

# What we do

The SARB maintains price stability in the interest of balanced and sustainable economic growth. This mandate is enshrined in the Constitution, and the SARB is accountable to the people of the Republic of South Africa.

The SARB is also tasked with protecting and enhancing financial stability; regulating and supervising financial institutions; issuing and destroying banknotes; and acting as banker to the government, lender of last resort and the designated Resolution Authority in terms of the FSR Act. It is also the custodian of the national payment system (NPS), which is crucial to the functioning of South Africa's economy.

Delivering on these objectives requires integrated thinking, guided by the SARB's strategy and supported by enablement functions that include transparent communication and coordinated policymaking and implementation.

## INPUTS

### Social and relationship inputs

Sustained domestic, regional, international and cross-regulator stakeholder engagement and communication are aimed at improving transparency and accountability to:

- empower Parliament, civil society, businesses, labour formations and other stakeholders with knowledge and an understanding of the benefits of price and financial stability;
- collaborate with relevant government departments, notably National Treasury, and other regulators on various policies;
- continually engage with financial institutions to assess risks to the financial sector as well as to exercise regulatory oversight;
- collaborate with research and academic institutions to enhance the SARB's own research capability and inform its decision-making;
- actively participate in international and regional multilateral forums to contribute to regional integration, inform policy and develop consistent financial sector regulatory frameworks; and
- strengthen the SARB's accessibility and accountability through social initiatives and broader stakeholder engagements.

### Human and intellectual inputs

The SARB remains focused on attracting and retaining capable leaders with the relevant skills and a deep understanding of economic and financial systems.

- The SARB's employee value proposition, which is premised on, among other attributes, serving the public good, development opportunities and organisational stability, is designed to attract and retain critical skills.
- The SARB's 2 512 employees are motivated and skilled. Their diverse knowledge and skills assist the SARB in achieving its mandate and supporting objectives. Salaries amounted to R3.0 billion (2022/23: R2.7 billion).
- Training and development spend to upskill and reskill staff amounted to R116.3 million (2022/23: R69.7 million).
- The SARB remains committed to transformation, with its diverse Board comprising seven women and eight men, of which 87% are black. Of its total staff complement, 84.4% (2022/23: 82.4%) are black and 54.7% (2022/23: 53.9%) are women.

### Financial inputs

The SARB is not profit-focused but driven by its policy function through:

- maintaining sound financial and budgetary controls; and
- limiting spending to R1.8 billion on producing the upgraded banknotes and coin for circulation.

Operating expenses amounted to R8.4 billion.

- These were funded by:
  - revenue generated from the management of foreign exchange (FX) reserves of R16 billion; and
  - interest from the management of market operations in pursuit of monetary policy implementation of R509 million.

## KEY FUNCTIONS

- Formulate and implement monetary policy.
- Protect and enhance financial stability, including acting as the lender of last resort in exceptional circumstances.
- Promote and enhance the safety, soundness and integrity of SARB-regulated financial institutions such as banks, insurance companies and market infrastructures.
- Enhance the country's resilience to financial shocks.
- Ensure the cost-effective availability and integrity of the currency.
- Compile economic statistics and conduct analysis and research.
- Act as banker to the government.
- Ensure the effective functioning of the NPS.
- Administer the country's prudential and capital flow measures.
- Manage the official gold and FX reserves of the country.

### Governance and risk management underpin the SARB's ability to sustainably execute its mandate.

The SARB's governance practices align to the principles of good corporate governance as these pertain to a central bank. All employees of the institution are expected to uphold the highest level of ethics and conduct in performing the work of the SARB.

The SARB's risk management and control framework is in line with its constitutional and statutory responsibilities as well as good governance practices.

## PRIMARY OUTCOMES

KEY FUNCTIONS continued

### Price stability

#### Primary mandate

Maintain inflation within a credible target range of

3–6%



Monetary policy: [page 39](#).

### Low and stable inflation

Protects the purchasing power of the currency and standard of living of all South Africans, particularly those with fixed incomes whose means of protecting themselves against continually rising prices are limited.

Reduces uncertainty in the economy and create an environment conducive to sustainable and balanced economic growth in support of job creation over time.

Builds trust in the value of the rand and create a favourable investment landscape.

Helps to maintain and improve South Africa's global competitiveness.

### Financial stability

#### Statutory mandate

Protect and enhance financial stability in South Africa, including identifying and mitigating systemic risks that might disrupt the financial system and strengthening the safety, soundness and integrity of financial institutions.



Financial stability: [page 45](#).



Prudential regulation: [page 50](#).

### A stable and safe financial system

Underpins sustainable economic growth and development and, in turn, employment creation.

Contributes to a resilient economy that can withstand vulnerabilities and shocks, mitigating the costs of disruption.

Promotes an efficient financial system that provides financial services to all South Africans.

Contributes to functioning capital and financial markets that support real economic activity.

## SUPPORTING OUTCOMES

### Social and relationship outcomes

- Strong relationships and collaborative partnerships with the private and public sector that underpin the development of prudent and coherent macroeconomic policies.
- Regulatory and supervisory frameworks that support financial inclusion and the integrity of the financial system.
- A credible central bank that is trusted and respected by South Africans, the country's financial institutions, international counterparts, regulators and governments.
- Academic partnerships that develop human capital and contribute to enhanced monetary policy, financial stability, economics and financial journalism skills in South Africa and Africa.

### Human and intellectual outcomes

- A well-constituted Board that maintains best practice governance standards.
- Engaged and motivated employees working in a diverse and inclusive environment.
- Alignment between the SARB's employees and its strategic objectives.
- A low regrettable employee turnover, which at 1% for 2023/24 is well below the internal target of less than 4%.
- Knowledge and data sharing with stakeholders that increases transparency and credibility.
- A central bank equipped with the technological expertise to ensure price and financial stability, regulate the rapid digitalisation of financial institutions, modernise the payment ecosystem and guarantee the integrity of the currency.

### Financial outcomes

- A financially sound central bank.
- Group profit before tax of R20.0 billion (2022/23: R2.1 billion profit).
- SARB profit before tax of R18.3 billion (2022/23: R0.7 billion profit).
- Profit after tax of R13.0 billion was transferred to the contingency reserve.
- Shareholder dividends of R0.2 million (2022/23: R0.2 million) paid, in line with the SARB Act.