Minutes of the ninety-fourth annual ordinary general meeting of shareholders of the South African Reserve Bank

The ninety-fourth annual ordinary general meeting (AGM) of shareholders was held at the Head Office of the South African Reserve Bank (the Bank) in Pretoria on Friday, 25 July 2014, at 10:00.

The Chairperson, Ms Gill Marcus, welcomed attendees and introduced Deputy Governors Daniel Mminele, Lesetja Kganyago and Francois Groepe; Chairperson of the Audit Committee, Mr Rob Barrow; Chairperson of the Remuneration Committee, Ms Thandeka Mgoduso; former Chairperson of the Board Risk and Ethics Committee, Dr Mandla Gantsho; Chairperson of the Non-executive Directors’ Committee, Mr Hans van der Merwe; General Counsel, Dr Johann de Jager; and Secretary of the Bank, Ms Sheenagh Reynolds, who shared the podium with her.

The Chairperson took the opportunity to extend a warm welcome to all present, including a former Governor of the Bank, Dr Christian Lodewyk Stals.

The Chairperson congratulated Deputy Governor Mminele who had been reappointed by the President of the Republic of South Africa for a further five-year term of office with effect from 1 July 2014.

The Chairperson informed the meeting that Dr Mandla Gantsho’s term of office as a government-appointed non-executive director had expired in June 2014 and Dr Gantsho had indicated that he was not available for reappointment. Dr Gantsho was present at the AGM in his capacity as the Chairperson of the Board Risk and Ethics Committee during the year under review. The Board of Directors (Board) had appointed Professor Firoz Cachalia, a non-executive director, to replace Dr Gantsho as the Chairperson of the Board Risk and Ethics Committee with effect from 24 July 2014.

The Chairperson announced that the President of the Republic of South Africa had finalised the required government-appointed Board members. She took the opportunity to welcome Dr Terence Nombembe, the Chief Executive Officer (CEO) of the South African Institute of Chartered Accountants (SAICA) and the former Auditor General, as a newly appointed non-executive director of the Bank with effect from 14 July 2014, for a three-year term of office. Ms Tania Ajam and Ms Maureen Manyama-Matome, who were also government-appointed non-executive directors and whose terms of office would expire in October 2014, had been reappointed to the Bank’s Board by the President of South Africa, with effect from 6 October 2014, for a second three-year term of office.

The Chairperson declared the meeting duly constituted in terms of the Regulations framed under the South African Reserve Bank Act 90 of 1989, as amended (SARB Act).

The Chairperson then addressed the meeting, and her full address is attached as Annexure A for record purposes.

The Chairperson then turned to the formal business of the day and confirmed the agenda for the meeting as follows:

- To receive, discuss and note the minutes of the AGM held on 26 July 2013.
- To receive and discuss the financial statements for the financial year ended 31 March 2014, including the directors’ report and independent external auditors’ report.
- To approve the remuneration of the Bank’s independent external auditors, PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. (in terms of regulation 22.1(b), read with regulation 7.3(c) of the Regulations), for completing the audit for the 2013/14 financial year.
- To approve the appointment of PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. as the Bank’s independent external auditors for the 2014/15 financial year.
- To elect three non-executive directors to serve on the Bank’s Board.
- To consider any further business arising from the above items (in terms of regulation 7.3(e) of the Regulations).

The Chairperson invited Ms Sheenagh Reynolds, the Secretary of the Bank, to confirm the shareholder representation at this meeting. Ms Reynolds confirmed that:

1. the total number of shares in the issued share capital of the Bank held by its shareholders was 2 000 000 (two million);
2. 22 shareholders were present in person;
3. 11 shareholders were represented by proxy; and
4. 470 votes were exercisable by shareholders present, or holding duly certified proxy forms for this purpose.

The meeting was advised that the Bank would again make use of electronic voting at this meeting, which would be facilitated by IML Interactive Proprietary Limited (IML).

The Chairperson called for a poll on each of the items to be considered at the AGM.
Acceptance of the minutes of the 2013 AGM
The Chairperson proposed that the minutes of the ninety-third AGM, held on 26 July 2013, which had been distributed as part of the Annual Report 2013/14, be taken as read.

There were no objections to, or questions raised regarding the minutes. On the basis of the results of the poll, the Chairperson declared that the minutes of the 2013 AGM had been accepted with 100 per cent of the votes cast.

Acceptance of the financial statements for the financial year ended 31 March 2014, including the directors’ report and independent external auditors’ report
The Chairperson then formally moved that the annual financial statements for the year ended 31 March 2014, including the directors’ report and independent external auditors’ report, which had been posted to shareholders on 25 June 2014, be accepted. The motion was seconded by Dr A Colburn.

On the basis of the results of the poll, the Chairperson declared that the audited financial statements for the year ended 31 March 2014 had been approved by 99,5 per cent of the votes cast.

A shareholder, Mr J W Raath, congratulated the Bank on the Annual Report 2013/14 and expressed the view that the Bank had undoubtedly set a new standard in Africa, if not worldwide, with the new layout and design.

Auditors’ remuneration
The Chairperson moved that the Board’s recommendation that the remuneration for the Bank’s independent external auditors in the amount of R8 139 242 in respect of the general audit of the Bank for the financial year ended 31 March 2014, be confirmed and approved. The motion was seconded by Dr J J Rossouw.

On the basis of the results of the poll, the Chairperson declared that the remuneration of the Bank’s independent external auditors amounting to R8 139 242 for the financial year ended 31 March 2014 had been approved by 99,7 per cent of the poll.

Appointment of independent external auditors
The Chairperson turned to the appointment of the Bank’s independent external auditors for the 2014/15 financial year.

The Board of Directors had recommended that PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. be reappointed as the Bank’s independent external auditors for the 2014/15 financial year.

It was noted that in line with good corporate governance the Bank would be reviewing the external audit service providers and would invite requests for proposals from the market for consideration later in the year. Shareholders would be advised of the outcome once the process had been completed.

The Chairperson moved that PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. be appointed as the Bank’s independent external auditors for the 2014/15 financial year. The motion was seconded by Mr J Brevis.

On the basis of the results of the poll, the Chairperson declared that PricewaterhouseCoopers Inc. and SizweNtsalubaGobodo Inc. had been appointed as the Bank’s independent external auditors for the 2014/15 financial year by 99,7 per cent of the poll. The auditors were congratulated on their reappointment.

Non-executive director elections
The Chairperson turned to the election of non-executive directors. She advised the meeting that there were three vacancies for shareholder-elected non-executive directors, for persons with knowledge and skills in commerce or finance, mining, and labour.

Messrs Raoul Abrahamse, Rob Barrow and Arnold Goldstone had been nominated to fill the position for a non-executive director with knowledge and skills in commerce or finance. Messrs Rob Barrow and Gary Ralfe, and Prof Rochelle le Roux’s terms of office would be expiring the day after the AGM, being 26 July 2014, but all were available for re-election.

All the candidates to be considered for these positions were confirmed by the Panel appointed in terms of section 4(1C) of the SARB Act. This Panel comprised the Governor; retired former Constitutional Court Judge, Ms Yvonne Mokgoro and Mr Abel Sithole (both nominated by the Minister of Finance); and Dr Laurain Lotter, Mr Dumisani Mthalane and Mr Bheki Ntshalintshali (all nominated by Nedlac).

The Panel had confirmed five candidates in terms of section 4(1G) of the SARB Act for consideration for the three vacancies and was satisfied that all five candidates were eligible, fit and proper to stand for election as directors of the Bank. The curricula vitae for these five candidates had been sent to shareholders together with the notice of this meeting.

Messrs Raoul Abrahamse, Rob Barrow and Arnold Goldstone had been nominated to fill the position for a non-executive director with knowledge and skills in commerce or finance.
On the basis of the voting results, the Chairperson declared that Mr Rob Barrow had been re-elected as the non-executive director with knowledge and skills in commerce or finance with 64.8 per cent of the votes cast. Mr Barrow's reappointment would be effective from 26 July 2014 until the day after the AGM in 2017.

The Chairperson congratulated Mr Barrow on his re-election and thanked him for his dedicated and valuable service as a director over his three-year term of office.

The Chairperson turned to the election of a non-executive director to fill the second vacancy for a person with knowledge and skills in mining. Mr Gary Ralfe was the only candidate nominated to fill the aforesaid position.

On the basis of the voting results, the Chairperson declared that Mr Gary Ralfe had been re-elected as the non-executive director with knowledge and skills in mining with 89.5 per cent of the votes cast. Mr Ralfe's reappointment would be effective from 26 July 2014 until the day after the AGM in 2017.

The Chairperson congratulated Mr Ralfe on his re-election and thanked him for his dedicated and valuable service as a director over his three-year term of office.

The Chairperson then turned to the election of a non-executive director to fill the vacancy for a person with knowledge and skills in labour. Prof Rochelle le Roux was the only candidate nominated to fill the aforesaid position.

On the basis of the voting results, the Chairperson declared that Prof le Roux had been re-elected as the non-executive director with knowledge and skills in labour with 100 per cent of the votes cast. Prof le Roux's reappointment would be effective from 26 July 2014 until the day after the AGM in 2017.

The Chairperson congratulated Prof le Roux on her re-election and thanked her for her dedicated and valuable service as a director over her three-year term of office.

The Chairperson thanked all the candidates for being willing to stand for election to the Board, and hoped that, whether successful or not, they would continue to take a keen interest in the work of the Bank.

The Chairperson recorded that the Office of the Secretary had received no requests for special business to be placed on the agenda of this meeting.

Referring to the statement in the Governor’s Address regarding shareholders of the Bank who hold shares in contravention of section 22 of the South African Reserve Bank Amendment Act 90 of 1989, as amended (SARB Act), Dr J J Rossouw, a shareholder, requested further clarification.

In response, the General Counsel, Dr de Jager, explained the history of shareholding in the Bank. He mentioned that the Bank had embarked on a formal process to regularise its shareholding aimed at those shareholders who hold, together with their associates, more than 10 000 shares in the Bank, without having made the prescribed disclosure as required by law. Shareholders who had not disclosed their associates voluntarily had been called upon to provide the Bank with an irrevocable undertaking that they would dispose of the number of shares in the Bank as may be necessary to ensure that they, together with their associates, would in aggregate not hold more than 10 000 shares. Shareholders had been advised that should they fail and/or refuse to provide the required undertaking and fail to dispose of the requisite shares in the Bank, legal proceedings against them in terms of section 22 of the SARB Act would be instituted for an appropriate order to address the matter.

In response to a follow-up question by Dr Rossouw, Dr de Jager confirmed that shareholders who had disclosed their associates within the required 40 days would not be subject to legal proceedings. However, such shareholders would be entitled to exercise only 50 votes regardless of them holding more than 10 000 shares together with their associates.

In conclusion, the Chairperson confirmed that all business included in the agenda had been transacted.

The Chairperson thanked President Zuma and the Presidency, the government and parliament for their continued support. The sound working relationship between the Bank and National Treasury had continued, and she thanked former Finance Minister Pravin Gordhan, the recently appointed Minister of Finance, Nhlanhla Nene; the newly appointed Deputy Minister, Mcebisi Jonas; Director General, Mr Lungisa Fuzile; and the staff of the National Treasury for their ongoing support of the Bank.

Sincere thanks were also expressed to the members of the Board for their ongoing contributions and support, and for ensuring appropriate corporate governance in the Bank.

The Chairperson thanked Dr Mandla Gantsho for his valuable contribution to the Board during the previous three years and also in helping establish the Board Risk and Ethics Committee at the level and quality at which it functions and wished him well in his future endeavours.

Sincere appreciation was also expressed to Deputy Governors Mminele, Kganyago and Groepe, as well as to the entire management and staff of the Bank, for their dedication and commitment in dealing with the issues the Bank had to face in these very challenging times.
Ms Maria Ramos, the CEO of Barclays Africa Group, proposed a vote of thanks on behalf of the shareholders and the commercial banks. Ms Ramos extended heartfelt thanks and appreciation to the Bank and, in particular, to Governor Marcus, as well as the Deputy Governors, the staff of the Bank and the Board of Directors. The shareholders were deeply grateful for the exemplary manner in which the 2014 AGM had been conducted. The commitment and the professionalism with which the Bank conducted its business were fundamentally important to not only the shareholders but also the rest of South Africa. The quality of the work that had gone into preparing this meeting, as well as the excellence of the Annual Report 2013/14 that was produced, were greatly appreciated. The Bank had certainly set a new benchmark. The Annual Report provided an excellent account of the Bank's execution against its primary objective, which was to maintain price stability in the interest of balanced growth and sustainable economic development in South Africa. This was not an easy task given the complexities and challenges South Africa faces in the domestic economy, as well as the prevailing volatility, uncertainty and indeed the fragility in the global environment South Africa operated in.

Ms Ramos alluded to the fact that reading the Annual Report 2013/14 reminded the shareholders that these were difficult times for the custodians of monetary policy in South Africa, and indeed the rest of the world. She mentioned that Governor Marcus had displayed great skill and wisdom in steering the Bank through very trying times. The Annual Report further provided the shareholders with a good review of the strategic focus areas for the Bank, and she was particularly pleased to get a deeper understanding of the amount of investment that had gone into building capacity by upskilling people in the Bank. This was real investment for the future. She concluded by reiterating that the 2014 AGM was testimony to the fact that the Bank was living by its values of accountability, excellence, integrity, respect and trust, as well as open communication. Ms Ramos proceeded to mention that the shareholders owed Governor Marcus an immense debt of gratitude for her outstanding leadership of this Bank and to the Deputy Governors for their commitment, professionalism and the leadership they had shown in making sure that monetary policy in South Africa was conducted in a manner that ensured that this institution stood out as a beacon of professionalism and excellence at a time when it was really needed. She concluded by saying that the Bank was just seven years short of its 100th anniversary and, as the oldest central bank in Africa, Governor Marcus had embedded traditions that would serve the Bank well for the next 100 years. She thanked the Bank not just on behalf of the shareholders, but also on behalf of South Africa.

Following the vote of thanks, the Chairperson thanked the shareholders for their attendance and participation, and confirmed that the Bank would continue to count on the shareholders' support in future.

The Chairperson then declared the proceedings closed.

G Marcus
Chairperson
Dear Shareholders,
Members of the Board,
Deputy Governors,
Ladies and Gentlemen

The past year has been no less challenging for South Africa than any of the previous years since the start of the global financial crisis, which is now in its seventh year. The slow and uneven global recovery has continued, with the United Kingdom (UK) showing the most sustained signs of recovery among the advanced economies. The earlier optimism that the United States (US) economy had finally turned the corner, following fiscal challenges in 2013, was tempered following the gross domestic product (GDP) growth contraction of 2,9 per cent in the first quarter of this year. While part of this can be attributed to adverse weather conditions, there are conflicting signals coming out of the US. Corporate balance sheets appear to be healthy and the labour market is improving, with the unemployment rate having declined to 6,1 per cent in June 2014 from 7,5 per cent a year ago. However, the housing market has weakened recently, possibly in response to higher long-term rates, and the economy remains vulnerable to higher interest rates. The earlier expectation of growth of around 3 per cent appears to be out of reach for 2014, and the expectation is now closer to 2 per cent.

The eurozone emerged from recession in the early part of 2014, but slow growth is expected to persist amid tight lending criteria by banks and strong fiscal consolidation in a number of countries, particularly in the periphery. More recently, France, Germany and Italy – the largest economies in the region – have shown signs of slowing, and growth forecasts have been revised downwards. The risk of deflation in the eurozone persists, and remains a particular concern to the European Central Bank (ECB), which recently announced a further round of unconventional policy stimulus. Uncertainty still surrounds the sustainability of the response of the Japanese economy to the fiscal and monetary policy stimuli implemented during the past year. Household consumption expenditure surged in the first quarter in anticipation of consumption tax increases, resulting in a strong GDP growth performance in the quarter. Second quarter growth is expected to be negative as the higher taxes take effect.

The past year has also seen slowing growth in a number of the larger emerging-market economies. This followed a slowdown in China and a reversal of capital flows to emerging markets in the wake of indications that the US Federal Reserve (the Fed) would taper its bond-buying programme. Growth in China has been negatively impacted by concerns about the shadow banking system, the overheating housing market and tightening credit conditions. Its growth is now expected to be below 7,5 per cent, which is lower than historically, and while risks are seen to be on the downside, recent data suggest that these downside risks may have dissipated somewhat. The South African growth prospects are sensitive to developments in China through the impact of slower Chinese growth on commodity prices. Latin American countries, particularly Brazil, have also felt the slowdown. Other larger emerging markets that have experienced weaker growth include Indonesia, Russia, Thailand and Turkey, while India has recently shown some signs of recovery.

Global financial markets have been dominated by changing assessments of the outlook for US monetary policy. As the US growth outlook improved, the Fed hinted in May last year that it was considering reducing the amount of stimulus granted in the form of quantitative easing, which involves purchases of bonds by the Fed from the market. This created considerable uncertainty regarding the timing and speed of this tapering, and expectations in this regard kept changing in response to changing data coming out of the US. These developments impacted on emerging markets, which generally experienced capital outflows and volatile exchange rates in response to changing risk perceptions. By the beginning of February 2014, once orderly tapering was priced into the market, the focus moved to the timing and speed of interest rate normalisation.

More recently, as growth prospects in the US deteriorated, consensus forecasts and guidance from the Fed appeared to shift the expected timing of the first interest rate increase further out into the future, with a slower pace of increase. The forward guidance provided by central banks in the advanced economies has contributed to a low level of financial market volatility, and there are concerns that this could encourage excessive risk taking and asset price bubbles. Speculation regarding the timing of US interest rate normalisation is likely to remain a source of volatility and dominate financial markets for some time to come. It is also complicated by the fact that normalisation in the advanced economies is likely to be unsynchronised, with further loosening expected in Japan and the eurozone, while the Bank of England has indicated that the first policy rate increase could already occur later this year, but at a moderate pace.
Minutes of the ninety-fourth annual ordinary general meeting of shareholders of the South African Reserve Bank (continued)

Annexure A: Governor’s Address (continued)

Over the period under review, the South African economy faced a very challenging environment against this global backdrop, with domestic issues compounding these difficulties. The exchange rate moved broadly in line with a number of emerging-market economies in response to tapering and capital-flow reversals. For example, between the beginning of November 2013 and the beginning of February 2014, net sales of bonds and equities by non-residents totalled just over R70 billion, but since then net purchases have totalled over R40 billion. The rand has generally depreciated over the period, although with a high degree of volatility in response to these wide swings in capital flows. However, idiosyncratic factors caused the rand to diverge from its emerging-market peers at times. In particular, the rand was also influenced by the widening deficit on the current account of the balance of payments, and by a succession of protracted labour disputes in the motor-vehicle subsector and mining sectors in particular, which have undermined the country’s export and growth performance and prospects.

The fraught labour relations environment contributed to the decline in domestic economic growth from 2.5 per cent in 2012 to 1.9 per cent in 2013, and the economy contracted by 0.6 per cent in the first quarter of 2014. While the monthly data for April pointed to a better second quarter outcome, both the mining and manufacturing outcomes in May were again negative. With household consumption expenditure and private-sector investment growth expected to slow further amid weak business confidence, the Bank lowered its growth forecast for 2014 to 1.7 per cent. Under these circumstances, the high level of unemployment, currently at around 25 per cent, is expected to persist and employment growth is expected to remain constrained, particularly in the private sector. The need for fiscal consolidation is also likely to constrain public-sector employment growth, which to date has been the main driver of employment growth since the onset of the crisis.

The environment for monetary policy became increasingly complex under these conditions, with the inflation outlook deteriorating as the economy weakened. Inflation breached the upper end of the target band in July and August 2013, but as the breach was anticipated to be temporary, monetary policy did not react to it. However, in January 2014 further pressures from the exchange rate and food prices saw a significant upward revision of the inflation forecast; inflation was expected to breach the upper end of the band for an extended period of about four quarters from the second quarter of 2014 and to peak at around 6.6 per cent in the fourth quarter of 2014. In line with this forecast, inflation measured 6.1 per cent in April 2014 and 6.6 per cent in both May and June, resulting in a second quarter consumer price index (CPI) average of 6.4 per cent.

The most recent forecast of the Bank shows that inflation is expected to average 6.3 per cent in 2014, with the quarterly peak of 6.6 per cent still expected in the fourth quarter following a slight moderation in the third quarter. The forecast average inflation for 2015 and 2016 is 5.9 per cent and 5.8 per cent respectively, with inflation expected to average 5.5 per cent in the final quarter of 2016. Inflation is expected to return to within the target band during the second quarter of 2015.

Monetary policy therefore faced a difficult dilemma in the period under review, with a widening output gap, downside risks to growth, and a deteriorating inflation profile with upside risks. In response to these inflation developments and in light of the need for monetary policy normalisation over time, the Bank’s Monetary Policy Committee (MPC) decided at its meeting in January 2014 to embark on a moderate tightening cycle and raised the repurchase (repo) rate by 50 basis points to 5.5 per cent per annum.

As the growth outlook deteriorated further and the inflation risks moderated slightly, the monetary policy stance remained unchanged at the MPC’s subsequent meetings in March and May. However, at the July meeting the MPC decided to continue on its gradual normalisation path and raised the repurchase rate by 25 basis points to 5.75 per cent per annum. The MPC remained concerned about the upside risks to the inflation outlook and the increased risk of a wage-price spiral in the context of the current difficult labour relations environment, with the risk of double-digit wage settlements becoming the economy-wide norm.

Given the global and domestic risks to the outlook, future changes in the monetary policy stance will remain highly data-dependent. The MPC will remain focused on its core mandate of price stability, but will also be mindful of the impact of its policy actions on economic growth. Many of the problems that South Africa faces are not within the purview of the Bank’s mandate, nor does the Bank have the policy levers to address these issues. However, the Bank will continue to play its part in supporting the economy through these difficult times by maintaining its focus on price stability in support of sustainable economic growth.

While price stability remains the core mandate of the Bank, financial stability has become part of its extended mandate, which is being formalised in the draft Financial Sector Regulation Bill of 2013. The revised Bill is expected to be tabled in parliament later this year. Planning for the implementation of the Twin Peaks Regulatory Model is proceeding. This model locates the regulation and supervision of both banks and insurance companies within the Bank and allocates market-conduct oversight to a new authority that will replace the Financial Services Board. The envisaged changes will have a significant impact on the Bank in terms of responsibilities and resources, with a sizeable increase in personnel expected.
Although we have to wait until the legislation is passed to give full effect to the envisaged changes, we still have paid attention to our financial stability responsibilities: the Bank Supervision Department (BSD) has increased its supervisory vigilance domestically and its role on the Basel Committee on Banking Supervision (BCBS); the Bank’s Financial Stability Committee (FSC) meets regularly and work is being done to develop a macro-prudential policy toolkit. This is uncharted territory and a challenge faced by most countries. Fortunately, our banks and the financial system in general have remained stable, despite the difficult global and domestic environments.

Let me now turn to the Annual Report.

The financial statements presented to you today show that the Bank has again recorded a loss. As I explained in some detail in my address to shareholders last year, the Bank is not driven by a profit motive, but rather acts in the best interests of the country. The Group recorded an after-tax loss of R1.6 billion in the year under review, compared with the R1.3 billion loss in the previous financial year. Once again, the major source of our losses emanated from the holding of foreign-exchange reserves. Net interest income earned on the country’s foreign-exchange reserves remained constrained by low global interest rates as monetary policy in the advanced economies remained highly accommodative. At the same time, costs increased, including those associated with the introduction of the new currency in 2012, which were carried over into the following financial year, and staffing costs which rose as a result of salary increases and additional appointments required due to the expanded operations of the Bank. Although the losses recorded arose from the Bank performing its functions in the interest of the economy, we remain committed to containing costs and maximising operational efficiency, and are confident that the Bank will return to profitability over the next few years.

Acting on legal advice, the Bank has embarked on a formal process to regularise shareholding in the Bank. This entailed addressing correspondence to all shareholders of the Bank who hold shares in contravention of section 22 of the SARB Act. These shareholders, together with their associates, hold more than 10 000 shares in the Bank without having made the prescribed disclosure as required by law. These shareholders were called on to provide the Bank with an irrevocable undertaking that they would dispose of the number of shares in the Bank as may be necessary to ensure that they, together with their associates, would in aggregate hold no more than 10 000 shares. Shareholders were advised that should they fail and/or refuse to provide the required undertaking and fail to dispose of the requisite shares in the Bank, legal proceedings against them in terms of section 22 of the SARB Act would be instituted for an appropriate order to redress the matter. This order may include the disposal of shares in the Bank at a price per share and subject to such terms, conditions and restrictions as a Court may determine.

This year the shareholder roadshow was only held in Pretoria on 9 July. As attendance in other centres has been poor in recent years, we had indicated that the meeting would be broadcast live to the Cape Town and Durban branches via videoconferencing. However, as we did not receive any responses from shareholders confirming their attendance at these venues, the broadcast was cancelled. The Pretoria roadshow was well attended and I encourage shareholders to take this opportunity in future to interact with the executive of the Bank, outside of the AGM.

Once again, the questions posed at the roadshow were specific to the persons attending. However, it would be opportune at this time to highlight that during the 2013/14 financial year the Group adopted new accounting standards and reclassified certain financial information. This has resulted in the comparatives being restated for the financial years ending 2012 and 2013, and therefore the need for restated statements of the financial position, and profit and loss. I refer you to Note 16 in the Annual Report 2013/14 for further details in this regard.

You have been advised that this year the Panel selected only one candidate each for the non-executive director vacancies in the mining and labour sectors. This was due to the fact that very few nominations were received from the public in these sectors. The Bank will review how it can improve the profile of the request for nominations to ensure a greater public awareness of the process going forward.
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AABSDP</td>
<td>Association of African Banknote and Security Document Printers</td>
</tr>
<tr>
<td>AGM</td>
<td>Annual Ordinary General Meeting</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-money laundering</td>
</tr>
<tr>
<td>BA</td>
<td>Bachelor of Arts</td>
</tr>
<tr>
<td>BA (Hons)</td>
<td>Bachelor of Arts (Honours)</td>
</tr>
<tr>
<td>BANKSETA</td>
<td>Banking Sector Education and Training Authority</td>
</tr>
<tr>
<td>BBusSc</td>
<td>Bachelor of Business Science</td>
</tr>
<tr>
<td>BC</td>
<td>Budget Committee</td>
</tr>
<tr>
<td>BCBS</td>
<td>Basel Committee on Banking Supervision</td>
</tr>
<tr>
<td>BCM</td>
<td>Business Continuity Management</td>
</tr>
<tr>
<td>BCMC</td>
<td>Business Continuity Management Committee</td>
</tr>
<tr>
<td>BCom</td>
<td>Bachelor of Commerce</td>
</tr>
<tr>
<td>BCom (Hons)</td>
<td>Bachelor of Commerce (Honours)</td>
</tr>
<tr>
<td>BCompt (Hons)</td>
<td>Bachelor of Accounting Science (Honours)</td>
</tr>
<tr>
<td>BER</td>
<td>Bureau for Economic Research</td>
</tr>
<tr>
<td>Board</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>BoT</td>
<td>Board of Trustees</td>
</tr>
<tr>
<td>BREC</td>
<td>Board Risk and Ethics Committee</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China and South Africa</td>
</tr>
<tr>
<td>BSc</td>
<td>Bachelor of Science</td>
</tr>
<tr>
<td>BSTD</td>
<td>Business Systems and Technology Department</td>
</tr>
<tr>
<td>BUSA</td>
<td>Business Unity South Africa</td>
</tr>
<tr>
<td>CA(SA)</td>
<td>Chartered Accountant South Africa</td>
</tr>
<tr>
<td>CAF</td>
<td>Combined Assurance Forum</td>
</tr>
<tr>
<td>CAW</td>
<td>Chartered Accountants Worldwide</td>
</tr>
<tr>
<td>CCBG</td>
<td>Committee of Central Bank Governors</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CFO</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>CFT</td>
<td>Combatting the financing of terrorism</td>
</tr>
<tr>
<td>CIA</td>
<td>Chief Internal Auditor</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>CISU</td>
<td>Cyber and Information Security Unit</td>
</tr>
<tr>
<td>CLF</td>
<td>Committed liquidity facility</td>
</tr>
<tr>
<td>CMA</td>
<td>Common Monetary Area</td>
</tr>
<tr>
<td>Companies Act</td>
<td>Companies Act 73 of 2008</td>
</tr>
<tr>
<td>Constitution</td>
<td>Constitution of South Africa Act 108 of 1996</td>
</tr>
<tr>
<td>COO</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>COSO</td>
<td>Committee of Sponsoring Organisations of the Treadway Commission</td>
</tr>
<tr>
<td>CPD</td>
<td>Corporation for Public Deposits</td>
</tr>
<tr>
<td>CPD Act</td>
<td>Corporation for Public Deposits Act 46 of 1984</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer price index</td>
</tr>
<tr>
<td>CSI</td>
<td>Corporate social investment</td>
</tr>
<tr>
<td>CV</td>
<td>Curriculum vitae</td>
</tr>
<tr>
<td>DCom</td>
<td>Doctor of Commerce</td>
</tr>
<tr>
<td>ECB</td>
<td>European Central Bank</td>
</tr>
<tr>
<td>EE</td>
<td>Employment equity</td>
</tr>
<tr>
<td>e.g.</td>
<td>Exempli gratia (for example) (Latin)</td>
</tr>
</tbody>
</table>
Abbreviations (continued)

EIM  Enterprise Information Management
ERP  Enterprise Resource Planning
EVP  employee value proposition
FMD  Financial Markets Department
FMI  financial market infrastructure
FOMC  Federal Open Market Committee
FSAP  Financial Sector Assessment Programme
FSB  Financial Stability Board
FSC  Financial Stability Committee
FSD  Financial Services Department
FSOC  Financial Stability Oversight Committee
FSR  Financial Stability Review
G-20  Group of Twenty Finance Ministers and Central Bank Governors
GAA  Global Accounting Alliance
GDP  gross domestic product
GEC  Governors’ Executive Committee
GFECRA  Gold and Foreign Exchange Contingency Reserve Account
GMD  Group Managing Director
GSC  Group Security Committee
GSCD  Group Strategy and Communications Department
Hons  Honours (degree)
HR  human resources
HRBP  Human Resources Business Partner
IAD  Internal Audit Department
IAS  International Accounting Standard
ICT  information and communications technology
i.e.  id est (that is to say) (Latin)
IFAC  International Federation of Accountants
IFRIC  International Financial Reporting Interpretations Committee
IFRSs  International Financial Reporting Standards
IGCC  Inter-Governmental Cash Coordination
IIA  Institute of Internal Auditors
IMF  International Monetary Fund
Inc.  Incorporated
IPPF  International Professional Practice Framework
IRM  integrated risk management
ISMS  Information Security Management System
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>IT</td>
<td>information technology</td>
</tr>
<tr>
<td>ITSC</td>
<td>Information Technology Steering Committee</td>
</tr>
<tr>
<td>JSE</td>
<td>JSE Limited</td>
</tr>
<tr>
<td>King III</td>
<td>King Report on Corporate Governance in South Africa 2009</td>
</tr>
<tr>
<td>LCR</td>
<td>liquidity coverage ratio</td>
</tr>
<tr>
<td>LLB</td>
<td>Bachelor of Laws</td>
</tr>
<tr>
<td>LLM</td>
<td>Master of Laws</td>
</tr>
<tr>
<td>Ltd</td>
<td>Limited</td>
</tr>
<tr>
<td>MA</td>
<td>Master of Arts</td>
</tr>
<tr>
<td>Manco</td>
<td>Management Committee</td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
</tr>
<tr>
<td>MBusSc</td>
<td>Master of Business Science</td>
</tr>
<tr>
<td>MCom</td>
<td>Master of Commerce</td>
</tr>
<tr>
<td>MCP</td>
<td>Multiple Career Paths</td>
</tr>
<tr>
<td>MDC</td>
<td>Mint Directors’ Conference</td>
</tr>
<tr>
<td>MEFMI</td>
<td>Macroeconomic and Financial Management Institute of Eastern and Southern Africa</td>
</tr>
<tr>
<td>MoU</td>
<td>memorandum of understanding</td>
</tr>
<tr>
<td>MPC</td>
<td>Monetary Policy Committee</td>
</tr>
<tr>
<td>MPR</td>
<td>Monetary Policy Review</td>
</tr>
<tr>
<td>MSc</td>
<td>Master of Science</td>
</tr>
<tr>
<td>Nedcom</td>
<td>Non-executive Directors’ Committee</td>
</tr>
<tr>
<td>Nedlac</td>
<td>National Economic Development and Labour Council</td>
</tr>
<tr>
<td>NERSA</td>
<td>National Energy Regulator of South Africa</td>
</tr>
<tr>
<td>NPC</td>
<td>National Planning Commission</td>
</tr>
<tr>
<td>P O</td>
<td>Post Office</td>
</tr>
<tr>
<td>PAFA</td>
<td>Pan African Federation of Accountants</td>
</tr>
<tr>
<td>PAIA</td>
<td>Promotion of Access to Information Act 2 of 2000</td>
</tr>
<tr>
<td>PAIWG</td>
<td>Prudential Authority Implementation Working Group</td>
</tr>
<tr>
<td>PCE</td>
<td>personal consumption expenditures</td>
</tr>
<tr>
<td>Pension Funds Act</td>
<td>Pension Funds Act 24 of 1956</td>
</tr>
<tr>
<td>PhD</td>
<td>Doctor of Philosophy</td>
</tr>
<tr>
<td>POPI</td>
<td>Protection of Personal Information Act 4 of 2013</td>
</tr>
<tr>
<td>Prestige Bullion</td>
<td>Prestige Bullion (RF) Proprietary Limited</td>
</tr>
<tr>
<td>Pty</td>
<td>Proprietary</td>
</tr>
<tr>
<td>PwC</td>
<td>PricewaterhouseCoopers Inc.</td>
</tr>
</tbody>
</table>
Abbreviations (continued)

QE  quantitative easing
Rand Refinery  Rand Refinery Proprietary Limited
Remco  Remuneration Committee
repo rate  repurchase rate
Resmanco  Reserves Management Committee
RF  ring fenced
RFP  request for proposal
RMC  Risk Management Committee
RMCD  Risk Management and Compliance Department
SA  South Africa(n)
SA Mint  South African Mint Company (RF) Proprietary Limited
SABN  South African Bank Note Company (RF) Proprietary Limited
SADC  Southern African Development Community
SAICA  South African Institute of Chartered Accountants
SARB  South African Reserve Bank
SARB Academy  South African Reserve Bank Academy
SARB Act  South African Reserve Bank Act 90 of 1989, as amended
SARB Amendment Act  South African Reserve Bank Amendment Act 4 of 2010
SARBBCIC  South African Reserve Bank Captive Insurance Company (RF) Limited
SARB College  South African Reserve Bank College
SARB debentures  South African Reserve Bank debentures
SASBO  South African Society of Bank Officials
SHE  Safety, Health and Environment
SIRESS  SADC Integrated Regional Electronic Settlement System
SMART  specific, measurable, attainable, relevant and timely
SMD  Security Management Department
SNG  SizweNtsalubaGobodo Inc.
SOAS  School for Oriental and African Studies
STIA  Short-term Insurance Act 53 of 1998
TCF  Treating Customers Fairly
the Bank  South African Reserve Bank
the Fed  United States Federal Reserve
the Group  South African Reserve Bank Group
UCC  Unified Communications and Collaboration
UK  United Kingdom
US  United States
Unisa  University of South Africa
Wits  University of the Witwatersrand
Glossary

ex officio \hspace{1cm} by virtue of one’s position or status (Latin)
inter alia \hspace{1cm} among other things (Latin)
### Contact details

**Physical address**

**Head office**
370 Helen Joseph Street (formerly Church Street)
Pretoria 0002
Telephone: 012 313 3911/0861 12 7272

**Postal address**
P O Box 427 Pretoria 0001

### Branches

**Bloemfontein**
1 Hamelberg Street
Hoffman Square
Bloemfontein 9301
Telephone: 051 403 7500

**Postal address**
P O Box 790 Bloemfontein 9300

**Cape Town**
25 Burg Street
Cape Town 8001
Telephone: 021 481 6700

**Postal address**
P O Box 2533 Cape Town 8000

**Durban**
8 Dr A B Xuma Street
Durban 4001
Telephone: 031 310 9300

**Postal address**
P O Box 980 Durban 4000

**East London**
69 Union Street
East London 5201
Telephone: 043 707 3400

**Postal address**
P O Box 435 East London 5200

**Johannesburg**
57 Ntemi Piliso Street
Johannesburg 2001
Telephone: 011 240 0700

**Postal address**
P O Box 1096 Johannesburg 2000

**Port Elizabeth**
Market Square North Union Street
Port Elizabeth 6001
Telephone: 041 501 6600

**Postal address**
P O Box 712 Port Elizabeth 6000

**Depot**
**Pretoria North**
460 Jan van Riebeeck Street
Pretoria North 0182
Telephone: 012 521 7700

**Postal address**
P O Box 17376 Pretoria North 0116