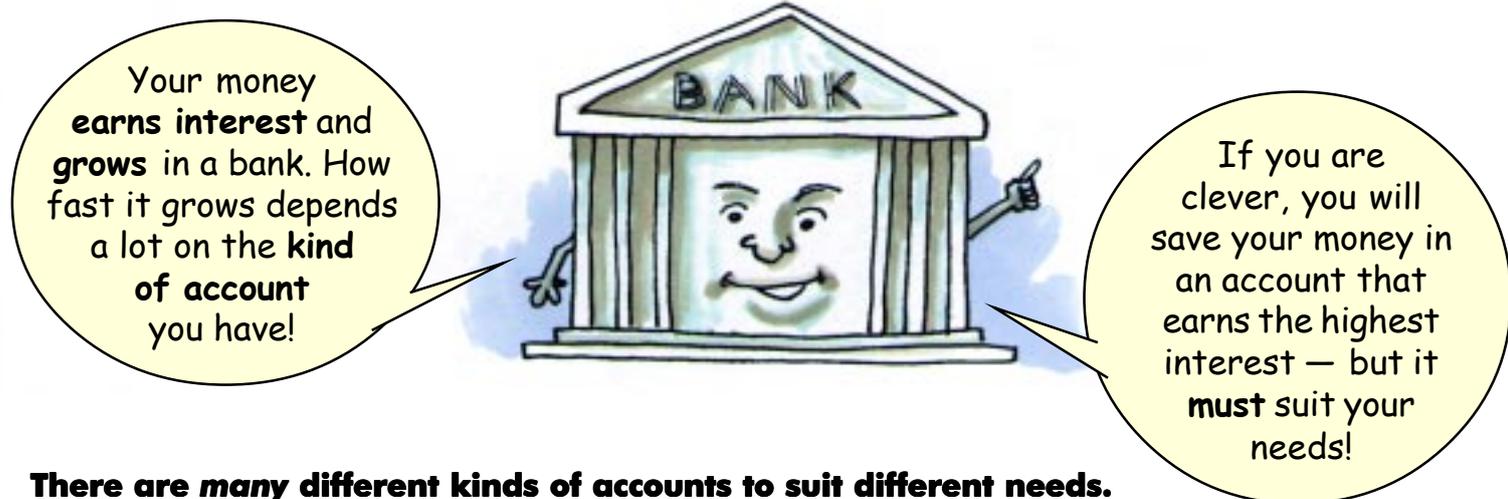


# What do banks do?



## Different kinds of savings accounts



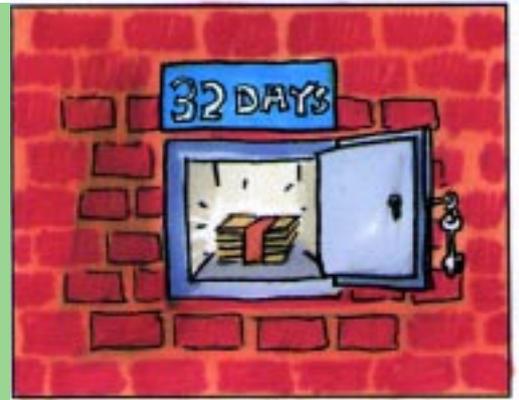
**There are many different kinds of accounts to suit different needs. These are the two you are likely to use if you are starting to save, but be sure you understand the costs involved.**

## Savings Account

**Savings Accounts are simple and easy to manage. You can put money into your account or withdraw it (take it out) whenever you like. If you use an ATM (Automatic Teller Machine) the bank doesn't even have to be open. Banks are all slightly different, but you will need a small amount to open the account and you must keep a minimum amount in it. Check this with the customer adviser at the bank you choose. A Savings Account earns interest — how much this will be depends on your balance. (See page 30 to find out more about interest.)**

## 32-Day Deposit Account

You need a bigger amount to open this account. You don't have to add to it, but you can. If you want to withdraw money, you must tell the bank 32 days beforehand (32 days' notice). This makes you plan ahead and think before you use your savings. You earn a higher rate of interest on a 32-Day Deposit Account, because you cannot take your money out until after 32 days.



I'm ready to start saving!  
What should I do?

The place to start is with a savings account.  
This is what David did.

### David's Story

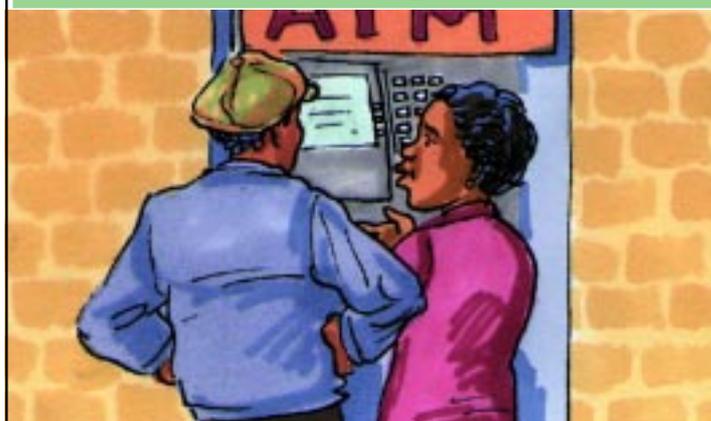


David earned R1 000 a month. He was paid in cash. He had never used a bank before he started saving.



He went into his friend's bank and asked to see a financial adviser. He explained that he wanted to save R50 a month.

The adviser helped him to open a Savings Account. She gave him his ATM card and showed him how to use it. At first he was unsure about using the ATM ...



... but with the help of a bank official, he soon learnt! Every month, no matter what, David put R50 into his savings account.

After a few months, when David had saved R250, he asked to see the adviser again. He wanted to earn higher interest. The bank was happy to help him.



They advised him to put R200 of his savings into a 32-Day Deposit Account. The rest he left in his Savings Account. Now he had two accounts, with his money growing in both!



David carried on putting R50 into his Savings Account every month. When he could, he also put money into his 32-day account. He learnt how to manage his accounts electronically (at the ATM).



18 months later, David is feeling great. He has R364 in his Savings Account, and R600 savings plus interest in his 32-Day Deposit Account. That's over R1 000!

## What should David do with that money?

It is up to him. But because he is sensible and careful, he does not spend it all.

He takes the family out for supper to celebrate — and he keeps the rest in the bank for a rainy day!



Never spend all the money you have saved. Always invest some of it, i.e. save it again, in an account that gives a higher interest rate. Investing in retail bonds is a good way of saving your money.



**No matter how little you earn, save! Saving brings rewards.**