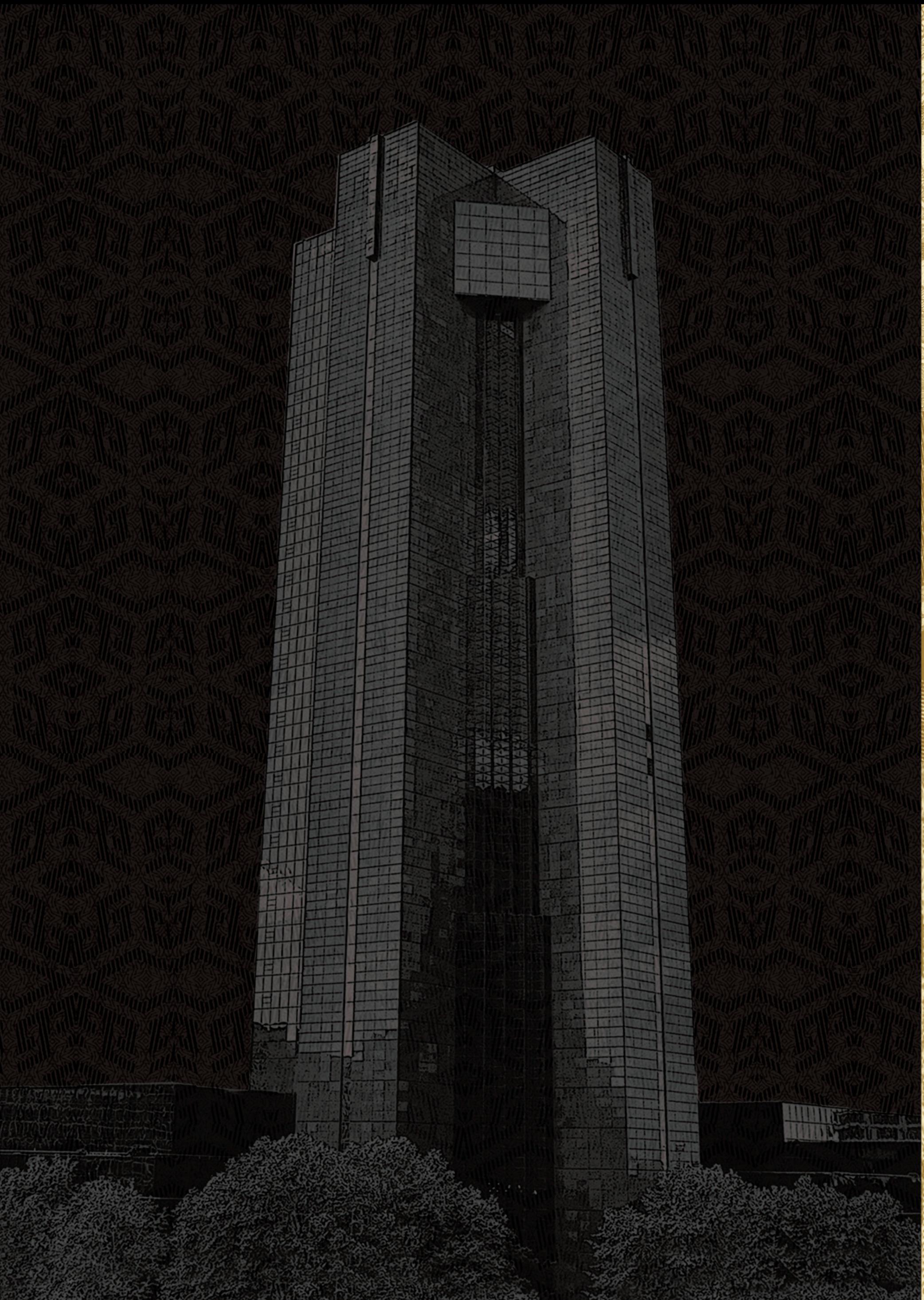
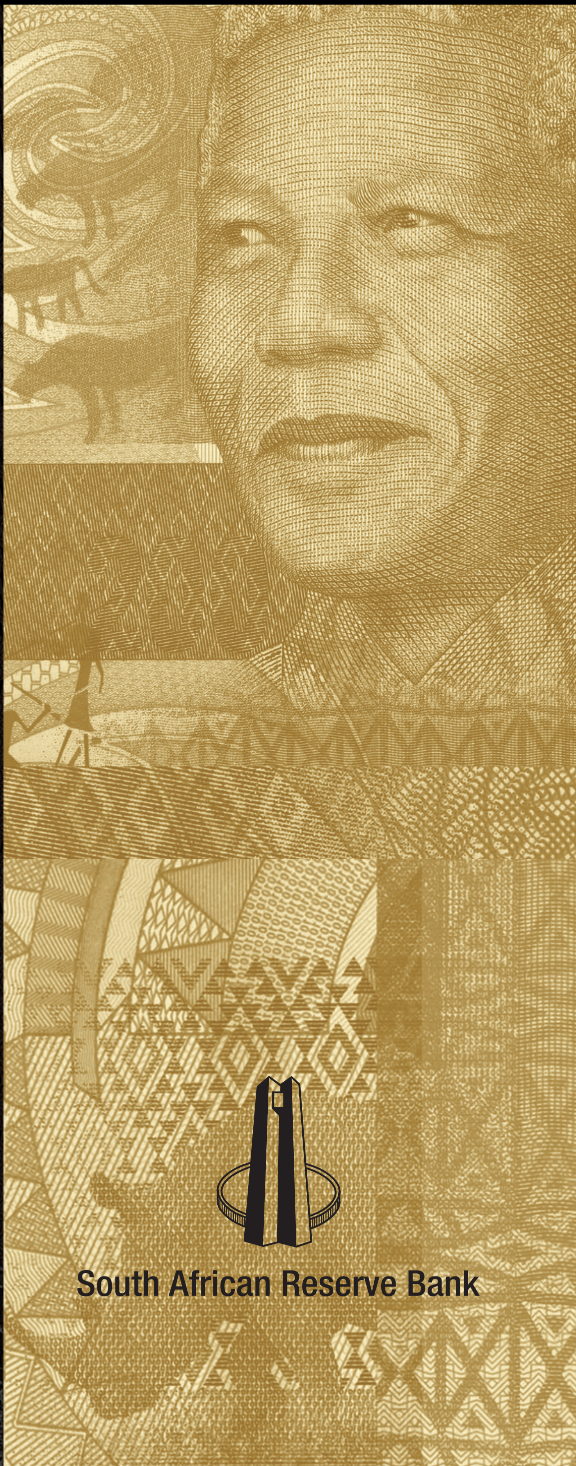
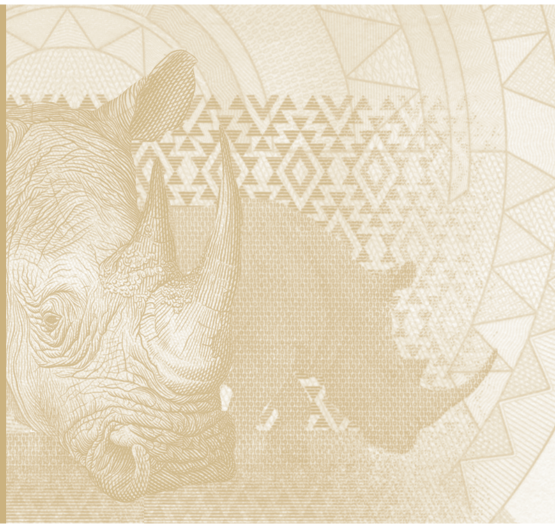
Annual financial statements for the year ended 31 March 2014







Annual financial statements for the year ended 31 March 2014

South African Reserve Bank

Contents

Directors' report for the year ended 31 March 2014

Introduction

The directors are pleased to report on the activities of the South African Reserve Bank (the Bank) and its subsidiaries (the Group) and its financial results for the year under review.

These annual financial statements, which are being issued in terms of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), as amended (SARB Act) and its regulations, address the performance of the Group and relevant statutory information requirements.

It is the directors' responsibility to prepare annual financial statements and related financial information that present the Group's state of affairs. These financial statements were prepared on a going-concern basis, taking cognisance of certain unique aspects relating to the Bank's ability to create and withdraw domestic currency, its role as lender of last resort, its responsibilities in the areas of price and financial stability, and its relationship with government concerning foreign-exchange and gold transactions.

The statements include appropriate and responsible disclosure, and are based on accounting policies that have been consistently applied and that are supported by reasonable and prudent judgements and estimates.

The annual financial statements were audited by the Group's independent external auditors who were given unrestricted access to all financial records and related data, including minutes of all the meetings of the Board of Directors (Board), its committees and executive management meetings.

The directors are responsible for governance in the Bank, which is monitored on an ongoing basis. The Bank applies the *King Report on Corporate Governance in South Africa 2009* principles and guidelines where appropriate, and where they do not contravene the SARB Act.

Nature of business

The Bank is the central bank of South Africa and is regulated in terms of the SARB Act. Its primary objective is to protect the value of the currency in the interest of balanced and sustainable economic growth. In pursuance of this objective, as well as that of financial stability, the Bank assumes responsibility for the functions set out on page 5 of the Annual Report, which can be found on the Bank's website.

Subsidiaries

The wholly owned subsidiaries of the Bank are involved in the following activities:

- The South African Mint Company (RF) Proprietary Limited (SA Mint) including its own subsidiary, Prestige Bullion (RF) Proprietary Limited (Prestige Bullion), produces circulation, bullion and numismatics coins.
- The South African Bank Note Company (RF) Proprietary Limited (SABN) produces banknotes.
- The South African Reserve Bank Captive Insurance Company (RF) Limited (SARBCIC) manages certain short-term insurable risks of the Bank and its subsidiaries.
- The Corporation for Public Deposits (CPD) receives and invests call deposits from government and public entities.

Information on the Bank's financial interest in its subsidiaries is reflected in Note 29.1 on page 54 of this report.

The Board resolved to replace SARBCIC with an alternative, outsourced insurance arrangement with effect from 1 April 2014. This was done to avoid a conflict of interest when the Bank assumes responsibility for the prudential supervision of the insurance industry as part of the Twin Peaks Regulatory Model, which is expected to be implemented in 2015.

The Bank's subsidiaries passed no special resolutions which may be significant to the Bank's affairs in the year under review.

Achievement of objectives

This report includes the Bank's achievements against its objectives, including the achievement of its main objective, namely the maintenance of price stability. The Governor will expand further at the Bank's annual ordinary general meeting (AGM) on 25 July 2014.

Financial results

It is seven years since the onset of the global financial crisis; the aftermath continues to impact the financial results of the Bank and therefore the Group. The income of the Bank comes mainly from foreign investments and, due to a low-yielding environment, was insufficient to cover its operational costs in the year under review. This resulted in the Bank experiencing a loss after taxation of R1,6 billion (2012/13: R1,3 billion) for the year ended 31 March 2014 .

In 2013/14, the SA Mint including its own subsidiary, Prestige Bullion, made a profit attributable to the parent of R92,2 million (2012/13: R5,0 million loss).

In the same period, the SABN made a post-taxation profit of R46,6 million (2012/13: R3 million profit).

During the year under review, SARBCIC made a net profit of R5,8 million (2012/13: R1,7 million loss).

In 2013/14, the CPD recorded a profit after taxation of R55,2 million (2012/13: R98,1 million), of which R45,0 million (2012/13: R86,9 million) was transferred to government in accordance with the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984) (CPD Act).

Further details on the Group's financial information for 2013/14, including its statement of profit or loss and other comprehensive income, appear on page 11 of the annual financial statements.

Financial position

The Group's total assets grew by R68,9 billion (2012/13: R81,7 billion) during the year under review, driven largely by a R63,1 billion (2012/13: R71,0 billion) increase in gross gold and foreign assets.

The increase was mainly the result of the depreciation of the South African rand against major currencies, offset by a decrease in the price of gold.

The total liabilities of the Group increased by R70,6 billion (2012/13: R83,0 billion) while the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) (used for currency revaluation of gold and foreign assets which is for government's account) increased by R52,3 billion (2012/13: R57,9 billion).

The statement of financial position appears on page 10 of the annual financial statements.

Dividends

An interim dividend of five cents per share for the 2013/14 financial year was paid to shareholders on 20 December 2013; the final dividend, also of five cents per share, was paid on 9 May 2014. The total dividend paid for the 2013/14 financial year was R200 000.

When approving both the interim and the final dividends for the 2013/14 financial year, the directors took into account that the SARB Act permits the Bank to declare dividends from its accumulated profits (i.e., reserves), despite the Bank having incurred a loss during the period under review.

Directors

The composition of the Board as at 31 March 2014 appears on pages 42 to 47 of the Annual Report published on the Bank's website. There were no vacancies on the Board during the 2013/14 financial year. As at 31 March 2014 and to date, none of the directors in office held any direct or indirect shareholding in the Bank.

Directors' fees for their services during the financial year under review are reflected on page 57 of the annual financial statements.

The terms of office of R J G (Rob) Barrow, R (Rochelle) le Roux and G M (Gary) Ralfe will expire at the 2014 AGM. All three directors are available for re-election, having not yet served three terms in office. The Board unanimously recommended that they be nominated as candidates for consideration by the Panel. On 3 April 2014 the Panel selected these non-executive directors as candidates to be presented to the shareholders for possible re-election at the 2014 AGM.

Secretary of the Bank

S L (Sheenagh) Reynolds

Business address:
370 Helen Joseph (formerly Church) Street
Pretoria
0002

Postal address:
P O Box 427
Pretoria
0001

The financial statements were approved by the Board on 12 June 2014 and signed on its behalf by:

....
G (Gill) Marcus
Governor

....
R J G (Rob) Barrow
Non-executive Director
and Chairperson of the Audit Committee

....
N (Naidene) Ford-Hoon
Group Chief Financial Officer

....
S L (Sheenagh) Reynolds
Secretary of the Bank

Statement by the Secretary of the Bank

In my capacity as Secretary of the Bank, I certify that all the returns required to be submitted in terms of the SARB Act, for the year ended 31 March 2014, have been completed and are up to date.

....
S L (Sheenagh) Reynolds
Secretary of the Bank

12 June 2014

Report of the Audit Committee

The Audit Committee is a committee of the Board. All its members are independent non-executive directors. The responsibilities of this committee are detailed in its terms of reference, which are reviewed annually and approved by the Board.

The Audit Committee confirms that, in the period under review, it carried out its functions responsibly and in compliance with its terms of reference.

The Bank's executive management, internal auditors, external auditors and other assurance providers attend this committee's meetings in an ex officio capacity. Management and both internal and external auditors meet independently with the Audit Committee, as appropriate.

Roles and responsibilities

The Audit Committee assists the Board in fulfilling its oversight role regarding the Bank's financial reporting processes, the system of internal financial controls and the Bank's process for monitoring compliance with laws and regulations as they relate to financial reporting.

Internal control (including internal financial controls)

The Bank's internal control system is designed to ensure:

- the integrity and reliability of financial information;
- compliance with all applicable laws and regulations;
- the accomplishment of objectives;
- economy and efficiency of operations; and
- the safeguarding of assets.

The Audit Committee is satisfied that the Bank's system of internal financial controls is adequately designed and effectively operated to form a sound basis for the preparation of reliable financial reports. This assessment is based on reports from both internal and external auditors, the combined assurance forum, and management.

The Audit Committee considered, and is satisfied with, the expertise and experience of the Group Chief Financial Officer (CFO). The finance function in the Bank has expert and adequate resources to support the Group CFO.

Integrated reporting, annual financial statements and combined assurance

The Audit Committee is satisfied with the progress being made towards integrated reporting and combined assurance within the Bank. It is anticipated that it will take a number of years for a comprehensive, integrated report to be presented.

The committee reviewed the audited annual financial statements of the Bank and the external auditors' report thereon, and recommended their approval to the Board.

The Bank implemented the three-lines-of-defence combined assurance model to enhance governance, risk management, control and audit in the interest of reaching a higher level of assurance. The Audit Committee monitored the implementation of the combined assurance model and confirmed the levels of assurance provided by the assurance providers through its review of the combined assurance framework.

Internal auditors

The Audit Committee recommended the Internal Audit Charter, which defines the purpose, authority and responsibility of the internal audit function, to the Board for approval. The committee also approved the annual internal audit plan.

The Audit Committee reviewed the Internal Audit Department's (IAD) reports on control weaknesses and management's corrective actions.

The Audit Committee is satisfied that the IAD is independent and appropriately resourced and has provided assurance on the adequacy and effectiveness of the internal control environment of the Bank. The Chief Internal Auditor (CIA) reports functionally to the Audit Committee and administratively to both the Chairperson of the Audit Committee and the Governor.

External audit

The Audit Committee is satisfied with the independence of the external auditors of the Bank. This assessment was made after considering the independence letters from the external auditors, continuous monitoring and approval of non-audit services, and a formal partner rotation process.

In consultation with executive management, the committee reviewed the external auditors' proposed audit scope, approach and audit fees for the year under review.

The Audit Committee is satisfied with the formal procedures that govern the provision of non-audit services by the external auditors. This is monitored through reporting such activities to each Audit Committee meeting.

Compliance

The Audit Committee is satisfied that the Bank implemented appropriate processes and controls to ensure compliance with all applicable laws and regulations as they relate to financial reporting. This is based on the committee's review of reports received from both internal and external auditors as well as executive management.

Information technology

The Audit Committee is satisfied that the Bank is able to manage its information technology (IT) capability and that its IT controls are appropriate to support the integrity of financial reporting. This is based on the committee's continuous review of reports from IT management as well as the internal and external auditors.

Whistle-blowing

Based on combined submissions from the Risk Management and Compliance Department and the IAD, the Audit Committee is satisfied that procedures have been established to receive, retain and treat complaints regarding accounting, internal controls or auditing matters, including procedures for confidential and anonymous submissions in this regard.

R J G (Rob) Barrow
Chairperson of the Audit Committee

Financial framework

Reporting framework

These consolidated financial statements have been prepared in accordance with the SARB Act and the accounting policies set out in Note 1 to the financial statements.

The SARB Act is not prescriptive regarding the accounting framework that the Bank should adopt, except for sections 25 to 28, which deal with the accounting treatment of gold and foreign-exchange transactions. These sections are in conflict with International Financial Reporting Standards (IFRSs). The Bank has chosen to use IFRSs as a guide in deciding on the most appropriate accounting policies to adopt, and as a model for the presentation and disclosure framework followed in its financial statements.

The SARB Act, however, takes precedence over IFRSs in the areas noted above and, as a result, the recognition and measurement criteria as set out in IFRSs have not been followed in these circumstances. In addition, the Bank considers certain recognition and measurement principles as well as disclosures inappropriate to its functions. The Bank's financial statements, therefore, disclose less detail than would be required under IFRSs. The significant departures from IFRSs as a consequence of the above are summarised as follows:

Recognition and measurement

1. According to the SARB Act,
   a. realised and unrealised valuation gains and losses on gold, and realised and unrealised foreign-exchange gains and losses on foreign-denominated assets and liabilities are for the account of government, and have, therefore, not been accounted for in profit or loss, as required by International Accounting Standard (IAS) 21, *The Effects of Changes in Foreign Exchange Rates*; and
   b. gold is valued in terms of section 25 of the SARB Act at the statutory gold price. Gold has been recognised as a financial asset of the Bank.

2. Deferred taxation assets
   Deferred taxation assets are recognised for all deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are not reduced to the extent that it is no longer probable in the medium term that the related taxation benefits will be realised. This is a departure from IFRSs, which requires that deferred taxation assets are reduced to the extent that it is no longer probable, in the medium term, that the related taxation benefit will be realised.

   The principles of IAS 12 require an entity to demonstrate convincing evidence that future taxable profits will be available where the entity has unused tax losses. Management is unable to evidence, within the requirements of IAS 12, when and to what extent future taxable profits will be available against which the carried forward tax losses can be offset; however, it is also of the view that the continued recognition of deferred taxation assets with respect to deductible temporary differences, in particular carried forward tax losses, remains appropriate. Management has considered that United States (US) dollar and euro interest rates (a primary source of the Bank's income) are currently at historically low levels when measured in absolute terms, and market observable forward interest rates indicate that investment income will recover over the longer term as global interest rates rise. It also takes comfort that tax losses do not expire in terms of the Income Tax Act, 1962 (Act No. 58 of 1962) so long as the Bank continues to trade. Furthermore, deferred taxation assets are measured on an undiscounted basis. The Bank is mandated, as per the SARB Act, to operate as the sole central bank in South Africa and has been doing so for the past 93 years. The continuity of the Bank is therefore protected by statute and not dependent on market forces.

Presentation

In the financial statements

1. not all information as required by IFRS 7, *Financial Instruments Disclosures,* is disclosed. This relates specifically to a sensitivity analysis for each type of market risk to which the Bank is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variables that were reasonably possible at that date. In addition, the credit quality and contractual maturity analysis of financial assets is not disclosed; and
2. assets and liabilities relating to securities lending activities and financial derivative products used for portfolio management purposes have been disclosed, but offset in Note 6 to the financial statements because it is considered inappropriate to gross up the foreign-exchange reserves of the Bank.

Independent auditors' report to the shareholders of the South African Reserve Bank

We have audited the group financial statements and financial statements of the South African Reserve Bank (the Bank), set out on pages 10 to 70, which comprise the statements of financial position as at 31 March 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information (the financial statements). The financial statements have been prepared by management of the Bank in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), as amended (the South African Reserve Bank Act).

Directors' responsibility for the financial statements

The Bank's directors are responsible for the preparation and presentation of these financial statements in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the South African Reserve Bank Act. The Bank's directors are further responsible for determining that the basis of presentation is acceptable in the circumstances, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the group financial statements and the financial statements of the Bank for the year ended 31 March 2014 have been prepared, in all material respects, in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the South African Reserve Bank Act.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared for the purpose as described therein. As a result, the financial statements may not be suitable for any other purpose.

Other reports

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Report of the Audit Committee, the Directors' Report and the Statement by the Secretary of the Bank for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on our reading of these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers

PricewaterhouseCoopers Inc.
Director: Thomas Magill
Registered Auditor

Johannesburg
12 June 2014

SizweNtsalubaGobodo Inc

SizweNtsalubaGobodo Inc.
Director: Dumisani Manana
Registered Auditor

Johannesburg
12 June 2014

PricewaterhouseCoopers Inc. 2 Eglin Road, Sunninghill, 2157 Private Bag X36, Sunninghill, 2157, South Africa Tel: +27 (11) 797 4000 Fax: +27 (11) 797 5800, www.pwc.com Africa Senior Partner: S P Kana. Management Committee: H Boegman, T P Blandin de Chalain, B M Deegan, J G Louw, S N Madikane, P J Mothibe, T D Shango, S Subramoney, A R Tilakdari, F Tonelli. The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection. PricewaterhouseCoopers Inc is an authorised financial services provider. Registration Number: 1998/012055/21, VAT reg.no. 4950174682

SizweNtsalubaGobodo Inc. Head office 20 Morris Street East Woodmead 2191 P.O. Box 2939 Saxonwold 2132 Tel: (011) 231 0600 Fax: (011) 234 0933

Executive: Nonkululeko Gobodo (Executive Chairman) Victor Sekese (Chief Executive).

A comprehensive list of all Directors, is available at the company offices or registered office. SizweNtsalubaGobodo Inc. Registration Number M2005/034639/21

Statement of financial position

at 31 March 2014

		Group			Bank	
			Restated	Restated		Restated [2]
		2014	2013	2012	2014	2013
	Notes	R'000	R'000	R'000	R'000	R'000
Assets						
Cash and cash equivalents	2/34	3 445 872	2 765 255	9 505 419	0	0
Amounts due by subsidiaries	29.3	0	0	0	324 363	144 006
Accommodation to banks	3	23 414 104	24 116 507	20 206 088	23 414 104	24 116 507
Investments	4/34	14 140 245	11 287 154	4 216 460	0	0
Other assets	5	338 453	188 610	378 391	203 052	146 430
Gold and foreign exchange	6	522 731 620	459 586 661	388 565 754	522 731 620	459 586 661
Inventories	7	453 122	384 191	327 799	4 870	5 212
Forward exchange contract assets	8	722 124	1 043 930	1 406 009	722 124	1 043 930
Loans and advances	9/34	21 943 128	19 081 523	13 409 580	65 274	66 351
Current taxation prepaid		0	2 281	2 350	0	0
South African government bonds	10	7 882 261	8 618 328	8 386 405	7 882 261	8 618 328
Equity investment in Bank for International Settlements	11	427 308	359 627	310 628	427 308	359 627
Investment in subsidiaries	29.1	0	0	0	1 401 765	1 401 765
Property, plant and equipment	12	2 922 235	2 829 290	2 398 623	1 103 598	1 012 575
Deferred taxation assets	13	2 468 117	1 752 513	1 226 342	2 452 806	1 721 662
Total assets		600 888 589	532 015 870	450 339 848	560 733 145	498 223 054
Liabilities						
Notes and coin in circulation	14	107 385 475	103 136 301	90 164 553	107 385 475	103 136 301
Deposit accounts	15/34	215 825 037	202 502 025	191 571 960	171 105 892	165 011 376
Amounts due to subsidiaries	29.3	0	0	0	6 247 911	5 258 192
Foreign loans and deposits	16	84 353 679	80 264 328	67 563 850	84 353 679	80 264 328
Other liabilities	17	653 236	609 795	661 063	388 594	295 754
South African Reserve Bank debentures	18	6 289 950	9 903 232	21 027 791	6 289 950	9 903 232
Forward exchange contract liabilities	8	244 811	111 820	751 284	244 326	105 663
Deferred taxation liabilities	13	2 229	17 932	19 910	0	0
Post-employment benefits	19.2	1 833 782	1 792 552	1 445 515	1 655 377	1 649 179
Gold and Foreign Exchange Contingency Reserve Account	20	177 913 406	125 551 618	67 654 647	177 913 406	125 551 618
Total liabilities		594 501 605	523 889 603	440 860 573	555 584 610	491 175 643
Capital and reserves [1]						
Share capital	21	2 000	2 000	2 000	2 000	2 000
Accumulated profit	34	1 147 524	1 002 962	995 640	0	0
Statutory reserve		395 164	395 164	395 164	395 164	395 164
Contingency reserve	34	4 700 526	6 296 352	7 640 923	4 611 484	6 217 310
Bond revaluation reserve		309 539	699 308	557 122	309 539	699 308
Post-employment benefits remeasurement reserve	34	(188 454)	(269 519)	(111 574)	(169 652)	(266 371)
Non-controlling interest		20 685	0	0	0	0
Total capital and reserves		6 386 984	8 126 267	9 479 275	5 148 535	7 047 411
Total liabilities, capital and reserves		600 888 589	532 015 870	450 339 848	560 733 145	498 223 054

The prior year numbers have been restated – refer to Note 34, Change in accounting policy and reclassifications, for further detail.

[1] Further detail on capital and reserves is provided in the statements of changes in equity
[2] A restated balance sheet for the year ended 31 March 2012 has not been presented as the impact of restatement is not material.

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2014

		Group		Bank	
			Restated		Restated
		2014	2013	2014	2013
	Notes	R'000	R'000	R'000	R'000
Interest income		5 812 382	6 363 697	3 497 464	4 377 497
Interest expense		(4 097 430)	(4 734 972)	(1 871 014)	(2 865 157)
Net interest income		1 714 952	1 628 725	1 626 450	1 512 340
Dividend income		40 166	32 529	40 366	32 729
Operating income		1 089 303	477 073	338 140	278 758
Total income	22.1	2 844 421	2 138 327	2 004 956	1 823 827
Operating costs	22.2/34	(4 685 307)	(3 910 488)	(4 227 763)	(3 688 673)
Loss before taxation	22/34	(1 840 886)	(1 772 161)	(2 222 807)	(1 864 846)
Taxation	23/34	523 463	522 021	617 181	520 475
Loss for the year		(1 317 423)	(1 250 140)	(1 605 626)	(1 344 371)
Attributable to:					
The parent		(1 406 108)	(1 250 140)		
Non-controlling interest		88 685	0		
		(1 317 423)	(1 250 140)		
Other comprehensive income (net of taxation)					
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefits		81 065	(157 945)	96 719	(154 812)
Items that may subsequently be reclassified to profit or loss					
Unrealised (loss)/gain on available-for-sale financial assets		(389 769)	240 230	(389 769)	240 230
Realised gain on sale of available-for-sale financial assets		0	(98 044)	0	(98 044)
Total comprehensive loss for the year (net of taxation)		(1 626 127)	(1 265 899)	(1 898 676)	(1 356 997)
Attributable to:					
The parent		(1 714 812)	(1 265 899)		
Non-controlling interest		88 685	0		
Total comprehensive loss		(1 626 127)	(1 265 899)		

The prior year numbers have been restated – refer to Note 34, Change in accounting policy and reclassifications, for further detail.

Statement of cash flows

for the year ended 31 March 2014

		Group		Bank	
			Restated		
		2014	2013	2014	2013
	Notes	R'000	R'000	R'000	R'000
Cash flows from operating activities					
Cash generated from operating activities	25	4 158 352	1 009 148	240 883	739 908
Taxation received		711	69	0	0
Taxation paid		(84 012)	0	0	0
Dividends paid (refer to Note 29.2)		(68 200)	(200)	(200)	(200)
Transfer to government [(1)]		(86 909)	(50 120)	0	0
Net cash flows generated from operating activities		3 919 942	958 897	240 683	739 708
Cash flows utilised by investing activities		(3 239 325)	(7 699 061)	(240 683)	(739 708)
Purchase of property, plant and equipment		(376 196)	(644 139)	(240 697)	(208 087)
Disposal of property, plant and equipment		14	15 940	14	11 144
Acquisition of investments		(2 863 143)	(7 070 862)	0	(542 765)
Net increase/(decrease) in cash and cash equivalents		680 617	(6 740 164)	0	0
Cash and cash equivalents at the beginning of the year		2 765 255	9 505 419	0	0
Cash and cash equivalents at the end of the year	2	3 445 872	2 765 255	0	0

(1) Further detail on the transfer to government is provided in the statements of changes in equity.

Statement of changes in equity: Group

for the year ended 31 March 2014

	Share capital	Accumulated profit	Statutory reserve	Contingency reserve	Bond revaluation reserve	Post-employment benefit remeasure-ment reserve	Total	Non-controlling interest Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2012 (as previously reported)	2 000	995 625	395 164	7 529 364	557 122	0	9 479 275	0	9 479 275
Effect of changes in accounting policies	0	15	0	111 559	0	(111 574)	0	0	0
Balance at 31 March 2012 (restated)	2 000	995 640	395 164	7 640 923	557 122	(111 574)	9 479 275	0	9 479 275
Total comprehensive loss for the year	0	(1 250 140)	0	0	142 186	(157 945)	(1 265 899)	0	(1 265 899)
Unrealised gain on available-for-sale financial assets	0	0	0	0	240 230	0	240 230	0	240 230
Realised gain on available-for-sale financial assets	0	0	0	0	(98 044)	0	(98 044)	0	(98 044)
Remeasurement of post-employment benefits	0	0	0	0	0	(157 945)	(157 945)	0	(157 945)
Loss for the year	0	(1 250 140)	0	0	0	0	(1 250 140)	0	(1 250 140)
Transfer to government	0	(86 909)	0	0	0	0	(86 909)	0	(86 909)
Transfer from reserves	0	1 344 571	0	(1 344 571)	0	0	0	0	0
Dividends paid (Note 24)	0	(200)	0	0	0	0	(200)	0	(200)
Balance at 31 March 2013 (restated)	2 000	1 002 962	395 164	6 296 352	699 308	(269 519)	8 126 267	0	8 126 267
Total comprehensive loss for the year	0	(1 406 108)	0	0	(389 769)	81 065	(1 714 812)	88 685	(1 626 127)
Unrealised loss on available-for-sale financial assets	0	0	0	0	(389 769)	0	(389 769)	0	(389 769)
Remeasurement of post-employment benefits	0	0	0	0	0	81 065	81 065	0	81 065
Loss for the year	0	(1 406 108)	0	0	0	0	(1 406 108)	88 685	(1 317 423)
Transfer to government	0	(44 956)	0	0	0	0	(44 956)	0	(44 956)
Transfer from reserves	0	1 595 826	0	(1 595 826)	0	0	0	0	0
Dividends paid (Note 24)	0	(200)	0	0	0	0	(200)	(68 000)	(68 200)
Balance at 31 March 2014	2 000	1 147 524	395 164	4 700 526	309 539	(188 454)	6 366 299	20 685	6 386 984

An opening statement as at 1 April 2011 has not been presented as the impact of restatement is not material.

Refer to page 14 for the explanatory notes.

Explanatory notes

Statutory reserve

The statutory reserve is maintained in terms of section 24 of the SARB Act, which stipulates that one-tenth of the surplus of the Bank, after provisions normally provided for by bankers and payment of dividends, has to be credited to the statutory reserve.

Contingency reserve

In terms of section 24 of the SARB Act and section 15 of the CPD Act, contingency reserves are maintained to provide against risks to which the Bank and the CPD respectively are exposed.

Bond revaluation reserve

Gains and losses arising from a change in fair value of available-for-sale financial assets are recognised in other comprehensive income. When these financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss.

Post-employment benefit remeasurement reserve

Actuarial gains and losses relating to the remeasurement of the post-employment benefits, and arising from experience adjustments and changes in actuarial assumptions, are charged or credited to equity in other comprehensive income in the period in which they arise. These gains and losses will not subsequently be reclassified to profit or loss.

Transfer to government

In terms of section 24 of the SARB Act, nine-tenths of the surplus of the Bank, after provisions normally provided for by bankers and payment of dividends, has to be paid to government. Since the Bank incurred a loss for the year (2013: loss), no amount was transferred to government by the Bank. In terms of section 15 of the CPD Act, the balance of net profits after transfers to reserves and payment of dividends has to be paid to government. For the year ended 31 March 2014 an amount of R45,0 million (2013: R86,9 million) was transferred to government by the CPD.

Statement of changes in equity: Bank

for the year ended 31 March 2014

	Share capital	Accumulated profit	Statutory reserve	Contingency reserve	Bond revaluation reserve	Post-employment benefit remeasure-ment reserve	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2012 (as previously reported)	**2 000**	**0**	**395 164**	**7 450 322**	**557 122**	**0**	**8 404 608**
Effect of changes in accounting policies	0	0	0	111 559	0	(111 559)	0
Balance at 31 March 2012 (restated)	2 000	0	395 164	7 561 881	557 122	(111 559)	8 404 608
Total comprehensive loss for the year	0	(1 344 371)	0	0	142 186	(154 812)	(1 356 997)
Unrealised gain on available-for-sale financial assets	0	0	0	0	240 230	0	240 230
Realised gain on available-for-sale financial assets	0	0	0	0	(98 044)	0	(98 044)
Remeasurement of post-employment benefits	0	0	0	0	0	(154 812)	(154 812)
Loss for the year	0	(1 344 371)	0	0	0	0	(1 344 371)
Transfer to government	0	0	0	0	0	0	0
Transfer from reserves	0	1 344 571	0	(1 344 571)	0	0	0
Dividends paid (Note 24)	0	(200)	0	0	0	0	(200)
Balance at 31 March 2013 (restated)	**2 000**	**0**	**395 164**	**6 217 310**	**699 308**	**(266 371)**	**7 047 411**
Total comprehensive loss for the year	0	(1 605 626)	0	0	(389 769)	96 719	(1 898 676)
Unrealised loss on available-for-sale financial assets	0	0	0	0	(389 769)	0	(389 769)
Remeasurement of post-employment benefits	0	0	0	0	0	96 719	96 719
Loss for the year	0	(1 605 626)	0	0	0	0	(1 605 626)
Transfer to government	0	0	0	0	0	0	0
Transfer from reserves	0	1 605 826	0	(1 605 826)	0	0	0
Dividends paid (Note 24)	0	(200)	0	0	0	0	(200)
Balance at 31 March 2014	**2 000**	**0**	**395 164**	**4 611 484**	**309 539**	**(169 652)**	**5 148 535**

An opening statement as at 1 April 2011 has not been presented as the impact of restatement is not material.

Refer to page 16 for the explanatory notes.

Explanatory notes

Statutory reserve

The statutory reserve is maintained in terms of the SARB Act, which stipulates that one-tenth of the surplus of the Bank, after provisions normally provided for by bankers and payment of dividends, has to be credited to the statutory reserve.

Contingency reserve

In terms of section 24 of the SARB Act, a contingency reserve is maintained to provide against risks to which the Bank is exposed.

Bond revaluation reserve

Gains and losses arising from a change in fair value of available-for-sale financial assets are recognised in other comprehensive income. When these financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss.

Post-employment benefit remeasurement reserve

Actuarial gains and losses relating to the remeasurement of the post-employment benefits, and arising from experience adjustments and changes in actuarial assumptions, are charged or credited to equity in other comprehensive income in the period in which they arise. These gains and losses will not subsequently be reclassified to profit or loss.

Transfer to government

In terms of section 24 of the SARB Act, nine-tenths of the surplus of the Bank, after provisions normally provided for by bankers and payment of dividends, has to be paid to government. Since the Bank incurred a loss for the year (2013: loss), no amount was transferred to government.

Notes to the financial statements

1. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated annual financial statements are set out below. These accounting policies should be read together with the financial framework on page 6.

The accounting policies have been applied consistently to all years presented, unless otherwise stated.

1.1 Basis of presentation

These consolidated annual financial statements have been prepared in accordance with the SARB Act and the accounting policies set out in this note.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies of the Group. The areas with a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 1.17 and the relevant notes.

1.1.1 Changes in accounting standards

New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time pertaining to the financial year beginning on 1 April 2013, and have a material impact on the Group:

- Amendments to IAS 1, *Financial Statement Presentation*, regarding other comprehensive income. The main change resulting from these amendments is a requirement to group items presented in 'other comprehensive income' on the basis of whether they are potentially re-classifiable to profit or loss (reclassification adjustments) or not.

- Amendments to IAS 19, *Employee Benefits*. The amendment to the Group's accounting policies relates to the accounting for changes in defined benefit obligations, and requires all actuarial gains and losses to be recognised through other comprehensive income in order for the net post-employment benefits recognised in the consolidated statement of financial position to reflect the full value of the plan's deficit or surplus.

- IFRS 10, *Consolidated Financial Statements*, builds on existing principles by identifying the concept of control as the determining factor in deciding whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 12, *Disclosures of Interests in Other Entities*, includes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles.

- IFRS 13, *Fair Value Measurement*, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not encompass the use of fair value accounting, but rather provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

- Amendments to IFRS 7, *Disclosure-offsetting of Financial Assets and Financial Liabilities,* requires additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

New standards, amendments and interpretations not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 April 2014, and have not been early adopted in preparing these consolidated annual financial statements. None of these are expected to have a significant impact on the consolidated financial statements of the Group, except for the following:

- IFRS 9, *Financial Instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces those parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: (i) those measured at fair value; and (ii) those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash-flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. The Group is yet to assess the full impact of IFRS 9. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the International Accounting Standards Board (IASB). The standard is effective for annual periods beginning on or after 1 January 2017.

There are no other IFRSs or International Financial Reporting Interpretations Committee (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

1.2 Consolidation

The consolidated annual financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank and its subsidiaries. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Bank, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the Bank and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the Bank and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.2.1 Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Bank.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related asset or liability of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, where applicable.

No goodwill has arisen on acquisition of subsidiaries.

On consolidation, the accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the Group, with the exception of the Bank's policy on foreign currency translation (refer to Note 1.5 on page 24). These foreign-exchange profits or losses are for the account of government and are thus transferred to the GFECRA in terms of sections 25 to 28 of the SARB Act.

1.3 Investment in subsidiaries

The Bank uses the purchase method of accounting for its investments in subsidiaries as the basis for recording an acquisition. Investments in subsidiaries are stated at cost less allowance for impairment losses where appropriate, and include loans to subsidiaries with no repayment terms where these are considered part of the investment in subsidiaries.

1.4 Financial instruments

Classification

Financial instruments include all financial assets and financial liabilities, including derivative instruments, but exclude investments in subsidiaries, employee benefit plans, provisions, property, plant and equipment, deferred taxation, inventories and taxation payable or prepaid. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are classified as follows:

Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss (including held-for-trading); loans and receivables; and available-for-sale financial assets.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this classification at each reporting date.

All financial assets are initially recognised at fair value plus transaction costs, except those carried at fair value through profit or loss. The best evidence of fair value on initial recognition is the transaction price, unless fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on discounted cash-flow models and option-pricing valuation techniques whose variables include only data from observable markets.

Purchases and sales of financial assets that require delivery are recognised on trade date, being the date on which the Group commits itself to purchasing or selling the asset. From this date, any gains or losses arising from changes in the fair value of the assets and liabilities are recognised. Financial assets are derecognised when the rights to receive cash flows from the assets have expired, or where the Group has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, the fair values of financial assets are based on quoted bid prices, excluding transaction costs.

(a) Financial assets at fair value through profit or loss

This category comprises two subcategories: (i) financial assets held-for-trading, and (ii) those designated at fair value through profit or loss at inception.

A financial asset is classified as 'held-for-trading' if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking or if so designated by management. Derivatives are also classified as held-for-trading, unless they are designated as hedges at inception.

A financial asset is designated as 'fair value through profit or loss' when either it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the asset, or recognising the gains or losses on it on different bases; or it forms part of a portfolio of financial assets that is managed and its performance is evaluated on a fair-value basis, in accordance with a documented risk management or investment strategy and information about the portfolio is provided internally on that basis to key management personnel; or it forms part of a contract containing one or more embedded derivatives and IAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. This category does not include those loans and receivables that the Group intends to sell in the short term or that it has designated as at fair value through profit or loss or available-for-sale.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any provision for impairment. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

An allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Objective evidence that receivables are impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the debtor
- A breach of contract, such as default or delinquency in payment
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The allowance for impairment is the difference between the carrying amount and the recoverable amount of the assets being the present value of expected cash flows discounted at the original rate of interest for similar borrowers. The amount of the allowance is recognised as a charge to profit or loss.

(c) Held-to-maturity financial assets

No financial assets have been designated as 'held-to-maturity'.

(d) Available-for-sale financial assets

Available-for-sale financial assets are those intended to be held for an indefinite period and may be sold in response to liquidity needs or changes in interest rates, exchange rates or equity prices. Financial assets that are either designated in this category or not classified in any of the other categories are classified as 'available-for-sale' financial assets. The main classes of financial assets classified as available-for-sale are South African government bonds and the equity investment in the Bank for International Settlements (BIS).

Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income until the financial asset is derecognised or impaired. Interest income and dividend income received on available-for-sale financial assets are recognised in profit or loss.

Impairment of financial assets

An asset is impaired if its carrying amount is greater than its estimated recoverable amount.

(a) Financial assets carried at amortised cost

The Group assesses whether financial assets need to be impaired at each reporting date. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset, that can be estimated reliably.

If there is objective evidence that an impairment loss has been incurred on loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as improved credit rating, the previously recognised impairment loss is reversed and is recognised in profit or loss.

(b) Financial assets carried at fair value

The Group assesses whether there is objective evidence that a financial asset carried at fair value is impaired at each reporting date. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Financial liabilities

The Group classifies its financial liabilities into the following categories: financial liabilities at fair value through profit or loss; and financial liabilities at amortised cost. The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of financial liabilities at initial recognition and re-evaluates this classification at each reporting date.

Financial liabilities are initially recognised at fair value, generally being their issue proceeds net of transaction costs incurred, except for financial liabilities at fair value through profit or loss.

The best evidence of fair value on initial recognition is the transaction price, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on discounted cash-flow models and option-pricing valuation techniques whose variables include only data from observable markets.

(a) Financial liabilities at fair value through profit or loss

Derivatives with negative fair values have been classified as financial liabilities at fair value through profit or loss.

(b) Other financial liabilities at amortised cost

The following liabilities have been classified as other liabilities: notes and coin issued; South African Reserve Bank (SARB) debentures; deposit accounts; amounts due to subsidiaries; foreign loans and deposits; the GFECRA; and other liabilities. Other liabilities are measured at amortised cost.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

Measurement

(a) Initial measurement

A financial asset or financial liability is initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs directly attributed to the acquisition of the financial asset or liability.

(b) Subsequent measurement

Subsequent to initial recognition, these assets are measured at fair value. All related, realised and unrealised gains and losses arising from changes in fair value, excluding changes in fair value due to foreign-exchange movements as explained in Note 1.5, are recognised as interest income in profit or loss. The fair value of all derivatives is recognised in the statement of financial position and is only netted to the extent that a legal right of set-off exists and there is an intention to settle on a net basis.

Fair value through profit or loss financial assets and liabilities, and available-for-sale financial assets are carried at fair value.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined according to the fair value hierarchy based on the requirements in IFRS 13, *Fair Value Measurement*. Refer to Note 33, Fair value hierarchy disclosure, for further details.

(i) Derivatives

A derivative is a financial instrument whose value changes in response to an underlying variable that requires little or no initial investment and is settled at a future date. Fair values are obtained from quoted market prices (excluding transaction costs), dealer price quotations, discounted cash-flow models and option-pricing models, which consider current market and contractual prices for the underlying instruments, as well as the time value of money.

(ii) Foreign marketable money-market investments

The fair value of foreign marketable money-market investments is based on quoted bid rates, excluding transaction costs.

(iii) Local and foreign portfolio investments including securities lending portfolio investments

The fair values of portfolio investments are valued using the quoted fair values as obtained from portfolio managers. Where these instruments are bank deposits, they are valued at nominal values plus accrued interest based on market rates. These values approximate fair values.

(iv) South African government bonds

Listed bonds are valued using quoted fair values at year-end as supplied by the JSE Limited.

Loans and receivables, and other liabilities

Loans and receivables, and other liabilities are measured at amortised cost, which approximates fair value, and are remeasured for impairment losses, except as set out below:

- Non-interest-bearing deposit accounts and amounts due by and to subsidiaries are accounted for at cost, as these do not have fixed maturity dates and are repayable on demand.
- Notes and coin issued and the GFECRA are measured at cost as these liabilities do not have fixed maturity dates. The banknotes and coin in circulation represent the nominal value of all banknotes held by the public and banks, including recalled and still exchangeable banknotes from the previous series.
- Accounts payable are stated at amortised cost, which approximates fair value due to their short-term nature.

Amortised cost is calculated using the effective interest method that discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognised in other comprehensive income. When the financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss.

Gains and losses arising from a change in the fair value of financial assets and liabilities designated at fair value through profit or loss are recognised in profit or loss, except for gold and foreign-exchange activities, as explained in Note 1.5.

Hedge accounting

Hedge accounting has not been applied to any transactions for the year under review.

Set-off

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In addition, as set out in Note 6 to the financial statements, financial assets and liabilities arising from securities lending activities and derivative products have been offset.

1.5 Foreign currency activities

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The financial statements of the Group are presented in South African rand, which is the functional currency of the Group.

(b) Foreign-exchange gains and losses arising in entity accounts

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions.

Gains and losses of subsidiaries arising on conversion to the functional currency are recognised in profit or loss. Foreign-exchange profits or losses of the Bank, insofar as they arise from changes in the value of the rand compared to other currencies, are for the account of government and consequently all these profits or losses are transferred to the GFECRA in terms of sections 25 to 28 of the SARB Act. Investment returns on foreign-exchange reserves and interest paid on foreign loans are for the account of the Bank and are accounted for in profit or loss.

1.6 Property, plant and equipment

Freehold land is carried at cost less accumulated impairment losses. Other items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined separately for each significant part of an item of property, plant and equipment, and is charged so as to write off the cost of the assets (other than land and items under construction) to their residual value over their estimated useful life, using the straight-line method. The estimated useful life of assets has been disclosed in Note 12.

Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to profit or loss when incurred.

The residual values and useful life of assets are reviewed at each reporting date and adjusted if appropriate.

1.7 Impairment of other non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment, in which case their recoverable amount is estimated.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

A previously expensed impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

1.8 Gold

Gold is held by the Bank as part of its foreign reserves. In terms of section 25 of the SARB Act, gold is initially recorded at the prevailing rates at initial recognition, including transaction costs. Subsequent to initial measurement, it is valued at the statutory price. The statutory price is the quoted price at the reporting date. Gold loans are measured at the quoted price at the reporting date.

In terms of section 25 of the SARB Act, all gains and losses on gold, held by the Bank, are for the account of the South African government and, consequently, all gains or losses are transferred to the GFECRA.

1.9 Taxation

The taxation expense for the period comprises current and deferred taxation. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed for taxation purposes. It is calculated using taxation rates that have been enacted or substantially enacted by the reporting date, and any adjustment of taxation payable for previous years.

Deferred taxation is provided using the liability method, based on temporary differences. However, deferred taxation liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Temporary differences are differences between the carrying amount of assets and liabilities for financial reporting purposes and their taxation base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation laws enacted or substantively enacted at the reporting date. Deferred taxation is charged to profit or loss, except to the extent that it relates to a transaction that is recognised in other comprehensive income or in equity. In this case, the taxation is also recognised in other comprehensive income or in equity. The effect on deferred taxation of any changes in taxation rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

Deferred taxation assets are recognised for all deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. In relation to the Bank only, deferred taxation assets are not reduced to the extent that it is no longer probable that the related taxation benefits will be realised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred taxation assets and liabilities relate to income taxation levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.10 Employee benefits

(a) Pension and retirement funds

The expected costs of post-employment defined benefits are charged to profit or loss over the expected service life of the employees entitled to these benefits according to the projected unit credit method. Costs are actuarially assessed, and expense adjustments and past-service costs resulting from plan amendments are amortised over the expected average remaining service life of the employees.

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised in profit and loss at the earlier of the following dates: (i) when the plan amendment or curtailment occurs or, (ii) when the entity recognises related restructuring costs or termination benefits.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity or fund. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expenses when they are due.

b) Post-employment benefits

The Bank provides post-employment medical and group life benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid and group life contributions.

Entitlement to these benefits is based on employment prior to a certain date and is conditional on employees remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss, to the extent that they relate to retired employees or past service.

The liability is provided for in an actuarially determined provision.

(c) Leave pay accrual

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees.

The leave pay accrual at the reporting date represents the present obligation to employees as a result of employees' services provided up to the reporting date. The accrual is measured as the amount that is expected to be paid as a result of the unutilised leave entitlement that has accumulated at the reporting date.

1.11 Sale and repurchase (repo) agreements

The Bank has entered into repo agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under accommodation to banks as loans and receivables. Securities sold under agreement to repurchase are disclosed as reverse repo agreements included in deposit accounts.

The underlying securities purchased under repo agreements are not recorded by the Bank. Likewise, underlying securities sold under repo agreements are not derecognised by the Bank.

The differences between the purchase and sale prices are treated as interest and accrued using the effective interest method.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Redundant and slow-moving inventories are identified and written down to their estimated economic or realisable values. Raw materials are valued at cost according to the first-in, first-out basis by subsidiaries. Some raw material is valued at standard cost, which closely approximates actual cost on a first-in, first-out basis.

Consumable stores are valued at the weighted-average cost price. Maintenance spares are valued at average cost.

Finished goods and work in progress are valued at direct costs of conversion and production overheads on a first-in, first-out basis. Production overheads are included in the cost of manufactured goods, based on normal operating capacity.

Note-printing and coin-minting expenses include ordering, printing, minting, freight, insurance and handling costs. These costs are recorded as part of work-in-progress for the SABN and the SA Mint, and are released to profit or loss when the currency is sold to the Bank.

1.13 Cost of new currency

The Bank recognises the cost of new currency in profit or loss when the banknotes and coin are delivered, and the significant risks and rewards of ownership are transferred to the Bank.

1.14 Cash flow

For the purpose of the cash flow statement, cash and cash equivalents include all cash on hand and bank overdrafts of subsidiaries. As far as the Bank is concerned, no cash and cash equivalents are shown because of the Bank's role as central bank in the creation of money.

1.15 Provisions

Provisions are liabilities of uncertain timing or amount and are recognised when the Group has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1.16 Other operating income

Interest income and expense are recognised on a time-proportion basis, taking account of the principal outstanding and the effective interest rate over the period to maturity. Interest income and expense are recognised in profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method. Interest income includes changes in the fair value of the Bank's financial assets. Where financial assets have been impaired, interest income continues to be recognised on the impaired value, based on the original effective interest rate. Interest income and expense include the amortisation of any discount or premium, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

Dividends are recognised when the right to receive payment is established.

Other revenue arising from the provision of services to clients is recognised on the accrual basis in accordance with the substance of the relevant transaction.

1.17 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The estimates and assumptions that are significant to the carrying amounts of assets and liabilities are addressed below.

(a) Fair value of financial instruments

If the market for a financial asset is not active or an instrument is an unlisted instrument, the fair value is estimated using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash-flow analysis and option-pricing models.

When a discounted cash-flow analysis is used to determine the value of financial assets, estimated future cash flows are based on management's best estimates, and the discount rate at the reporting date is a market-related rate for a financial asset with similar terms and conditions. Where option-pricing models are used, inputs based on observable market indicators at the reporting date are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

(b) Retirement funds

Defined benefit elements within the Retirement Fund are calculated by independent actuaries in terms of IAS 19. There is a defined benefit element resulting from the fact that life pensions are guaranteed not to decrease, and that the Bank will be required to provide funding should the assets of the fund be insufficient to maintain life pensions at their existing level. The only obligation of the fund is to keep pensions at the existing level, which is therefore considered a limiting factor to the Bank's possible obligation. Although limited, this obligation exposes the Bank to market and longevity risk. The Retirement Fund is insensitive to changes in actuarial assumptions as the fund finds itself in a significant net funded position, and any resulting surplus is irrecoverable, as the surplus is for the benefit of the members of the Retirement Fund, and not the Bank. See Note 19.1 on page 41 for further details.

(c) Other post-employment benefits

The other post-employment benefit obligations are calculated by independent actuaries. See Note 1.10 on page 25 for further details.

Vesting period

IAS 19 requires the past-service cost to be recognised as an expense over the vesting period, with the end of the vesting period being the date when future service will lead to no material amount of further benefits.

The Governors' Executive Committee (GEC) changed the 'Policy on termination of service' effective from 1 April 2013: the option for employees to retire early between ages 50 and 55, with the GEC approval, has been discontinued; eligible employees between the ages of 55 and 60 can apply to the GEC for early retirement and will be assessed on a case-by-case basis, taking into account the Bank's operational requirements.

Where eligible employees, between the ages of 55 and 60 years, apply to the GEC and are granted early retirement, there is the possibility of the end of the vesting period moving to 55 years. However, should early retirement only be granted in exceptional cases, the vesting period would continue to end at 60 years of age.

The impact of a revision of the vesting period from 60 years to 55 years, should the Bank consent to employees retiring before 60 years, would be an increase in the liability recognised immediately in the operating costs line on the statement of profit or loss, as a past service cost.

Note 19 provides detailed information about the key assumptions used in the determination of the post-employment benefit obligation, and of the detailed sensitivity analysis for these assumptions.

Salary inflation

Salary inflation is one of the key assumptions used in calculating the actuarial valuation of the post-employment group life obligation. This is an assumption derived by the actuaries and has no bearing on actual salary increments.

Critical judgements in applying the Group's accounting policies

(a) Deferred taxation assets

Deferred taxation assets have been recognised in the statement of financial position. Management has considered it appropriate to recognise the entire deferred taxation asset balance as they are of the opinion that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised.

(b) Consolidation of the Corporation for Public Deposits

The Bank holds 100 per cent of the shareholding in the CPD, which continues to be consolidated as part of the Group. Management considers that the Bank has control over the CPD given that the Bank manages the daily operations of the CPD, including the investment decisions, and the chairperson of the CPD Board, who has the casting vote in Board meetings, is required to be a Bank representative. In addition, the Bank has sufficient exposure to variable returns from the CPD – the Bank operates the CPD as part of its Banker to Government function, and as such, the daily flow of CPD funds between the Bank and the market has become an effective tool in the Bank's daily liquidity management operations.

(c) Investment in Prestige Bullion

The SA Mint has a 60 per cent shareholding in Prestige Bullion. The SA Mint has exposure to variable returns of Prestige Bullion and has the ability to exercise its power by appointing 50 per cent of the subsidiary's directors and the chairperson, who has the casting vote in Board meetings. Management has thus determined that the SA Mint controls Prestige Bullion.

1.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

2. Cash and cash equivalents

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Bank and cash balances	1 185 220	36 554	0	0
Short-term South African money-market investments	2 260 652	2 728 701	0	0
	3 445 872	2 765 255	0	0

Owing to its role in the creation and withdrawal of money, the Bank has no cash and cash equivalent balances in its statement of financial position. All other financial instruments with an original maturity of less than three months are shown in the statement of financial position under appropriate headings.

Cash and cash equivalents exclude local and foreign short-term investments held to implement monetary policy or as part of foreign reserves. These reserves are disclosed in detail in notes 3 and 6.

Included in short-term South African money-market investments are repurchase agreements. The following table represents details thereof:

Fair value of repurchase agreements	1 219 700	0	0	0
Fair value of collateral received	1 240 757	0	0	0
Fair value of collateral permitted to sell or repledge at the reporting date	1 240 757	0	0	0
Collateral cover	101,73%	0	0	0
Maturity date	30 April 2014	0	0	0

At the reporting date, none of the collateralised advances were past due or impaired. The counterparties are exposed to interest rate risk on the various securities pledged as collateral for the repurchase agreements. The Group has the ability to sell or repledge these securities in the event of default.

3. Accommodation to banks

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Repurchase agreements	23 400 000	24 100 000	23 400 000	24 100 000
Accrued interest	14 104	16 507	14 104	16 507
	23 414 104	24 116 507	23 414 104	24 116 507

Accommodation to banks represents short-term lending to commercial banks.

The repurchase agreements yield interest at the repurchase rate of the Bank	5,50%	5,00%	5,50%	5,00%

The following table presents details of collateral received for repurchase agreements (including accrued interest):

Fair value of collateral received (Note 28)	23 514 455	24 227 870	23 514 455	24 227 870
Fair value of collateral permitted to sell or repledge at the reporting date	23 514 455	24 227 870	23 514 455	24 227 870
Collateral cover	100,43%	100,46%	100,43%	100,46%
Maturity date	2 April 2014	3 April 2013	2 April 2014	3 April 2013

At the reporting date, none of the collateralised advances were past due or impaired. During the year under review, no defaults were experienced (2013: no defaults).

The counterparties are exposed to interest rate risk on the various securities pledged as collateral for repurchase agreements. The Bank has the ability to sell or repledge these securities in the event of default.

4. Investments

Short-term South African money-market investments	14 140 245	11 287 154	0	0
Maturity structure				
Within 30 days	1 577 362	450 248	0	0
Between 1 and 12 months	12 562 883	10 836 906	0	0
	14 140 245	11 287 154	0	0

For investments that meet the definition of financial assets designated at fair value:

Maximum exposure to credit risk	14 140 245	11 287 154	0	0

In terms of investment guidelines, approved by the Boards of Directors of the respective subsidiaries, all investments are placed with reputable financial institutions. The CPD utilises banking institutions with a minimum credit rating of BBB- by at least two of the agencies: Standard and Poor's, Fitch or Moody's. SARBCIC utilises banking institutions with a Fitch long-term credit rating of no less than AA-. The change in fair value due to changes in credit quality or spreads is not material and has therefore not been disclosed separately.

Changes in fair value due to credit risk are regarded as immaterial for investments that have remaining maturities of less than one month.

5. Other assets

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Financial assets	201 826	129 653	83 648	111 335
Non-financial assets	136 627	58 957	119 404	35 095
	338 453	188 610	203 052	146 430
Maturity structure of financial assets				
Within 30 days	201 826	129 653	83 648	111 335

6. Gold and foreign exchange

Gold and foreign-exchange holdings				
Gold coin and bullion	55 062 241	59 290 236	55 062 241	59 290 236
Money- and capital-market instruments and deposits	69 000 722	127 585 543	69 000 722	127 585 543
Medium-term instruments	336 481 431	204 591 644	336 481 431	204 591 644
Portfolio investments	62 186 617	68 113 770	62 186 617	68 113 770
Accrued interest	609	5 468	609	5 468
	522 731 620	459 586 661	522 731 620	459 586 661

Gold coin and bullion consists of 4 023 006 fine ounces of gold at the statutory price of R13 686,84 per ounce (2013: 4 021 814 fine ounces at R14 742,16 per ounce).

The foreign-exchange balances yield investment returns achievable in the various currencies in which they are invested. It is not practicable to calculate effective yields on the portfolios due to the volatility caused by exchange rate fluctuations.

Included in the gold and foreign-exchange holdings are the following items provided for additional information purposes:

6.1 Derivatives held-for-trading

The Bank utilises financial derivative products for portfolio management purposes, and seeks to minimise the effects of currency and interest rate risks by using such instruments to economically hedge the related risk exposures. The use of financial derivatives is governed by the Bank's policies approved by the GEC, which provides written principles on the use of derivative financial instruments. Compliance with policies and exposure limits is reviewed by management on a continuous basis. Risk management practices also include regular reporting to the Risk Management Committee (RMC) and Board Risk and Ethics Committee (BREC). The Bank does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

	Net fair value	Fair value of assets	Fair value of liabilities	Contract/ Notional [(1)] amount
	R'000	R'000	R'000	R'000
Group and Bank 2014				
Forward exchange contracts	23 354	48 256	(24 902)	10 980 423
Futures contracts [(2)]	(6 057)	31 072	(37 129)	57 720 908
Interest rate swaps	(14 760)	2 655	(17 415)	1 117 023
Total derivatives held-for-trading	2 537	81 983	(79 446)	69 818 354
Group and Bank 2013				
Forward exchange contracts	77 658	129 493	(51 835)	18 717 114
Futures contracts [(2)]	(96 631)	9 175	(105 806)	17 793 467
Interest rate swaps	(30 990)	20 160	(51 150)	1 843 122
Total derivatives held-for-trading	(49 963)	158 828	(208 791)	38 353 703

(1) The notional amount of a financial instrument is the nominal or face value that is used to calculate payments made on that instrument. The amount generally does not change hands.

(2) The increase in the notional amounts of futures contracts can be attributed to the increase in the amount of futures contracts being utilised within the internally managed funds.

6.2 Offsetting financial assets and financial liabilities

The Bank is subject to enforceable master netting arrangements with its derivative counterparties. Under the terms of this agreement, offsetting of derivatives is permitted only in the event of the bankruptcy or default of either party to the agreement. There is no intention to settle on a net basis or realise the asset and settle the liability simultaneously. The following table presents details of this:

	Gross amounts presented in the derivatives held-for-trading	Offset	Net amounts presented in the derivatives held-for-trading	Related amounts not set off in derivatives held-for-trading		
				Instruments which offset on default	Collateral amount received	Net amount
	R'000	R'000	R'000	R'000	R'000	R'000
As at 31 March 2014						
Forward exchange contract assets	48 256	0	48 256	(14 444)	0	33 812
Interest rate swap assets	2 655	0	2 655	(2 180)	0	475
Forward exchange contract liabilities	(24 902)	0	(24 902)	14 444	0	(10 458)
Interest rate swap liabilities	(17 415)	0	(17 415)	2 180	0	(15 235)

	Gross amounts presented in the derivatives held-for-trading	Offset	Net amounts presented in the derivatives held-for-trading	Related amounts not set off in derivatives held-for-trading		
				Instruments which offset on default	Collateral amount received	Net amount
	R'000	R'000	R'000	R'000	R'000	R'000
As at 31 March 2013						
Forward exchange contract assets	129 493	0	129 493	(14 447)	0	115 046
Interest rate swap assets	20 160	0	20 160	(22 687)	0	(2 527)
Forward exchange contract liabilities	(51 835)	0	(51 835)	14 447	0	(37 388)
Interest rate swap liabilities	(51 149)	0	(51 149)	22 688	0	(28 461)

6.3 Securities lending activities

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Liabilities in respect of collateral received	(52 093 156)	(44 009 315)	(52 093 156)	(44 009 315)
Fair value of underlying investments	52 139 946	44 004 957	52 139 946	44 004 957
Net fair value adjustment included in foreign-exchange holdings	46 790	(4 358)	46 790	(4 358)

7. Inventories

Raw materials	261 470	232 358	0	0
Work in progress	92 371	89 337	0	0
Consumable stores	41 277	35 560	4 870	5 212
Maintenance spares	18 505	13 278	0	0
Finished goods	39 499	13 658	0	0
	453 122	384 191	4 870	5 212

8. Forward exchange contract assets and liabilities

	Group 2014 R'000	Group 2013 R'000	Bank 2014 R'000	Bank 2013 R'000
Unrealised gain on forward exchange contracts	722 124	1 043 930	722 124	1 043 930
Unrealised loss on forward exchange contracts	(244 811)	(111 820)	(244 326)	(105 663)
Net gain	477 313	932 110	477 798	938 267
Net unrealised gain credited to Gold and Foreign Exchange Contingency Reserve Account (Note 20) *	477 798	938 267	477 798	938 267
Net unrealised loss debited to profit or loss (Note 22.2)	(485)	(6 157)	0	0

* These amounts represent unrealised gains and losses on forward exchange contracts, which will be for the account of government as and when they are realised. The forward exchange contracts are utilised in the operations of the Bank, to manage monetary policy operations.

The notional amount of the forward exchange contracts amounts to R37,6 billion (2013: R43,7 billion).

The Bank is subject to enforceable master netting arrangements with its derivative counterparties. Under the terms of these agreements, offsetting of derivatives is permitted only in the event of bankruptcy or default of either party to the agreement. There is no intention to settle on a net basis or realise the asset and settle the liability simultaneously. The following table presents details of this:

	Related amounts not set off in the balance sheet					
	Gross amounts presented in the annual financial statements	Offset	Net amounts presented in the annual financial statements	Instruments which offset on default	Collateral amount received	Net amount
As at 31 March 2014						
Forward exchange contract assets	722 124	0	722 124	(244 163)	0	477 961
Forward exchange contract liabilities	(244 811)	0	(244 811)	244 163	0	(648)
As at 31 March 2013						
Forward exchange contract assets	1 043 930	0	1 043 930	(105 540)	0	938 390
Forward exchange contract liabilities	(111 820)	0	(111 820)	105 540	0	(6 280)

9. Loans and advances

	Group 2014	Group 2013	Bank 2014	Bank 2013
Secured foreign loan	65 274	66 351	65 274	66 351
Interest-bearing local loans	21 877 854	19 015 172	0	0
	21 943 128	19 081 523	65 274	66 351

Secured foreign loan

The loan facility of R75 million expires on 31 December 2014 if not renegotiated. Land Bank promissory notes have been pledged as collateral against the foreign loan. The following table presents details of collateral held:

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Fair value of collateral received	82 048	82 069	82 048	82 069
Fair value of collateral permitted to sell or repledge at the reporting date	82 048	82 069	82 048	82 069
Collateral cover	125,70%	123,69%	125,70%	123,69%
Maturity date	7 May 2014	8 May 2013	7 May 2014	8 May 2013

At the reporting date, none of the collateralised advances were past due or impaired. During the year under review, no defaults were experienced (2013: no defaults).

The counterparties are exposed to interest rate risk on the various securities pledged as collateral for the foreign loan. The Bank has the ability to sell or repledge these securities in the event of default.

Interest-bearing local loans

Loans made to depositors of the CPD were previously offset against deposit accounts. In the current year, these loans have been included under loans and advances, as required by IAS 32, *Financial Instruments: Presentation*. Comparatives have been restated – refer to Note 34, Change in accounting policy and reclassifications, for further detail.

The loans are advanced as part of the national government's Inter-Governmental Cash Co-ordination (IGCC) arrangement, in terms of which some state-owned entities and treasuries of provincial governments deposit excess funds with the CPD to form a pool of funds from the public sector. The national and the provincial treasuries are allowed to borrow money from the IGCC pool of funds. National Treasury guarantees that the deposits will be made available to depositors on demand.

The interest-bearing loans are unsecured, short term in nature and repayable on demand. The loans earn interest at a rate equal to the 91-day Treasury bill yield – the rate at the reporting date was 5,74 per cent (2013: 5,17 per cent).

10. South African government bonds

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Listed bonds: Interest bearing	7 828 878	8 501 422	7 828 878	8 501 422
Accrued interest	53 383	116 906	53 383	116 906
	7 882 261	8 618 328	7 882 261	8 618 328
Effective interest rate	8,14%	8,54%	8,14%	8,54%

South African government bonds that do not qualify for derecognition (see Note 15):

Listed bonds pledged	6 361 689	6 004 716	6 361 689	6 004 716
Associated liability	6 349 575	6 069 263	6 349 575	6 069 263

The Bank is exposed to interest rate risk on the listed South African government bonds pledged as security. Government bonds are pledged as collateral for reverse repurchase agreements. The counterparty has the ability to sell or repledge these bonds in the event of default.

11. Equity investment in Bank for International Settlements

Unlisted shares at cost	427 308	359 627	427 308	359 627

The shares held in the BIS are held as part of the Bank's function as a central bank and are thus long-standing in nature. Shares are only transferable with the prior consent of the BIS. The Bank has no intention of selling the shares.

The Bank's investment in the BIS consists of 8 612 shares. Under IAS 39 the Bank's shareholding in the BIS is classified as 'available-for-sale'. The shareholding is valued at cost as no active market exists for these shares. The adjusted net asset value of the shares is based on special drawing rights (SDR) (1) of SDR31 763 (2013: SDR34 014) amounting to R3,1 billion (2013: R2,8 billion). Refer to Note 33 for further detail on the fair value hierarchy disclosures. Changes in value due to foreign-exchange movements are transferred to the GFECRA. For the year ended 31 March 2014 a movement of R67,7 million (2013: movement of R48,9 million) was transferred to the GFECRA.

(1) The SDR is a monetary unit of international reserve assets defined and maintained by the International Monetary Fund (IMF). The SDR also serves as the unit of account of the BIS, among other international organisations. The unit does not represent a currency, but represents a potential claim on the currencies of the IMF members for which it may be exchanged. It is based on a basket of international currencies comprising the US dollar, euro, Japanese yen and pound sterling.

12. Property, plant and equipment

12.1 Group: 2014

	Land	Buildings	Plant, vehicles, furniture and equipment	Work in progress	Total
	R'000	R'000	R'000	R'000	R'000
Cost					
Cost at 31 March 2013	39 000	713 204	3 229 080	358 148	4 339 432
Additions	0	755	15 164	360 277	376 196
Transfers in/(out)	0	14 976	404 866	(419 842)	0
Reclassification to profit or loss	0	0	0	(3 334)	(3 334)
Disposals	0	0	(46 840)	0	(46 840)
Cost at 31 March 2014	39 000	728 935	3 602 270	295 249	4 665 454
Accumulated depreciation					
Accumulated depreciation at 31 March 2013	0	244 033	1 266 109	0	1 510 142
Charge for the year	0	21 386	258 373	0	279 759
Disposals	0	0	(46 682)	0	(46 682)
Accumulated depreciation at 31 March 2014	0	265 419	1 477 800	0	1 743 219
Net book value at 31 March 2014	39 000	463 516	2 124 470	295 249	2 922 235
Estimated useful life (years)		50	2 to 28		

Group: 2013

	Land	Buildings	Plant, vehicles, furniture and equipment	Work in progress	Total
	R'000	R'000	R'000	R'000	R'000
Cost					
Cost at 31 March 2012	44 437	537 914	2 333 643	934 130	3 850 124
Additions	0	2 006	138 128	504 005	644 139
Transfers in/(out)	0	173 284	906 703	(1 079 987)	0
Disposals	(5 437)	0	(149 394)	0	(154 831)
Cost at 31 March 2013	39 000	713 204	3 229 080	358 148	4 339 432
Accumulated depreciation					
Accumulated depreciation at 31 March 2012	0	228 168	1 223 333	0	1 451 501
Charge for the year	0	15 865	185 580	0	201 445
Disposals	0	0	(142 804)	0	(142 804)
Accumulated depreciation at 31 March 2013	0	244 033	1 266 109	0	1 510 142
Net book value at 31 March 2013	39 000	469 171	1 962 971	358 148	2 829 290
Estimated useful life (years)		50	2 to 28		

12. Property, plant and equipment (continued)

12.2 Bank: 2014

	Land	Buildings	Plant, vehicles, furniture and equipment	Work in progress	Total
	R'000	R'000	R'000	R'000	R'000
Cost					
Cost at 31 March 2013	29 305	473 643	1 247 202	205 123	1 955 273
Additions	0	0	1 390	239 307	240 697
Transfers in/(out)	0	19 435	179 657	(199 092)	0
Reclassification to profit or loss	0	0	0	(2 132)	(2 132)
Disposals	0	0	(34 292)	0	(34 292)
Cost at 31 March 2014	29 305	493 078	1 393 957	243 206	2 159 546
Accumulated depreciation					
Accumulated depreciation at 31 March 2013	0	176 747	765 951	0	942 698
Charge for the year	0	16 264	131 176	0	147 440
Disposals	0	0	(34 190)	0	(34 190)
Accumulated depreciation at 31 March 2014	0	193 011	862 937	0	1 055 948
Net book value at 31 March 2014	29 305	300 067	531 020	243 206	1 103 598
Estimated useful life (years)		50	5 to 15		

Bank: 2013

	Land	Buildings	Plant, vehicles, furniture and equipment	Work in progress	Total
	R'000	R'000	R'000	R'000	R'000
Cost					
Cost at 31 March 2012	34 742	378 195	1 115 738	252 525	1 781 200
Additions	0	0	127 627	80 460	208 087
Transfers in/(out)	0	95 448	32 414	(127 862)	0
Disposals	(5 437)	0	(28 577)	0	(34 014)
Cost at 31 March 2013	29 305	473 643	1 247 202	205 123	1 955 273
Accumulated depreciation					
Accumulated depreciation at 31 March 2012	0	165 658	691 263	0	856 921
Charge for the year	0	11 089	101 929	0	113 018
Disposals	0	0	(27 241)	0	(27 241)
Accumulated depreciation at 31 March 2013	0	176 747	765 951	0	942 698
Net book value at 31 March 2013	29 305	296 896	481 251	205 123	1 012 575
Estimated useful life (years)		50	5 to 15		

13. Deferred taxation assets and liabilities

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Balance at the beginning of the year	1 734 581	1 206 432	1 721 662	1 196 277
Movements during the year				
Profit or loss (Note 23)	602 764	522 021	617 407	520 475
Prior year adjustment (Note 23)	8 493	0	(226)	0
Other comprehensive income	120 050	6 128	113 963	4 910
Balance at the end of the year	2 465 888	1 734 581	2 452 806	1 721 662
Comprising:				
Deferred taxation assets	2 468 117	1 752 513	2 452 806	1 721 662
Deferred taxation liabilities	(2 229)	(17 932)	0	0
Net deferred taxation assets	2 465 888	1 734 581	2 452 806	1 721 662

Deferred taxation assets for the Bank are not reduced to the extent that it is no longer probable in the medium term that the related taxation benefits will be realised.

Deferred taxation assets and liabilities are attributed as set out in Notes 13.1 and 13.2.

13.1 Group

	2014	Amounts charged to statement of comprehensive income	2013
	R'000	R'000	R'000
Deferred retirement fund contributions	7 711	2 217	5 494
Post-employment benefits	512 353	11 555	500 798
Prepaid expenditure and other items	5 371	(10 370)	15 741
Property, plant and equipment	(353 754)	(66 232)	(287 522)
Employee benefits accrual	90 723	45 438	45 285
Tax loss	2 203 484	748 699	1 454 785
Total	2 465 888	731 307	1 734 581

13.2 Bank

	2014	Amounts charged to statement of comprehensive income	2013
	R'000	R'000	R'000
Deferred retirement fund contributions	4 960	2 272	2 688
Post-employment benefits	463 505	1 735	461 770
Prepaid expenditure and other items	4 807	(7 617)	12 424
Property, plant and equipment	(63 648)	2 059	(65 707)
Employee benefits accrual	66 676	26 388	40 288
Tax loss	1 976 506	706 307	1 270 199
Total	2 452 806	731 144	1 721 662

14. Notes and coin in circulation

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Notes	102 547 232	98 488 364	102 547 232	98 488 364
Coin	4 838 243	4 647 937	4 838 243	4 647 937
	107 385 475	103 136 301	107 385 475	103 136 301

The liability for notes and coin issued is the net liability after offsetting notes and coin held by the Bank and not yet issued into circulation, as cash held by the central bank does not represent currency in circulation.

15. Deposit accounts

Non-interest bearing	97 646 273	91 832 069	97 598 913	91 784 709
Banks' reserve accounts	67 951 572	67 058 105	67 951 572	67 058 105
Government accounts	29 269 383	24 687 757	29 222 023	24 640 397
Other current accounts	425 318	86 207	425 318	86 207
Interest bearing	118 178 764	110 669 956	73 506 979	73 226 667
Reverse repurchase agreements	6 349 575	6 069 263	6 349 575	6 069 263
Government special deposit	67 157 404	67 157 404	67 157 404	67 157 404
Call deposits	44 671 785	37 443 289	0	0
	215 825 037	202 502 025	171 105 892	165 011 376
Maturity structure of deposit accounts				
On demand	74 366 486	62 217 253	29 647 341	24 726 604
Subject to negotiation with National Treasury	67 157 404	67 157 404	67 157 404	67 157 404
Within 30 days	74 301 147	73 127 368	74 301 147	73 127 368
	215 825 037	202 502 025	171 105 892	165 011 376

Bank's reserve accounts

Commercial banks are required to maintain a minimum cash reserves balance with the Bank into which they are able to deposit at least such amounts as may be necessary to comply with the SARB Act. In addition, the commercial banks can utilise the cash reserve accounts to either fund short positions or deposit surplus funds. As at year-end, the balance was below the required minimum reserve balance by an amount of R5,9 billion (2013: R3,9 million).

The reverse repurchase agreements are secured by collateral as presented below:

Market value of South African government bonds	6 361 689	6 004 716	6 361 689	6 004 716
Collateral cover (per cent)	100,19%	98,94%	100,19%	98,94%

The reverse repurchase agreements bear interest at market-related rates at or below the repo rate of the Bank.

Government's special deposit bears interest at a rate equivalent to the return earned on foreign-exchange investments made by the Bank. The interest earned on the deposit was settled during the year under review.

16. Foreign loans and deposits

Foreign deposits	84 353 679	80 264 328	84 353 679	80 264 328

Currently the Bank has no foreign loans (2013: none).

Foreign deposits are placed by customers at market-related rates.

Analyses of the currency composition and maturity structure of these foreign deposits are set out in Note 28.

17. Other liabilities

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Accruals	344 683	219 958	265 991	194 881
Accounts payable	191 774	224 641	62 782	47 888
Other financial liabilities	34 960	39 049	33 989	39 049
Non-financial liabilities	81 819	126 147	25 832	13 936
	653 236	609 795	388 594	295 754
Maturity structure of financial liabilities				
Within 30 days	571 416	483 648	362 762	281 818

18. South African Reserve Bank debentures

Capital	6 276 000	9 886 000	6 276 000	9 886 000
Accrued interest	13 950	17 232	13 950	17 232
	6 289 950	9 903 232	6 289 950	9 903 232

The SARB debentures are issued to the market on tender, normally on a 7-, 14-, 28- or 56-day term. The debentures are unsecured. Details of the debentures in issue at 31 March 2014 are as follows:

Maturity date	Interest rate	Capital
	Per cent	R'000
2 April 2014	5,47	4 634 000
9 April 2014	5,45	865 000
16 April 2014	5,38	135 000
23 April 2014	5,39	255 000
30 April 2014	5,46	30 000
8 May 2014	5,41	185 000
14 May 2014	5,41	136 000
21 May 2014	5,45	36 000
		6 276 000

19. Retirement benefit information

19.1 Retirement funds

The Group has made provision for pension and provident plans substantially covering all employees. All employees are members of the retirement plans administered by the Group or are members of funds within the various industries in which they are employed. The assets of these plans are held in administered trust funds separate from the Group's assets and the funds are governed by the Pension Funds Act, 1956 (Act No. 24 of 1956).

The Retirement Fund is managed by a Board of Trustees, consisting of eight trustees. Four trustees are appointed by the Board of the Bank, namely one independent trustee who was a previous non-executive director of the Bank and three senior staff members. The other four trustees are elected by the members of the fund, three of whom are employees of the Bank and a pensioner of the Bank. The fund is assisted by a Principal Officer who is also a Board-appointed trustee. Statutory actuarial valuations are performed tri-annually and the next valuation will be done in respect of the period ended 31 March 2015.

Interim actuarial evaluations are concluded annually. Where a surplus in the fund is calculated, it is for the benefit of the members, and accordingly no asset is recognised in the financial statements of the Bank. No sensitivity analysis has been performed, as a reasonable possible change to actuarial assumptions will still result in the fund being in a net funded position. The Retirement Fund is regulated by the Financial Services Board (FSB) and is a single scheme which caters for active members, pensioners on a living annuity, pensioners on a life annuity, and pensioners from the former defined benefit fund.

Active members participate on a defined contribution basis. The market risk lies fully with the active members until retirement. On retirement, former employees can commute up to one third of their share of fund. They may use the remaining funds to buy either a living annuity or a life annuity (or a combination of both) from the fund. They may also chose to transfer their share of fund to another registered retirement annuity. The value of assets under management for active members as at 31 March 2014 was R3,2 billion (2013: R2,7 billion).

Living annuity pensioners bear the entire market risk on their funds; however, they also fully benefit from positive market returns.

The life pension quoted by the Retirement Fund is based on the amount of capital available to the employee, as well as marital status, gender and age. There are currently 576 pensioners. Once quoted a life pension, the rules of the fund stipulate that it will not be reduced, and that the employer will contribute if there is a shortage in the pension account. This is in effect the only uncovered 'defined benefit' element in the fund. The risk for the Retirement Fund, and ultimately the Bank, in meeting this defined benefit, is market risk and life expectancy. An IAS 19 valuation of this defined benefit at 31 March 2014 was performed by an independent actuary, and it was found that the defined benefit obligation to meet current pension levels was R583 million, while the fair value of the assets towards this liability was R936 million.

The assets and liabilities of the defined benefit fund, which has been closed to new members since 1 July 1995, were transferred to the retirement fund on 31 March 2011. At present 303 pensioners qualify for the defined benefits. The benefits provided are based on the years of membership and salary levels. These benefits were provided from contributions made by employees and the employer, and income derived from the assets of the plan. The actuarial risk in respect of current pension commitments has mainly been transferred to Sanlam through an insurance policy. In view of the transfer of the pension liability to Sanlam, which has a credit rating of AA (Fitch), no further financial disclosures are deemed necessary in respect of the defined benefit, as required by IAS 19. The actuarial liability as at 31 March 2013 amounted to R214 million, while the planned assets towards this liability was R220 million.

Since its inception in 1995, there has not been a shortage in the pension account for any given year. The interim valuation at 31 March 2013 found the fund fully funded, with the actuarial liability of pensions to be R603 million with plan assets of R670 million. The trustees of the Retirement Fund and the management of the Bank do not foresee a liability for the Bank in terms of these pensioners.

The plan assets were invested in the following different asset classes as at 31 March 2013:

Local equities	34,8%
Local property	4,4%
Local fixed interest	23.9%
Cash	17,0%
Foreign investments	15,8%
Other	4,1%
	100%

19.2 Other post-employment benefits

The Bank and a subsidiary (the SABN) provide the following post-employment benefits to its employees:

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Amounts recognised in the statement of financial position:				
Post-employment medical benefits (refer to (a) below)	1 798 326	1 756 166	1 623 869	1 616 779
Post-employment group life benefits (refer to (b) below)	35 456	36 386	31 508	32 400
	1 833 782	1 792 552	1 655 377	1 649 179

(a) Post-employment medical benefits

Post-employment medical benefits are provided to retired staff in the form of subsidised medical aid premiums. This benefit has been closed to all new employees at the Bank since 1 September 2011 and at the subsidiary since 2003. A provision for the liability has been raised; this covers the total liability, that is, the accumulated post-employment medical benefit liability at 31 March 2014.

Balance at the beginning of the year	1 756 166	1 401 406	1 616 779	1 275 758
Movement during the year				
Interest cost	140 335	120 492	127 360	109 726
Service cost	64 370	49 817	59 937	46 710
Benefits paid	(53 975)	(47 541)	(49 550)	(43 500)
Amount recognised in profit or loss (refer to Note 22.2)	150 730	122 768	137 747	112 936
Financial assumption (gain)/loss	(264 638)	136 917	(242 385)	124 614
Demographic assumption loss	101 766	4 572	90 129	0
Experience loss on liabilities	54 302	90 503	21 599	103 471
Actuarial (gains)/losses recognised in other comprehensive income	(108 570)	231 992	(130 657)	228 085
Balance at the end of the year	1 798 326	1 756 166	1 623 869	1 616 779

	2014	2013
Key assumptions	Per cent	Per cent
Discount rate	9,39	8,00
Medical inflation	7,50	7,00
Net discount rate	1,76	0,93
Early retirement rates [(1) (2)]		
55	2,50	10,00
56	2,50	10,00
57	2,50	10,00
58	2,50	10,00
59	2,50	10,00
Normal retirement age [(1)]	60	60
Premium rate [(1)]	0,39	0,41
Valuation date	31 March 2014	31 March 2013

(1) These assumptions were also used in the actuarial valuation of the post-employment group life liability – refer to Note 19.2(b).
(2) Lower early retirement rates are used in the current year as a result of alignment with actual trends.

Sensitivity analysis

The effect of a 1 per cent increase and decrease in the medical inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Group			
Employers' accrued liability	1 531 743	1 798 326	2 068 105
Employers' service and interest cost [(3)]	185 968	221 711	267 594
Bank			
Employer's accrued liability	1 390 148	1 623 869	1 919 102
Employer's service and interest cost [(3)]	169 788	202 691	245 001

The effect of a 1 per cent increase and decrease in the discount rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Group			
Employers' accrued liability	2 114 433	1 798 326	1 533 744
Employers' service and interest cost [(3)]	267 885	221 711	170 093
Bank			
Employer's accrued liability	1 921 411	1 623 869	1 391983
Employer's service and interest cost [(3)]	245 264	202 691	170 093

The effect of a 1 per cent increase and decrease in the post-retirement mortality rate is as follows:

	1 year upward	Valuation basis	1 year downward
	R'000	R'000	R'000
Group			
Employers' accrued liability	1 733 887	1 798 326	1 842 794
Employers' service and interest cost [(3)]	215 041	221 711	228 401
Bank			
Employer's accrued liability	1 574 409	1 623 869	1 673 543
Employer's service and interest cost [(3)]	196 589	202 691	208 812

[(3)] Forecast service and interest costs for the year ending 31 March 2015.

(b) Post-employment group life benefits

Post-employment group life benefits are provided to retired staff in the form of subsidised group life premiums. This covers the total liability, that is, the accumulated post-employment group life benefit liability at 31 March 2014.

	Group		Bank	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Balance at the beginning of the year	36 386	44 109	32 400	40 797
Movement during the year				
Interest cost	2 854	3 693	2 543	3 570
Service cost	1 651	2 510	1 465	2 226
Benefits paid	(1 413)	(1 302)	(1 225)	(1 125)
Amount recognised in the operating costs (refer to Note 22.2)	3 092	4 901	2 783	4 671
Financial assumption (gain)/loss	(4 215)	3 879	(3 755)	3 570
Demographic assumption loss	1 355	73	1204	0
Experience gain on liabilities	(1 162)	(16 576)	(1 124)	(16 638)
Actuarial gains recognised in other comprehensive income	(4 022)	(12 624)	(3 675)	(13 068)
Balance at the end of the year	35 456	36 386	31 508	32 400

Key assumptions	2014 Per cent	2013 Per cent
Discount rate	9,39	8,00
Salary inflation	6,00	5,00
Net discount rate	3,50	3,00
Pensioner mortality assumptions		
Active members	SA 85–90 Light	SA 85–90 Light
Pensioners	PA (90) rated down by 2 years	PA (90) rated down by 1 year
Valuation date	31 March 2014	31 March 2013

Sensitivity analysis

The effect of a 1 per cent increase and decrease in the salary inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Group			
Employers' accrued liability	33 734	35 456	37 655
Employers' service and interest cost [(4)]	4 461	4 773	5 126
Bank			
Employer's accrued liability	29 944	31 508	33 258
Employer's service and interest cost [(4)]	3 956	4 235	4 551

The effect of a 1 per cent increase and decrease in the discount rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Group			
Employers' accrued liability	40 200	35 456	31 548
Employers' service and interest cost [(4)]	5 157	4 773	4 447
Bank			
Employer's accrued liability	35 762	31 508	28 004
Employer's service and interest cost [(4)]	4 537	4 235	3 976

The effect of a change in the post-retirement morality assumption is as follows:

	1 year upward	Valuation basis	1 year downward
	R'000	R'000	R'000
Group			
Employers' accrued liability	34 891	35 456	36 004
Employers' service and interest cost [(4)]	4 698	4 773	4 844
Bank			
Employer's accrued liability	31 009	31 508	31 991
Employer's service and interest cost [(4)]	4 169	4 235	4 298

A 1-year down rating of the mortality assumption assumes that a person currently aged x will experience mortality equivalent to that of a person aged x-1.

[(4)] Forecast service and interest costs for the year ending 31 March 2015.

20. Gold and Foreign Exchange Contingency Reserve Account

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Opening balance	125 551 618	67 654 647	125 551 618	67 654 647
(Loss)/profit on gold price adjustment account	(4 248 971)	7 844 033	(4 248 971)	7 844 033
Loss on forward exchange contract adjustment account	(18 386 139)	(18 411 410)	(18 386 139)	(18 411 410)
Profit on foreign-exchange adjustment account	75 429 259	68 083 986	75 429 259	68 083 986
Movement in unrealised (losses)/gains on forward exchange contracts	(460 469)	229 901	(460 469)	229 901
	177 885 298	125 401 157	177 885 298	125 401 157
Net payments	28 108	150 461	28 108	150 461
Amount due to government	177 913 406	125 551 618	177 913 406	125 551 618
Balance composition				
Balance currently due to government	177 435 608	124 613 351	177 435 608	124 613 351
Unrealised gains on forward exchange contracts (Note 8)	477 798	938 267	477 798	938 267
	177 913 406	125 551 618	177 913 406	125 551 618

The GFECRA, which is operated in terms of section 28 of the SARB Act, represents net revaluation profits and losses incurred on gold and foreign-exchange transactions, which are for the account of the South African government. Settlement of this account is subject to agreement, from time to time, between the Bank and government. During the reporting period under review, a net amount of R28,1 million was settled by government (2013: R150,5 million).

21. Share capital

Authorised and issued

2 000 000 shares (2013: 2 000 000 shares) of R1 each	2 000	2 000	2 000	2 000

These shares qualify for a maximum dividend of 10 cents per share per annum.

22. Loss before taxation

22.1 Total income is stated after crediting

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Income from investments	50 218	33 101	40 166	32 529
Dividends	40 166	32 529	40 166	32 529
Realised and unrealised profit on investments	10 052	572	0	0
Income from subsidiaries			13 801	12 746
Dividends			200	200
Interest			7 994	9 125
Management fees			5 607	3 421
Commission on banking services	266 212	253 337	266 212	253 337

Realised and unrealised profits and losses on the Bank's investments are included in interest income in terms of the Bank's accounting policies.

22.2 Operating costs include

Directors' remuneration (Note 29.6)	20 514	20 267	20 147	19 935
For services as non-executive directors	4 013	4 103	3 646	3 771
For services as executive directors	16 501	16 164	16 501	16 164
Depreciation (Note 12)	279 759	201 445	147 440	113 018
Buildings	21 386	15 865	16 264	11 089
Plant, vehicles, furniture and equipment	258 373	185 580	131 176	101 929
Net loss/(profit) on disposal of:				
Plant, vehicles, furniture and equipment	144	(3 913)	88	(4 371)
Transfer of work in progress from property, plant and equipment	3 334	0	2 132	0
Auditors' remuneration	13 754	13 621	9 521	9 864
Audit fees	12 934	11 157	8 850	7 551
Fees for other services	820	2 464	671	2 313
Consulting fees	155 960	124 711	138 459	109 811
Retirement benefit costs	395 625	333 286	340 698	285 199
Normal contributions to funds	158 395	137 214	137 784	118 976
Additional contributions to funds	9 682	885	9 682	885
Provision for post-employment medical benefits	150 730	122 768	137 747	112 936
Medical aid premiums paid	70 382	64 530	51 416	46 600
Post-employment group life benefits	3 092	4 901	2 783	4 671
Group life premiums paid	3 344	2 988	1 286	1 131
Remuneration and recurring staff costs	1 779 575	1 283 807	1 493 216	1 260 772
Cost of new currency	628 303	912 109	1 666 575	1 556 876
Unrealised loss on forward exchange contract (Note 8)	485	6 157	0	0
Other operating costs [1]	1 407 854	1 018 998	409 487	337 569

[1] Other operating costs comprises mainly business systems and technology costs, repairs and maintenance, building maintenance costs, travel and accommodation, and training expenses.

23. Taxation

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
South African normal taxation				
Current taxation	(87 794)	0	0	0
Deferred taxation				
Current year timing differences	602 764	522 021	617 407	520 475
Adjustment in respect of prior years	8 493	0	(226)	0
	523 463	522 021	617 181	520 475
Reconciliation of taxation rate				
South African normal taxation rate	28,00%	28,00%	28,00%	28,00%
Adjusted for:				
Disallowable expenses	(0,45%)	(0,10%)	(0,34%)	(0,09%)
Exempt income and special deductions	0,98%	1,56%	0,11%	0,00%
Prior years	(0,09%)	0,00%	0,00%	0,00%
Effective taxation rate	28,44%	29,46%	27,77%	27,91%

The current taxation for the Bank represents the tax charge on the revaluation of available-for-sale financial assets.

24. Dividend per share (cents)	10	10	10	10
Dividends were paid as follows:				
Final dividend of 5 cents per share for the 2013 financial year	100	100	100	100
Interim dividend of 5 cents per share for the 2014 financial year	100	100	100	100
	200	200	200	200

Earnings per share has not been calculated because the shares qualify for a maximum dividend of 10 cents per share per annum in terms of the SARB Act.

25. Cash generated from operating activities

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Reconciliation of loss before taxation to cash generated from operating activities				
Loss before taxation for the year	(1 840 886)	(1 772 161)	(2 222 807)	(1 864 846)
Adjustments for:				
Depreciation	279 759	201 445	147 440	113 018
Net loss/(profit) on disposal of fixed assets	144	(3 913)	88	(4 371)
Transfer of work in progress from property, plant and equipment	3 334	0	2 132	0
Unrealised foreign-exchange (gain)/loss	(2 171)	6 362	0	0
Fair value adjustments to financial instruments	2 432	(325)	0	0
Post-employment benefits	153 822	127 669	140 530	117 607
Realised loss/(gain) on financial instruments	7 620	(136 172)	0	(136 172)
Coupon interest accrued	63 524	(20 565)	63 524	(20 565)
Amortisation of coupon interest	131 198	122 295	131 198	122 295
Net cash utilised by operating activities	(1 201 224)	(1 475 365)	(1 737 895)	(1 673 034)
Changes in working capital				
Amounts due by subsidiaries	0	0	(180 357)	191 326
Accommodation to banks	702 403	(3 910 419)	702 403	(3 910 419)
Other assets	(156 247)	188 487	(56 622)	174 522
Gold and foreign exchange	(63 144 959)	(71 020 907)	(63 144 959)	(71 020 907)
Inventories	(68 931)	(56 392)	342	1 780
Loans and advances	(2 861 605)	(5 671 943)	1 077	1 572
Equity investment in Bank for International Settlements	(67 681)	(48 999)	(67 681)	(48 999)
Notes and coin in circulation	4 249 174	12 971 748	4 249 174	12 971 748
Deposit accounts	13 323 012	10 930 065	6 094 516	7 833 798
Amounts due to subsidiaries	0	0	989 719	(3 021 768)
Other liabilities	86 094	(88 057)	92 840	49 359
Foreign loans and deposits	4 089 351	12 700 478	4 089 351	12 700 478
South African Reserve Bank debentures	(3 613 282)	(11 124 559)	(3 613 282)	(11 124 559)
Gold and Foreign Exchange Contingency Reserve Account	52 822 257	57 615 011	52 822 257	57 615 011
Cash generated from changes in working capital	5 359 576	2 484 513	1 978 778	2 412 942
Cash generated from operating activities	4 158 352	1 009 148	240 883	739 908

26. Capital commitments

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Capital expenditure contracted for at the end of the reporting period but not yet incurred	95 443	151 454	45 977	47 541
Buildings	1 796	4 260	1 796	4 260
Plant, vehicles, furniture and equipment	93 647	147 194	44 181	43 281
Capital expenditure approved but not contracted for at the end of the reporting period	224 471	135 260	122 664	54 514
Buildings	34 637	4 632	33 577	3 812
Plant, vehicles, furniture and equipment	189 834	130 628	89 087	50 702
Total	319 914	286 714	168 641	102 055

These capital commitments will be funded from internal resources.

27. Events after the reporting date

No material events occurred between 31 March 2014 and 12 June 2014 requiring disclosure in, or adjustment to, the annual financial statements for the year ended 31 March 2014.

28. Risk management in respect of financial instruments

The policies and procedures of the Bank regarding risk management are dealt with in the section on risk management on pages 61 to 63 of the Annual Report, which is available on the Bank's website. Certain aspects of risk management specific to financial instruments are described below.

Interest rate risk

With the exception of South African government bonds, the rand-denominated financial assets and liabilities of the Bank respectively earn and bear interest at rates linked to South African money-market rates. The level of these rates is closely linked to the Bank's repo rate, which is set by the Monetary Policy Committee (MPC). The repricing of these assets and liabilities therefore occurs at approximately the same time as changes to the repo rate are announced by the MPC.

The Bank is exposed to interest rate risk in respect of its foreign investments. The risk tolerance and return expectations in respect of these financial instruments are embodied in the strategic asset allocation; this, together with the risk budget, is approved by the GEC.

Market risk

Market risk is the risk of loss resulting from changes in market prices of securities. The Bank manages its market risks responsibly utilising modern technology and appropriate organisational structures and procedures. Exposures and limits are measured continually and are routinely reviewed by management.

Assets used as collateral are subject to a daily mark-to-market valuation. In order to protect the Bank against credit and market risks, participants in the repo transactions have to provide securities representing market values in excess of the exposures ('haircut valuations'). This means that the value of the securities divided by an appropriate ratio, as set out by the Bank, must at least be equal to the total repo price. Treasury bills and SARB debentures are valued at the most recent auction's discount rates.

Currency risk

The Bank's exposure to currency risk from holding gold and foreign-exchange reserves is limited by the fact that movements in gold and foreign-exchange rates against the rand are for the account of the South African government in terms of the SARB Act. The Bank has currency risk limits and monitors them actively to ensure that they are contained within the overall risk budget of the Bank.

Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligations. Credit risk arises from activities of the Bank such as advances to, and deposits made with, other institutions and the settlement of financial-market transactions.

Credit risk with respect to monetary policy operations is sufficiently mitigated, since all repo transactions are fully collateralised. Furthermore, in terms of the SARB Act, no unsecured lending is allowed with the exception of loans made to government and subsidiaries of the Bank. The list of eligible securities is specified in the Operational Notice published on the Bank's website. Furthermore, operations in the foreign-exchange market can only be conducted with Authorised Dealers.

The minimum counterparty credit rating for placing deposits and investing in government bonds is 'A' by Standard & Poor's or its Moody's or Fitch rating equivalents, while the minimum rating for investments in corporate bonds is 'AA-'.

The rating of certain investment securities was below 'A' at year-end due to the downgrading of instruments or institutions by the rating agencies and due to the tightening of investment guidelines by the Bank, which resulted in passive breaches on some of the financial assets in the Bank's portfolios. Such securities have been retained in the portfolio because they are relatively close to maturity and the risk of default is deemed low.

Concentration analysis

	Group		Bank	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Assets				
South African rand	71 709 177	67 023 528	32 491 773	34 101 606
Gold	55 062 241	59 290 236	55 062 241	59 290 236
United States dollar	234 330 793	262 528 624	234 294 195	262 509 236
Euro	115 836 625	71 409 503	115 832 841	71 408 920
Pound sterling	34 274 584	41 083 325	34 274 584	41 083 325
Other	83 695 068	25 653 422	83 695 068	25 653 422
Total financial assets	594 908 488	526 988 638	555 650 702	494 046 745
Liabilities				
South African rand	508 216 720	441 567 771	469 549 722	409 248 200
United States dollar	61 062 470	80 275 253	61 056 910	80 264 328
Euro	14 549 307	98	14 541 491	0
Pound sterling	5 987 200	0	5 987 200	0
Other	2 768 078	109 850	2 768 078	0
Total financial liabilities	592 583 775	521 952 972	553 903 401	489 512 528

Concentration risk

Concentration risk is the risk of significant exposure to a single counterparty or geographic region. Concentration risk is calculated on the basis of a percentage of the exposure to the counterparty of the Bank as a percentage of total exposures to all counterparties. This is actively monitored by the risk unit within the Financial Markets Department.

Liquidity risk

Liquidity risk is the risk that an entity may not be able to accommodate decreases in liabilities or fund increases in assets in full at the time that a commitment or transaction is due for settlement. In the case of the Bank, this risk is not relevant to domestic assets and liabilities because of the Bank's ability to create rands when required. However, the Bank does face liquidity risk in respect of foreign assets and liabilities. The Bank manages its foreign liquidity risks through appropriate structuring of its foreign investment portfolios to ensure that the maturity profiles of foreign assets adequately match those of foreign commitments. This is monitored and managed on a daily basis. In addition, the Bank's foreign investment portfolio comprises mainly highly liquid investment instruments.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date.

Liabilities (R'000)	Up to 1 month	1 to 3 months	4 to 6 months	7 to 12 months	More than 1 year	Total
Group: 31 March 2014						
Notes and coin in circulation	107 385 475	0	0	0	0	107 385 475
Deposit accounts	215 825 037	0	0	0	0	215 825 037
Foreign loans and deposits(1)	84 353 679	0	0	0	0	84 353 679
Other financial liabilities	571 417	0	0	0	0	571 417
South African Reserve Bank debentures	5 932 156	357 794	0	0	0	6 289 950
Forward exchange contract liabilities	244 811	0	0	0	0	244 811
Gold and Foreign Exchange Contingency Reserve Account	177 913 406	0	0	0	0	177 913 406
Total financial liabilities	592 225 981	357 794	0	0	0	592 583 775
Group: 31 March 2013						
Notes and coin in circulation	103 136 301	0	0	0	0	103 136 301
Deposit accounts	196 497 309	6 004 716	0	0	0	202 505 025
Foreign loans and deposits(1)	80 264 328	0	0	0	0	80 264 328
Other financial liabilities	483 648	0	0	0	0	483 648
South African Reserve Bank debentures	5 571 695	4 331 537	0	0	0	9 903 232
Forward exchange contract liabilities	82 075	14 217	15 248	280	0	111 820
Gold and Foreign Exchange Contingency Reserve Account	125 551 618	0	0	0	0	125 551 618
Total financial liabilities	511 586 974	10 350 470	15 248	280	0	521 952 972
Bank: 31 March 2014						
Notes and coin in circulation	107 385 475	0	0	0	0	107 385 475
Deposit accounts	171 105 892	0	0	0	0	177 105 892
Amounts due to subsidiaries	6 247 911	0	0	0	0	6 247 911
Foreign loans and deposits(1)	84 353 679	0	0	0	0	84 353 679
Other financial liabilities	362 762	0	0	0	0	362 762
South African Reserve Bank debentures	5 932 156	357 794	0	0	0	6 289 950
Forward exchange contract liabilities	244 326	0	0	0	0	244 326
Gold and Foreign Exchange Contingency Reserve Account	177 913 406	0	0	0	0	177 913 406
Total financial liabilities	553 545 607	357 794	0	0	0	553 903 401
Bank: 31 March 2013						
Notes and coin in circulation	103 136 301	0	0	0	0	103 136 301
Deposit accounts	159 006 660	6 004 716	0	0	0	165 011 376
Amounts due to subsidiaries	5 258 192	0	0	0	0	5 258 192
Foreign loans and deposits(1)	80 264 328	0	0	0	0	80 264 328
Other financial liabilities	281 818	0	0	0	0	281 818
South African Reserve Bank debentures	5 571 695	4 331 537	0	0	0	9 903 232
Forward exchange contract liabilities	75 918	14 217	15 248	280	0	105 663
Gold and Foreign Exchange Contingency Reserve Account	125 551 618	0	0	0	0	125 551 618
Total financial liabilities	479 146 530	10 350 470	15 248	280	0	489 512 528

(1) Amounts reflected at fair value. Undiscounted cash flows approximate fair value due to the short-term nature of the instruments.

Foreign-exchange operations

The framework of control regarding market operations in foreign exchange, that is, in spot and forward foreign-exchange transactions, is rigorous. Trading limits exist for these instruments and compliance is monitored and reported daily. In terms of the SARB Act, all profits or losses on the gold price, foreign-exchange adjustments on assets and liabilities, and on any current or future forward exchange contract shall be for the account of the South African government.

Settlement risk

Settlement risk (i.e., the risk that the counterparty may not be able to complete a transaction) is mitigated in a number of ways. The Bank will only transfer funds after sufficient collateral has been secured.

For outright transactions in securities, settlement risk is eliminated through the use of systems that are based on delivery versus payment, that is, the simultaneous exchange of securities and cash. In addition to restricting foreign-exchange transactions to highly rated counterparties, a transaction limit is imposed on the total value of foreign currency transactions settling with a counterparty on a given day. Furthermore, the Bank is a participant in Continuous Linked Settlement, a clearing house that eliminates settlement risk in foreign exchange, allowing payment versus delivery in a number of major currencies. It eliminates 'temporal' settlement risk, making same-day settlement both possible and final.

Financial risk reporting in the Bank

Risk reporting is a formalised and clearly defined process within the Bank. A monthly risk report is compiled and distributed to senior management of the Bank, (e.g., Deputy Governor, CIA, Group CFO). A quarterly risk management report, which focuses on the management of risks relating to foreign-exchange reserves, is distributed to the Reserves Management Committee and the GEC. Moreover, a quarterly financial risk report is compiled and distributed to members of the Bank's RMC and the BREC. The objective of these risk reports is to inform management of financial risk to which the Bank may be exposed, their possible impact on the key functions of the Bank, and how such risks are managed. The report, furthermore, attempts to highlight future risks that might adversely impact on the activities of the Bank. In line with international best practice, key risk types discussed in the reports are market, credit and operational risk in relation to market, monetary policy implementation and reserves management operations.

29. Related party information

29.1 Investment in subsidiaries

The following information relates to the Bank's financial interest in its subsidiaries:

	Authorised and issued share capital		Bank	
	Number of shares	Percentage held	2014	2013
	R'000	Per cent	R'000	R'000
Corporation for Public Deposits	2 000	100	2 000	2 000
South African Mint Company (RF) Proprietary Limited	60 000	100	206 000	206 000
South African Bank Note Company (RF) Proprietary Limited	61 000	100	1 183 765	1 183 765
Share capital	61 000	100	61 000	61 000
Subordinated loan	0	0	1 122 765	1 122 765
South African Reserve Bank Captive Insurance Company (RF) Limited	10 000	100	10 000	10 000
Total			1 401 765	1 401 765

The subordinated loan to the SABN of R1,1 billion bears no interest and has no fixed terms of repayment.

The Bank may demand repayment of the loan provided the subsidiary's assets exceed its liabilities. When recalled, the subsidiary has the option to convert the loan to share capital.

The loan is included in the books of the subsidiary as a separate category of equity and is thus treated as an addition to the Bank's investment in subsidiary.

The contribution to the Group profit and loss attributable to the parent is as follows:

	2014	2013
	R'000	R'000
Corporation for Public Deposits	55 156	98 109
South African Mint Company (RF) Proprietary Limited	92 229	(5 029)
South African Bank Note Company (RF) Proprietary Limited	46 576	3 066
South African Reserve Bank Captive Insurance Company (RF) Limited	5 757	(1 715)
Total	199 718	94 431

29.2 Transactions with non-controlling interests

Prestige Bullion

The SA Mint and Rand Refinery entered into an agreement to form Prestige Bullion whereby the SA Mint acquired 60 per cent of the interest and the Rand Refinery 40 per cent. The SA Mint will be responsible for the manufacturing while the marketing and distribution of the coins will be done by Rand Refinery.

Rand Refinery has a 40 per cent interest, and therefore holds a non-controlling interest in Prestige Bullion

	2014	2013
	R'000	R'000
Profit attributable to non-controlling interest	88 685	0
Accumulated non-controlling interest at 31 March 2014	20 685	0
Dividends paid to non-controlling interest	68 000	0

No significant restrictions on the Bank's ability to access or use the assets and settle the liabilities of the Group exist.

29.3 Amounts due by/to subsidiaries

Amounts due by subsidiaries	324 363	144 006
South African Bank Note Company (RF) Proprietary Limited: Loan	33 257	33 257
South African Bank Note Company (RF) Proprietary Limited: Trading account	146 644	0
Corporation for Public Deposits: Current account	144 462	110 749
Amounts due to subsidiaries	6 247 911	5 258 192
Corporation for Public Deposits: Call deposit	6 247 911	5 209 369
South African Bank Note Company (RF) Proprietary Limited: Foreign currency deposit	0	48 823

The loan to the SABN bears interest at the repo rate and is unsecured with no fixed repayment terms.

The SABN's trading account is an advance to assist the SABN with financing its operating activities. It does not bear interest and is repayable in the short term.

The call deposit placed with the Bank by the CPD earns interest at South African money-market rates.

Amounts due by or to subsidiaries are repayable on demand. The subsidiaries are all wholly owned and incorporated in the Republic of South Africa.

29.4 Transactions between the Bank and its related parties

The following transactions took place between the Bank and its related parties:

	2014 R'000	2013 R'000
Dividends received		
Corporation for Public Deposits	200	200
Interest received	7 994	9 125
South African Bank Note Company (RF) Proprietary Limited	1 731	1 754
Corporation for Public Deposits	6 263	7 371
Interest paid		
Corporation for Public Deposits	587 114	805 860
Insurance premiums paid		
South African Reserve Bank Captive Insurance Company (RF) Limited	14 856	16 800
Rent paid		
South African Bank Note Company (RF) Proprietary Limited	2 687	2 544
Coin management fees paid		
South African Mint Company (RF) Proprietary Limited	2 206	2 101
Management fees received	5 607	3 421
Corporation for Public Deposits	2 443	582
South African Reserve Bank Captive Insurance Company (RF) Limited	463	433
South African Reserve Bank Retirement Fund	2 701	2 406
Cost of currency	1 036 294	644 767
South African Bank Note Company (RF) Proprietary Limited	780 411	391 543
South African Mint Company (RF) Proprietary Limited	255 883	253 224
Proceeds from insurance claims		
South African Reserve Bank Captive Insurance Company (RF) Limited	3 848	5 821
Pension fund contributions		
South African Reserve Bank Retirement Fund	147 466	119 861

All other significant balances are shown in the statement of financial position under the appropriate headings.

29.5 Dissolution of the South African Reserve Bank Captive Insurance Company (RF) Limited

The Twin Peaks Regulatory Model, once implemented, will result in the prudential supervision in respect of both long-term and short-term insurers moving from the FSB to the Bank. This presents a potential conflict of interest as the Bank would then be supervising its own insurer, SARBCIC. The Board has accordingly resolved to restructure the Group's short-term insurance portfolio by dissolving the SARBCIC and replacing it with an appropriate and cost-effective alternative structure. Consequently, the Group's short-term insurance portfolio has been placed in a conventional manner with external insurers with effect from 1 April 2014.

In order to ensure the smooth transition to the new insurance regime for all companies in the Group, SARBCIC has extended the terms of the expiring policies to 30 September 2014 in order to effectively cover the new deductibles the Group subsidiaries are now exposed to. This will facilitate full engagement with all parties concerned, and allow a complete review of all deductibles in place.

Once all stakeholders are satisfied that SARBCIC has made satisfactory arrangements to discharge its obligations under all policies issued to its clients prior to 1 April 2014, its registration as a short-term insurer will be cancelled, whereafter the company will be deregistered.

29.6 Directors' remuneration

The executive directors of the Bank are regarded as being key management personnel because they are involved in all key management decisions. Remuneration of the directors was as follows:

	2014 Total R'000	2013 Total R'000
Executive directors: Remuneration		
G Marcus		
Remuneration and recurring fringe benefits	4 457	4 462
Other fringe benefits	0	0
	4 457	4 462
Deemed remuneration: Official residence [(1)]	550	527
	5 007	4 989
A D Mminele		
Remuneration and recurring fringe benefits	3 719	3 714
Other fringe benefits	81	91
	3 800	3 805
E L Kganyago		
Remuneration and recurring fringe benefits	3 726	3 721
Other fringe benefits	193	87
	3 919	3 808
F E Groepe		
Remuneration and recurring fringe benefits	3 719	3 536
Other fringe benefits	56	26
	3 775	3 562
Total remuneration of executive directors	16 501	16 164
Non-executive directors: Remuneration for services		
S M Goodson (resigned 3 May 2012)	0	125
T N Mgoduso	355	369
J F van der Merwe	382	405
B W Smit	309	330
R le Roux	312	335
T Ajam	309	303
M Manyama-Matome	285	308
G M Ralfe	312	330
R J G Barrow	391	411
M S V Gantsho	389	386
A M Chait	305	242
F Cachalia	297	227
	3 646	3 771
Paid by subsidiaries		
Non-executive directors: Remuneration for services		
R J G Barrow	367	332
Total remuneration of non-executive directors	4 013	4 103
	20 514	20 267

(1) The Bank provides accommodation to the Office of the Governor at the official residence. The deemed tax value of the benefit was R823 886 for the current year (2013: R789 759).

30. Segment reporting

Owing to the integrated nature of the activities of the Bank and its subsidiaries, the presentation of segmental information is not considered informative.

31. Gains and (losses) per category of financial assets and financial liabilities

	Total	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other liabilities
	R'000	R'000	R'000	R'000	R'000	R'000
Group 31 March 2014						
Interest income	5 812 382	916 042	2 711 983	1 516 568	667 789	
Interest expense	(4 097 430)					(4 097 430)
Dividend income	40 166				40 166	
Bond revaluation reserve	(541 346)				(541 346)	
Group 31 March 2013						
Interest income	6 363 697	(11 462)	4 145 153	1 423 089	806 917	
Interest expense	(4 734 972)					(4 734 972)
Dividend income	32 529				32 529	
Bond revaluation reserve	197 481				197 481	
Bank 31 March 2014						
Interest income	3 497 464	916 042	717 219	1 196 414	667 789	
Interest expense	(1 871 014)					(1 871 014)
Dividend income	40 366				40 366	
Bond revaluation reserve	(541 346)				(541 346)	
Bank 31 March 2013						
Interest income	4 377 497	(11 462)	2 464 034	1 118 008	806 917	
Interest expense	(2 865 157)					(2 865 157)
Dividend income	32 529				32 529	
Bond revaluation reserve	197 481				197 481	

32. Classification of financial assets and liabilities

		Carrying amounts					
	Total	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other liabilities	Fair value [1]
		R'000	R'000	R'000	R'000	R'000	R'000
Group 31 March 2014							
Financial assets							
Cash and cash equivalents	3 445 872			3 445 872			3 445 872
Accommodation to banks	23 414 104			23 414 104			23 414 104
Investments	14 140 245		14 140 245				
Other financial assets	201 826			201 826			201 826
Gold and foreign exchange	522 731 620	2 537	522 729 083				
Forward exchange contract assets	722 124	722 124					
Loans and advances	21 943 128			21 943 128			21 943 128
South African government bonds	7 882 261				7 882 261		
Equity investment in Bank for International Settlements	427 308				427 308		3 130 986
Financial liabilities							
Notes and coin in circulation	107 385 475					107 385 475	107 385 475
Deposit accounts [2]	215 825 037					215 825 037	215 825 037
Foreign loans and deposits	84 353 679					84 353 679	84 353 679
Other financial liabilities	571 417					571 417	571 417
South African Reserve Bank debentures	6 289 950					6 289 950	6 289 950
Forward exchange contract liabilities	244 811	244 811					
Gold and Foreign Exchange Contingency Reserve Account	177 913 406					177 913 406	177 913 406

(1) Fair values have been disclosed only for instruments carried at amortised cost. Carrying value has been used where it closely approximates fair value.
(2) Included in deposit accounts are amounts that do not bear interest. These deposit accounts do not have fixed maturity dates.

32. Classification of financial assets and liabilities (continued)

		Carrying amounts					
	Total	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other liabilities	Fair value [1]
		R'000	R'000	R'000	R'000	R'000	R'000
Group **31 March 2013**							
Financial assets							
Cash and cash equivalents	2 765 255			2 765 255			2 765 255
Accommodation to banks	24 116 507			24 116 507			24 116 507
Investments	11 287 154		11 287 154				
Other financial assets	129 653			129 653			129 653
Gold and foreign exchange	459 586 661	(49 963)	459 636 624				
Forward exchange contract assets	1 043 930	1 043 930					
Loans and advances	19 081 523			19 081 523			19 081 523
South African government bonds	8 618 328				8 618 328		
Equity investment in Bank for International Settlements	359 627				359 627		2 821 816
Financial liabilities							
Notes and coin in circulation	103 136 301					103 136 301	103 136 301
Deposit accounts [2]	202 502 025					202 502 025	202 502 025
Foreign loans and deposits	80 264 328					80 264 328	80 264 328
Other financial liabilities	483 648					483 648	483 648
South African Reserve Bank debentures	9 903 232					9 903 232	9 903 232
Forward exchange contract liabilities	111 820	111 820					
Gold and Foreign Exchange Contingency Reserve Account	125 551 618					125 551 618	125 551 618

(1) Fair values have been disclosed only for instruments carried at amortised cost. Carrying value has been used where it closely approximates fair value.
(2) Included in deposit accounts are amounts that do not bear interest. These deposit accounts do not have fixed maturity dates.

32. Classification of financial assets and liabilities (continued)

		Carrying amounts					
	Total	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other liabilities	Fair value [1]
		R'000	R'000	R'000	R'000	R'000	R'000
Bank **31 March 2014**							
Financial assets							
Amounts due by subsidiaries	324 363			324 363			324 363
Accommodation to banks	23 414 104			23 414 104			23 414 104
Other financial assets	83 648			83 648			83 648
Gold and foreign exchange	522 731 620	2 537	522 729 083				
Forward exchange contract assets	722 124	722 124					
Loans and advances	65 274			65 274			65 274
South African government bonds	7 882 261				7 882 261		
Equity investment in Bank for International Settlements	427 308				427 308		3 130 986
Financial liabilities							
Notes and coin in circulation	107 385 475					107 385 475	107 385 475
Deposit accounts [2]	171 105 892					171 105 892	171 105 892
Amounts due to subsidiaries	6 247 911					6 247 911	6 247 911
Foreign loans and deposits	84 353 679					84 353 679	84 353 679
Other financial liabilities	362 762					362 762	362 762
South African Reserve Bank debentures	6 289 950					6 289 950	6 289 950
Forward exchange contract liabilities	244 326	244 326					
Gold and Foreign Exchange Contingency Reserve Account	177 913 406					177 913 406	177 913 406

(1) Fair values have been disclosed only for instruments carried at amortised cost. Carrying value has been used where it closely approximates fair value.
(2) Included in deposit accounts are amounts that do not bear interest. These deposit accounts do not have fixed maturity dates.

32. Classification of financial assets and liabilities (continued)

		Carrying amounts					
	Total	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other liabilities	Fair value [1]
		R'000	R'000	R'000	R'000	R'000	R'000
Bank **31 March 2013**							
Financial assets							
Amounts due by subsidiaries	144 006			144 006			144 006
Accommodation to banks	24 116 507			24 116 507			24 116 507
Other financial assets	111 335			111 335			111 335
Gold and foreign exchange	459 586 661	(49 963)	459 636 624				
Forward exchange contract assets	1 043 930	1 043 930					
Loans and advances	66 351			66 351			66 351
South African government bonds	8 618 328				8 618 328		
Equity investment in Bank for International Settlements	359 627				359 627		2 281 816
Financial liabilities							
Notes and coin in circulation	103 136 301					103 136 301	103 136 301
Deposit accounts [2]	165 011 376					165 011 376	165 011 376
Amounts due to subsidiaries	5 258 192					5 258 192	5 258 192
Foreign loans and deposits	80 264 328					80 264 328	80 264 328
Other financial liabilities	281 818					281 818	281 818
South African Reserve Bank debentures	9 903 232					9 903 232	9 903 232
Forward exchange contract liabilities	105 663	105 663					
Gold and Foreign Exchange Contingency Reserve Account	125 551 618					125 551 618	125 551 618

[1] Fair values have been disclosed only for instruments carried at amortised cost. Carrying value has been used where it closely approximates fair value.
[2] Included in deposit accounts are amounts that do not bear interest. These deposit accounts do not have fixed maturity dates.

33. Fair value hierarchy disclosures

The tables on pages 64 to 67 analyse financial instruments carried at fair value by the level of fair value hierarchy. The fair value hierarchy depends on the extent to which quoted prices are used in determining the fair value of the specific instruments. The different levels are defined as follows:

Level 1: Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities. These are readily available in the market and are normally obtainable from multiple sources.

Level 2: Fair value is based on input other than quoted prices included within Level 1 that is observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value is based on input for the asset or liability that is not based on observable market data (i.e., unobservable inputs).

The Group's policy is to recognise transfers into and transfers out of the fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. During the year under review, there have been no transfers between any of the levels (2013: none).

(a) Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices as obtained from the custodians at the balance-sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer broker or pricing services, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the bank is the current price as per the custodian's pricing hierarchy. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily fixed income investments classified as trading securities or available for sale.

(b) Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used by the custodians to value financial instruments include the following:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for remaining financial instruments.

(c) Valuation techniques used to derive Level 3 fair values

The equity investment in the BIS is the only instrument classified as Level 3. It is an 'available-for-sale' investment and is valued at cost, as no active market exists for these shares. Changes in value are due to foreign-exchange movements.

	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Group 31 March 2014				
Financial instruments				
Items measured at fair value on a recurring basis				
Financial assets				
South African government bonds	7 882 261	0	0	7 882 261
Forward exchange contract assets	0	722 124	0	722 124
Investments	0	14 140 245	0	14 140 245
Gold and foreign exchange	265 004 803	257 726 817	0	522 731 620
Gold coin and bullion	55 062 241	0	0	55 062 241
Money- and capital-market instruments and deposits	29 240 023	39 761 308	0	69 001 331
Medium-term instruments	160 697 998	175 783 433	0	336 481 431
Portfolio investments	20 004 542	42 182 075	0	62 186 617
Financial liabilities				
Forward exchange contract liabilities	0	244 811	0	244 811
Items measured at amortised cost				
Financial assets				
Cash and cash equivalents	1 185 220	2 260 652	0	3 445 872
Accommodation to banks	0	23 414 104	0	23 414 104
Other financial assets	0	201 826	0	201 826
Loans and advances	0	21 943 128	0	21 943 128
Equity investment in Bank for International Settlements [1]	0	0	3 130 986	3 130 986
Financial liabilities				
Notes and coin in circulation	0	107 385 475	0	107 385 475
Deposit accounts	0	215 825 037	0	215 825 037
Foreign loans and deposits	0	84 353 679	0	84 353 679
Other financial liabilities	0	571 417	0	571 417
South African Reserve Bank debentures	0	6 289 950	0	6 289 950
Gold and Foreign Exchange Contingency Reserve Account	0	177 913 406	0	177 913 406

Securities lending activities

The net effect of securities lending in which the Bank was engaged at the reporting date is included in the gold and foreign-exchange balances above. The gross position is as follows:

	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Liabilities in respect of collateral received	0	(52 093 156)	0	(52 093 156)
Fair value of underlying investments	34 140 808	17 999 138	0	52 139 946
Net fair value adjustment included above	34 140 808	(34 094 018)	0	46 790

[1] Refer to Note 11, Equity investment in Bank for International Settlements, for further details on this investment.

	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Group 31 March 2013				
Financial instruments				
Items measured at fair value on a recurring basis				
Financial assets				
South African government bonds	8 618 328	0	0	8 618 328
Forward exchange contract assets	0	1 043 930	0	1 043 930
Investments	0	11 287 154	0	11 287 154
Gold and foreign exchange	225 749 188	233 837 473	0	459 586 661
Gold coin and bullion	59 290 236	0	0	59 290 236
Money- and capital-market instruments and deposits	0	127 591 011	0	127 591 011
Medium-term instruments	147 324 847	57 266 797	0	204 591 644
Portfolio investments	19 134 105	48 979 665	0	68 113 770
Financial liabilities				
Forward exchange contract liabilities	0	(111 820)	0	(111 820)
Items measured at amortised cost				
Financial assets				
Cash and cash equivalents	36 554	2 728 701	0	2 765 255
Accommodation to banks	0	24 116 507	0	24 116 507
Other financial assets	0	129 653	0	129 653
Loans and advances	0	19 081 523	0	19 081 523
Equity investment in Bank for International Settlements [(1)]	0	0	2 821 816	2 821 816
Financial liabilities				
Notes and coin in circulation	0	103 136 301	0	103 136 301
Deposit accounts	0	202 502 025	0	202 502 025
Foreign loans and deposits	0	80 264 328	0	80 264 328
Other financial liabilities	0	483 648	0	483 648
South African Reserve Bank debentures	0	9 903 232	0	9 903 232
Gold and Foreign Exchange Contingency Reserve Account	0	125 551 618	0	125 551 618

Securities lending activities

The net effect of securities lending in which the Bank was engaged at 31 March 2013 is included in the gold and foreign-exchange balances above. The gross position is as follows:

	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Liabilities in respect of collateral received	0	(44 009 315)	0	(44 009 315)
Fair value of underlying investments	14 813 225	29 191 732	0	44 004 957
Net fair value adjustment included above	14 813 225	(14 817 583)	0	(4 358)

[(1)] Refer to Note 11, Equity investment in Bank for International Settlements, for further details on this investment.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Bank 31 March 2014				
Financial instruments				
Items measured at fair value on a recurring basis				
Financial assets				
South African government bonds	7 882 261	0	0	7 882 261
Forward exchange contract assets	0	722 124	0	722 124
Investments				
Gold and foreign exchange	265 004 803	257 726 817	0	522 731 620
Gold coin and bullion	55 062 241	0	0	55 062 241
Money- and capital-market instruments and deposits	29 240 023	39 761 308	0	69 001 331
Medium-term instruments	160 697 998	175 783 434	0	336 481 432
Portfolio investments	20 004 542	42 182 075	0	62 186 617
Financial liabilities				
Forward exchange contract liabilities	0	(244 326)	0	(244 326)
Items measured at amortised cost				
Financial assets				
Amounts due by subsidiaries	0	324 363	0	324 363
Accommodation to banks	0	23 414 104	0	23 414 104
Other financial assets	0	83 648	0	83 648
Loans and advances	0	65 274	0	65 274
Equity investment in Bank for International Settlements [(1)]	0	0	3 130 986	3 130 986
Financial liabilities				
Notes and coin in circulation	0	107 385 475	0	107 385 475
Deposit accounts	0	171 105 892	0	171 105 892
Amounts due to subsidiaries	0	6 247 911	0	6 247 911
Foreign loans and deposits	0	84 353 679	0	84 353 679
Other financial liabilities	0	362 762	0	362 762
South African Reserve Bank debentures	0	6 289 950	0	6 289 950
Gold and Foreign Exchange Contingency Reserve Account	0	177 913 406	0	177 913 406

Securities lending activities

The net effect of securities lending in which the Bank was engaged at the reporting date is included in the gold and foreign-exchange balances above. The gross position is as follows:

Liabilities in respect of collateral received	0	(52 093 156)	0	(52 093 156)
Fair value of underlying investments	34 140 808	17 999 138	0	52 139 946
Net fair value adjustment included above	34 140 808	(34 094 018)	0	46 790

(1) Refer to Note 11, Equity investment in Bank for International Settlements, for further details on this investment.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Bank 31 March 2013				
Financial instruments				
Items measured at fair value on a recurring basis				
Financial assets				
South African government bonds	8 618 328	0	0	8 618 328
Forward exchange contract assets	0	1 043 930	0	1 043 930
Gold and foreign exchange	225 749 188	233 837 473	0	459 586 661
Gold coin and bullion	59 290 236	0	0	59 290 236
Money- and capital-market instruments and deposits	0	127 591 011	0	127 591 011
Medium-term instruments	147 324 847	57 266 797	0	204 591 644
Portfolio investments	19 134 105	48 979 665	0	68 113 770
Financial liabilities				
Forward exchange contract liabilities	0	(105 663)	0	(105 663)
Items measured at amortised cost				
Financial assets				
Amounts due by subsidiaries	0	144 006	0	144 006
Accommodation to banks	0	24 116 507	0	24 116 507
Other financial assets	0	111 335	0	111 335
Loans and advances	0	66 351	0	66 351
Equity investment in Bank for International Settlements [(1)]	0	0	2 821 816	2 821 816
Financial liabilities				
Notes and coin in circulation	0	103 136 301	0	103 136 301
Deposit accounts	0	165 011 376	0	165 011 376
Amounts due to subsidiaries	0	5 258 192	0	5 258 192
Foreign loans and deposits	0	80 264 328	0	80 264 328
Other financial liabilities	0	281 818	0	281 818
South African Reserve Bank debentures	0	9 903 232	0	9 903 232
Gold and Foreign Exchange Contingency Reserve Account	0	125 551 618	0	125 551 618

Securities lending activities

The net effect of securities lending in which the Bank was engaged at 31 March 2013 is included in the gold and foreign-exchange balances above. The gross position is as follows:

Liabilities in respect of collateral received	0	(44 009 315)	0	(44 009 315)
Fair value of underlying investments	14 813 225	29 191 732	0	44 004 957
Net fair value adjustment included above	14 813 225	(14 817 583)	0	(4 358)

(1) Refer to Note 11, Equity investment in Bank for International Settlements, for further details on this investment.

34. Change in accounting policy and reclassifications

The Group has adopted IAS 19 (revised 2011), *Employee Benefits,* on 1 January 2013.

The classification of the Group's investments has been reconsidered, resulting in the reclassification of money-market investments and short-term deposits with original maturities of three months or less, as defined in IAS 7, *Statement of Cash Flows*, to cash and cash equivalents.

The Group reassessed the classification of loans and advances made to depositors of the CPD in terms of the depositors' cash management co-ordination arrangement. Previously these loans and advances were offset against deposits received from depositors. In the current year, the balances were reclassified to loans and advances from deposit accounts in line with IAS 32, *Financial Instruments: Presentation*.

The new accounting policy and reclassification of financial information has resulted in the comparatives being restated for 31 December 2012 and 31 December 2013, as reflected in the table below.

An opening statement as at 1 April 2011 has not been presented as the impact of restatement is not material.

Group statement of financial position

	Notes	As at 31 March 2012 (previously stated)	Adopt IAS19 (revised 2011)	Reclassifi-cation	As at 31 March 2012 (restated)	As at 31 March 2013 (previously stated)	Adopt IAS19 (revised 2011)	Reclassifi-cation	As at 31 March 2013 (restated)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets									
Cash and cash equivalents	2	76 217		9 429 202	9 505 419	31 554		2 733 701	2 765 255
Accommodation to banks *	3	20 206 088			20 206 088	24 116 507			24 116 507
Investments	4	13 645 662		(9 429 202)	4 216 460	14 020 855		(2 733 701)	11 287 154
Other assets	5	378 391			378 391	188 610			188 610
Gold and foreign exchange	6	388 565 754			388 565 754	459 586 661			459 586 661
Inventories	7	327 799			327 799	384 191			384 191
Forward exchange contract assets	8	1 406 009			1 406 009	1 043 930			1 043 930
Loans and advances	9	67 923		13 341 657	13 409 580	66 351		19 015 172	19 081 523
Current taxation prepaid		2 350			2 350	2 281			2 281
South African government bonds	10	8 386 405			8 386 405	8 618 328			8 618 328
Equity investment in Bank for International Settlements	11	310 628			310 628	359 627			359 627
Property, plant and equipment	12	2 398 623			2 398 623	2 829 290			2 829 290
Deferred taxation assets	13	1 226 342			1 226 342	1 752 513			1 752 513
Total assets		436 998 191		13 341 657	450 339 848	513 000 698		19 015 172	532 015 870

* Refer to Note 15, Deposit accounts, for further details.

Group statement of financial position (continued)

	Notes	As at 31 March 2012 (previously stated)	Adopt IAS19 (revised 2011)	Reclassifi-cation	As at 31 March 2012 (restated)	As at 31 March 2013 (previously stated)	Adopt IAS19 (revised 2011)	Reclassifi-cation	As at 31 March 2013 (restated)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Liabilities									0
Notes and coin in circulation	14	90 164 553			90 164 553	103 136 301			103 136 301
Deposit accounts *	15	178 230 303		13 341 657	191 571 960	183 486 853		19 015 172	202 502 025
Foreign loans and deposits	16	67 563 850			67 563 850	80 264 328			80 264 328
Other liabilities	17	661 063			661 063	609 795			609 795
South African Reserve Bank debentures	18	21 027 791			21 027 791	9 903 232			9 903 232
Forward exchange contract liabilities	8	751 284			751 284	111 820			111 820
Deferred taxation liabilities	13	19 910			19 910	17 932			17 932
Post-employment benefits	19.2	1 445 515			1 445 515	1 792 552			1 792 552
Gold and Foreign Exchange Contingency Reserve Account	20	67 654 647			67 654 647	125 551 618			125 551 618
Total liabilities		427 518 916	0	13 341 657	440 860 573	504 874 431	0	19 015 172	523 889 603
Capital and reserves									
Share capital	21	2 000			2 000	2 000			2 000
Accumulated profit		995 625	15		995 640	988 814	14 148		1 002 962
Statutory reserve		395 164			395 164	395 164			395 164
Contingency reserve		7 529 364	111 559		7 640 923	6 040 981	255 371		6 296 352
Bond revaluation reserve		557 122			557 122	699 308			699 308
Post-employment benefits remeasurement reserve		0	(111 574)		(111 574)	0	(269 519)		(269 519)
Non-controlling interest		0			0	0			0
Total capital and reserves		9 479 275	0	0	9 479 275	8 126 267	0	0	8 126 267
Total liabilities, capital and reserves		436 998 191	0	13 341 657	450 339 848	513 000 698	0	19 015 172	532 015 870

* Refer to Note 15, Deposit accounts, for further details.

Group statement of profit or loss and other comprehensive income for the year ended 31 March 2014

	Notes	As at 31 March 2012 (previously stated)	Adopt IAS19 (revised 2011)	Reclas-sification	As at 31 March 2012 (restated)	As at 31 March 2013 (previously stated)	Adopt IAS19 (revised 2011)	Reclas-sification	As at 31 March 2013 (restated)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Interest income		6 460 523			6 460 523	6 363 697			6 363 697
Interest expense		(5 109 408)			(5 109 408)	(4 734 972)			(4 734 972)
Net interest income		1 351 115			1 351 115	1 628 725			1 628 725
Dividend income		27 285			27 285	32 529			32 529
Operating income		999 572			999 572	477 073			477 073
Total income	22.1	2 377 972			2 377 972	2 138 327			2 138 327
Operating costs	22.2	(3 215 430)	154 964		(3 060 466)	(4 129 856)	219 368		(3 910 488)
Loss before taxation	22	(837 458)			(682 494)	(1 991 529)			(1 772 161)
Taxation	23	245 461	(43 390)		202 071	583 444	(61 423)		522 021
Loss for the year		(591 997)	111 574	0	(480 423)	(1 408 085)	157 945	0	(1 250 140)
Other comprehensive income (net of taxation)									
Items that will not be reclassified to profit or loss									
Remeasurement of post-employment benefits		0	(111 574)		(111 574)	0	(157 945)		(157 945)
Items that may subsequently be reclassified to profit or loss									
Unrealised gain on available-for-sale financial assets		182 189			182 189	240 230			240 230
Realised gain on sale of available-for-sale financial assets		0			0	(98 044)			(98 044)
Total comprehensive loss for the year (net of taxation)		(409 808)	0	0	(409 808)	(1 265 899)	0	0	(1 265 899)

Abbreviations

AGM	annual ordinary general meeting
BIS	Bank for International Settlements
BREC	Board Risk and Ethics Committee
CFO	Chief Financial Officer
CIA	Chief Internal Auditor
CPD	Corporation for Public Deposits
FSB	Financial Services Board
GEC	Governors' Executive Committee
GFECRA	Gold and Foreign Exchange Contingency Reserve Account
IAD	Internal Audit Department [of the South African Reserve Bank]
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRSs	International Financial Reporting Standards
IGCC	Inter-Governmental Cash Co-ordination
IMF	International Monetary Fund
IT	information technology
MPC	Monetary Policy Committee
RMC	Risk Management Committee
SABN	South African Bank Note Company (RF) Proprietary Limited
SARB	South African Reserve Bank
SARBCIC	South Africa Reserve Bank Captive Insurance Company (RF) Limited
SDRs	special drawing rights
US	United States

Glossary

Board	Board of Directors [of the South African Reserve Bank]
CPD Act	Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984)
Prestige Bullion	Prestige Bullion (RF) Proprietary Limited
repo	repurchase
SA Mint	South African Mint Company (RF) Proprietary Limited
SARB Act	South African Reserve Bank Act, 1989 (Act No. 90 of 1989), as amended
SARB debentures	South Africa Reserve Bank debentures
the Bank	South African Reserve Bank
the Group	South African Reserve Bank and its subsidiaries

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