South African Reserve Bank

Press statement

Thursday, 21 December 2017

SARB statement on nationalisation

The South African Reserve Bank (SARB) is of the view that the process of changing the ownership structure of the SARB at this point in time could raise the level of risk and uncertainty for the country in both a financial and economic policy sense. This heightened exposure to risk is unwarranted given the country's fragile economic situation.

The SARB functions in the public interest; private shareholders have no influence whatsoever on monetary policy, financial stability, or banking regulation. Policy making and execution is the preserve of the Governor and the Deputy Governors, who are appointed by the President. The rights of the private shareholders are highly circumscribed. A shareholder, and his or her associates, cannot hold more than 10 000 shares out of the total of 2 million shares in issue. According to the SARB Act, shareholders receive a fixed annual dividend of 10c per share, making the total dividend payout each year R200 000.

Nationalising the SARB would also be expensive as its shares currently trade for much less than the price at which some existing shareholders are willing to sell their shares. The "buying-out" of existing shareholders will therefore result in paying large sums of money to effect cosmetic changes that will have no bearing on the manner in which the SARB carries out its mandate or executes its policy responsibilities.

Latest information about: the list of shareholders, trade in shares as well as general information about SARB shares can be accessed here.

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