	109.2
CPI Headline	Rate	8.10	8.60	8.50	8.40	8.00	6.90	6.70	6.40	6.10	5.90	5.80	6.30
Fixed Rate	3 Year ILB*	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Fixed Rate	5 Year ILB*	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Fixed Rate	10 Year ILB*	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75	3.00
2010	Index	109.5	110.2	111.1	111.3	111.5	111.5	112.2	112.3	112.4	112.6	112.8	113.0
CPI Headline	Rate	6.20	5.70	5.10	4.80	4.60	4.20	3.70	3.50	3.20	3.40	3.60	3.5
Fixed Rate	3 Year ILB*	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00
Fixed Rate	5 Year ILB*	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25
Fixed Rate	10 Year ILB*	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.75

Based on the above table, if you had invested R10, 000.00 in December 2009 in a 5-year inflation linked RSA Retail Savings Bond, your BASE - CPI would have been 109.2. On 31 May 2010, when the reference CPI of the day (reference CPI data of 4-months and 3 months back is used to interpolate the reference CPI as on 31 May 2010. Refer to the Terms and Conditions for the formula) was 110.2, your capital adjustment will be:

1. 110.2/109.2 x R10, 000.00 = R10,091.58* [Adjusted Inflation Capital amount]
2. R10, 091.58 x 2.5%/2 = R126.14
   *[the inflation capital adjustment will always be calculated on the original capital amount- in this example R10,000.00- as the reference CPI in future dates will already incorporate the capitalization of all inflation adjustments]

After each capital adjustment [adjustment for inflation] a fixed rate is calculated. A different fixed interest rate may apply to each maturity period – i.e. the three-, five- and ten-year bonds will have a different fixed interest rate.
Please note that both the CPI rate and the Fixed interest rates could and may change semi-annually for new investments. The most recent interest rates will be available on the RSA Retail Savings Bonds website *(www.rsaretailbonds.gov.za).*

- The important thing to remember with the Inflation Linked RSA Retail Savings Bonds, is that your investment is protected against inflation and will always outperform inflation by the fixed interest rate. Investors consider inflation-linked bonds when the expectations for rising inflation is high.
- Tax shall be paid in the tax year, as and when interest is payable, to the capital investment. Capital gains tax is not applicable to the Inflation Linked RSA Retail Savings Bonds. For the Inflation Linked Bonds, all interest earned, (the Capital adjustment and interest payable), will be treated as normal interest for South African tax purposes.
- Inflation Linked RSA Retail Savings Bonds are well suited for saving over longer terms such as saving for retirement, saving for a child's education, or similar.

6 HOW DO I GET STARTED?

You will need:

- A certified valid South African identity document not older than 3 months (front and back must be copied and certified for a smart ID card)
- Driver's licence or passport will not be accepted
- A bank stamped copy of your personal banking details not older than 3 months
- Proof of address not older than 3 months
- A completed application form, except if applications are done by telephone or online
- An amount of not less than R1,000.00

If you are under 18 years of age; you will also need:

- Should you not have a valid Identity Document, a certified birth certificate
- Your parent or guardian's certified Identity document
- Your parent or legal guardian's signature on the application form, or
- Your marriage certificate, or
- Proof that you have been granted majority status in terms of the Children's Act (Act No 38 of 2005)

7 BANK DETAILS FOR MINORS

Parents/ guardians are allowed to use their bank details on their children's investments when the investment is in the minor's name. The bank details will have to change when the minor reaches majority status

8 HOW DO I INVEST?

Online Application (Only applicable to persons 18 years and older)

- Visit website on https://secure.rsaretailbonds.gov.za and click register
- It will ask you if you are an existing investor, you will click 'no'

- Complete the online application form and Upload the supporting documents (as stated in section 5) and submit
- Within a few minutes you will receive an email with your investor number and a link, click on the link then click on activate account and insert your ID number and email address
- Go to login, insert your investor number and password
- Go to apply for Bond and complete an application for your preferred product and submit
- Follow instructions to make payment
- (Ensure that the correct payment reference is used)

Walk- in- Centre

- Visit the National Treasury, walk in centre in 40 Church Square, Pretoria
- Bring supporting documents (as stated on section 6)
- Complete and sign a form
- The National Treasury Official will capture the investor details and provide the investor with an acknowledgment letter which contains payment instructions.
- The investor will use the payment instructions to make payment

Telephonically *(Only applicable to persons 18 years and older who are existing investors and have already submitted their supporting documents)*

- Investor will complete the application form *(downloaded from https://secure.rsaretailbonds.gov.za)*
- Investor will email the form with supporting documents (as stated on section 6) to *queries@rsaretailbonds.gov.za*
- The application will be processed and the investor will be provided with an acknowledgment letter which contains payment instructions.
- The investor will use the payment instruction to make payment.

9 CONFIRMATION OF INVESTMENT, PROOF OF OWNERSHIP AND REGISTRATION OF BONDHOLDERS

An official letter will confirm your investment(s). If a confirmation letter is not received within 14 days, please call the helpline at (012) 315 5888 or email us on queries@rsaretailbonds.gov.za

10 PAYMENTS

Should there be an over payment, the RSA Retail Bonds shall be entitled to set off any amount owed by the investor, against funds still due to the investor. The investor will be informed accordingly.

Where there are no funds due to the investor, the investor will be requested to repay the overpaid funds

11 EARLY WITHDRAWALS

Withdrawal of your investment before the end of the full maturity period will only be allowed one year from the active date of the investment. However, note that a penalty is payable on the early withdrawal amount.

The penalty is effectively equal to one interest payment on the early withdrawal amount. The amount withdrawn will be deducted from the capital balance and not the interest accrued. Interest calculated on the withdrawal amount minus the penalty will be paid into the bank account together with the amount withdrawal amount.

Should an investor wish to make an early withdrawal, he / she may do so by submitting a completed and signed prescribed application form together with a certified ID copy not older than 3 months, proof of residence not older than 3 months and bank stamped bank statement not older than 3 months. Copies of the prescribed application form can be obtained from the National Treasury or can be downloaded from the RSA Retail Savings Bonds website at *https://secure. rsaretailbonds.gov.za*

Payment of the early withdrawal amount, less the penalty, shall be made into the designated bank account within 15 business days of the date of receipt of a duly completed withdrawal application form for investments older than a year. Investors may not instruct the National Treasury to credit any third party account with the amount applied for, or any interest accruing to an investor as registered holder.

The National Treasury reserves the right, within its sole and absolute discretion, but only under extra ordinary circumstances, to allow early withdrawals prior to 1 year. However, all interest received on the early withdrawal amount will be forfeited if such early withdrawal request is approved.

Payment of the early withdrawal amount younger than a year, less the penalty, shall be made into the designated bank account within 15 business days of the date of receipt of a duly completed withdrawal application form for investments younger than a year.

Early withdrawals with extraordinary circumstances such as power of attorney and Curator Bonis, fall outside the above stated turnaround times and will be dealt with case by case.

12 TRANSFERABILITY

Inflation Linked RSA Retail Savings Bonds are nonmarketable securities and are not listed on any Stock Exchange. Investors may not sell, use as security or transfer their rights in any of the Inflation Linked RSA Retail Savings Bonds to a third party. Investors may therefore, not use any of the Inflation Linked RSA Retail Savings Bonds as collateral for a loan or as security for the performance of any obligation. Further, only a Registered Holder may receive Coupons / Interest on any of the RSA Retail Savings Bonds and redeem the Capital Amount on the Maturity Date from the National Treasury. An Investor remains the Registered Holder of the Inflation Linked RSA Retail Savings Bonds until the Maturity

Date or being removed from ownership as a result of Early Withdrawal.

13 DEATH OF A BONDHOLDER

Payment

The investment(s) will be paid to the estate account upon death of the registered holder. The payment will be made into the estate account within 20 working days of receipt by the National Treasury of the required documents

- Certified Death Certificate;
- Certified ID copy of the deceased;
- Bank statement of the estate account (with bank stamp on it);
- Certified copy of the Letter of Executorship / Letter of Authority; and
- Certified ID copy of the executor.
- Executor's Proof of Address
- All of the above documents may not be older than 3 months

14 ESTATE DUTY

It is the responsibility of the person administrating the estate to ascertain the rights they have and establish the implications of estate duty as prescribed by the South African Revenue Service and complies with any other legal requirements of the Republic.

15 DISCHARGE OF LIABILTY

The National Treasury shall be deemed to have discharged its obligations to make payments due on RSA Retail Savings Bonds on payment of the applicable amounts into the designated bank accounts, or estate account as contemplated by paragraph 12 above.

16 TAXATION

The provisions of the Income Tax Act, 1962 (Act 58 of 1962) pertaining to Interest apply to all Interest earned on RSA Retail Savings Bonds. As a general rule, investors treat interest received as ordinary revenue for purposes of income tax. Depending on the personal circumstances and age group of an investor, investors may be entitled to the tax exemption of a portion of or all of the interest. Investors are therefore advised to consult their own tax consultants for advice on the manner in which the interest payments received on the Inflation Linked RSA Retail Savings Bonds may be treated in terms of the Income Tax Act for the purposes of tax returns.

Inflation Linked RSA Retail Savings Bonds are not subject to Stamp Duty or Marketable Securities Tax.

Investors may request tax certificates, audit confirmations and other requirements from the Asset and Liability Management Division. Please see paragraph 17 below for contact details.

17 CHAIN LETTERS AND PYRAMID SCHEMES

Inflation Linked RSA Retail Savings Bonds may not be used as part of any chain letter or pyramid scheme. If Investors are approached to participate in a chain letter involving RSA Retail Savings Bonds, they must ignore the request. The National Treasury shall not be liable for any loss or damage suffered by Investors as a result of any such involvement.

18 CONTACT DETAILS

Phone: 012 315 5888
Website: https://secure.rsaretailbonds.gov.za
Email address: queries@rsaretailbonds.gov.za
Physical address: 40 Church Square, Pretoria, 0002

Inflation Linked RSA Retail Savings **BONDS**

TERMS AND CONDITIONS OF RSA INFLATION LINKED BONDS

Issued by the National Treasuryon behalf of
the Government of the Republic of South Africa
Private Bag X115, PRETORIA, 0001

www.rsaretailbonds.gov.za | **Helpline:** +27 12 315 5888

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

RSA RETAIL SAVINGS BONDS
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TERMS AND CONDITIONS OF RSA INFLATION LINKED BONDS

(Maturing 3-years, 5-years and 10-years from the Settlement Date)

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TERMS AND CONDITIONS

The Government of the Republic of South Africa, represented by the National Treasury acting through its Asset and Liability Management Division, intends to issue a series of Inflation Linked RSA Retail Savings Bonds, as outlined in the Terms and Conditions of Issue more fully set out below:

1. DEFINITIONS AND INTERPRETATION

In these Terms and Conditions, unless inconsistent with or otherwise indicated by the context, the following words and expressions shall have the following meanings, and cognate expressions shall have corresponding meanings:

"Application Form"	the application form to be completed by a Purchaser wishing to acquire RSA Retail Savings Bonds in the manner contemplated by these Terms and Conditions, which form shall be completed in accordance with the Terms and Conditions of Purchase;
"Asset and Liability Management Division"	the division within the National Treasury responsible inter alia for the management and administration of the Retail Savings Bonds;
"Banking Day"	any day other than a Sunday or public holiday officially recognised as such in the Republic, being days on which banks are generally open for business in the Republic;
"Base Rate"	the Reference CPI on the Settlement Date;
"Books Closed Date"	in relation to a Coupon Payment Date, 1 (one) calendar month preceding the Coupon Payment Date;
"Booklet"	the Booklet provided to a Purchaser together with the Terms and Conditions, setting out the general features of the RSA Retails Savings Bonds, which Booklet shall be read together with these Terms and Conditions. The Booklet shall not constitute a binding legal document;
"Business Day"	any day other than a Saturday, Sunday or public holiday officially recognised as such in the Republic;
"CPI Calculation Date"	the date on which the Reference CPI is calculated, being either a Coupon Payment Date, the Early Withdrawal Date or the Maturity Date, as the case may be;
"Calculation Agent"	the National Treasury, acting through the Asset and Liability Management Division;
"Capital Amount"	the initial amount invested by an Investor in an RSA Retail Savings Bond within any of the RSA Retail Savings Bond Series. Where an Investor has invested in more than 1 (one) RSA Retail Savings Bond, the "Capital Amount" shall mean the amount invested in respect of each RSA Retail Savings Bond;
"Capital Balance"	the amount accrued by and owing to an Investor in relation to his investment in an RSA Retail Savings Bond, being the Capital Amount plus all Interest capitalized, less any Early Withdrawals and the Penalty;
"Coupon" and "Coupon Payment"	the interest earned on an RSA Retail Savings Bond;

"Coupon Payment	31 May and 30 November in each year, as well as the Maturity Date if the Maturity Date does not fall on either 31 May or 30 November, as the case may be, being the date on which the Coupon on the RSA Retail Savings Bonds shall be paid to the Registered Holders in accordance with these Terms and Conditions;
"Coupon Rate"	the fixed floating interest rate in respect of each of the Inflation Linked Retail Savings Bond Series, derived from the Government Inflation Linked Bond Yield Curve;
"Designated Bank"	the nominated bank of the National Treasury at which a Purchaser must make payment of the Capital Amount after receipt of notice from the National Treasury requiring same, which notice shall set out the Investor Number;
"Designated Bank Account"	the nominated bank account in the name of the Registered Holder in the Republic, wherein all payments due by the Issuer to the Registered Holder in accordance with these Terms and Conditions shall be made, and in respect of a minor the parent's nominated bank account until the minor reaches the age of 18 years and where such a minor has not obtained a legal majority status prior to the age of 18 years;
"Early Withdrawal"	the withdrawal by an Investor of a portion of or the entire Capital Balance of any RSA Retail Savings Bond held by him prior to the Maturity Date, in accordance with the provisions of clause 12 below;
"Early Withdrawal Amount"	the amount of the Early Withdrawal, being a portion of or the entire Capital Balance less the Penalty;
"Early Withdrawal Date"	the date on which the Early Withdrawal Amount is paid by the Issuer to the Investor;
"Executor"	the executor of the estate of a deceased Registered Holder;
"First Coupon Payment Date"	the date on which the Coupon is first paid to the Registered Holder, being the Coupon Payment Date immediately following the Settlement Date, unless the Settlement Date occurs after a Book Closed Date, in which case the first coupon payment date shall be on the first Coupon Payment Date falling after the Books Closed Date;
"Final Issue Date"	the last date on which the Issuer shall make the RSA Retail Savings Bonds available for purchase, which date shall be determined by the Issuer in its sole and absolute discretion, and Published or made available in such other manner as the Issuer may determine;
"Government"	the Government of the Republic;
"Government Inflation Linked Bond Yield Curve"	the bond yield curve that links the rates of return of the various Government inflation linked bonds listed on JSE over the terms of such listed bonds;
"Income Tax Act"	Income Tax Act, 1962 (Act No. 58 of 1962), as amended;
"Index Ratio"	the Reference CPI Index on the CPI Calculation Date divided by the CPI Base Index;
"Investor"	a person who has invested in an RSA Retail Savings Bond and whose name appears on the Register as such, and the term "Registered Holder" shall bear a corresponding meaning;

"Investor Number"	the number provided by the Issuer to each Purchaser upon acceptance of an Application Form;
"Issuer"	the Government, represented by the National Treasury acting through the Asset and Liability Management Division;
"Issue Date"	the date on which the Inflation Linked RSA Retail Savings Bonds will be available for purchase, being 1 April 2007 or soon thereafter;
"JSE" (Johannesburg Stock Exchange)	means the JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act, 2012 (Act No. 19 of 2012) or any exchange which operates as a successor exchange of the JSE;
"Maturity Date"	the date on which the Capital Balance becomes due for repayment by the Issuer, being:
	• 3 (three) years after the Settlement Date, in respect of the 3-year RSA Retail Savings Bonds;
	• 5 (five) years after the Settlement Date, in respect of the 5-year RSA Retail Savings Bonds; and
	• 10 (ten) years after the Settlement Date, in respect of the 10-year RSA Retail Savings Bonds.
	The terms "Maturity" and "Mature" shall have corresponding meanings;
"Minister"	the Minister of Finance of the Republic;
"National Treasury"	the National Treasury of the Republic, established in terms of Section 5 of the PFMA;
"National Treasury Bank Account"	the bank account held by the National Treasury with the Designated Bank;
"PFMA"	the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended;
"Payment Instruction"	a written instruction, received by the Issuer from a Registered Holder, setting out the Designated Bank Account;
"Penalty"	the penalty deducted by the Issuer in the event of an Early Withdrawal;
"Portfolio"	the total amount invested by an Investor in the Retail Savings Bonds, being the sum of the Capital Amounts invested in the relevant Retail Savings Bond Series;
"Prevailing Coupon Rate"	the Coupon Rate Published from time-to-time by the Issuer with respect to the 3-year, 5-year and 10-year RSA Retail Savings Bonds, which Coupon Rate shall be applicable on the Settlement Date;
"Published"	publication by the Issuer in newspapers in the Republic and on the RSA Retail Bond website from time-to-time;
"Purchaser"	a potential Investor in RSA Retail Savings Bonds;

"Reference CPI"	if the CPI Calculation Date falls on the 1st (first) day of a calendar month, then the reference CPI means the CPI for the 4th (fourth) calendar month preceding the calendar month in which the CPI Calculation Date occurs. In the event of the CPI Calculation Date falling on any day other than the 1st (first) day of a calendar month, then the reference CPI shall be determined in accordance with the following formula:
	Reference CPI = Ref CPIj + t-1/D * (Ref CPI j+1 – ref CPIj)
	Where:
	• Ref CPIj is the Reference CPI for the 1st (first) day of the calendar month in which the CPI Calculation Date occurs;
	• Ref CPIj+1 is the Reference CPI for the 1st (first) day of the calendar month immediately following the calendar month in which the CPI Calculation Date occurs;
	• **t** is the calendar day corresponding to the CPI Calculation Date; and
	• **D** is the number of days in the calendar month in which the CPI Calculation Date occurs;
"Register"	a compilation of Registered Holders maintained by the Issuer;
"Republic"	the Republic of South Africa;
"RSA Retail Savings Bond"	A bond developed by the Government, to enable an Investor to invest;
"RSA Retail Savings Bond Series"	the 3-year, 5-year and 10-year RSA Retail Savings Bonds, as the case may be;
"Settlement Date"	the date on which payment for an RSA Retail Savings Bond is received by the Issuer from an Investor, subject to compliance with the Terms and Conditions of Purchase;
"Substitute CPI"	the CPI respectively determined in accordance with the provisions of clauses 16.1, 16.2 and 16.3 below;
"Statement"	the statement contemplated by clause 17 below;
"3-year Inflation Linked RSA Retail Savings Bond"	an Inflation Linked RSA Retail Savings Bond maturing 3 (three) years from the Settlement Date, issued by the Issuer on the Issue Date and available for purchase until the Final Issue Date, subject to the Terms and Conditions set out herein;
"5-year Inflation Linked RSA Retail Savings Bond"	an Inflation Linked RSA Retail Savings Bond maturing 5 (five) years from the Settlement Date, issued by the Issuer on the Issue Date and available for purchase until the Final Issue Date, subject to the Terms and Conditions set out herein;
"10-year Inflation Linked RSA Retail Savings Bond"	an Inflation Linked RSA Retail Savings Bond maturing 10 (ten) years from the Settlement Date, issued by the Issuer on the Issue Date and available for purchase until the Final Issue Date, subject to the Terms and Conditions set out herein;
"Terms and Conditions"	the terms and conditions of issue of the RSA Retail Savings Bonds set out herein, including all annexures and/or schedules thereto, as may be amended from time-to-time in the sole and absolute discretion of the Issuer, which amendments shall become binding on the effective date thereof; and

"Terms and Conditions of Purchase"	the terms and conditions of purchase applicable to the Application Form, which must be complied with by a Purchaser in order to successfully acquire RSA Retail Savings Bonds in accordance with these Terms and Conditions.

2 ISSUER

The RSA Retail Savings Bonds are issued by the Issuer, by virtue of the Minister being empowered to borrow, on behalf of the Government, in terms of Section 66 (2) (a) of the PFMA.

3. PURPOSE AND OBJECTIVES OF THE ISSUE

3.1. The purpose of the Issue is to raise funds to be utilised for the general purposes of the Government.
3.2. The main objectives of the issue inter alia are the following:
3.2.1. to target a different source of funding;
3.2.2. to diversify the financial instruments on offer to the market; and
3.2.3. create awareness amongst the general public of the importance to save.

4. ISSUE DATE AND AUTHORISED PURCHASERS

4.1. The RSA Retail Savings Bonds shall be made available on the Issue Date.
4.2. Only South African citizens and permanent residents of the Republic who are in possession of a valid South African identity document, and who hold bank accounts with financial institutions in the Republic, shall be entitled to acquire RSA Retail Savings Bonds.

5. SPECIAL PURCHASE CONDITION

The minimum Capital Amount that may be invested at any time is an amount equal to R1, 000.00 (one thousand Rand) in respect of each RSA Retail Savings Bond.

6. STATUS OF THE RSA RETAIL SAVINGS BONDS

RSA Retail Savings Bonds constitute direct, unconditional and unsecured obligations of the Issuer to the Registered Holder and will at all times rank pari passu among themselves and at least pari passu with all other present or future unsecured and unsubordinated obligations of the Issuer for monies borrowed from others.

7. COUPON RATE

The Capital Balance shall bear interest at a Coupon Rate, determined from the day following the Settlement Date until the first Coupon Payment Date following the Settlement Date, on the basis of a 365 (three hundred and sixty-five) day year and, thereafter, Interest shall be calculated from the day following the last Coupon Payment Date up to and including the Next Coupon Date. It is recorded that interest is calculated on the basis of the first day being excluded, but the last day being included.

8. COUPON PAYMENTS

8.1. Coupon Payments shall be calculated in accordance with the following formula:
(c/2 * e)
Where:
c is the Coupon Rate; and
e is the Capital Balance.
8.2. Coupon Payments due to Investors in terms of clause 8.1 above shall be payable semi-annually in arrears on the First Coupon Payment Date, and each Coupon Payment Date up to and including the Maturity Date, to

persons Registered in respect of any RSA Retail Savings Bond as at the Books Closed Date.

8.3. On the Maturity Date, the final Coupon Payment (determined on the Coupon Payment Date preceding the Maturity Date) shall be applied to the Capital Balance.

8.4. If a Coupon Payment Date does not fall on a Banking Day, payment will be effected on the next Banking Day following the Coupon Payment Date, without any additional Coupon.

8.5. Coupon Payments in respect of Early Withdrawal Amounts shall be calculated by the Issuer in accordance with the formula set out in clause 8.1 above and paid on the Early Withdrawal Date. Such Coupon Payments shall be calculated from the date following the previous Coupon Payment Date (or Settlement Date if the First Coupon Payment Date has not yet occurred by the Early Withdrawal Date) until and including the Early Withdrawal Date. The Penalty shall be deducted from the Early Withdrawal Amount.

8.6. Coupon Payments shall be made in the currency of the Republic, by means of electronic funds transfer into the Designated Bank Account.

8.7. Coupon Payments shall cease to accrue on the RSA Retail Savings Bonds on the Maturity Date, and in respect of any Early Withdrawal Amounts, on the Early Withdrawal Date, as the case may be.

9. DETERMINATION OF THE CAPITAL BALANCE

9.1. The Issuer's indebtedness to an Investor at any time in respect of the RSA Retail Savings Bonds shall be the Capital Balance determined in accordance with the provisions of this clause 9.

9.2. The Capital Balance shall, on any CPI Calculation Date, be determined by applying the Index Ratio to the Capital Amount, less any Early Withdrawals and any Penalties, as the case may be, in accordance with the following formula:

CB = P * Index Ratio

Where:

P is Capital Amount less any Early Withdrawals and Penalties

CB is Capital Balance.

10. REPAYMENT OF THE CAPITAL BALANCE

10.1. The Issuer shall, on the Maturity Date, pay the Capital Balance to the Registered Holder, unless an application for reinvestment has been received by the Issuer in accordance with the provisions of clause 11 below. Payment shall be made in accordance with the provisions of clause 13 below.

10.2. If the capital value of the Inflation Link Bonds on the Maturity Date is less than the Capital Amount, then the Issuer shall pay the Registered Holder an additional amount equal to the shortfall.

11. OPTION TO REINVEST / ROLLOVER THE CAPITAL BALANCE

11.1. A Registered Holder shall be entitled to reinvest the Capital Balance on the Maturity Date into a new RSA Retail Savings Bond, by providing written notice thereof to the Issuer no less than 15 (fifteen) Business Days prior to the Maturity Date, on the prescribed redemption form provided to the Registered Holder by the Issuer 30 (thirty) Business Days prior to the Maturity Date.

11.2. A Registered Holder shall, in such written notice, stipulate the RSA Retail Savings Bond in which the Capital Balance is to be reinvested.

11.3. The Settlement Date for the new RSA Retail Savings Bond shall commence on the Maturity Date ("the New Settlement Date").

11.4. The Coupon Rate for the new Retail Savings Bond shall be the Prevailing Coupon Rate on the New Settlement Date.

11.5. These Terms and Conditions shall apply to such reinvestment amount.

12. EARLY WITHDRAWALS

12.1. A Registered Holder shall be entitled to withdraw a portion of or the entire Capital Amount prior to the Maturity Date, subject to the following conditions:

12.1.1. The first such Early Withdrawal shall only be made after 12 (twelve) months from the Settlement Date;

12.1.2. A Penalty shall be levied on the Early Withdrawal Amount;

12.1.3. Where the Investor withdraws a portion of the investment, the Capital Balance remaining in any Retail Savings Bond after the Early Withdrawal and Penalty payment must be at least R1,000.00 (one thousand Rand);

12.2. The Registered Holder shall not be entitled to repayment of the RSA Retail Savings Bonds prior to the Maturity Date, otherwise than as provided for in clause 12.1 above.

12.3. Notwithstanding anything to the contrary contained in these Terms and Conditions, no Early Withdrawal in respect of any Retail Savings Bond shall be made, except in accordance with the provisions of clause 12.1 above.

12.4. Subject to the provisions of clause 12.1 above, no limitation is placed by the Issuer on the number of withdrawals by an Investor prior to Maturity Date.

12.5. An Investor shall only be allowed to withdraw early during the 1st (first) year under extraordinary circumstances. If the Early Withdrawal request is approved in the circumstances, the Capital Amount invested will be repaid minus all Interest earned within the 1st (first) year until the date of such withdrawal.

13. PAYMENTS

13.1. All amounts payable by the Issuer to an Investor in accordance with these Terms and Conditions shall be paid:

13.1.1. in the Republic;

13.1.2. in the currency of the Republic; and

13.1.3. by means of electronic funds transfer into the Designated Bank Account within the Republic. No payment will be made to a third party's bank account unless the Registered Holder is a minor.

13.2. In the event that the Penalty is applicable, the Penalty shall be deducted from the payment of an early Withdrawal Amount.

13.3. To the extent permissible by law, the Issuer shall be entitled to set off any amount owed by the Investor to the Issuer as a result of any overpayment, against funds standing to the credit of the Investor's investment with the Issuer. The Issuer will inform the Investor promptly after the Issuer has effected set off in respect of any of the Investor's investment.

13.4. If the day for payment of the Capital Balance, any Early Withdrawal Amount or Coupon in respect of any RSA Retail Savings Bond does not fall on a Banking Day, the Registered Holder shall not be entitled to payment until the next Banking Day following such day and, in the circumstances, to any Coupon or other additional sums in respect of postponed payment.

13.5. Payments rejected for any reason whatsoever, shall be deposited into a non-interest-bearing suspense account. In these circumstances no interest will accrue to these funds and the National Treasury shall not be liable to pay interest.

13.6. All payments in terms hereof shall be subject to all fiscal or other laws and regulations applicable thereto in the Republic.

14. LIABILITY FOR WITHHOLDING TAX

All payments in respect of the RSA Retail Savings Bond shall be made without withholding or deductions for, or on account of taxes imposed or levied by, or on behalf of, the Republic, or any authority in, or of, the Republic having power to tax, unless such withholding or deductions of taxes is required by law. In that event, the Issuer shall pay such taxes on behalf of the Registered Holder as may be necessary and the net amount will be payable to the Registered Holder after the withholding or deduction of taxes.

15. ROUNDING

For calculation purposes, any cash flow resulting from an RSA Retail Savings Bond shall be rounded to the nearest 1 (one) cent.

16. ADJUSTMENTS TO THE PUBLISHED CPI

The CPI shall be adjusted upon the occurrence of the following events: 16.1. Fundamental Changes

16.1.1. If, while an RSA Retail Savings Bond remains outstanding:

16.1.1.1. the Published CPI is discontinued for any reason whatsoever;

16.1.1.2. in the reasonable judgement of the Calculation Agent, the Published CPI is fundamentally altered in a manner that is materially adverse to the interest of the bondholders; and/or

16.1.1.3. in the reasonable judgement of the Calculation Agent, the Published CPI is fundamentally altered by law in a manner that is materially adverse to the interest of bondholders, then the Calculation Agent shall, in consultation with Statistics South Africa or any successor entity, calculate a Substitute CPI.

16.1.2. A change to the Published CPI will be considered fundamental in the manner contemplated by clause 16.1.1 above if it affects either the character of the CPI itself or the character of the calculation of the CPI ("Fundamental Changes"). For the avoidance of doubt, only Fundamental Changes to the Published CPI will result in the calculation of a Substitute CPI in accordance with the provisions of this clause 16.1, while technical changes to the Published CPI, as more fully set out in 16.1.3 below ("Technical Changes"), will not result in the calculation of a Substitute CPI as aforesaid.

16.1.3. Technical Changes include, but shall not be limited to, changes in:

16.1.3.1. the specific items (for example, shoes or television sets) to be priced for the CPI;

16.1.3.2. the manner in which individual price quotations are aggregated to construct component price indices for these items (aggregation of item sub-strata);

16.1.3.3. the method for combining these component price indices to obtain the comprehensive, all items CPI (aggregation of item strata); and

16.1.3.4. the procedures for incorporating new goods into the CPI and making adjustments for quality changes to existing goods. For the avoidance of doubt, Technical Changes made by Statistics South Africa to improve the accuracy of the Published CPI as a measure of consumer price changes will not be considered fundamental changes.

16.2. Delays

16.2.1. If, as a result of a delay in the publication of the Published CPI, the Published CPI is not available in order to make a determination in accordance with these Terms and Conditions, then subject to the provisions of clause 16.2.2 below, the last Published CPI will be used by the Issuer to calculate the Substitute CPI for the month that a CPI figure is required, in accordance with the following formulae:

16.2.1.1. in the event of the Published CPI being delayed by 1 (one) month only, then the Reference CPI shall be determined in accordance with the following formula:

$$\mathbf{CPIm = CPIm\text{-}1 * (CPIm\text{-}1 / CPIm\text{-}13)^{1/12}}$$

Where:

CPIm is the Reference CPI

CPIm-1 is the last Published CPI

CPIm-13 is the Published CPI 13 months back; and

16.2.1.2. in the event of the Published CPI being delayed by more than 1 (one) month (the number of months being denoted by "n"), CPIm shall be determined in accordance with the following formula:

$$\mathbf{CPIm = CPIm\text{-}n * (CPIm\text{-}n / CPIm\text{-}n\text{-}12)^{n/12}}$$

Where:

CPIm is the Reference CPI

CPIm-1 is the last Published CPI

CPIm-12 is the Published CPI 13 months back.

16.2.2. In the event of a Substitute CPI being applied in the circumstances contemplated by this clause 16.2, and it becomes necessary for any reason whatsoever to use the actual CPI for month that the Substitute CPI was determined, then the Substitute CPI shall be used for all subsequent calculations that rely on that month's Substitute CPI, and shall not be replaced by the actual CPI when it is reported. For the avoidance of doubt, the actual CPI, when reported, shall not apply retrospectively to such calculations.

16.3. Reset
In the event that the Published CPI is reset by Statistics South Africa, then a new Reference CPI that is applicable for the Settlement Date shall be calculated in such a way that the Capital Balance remains the same immediately before and after the reset. In the circumstances, the Base Rate shall accordingly be reset to correlate with the reset CPI.

16.4. As soon as reasonably practical after effecting any Substitute CPI as contemplated by this clause 16, the Issuer shall provide notice of the substitution and the effective date thereof in the Government Gazette.

17. STATEMENTS

17.1. The Issuer shall prepare and provide the Registered Holder with a Statement in respect of Retail Savings Bonds as follows:

17.1.1. within 14 (fourteen) Business Days of the Settlement Date;

17.1.2. within 14 (fourteen) Business Days of receipt of each Coupon Payment Date; and

17.1.3. within 14 (fourteen) Business Days of receipt of a written request for a statement by the Registered Holder to the Issuer.

17.2. Each Statement shall set out the following particulars:

17.2.1. personal particulars of the Registered Holder;

17.2.2. the nature of Retail Savings Bond invested in, the Capital Amount invested in each Retail Savings Bond and the Capital Balance of each RSA Retail Savings Bond;

17.2.3. the Coupon Rate payable on each RSA Retail Savings Bond held;

17.2.4. the Settlement Date in respect of each RSA Retail Savings Bond; 17.2.5. the Maturity Date in respect of each RSA Retail Savings Bond; and

17.2.6. particulars of the Designated Bank Account.

18. REGISTER OF REGISTERED HOLDERS

18.1. The Issuer shall procure that a Register is maintained in accordance with the provisions of this clause 18.

18.2. The Register shall:

18.2.1. be maintained at the office of the Issuer;

18.2.2. contain the names, addresses and Designated Bank Accounts of the Registered Holders;

18.2.3. reflect the total Capital Amount of the RSA Retail Savings Bonds represented by it;

18.2.4. indicate the dates upon which each of the Registered Holders were Registered as such;

18.2.5. specify the Investor Numbers applicable to the RSA Retail Savings Bonds and the Settlement Dates thereof; and

18.2.6. be closed from each Books Closed Date until the next Interest Payment Date.

18.3. The Issuer shall, upon receipt of written notice from a Registered Holder, alter the Register in respect of any change of address or Designated Bank Account particulars of the Registered Holder.

18.4. The Registered Holder shall ensure that the National Treasury has the most recent Designated Bank Account and contact details.

18.5. Except as provided for in these Terms and Conditions or as required by law, the Issuer:

18.5.1. will only recognize a Registered Holder as the owner of the RSA Retail Savings Bond registered in that Registered Holder's name as per the Register; and

18.5.2. will not be bound to enter into the Register, the fact that a Registered Holder may be holding an RSA Retail Savings Bond in trust or as agent or mandatory for any third party, and, in the circumstances, the Issuer shall have no responsibility whatsoever to such third party.

19. TRANSFER OF RETAIL SAVINGS BONDS

19.1. RSA Retail Savings Bonds shall not be transferable and may not be sold or redeemed, except through the provisions of clauses 10 and 12 above.

19.2. Registered Holders shall not be entitled to encumber or transfer any of their rights in the RSA Retail Savings Bonds to any third parties, save that transfer to a third party shall be permitted in the event of the death of the Registered Holder and in accordance with the provisions of clause 20 below.

20. DEATH OF A REGISTERED HOLDER

20.1. For the purposes of this clause 20 the Maturity Date shall be deemed to fall on the date on which the Issuer settles (pays) the full amount outstanding and that is due to the Investor, wherefore the Issuer was notified of the death of the Registered Holder, by way of receipt of a valid Death Certificate, a Letter of Authority or a Letter of Executorship and the relevant deceased estate bank details. In the event of the death of a Registered Holder prior to the Maturity Date, the Capital Balance on his Retail Savings Bond shall be repaid in full to the estate of the Registered Holder, at the request of the Executor.

20.2. Notwithstanding the provisions of clause 20.1 above, a Letter of Executorship issued by the Master of the High Court or a Letter of Authority issued by a Magistrate of a Regional Court of the Republic shall be required before the National Treasury may register the RSA Retail Savings Bond in the name of the deceased estate and pay out any funds.

20.3. Until such time as payment is made into the estate of the deceased Registered Holder estate, interest on the investment will continue to accrue until the Maturity Date as agreed herein.

21. TITLE TO RSA RETAIL SAVINGS BONDS

The Issuer shall be entitled to assume, for all purposes, that the person reflected in the Register as the holder of any RSA Retail Savings Bonds is the true owner of the relevant RSA Retail Savings Bonds.

22. REPURCHASE OF RSA RETAIL SAVINGS BONDS

The Issuer shall not be entitled to repurchase any of the RSA Retail Savings Bonds at any time prior to the Maturity Date.

23. GOVERNING LAW

The validity of these Terms and Conditions, their interpretation, the respective rights and obligations of the Investor and the Issuer in relation to the RSA Retail Savings Bonds, and all other matters arising in any way out of these Terms and Conditions, shall be determined in accordance with the laws of the Republic.

24. AUTHORISATION

The Minister is authorised to borrow on behalf of the Government, and therefore to issue the RSA Retail Savings Bonds, by Section 66(2)(a) of the PFMA. In terms of Section 73 of the PFMA, the repayment of the Capital Amount and the Coupon thereon shall be a direct charge against the National Revenue Fund and shall be deemed to have been appropriated by law. Therefore, investments made in the RSA Retail Savings Bonds are guaranteed.

25. DOMICILIUM OF ISSUER

The name and address of the Issuer is as follows:
The National Treasury
Asset and Liability Management Division
14th Floor
240 Madiba Street
Cnr Madiba and Thabo Sehume Street
Pretoria

26. PFMA

In terms of section 75 of the PFMA, the Issuer shall not be responsible for the fulfilment of any obligations resulting from any lien, whether expressed, implied or construed, which is held over a Retail Savings Bond, notwithstanding that the Issuer was notified of such lien or not.

27. GENERAL

27.1. Upon acquisition of RSA Retail Savings Bonds in the manner contemplated by these Terms and Conditions, the Terms and Conditions shall constitute a binding agreement between the Investor and the Issuer.

27.2. These Terms and Conditions shall be read together with the Booklet.

27.3. This document contains the entire terms and conditions between the Investor and the Issuer concerning the subject matter recorded herein, and neither of them shall be bound by undertakings, representations, warranties, promises or the like not recorded in these Terms and Conditions.

27.4. No alteration, cancellation, variation of or addition to these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by the Issuer or its duly authorized representative.

27.5. No indulgence, leniency or extension of time which either the Investor or the Issuer ("the Grantor") may grant or show to the other shall in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights under the Terms and Conditions in the future.

SIGNED AT PRETORIA OF BEHALF OF THE ISSUER.

DR DUNCAN PIETERSE
Director- General: The National Treasury
Republic of South Africa

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