



South African Reserve Bank

**Remarks by Lesetja Kganyago,
Governor of the South African Reserve Bank, at the press conference to
announce the sale of SARB shares to the general public
South African Reserve Bank, Pretoria
2 March 2017**

Members of the media, ladies and gentlemen.

We have called today's media briefing to make South Africans aware of the opportunity to buy shares of the South African Reserve Bank (SARB).

How did these shares become available?

Some of you will recall that the SARB Act¹ was amended in September 2010 to, among other things, limit the shareholding in the SARB to 10 000 shares each for a SARB shareholder and their associates. This means that no shareholder and their immediate family, and/or associates, can collectively own more than 10 000 SARB shares.

After some shareholders had failed to comply with the legislative measures pertaining to this limitation of shareholding, the SARB applied for, and was granted, an order by the High Court of South Africa authorising the sale of the shares held by these shareholders and their associates in excess of the statutory limit of 10 000.

¹ South African Reserve Bank Act 90 of 1989

The High court order was issued on 4 November 2016:

- a) Directing affected shareholders, with their associates, to dispose of those SARB shares which they held in excess of 10 000;
- b) Appointing Investec Securities Proprietary Limited to act as an independent broker to facilitate the disposal of those shares over a period of two years from the date of the order, at a sale price of not less than a pre-determined market price; and
- c) Directed the General Counsel of the SARB to do all things necessary to enable the sale of the shares, including signing all necessary documentation and providing whatever assistance is necessary to Investec Securities Proprietary Limited.

As a result of this process, some 149 200 shares in the SARB have become available for sale. We would like to use this opportunity to diversify our shareholder base, and we would like to encourage all eligible South Africans to take up this opportunity to own shares in the SARB.

Any person is eligible to buy shares in the SARB, except if they already hold, together with their associates, 10 000 of these shares.

I must emphasise that the SARB does not have a profit-maximising objective; our operations are conducted in the broader interests of the country, in pursuit of the SARB's mandate and responsibilities.

The mandate and independence of the SARB are entrenched in sections 224 and 225 of the Constitution of the Republic of South Africa. In carrying out its mandate, the SARB does not bow to any pressure, be it political or from the private sector. The SARB accounts to the people of South Africa through Parliament.

Shareholding in the SARB is based exclusively on the principles of shared community representation and participation in the governance of the SARB in order to enhance the independence, transparency and accountability of the SARB in the interest of all South Africans.

The SARB has a total of 2 million ordinary shares and its shareholders are paid a fixed annual dividend of 10 cents per share, as stipulated by the law.

SARB shareholders have no say on any policy decisions that the executive management of the SARB takes in implementing the SARB's constitutional mandate.

However, SARB shareholders can elect a maximum of seven non-executive directors of the Board of the SARB from a list of candidates approved by a panel chaired by the Governor of the SARB. These votes are normally exercised at the annual ordinary general meeting (AGM) of the SARB and each shareholder is limited to 1 vote for every 200 shares held.

It just so happens that, earlier this week, the SARB put out a call for the nomination of candidates for election as non-executive directors to the Board.

I would once again like to encourage all members of the public to nominate candidates who have skills and experience in the mining sector, labour sector and commerce or finance sectors. Nominations close on Friday, 17 March 2017 and forms are available on the SARB website.

SARB shareholders can vote from an approved list of candidates following a rigorous pre-qualification process, including an evaluation of the nominees by a panel.

SARB shareholders are also required to discuss the Annual Report and the audit reports of the SARB, appoint its external auditors and approve their remuneration, and consider any special business that may have been placed on the agenda of the AGM.

In conclusion, let me take this opportunity to once again encourage all South Africans to get a share of the SARB today – and in so doing join the SARB in serving the economic well-being of all South Africans.

Thank you.