ANNUAL GENERAL MEETING

19 NOVEMBER 2015
AGENDA

• Opening and welcome
• Apologies
• Minutes of the previous AGM and matters arising
• Chairperson’s Report
• GM: Operations Report
• CFO’s Report (including 2016/17 Business Plan and Planned Budget)
• Approval of 2014/15 Annual Financial Statements and Annual Report and 2016/17 Business Plan (GM: Corporate Services)
• BANKSETA Board Members (Company Secretary)
• Skills @ work Awards
• General
• Closure
19 NOVEMBER 2015

CHAIRPERSON’S REPORT

SETA impact  Celebrating 15 years of uplifting skills
OUR MANDATE

- Facilitate the development of skills in support of the banking sector (including Inclusive Banking)
- Equal responsibility to develop skills for the employed and the unemployed
- Draw from inputs received from the sector and enriched by continuous research
- Further pronounced in the SLA BANKSETA enters into with the Minister of Higher Education
- Refined by daily lessons that we draw and assessments made by statutory bodies
HIGHLIGHTS OF 2014-15

• Global economy remained under immense pressure
• South Africa continued to struggle with low growth rates and increasing unemployment
• Energy crises added to low productivity levels
• Nigeria officially surpassed SA is the continent’s biggest economy
• Stand off between government and business on the new regulations culminating in BUSA case outcome in 2015
• Demise of African Bank
HIGHLIGHTS OF 2014-15

• Refining our strategy for effective response to the sector’s current and future skills requirements
• Refining our research & SSP formulation approach (demography and SIPS)
• Increased focus on pursuing programmes that promote innovation and integration of technology
• Support for the TVET sector
• Increasing BANKSETA’s accessibility (e.g. opening the Polokwane Office)
• Increased support to institutions of higher learning – bias to HDIs
• Support the banking sector in its continental expansion drive
OUTLOOK

• New SETA Landscape; initiating sector wide consultation – report back to DHET in January 2016
• BANKSETA License and term of current board extended by 2 years
• Piloting a focused approach to BANKSETA’s involvement in the SIPS Programme – supported by research
• Seeking better collaboration with the sector in building innovative programmes
• SETA wide approach to respond to # Fees Must Fall – board has committed to support
• Support to institutions of higher learning & TVETs
• Lest we forget to always probe our impact on the marginalized
THANK YOU
SETA impact  Celebrating 15 years of uplifting skills

GM: OPERATIONS REPORT
19 NOVEMBER 2015
VISION
To be recognised as a centre of excellence and innovation for skills development in the broader banking and microfinance sector.

MISSION
To support transformation and people development and through partnerships to enable stakeholders to advance the national and global position of the broader banking and microfinance industry.
GUIDING PRINCIPLES

- Leverage the skills levy funds for the strategic benefit of the banking and microfinance sector.
- Provide quality assured, world-class skills training services at the lowest cost.
- Deploy leading edge technology.
- Judiciously carry out the NSDS mandate.
- Maintain status as a preferred human resource development partner in banking and microfinance.
- Exceed customer expectations.
BANKSETA VALUES

• Respect
• Innovation
• Customer focus
• Professionalism
• Diversity
• Integrity
• Team work
LEGISLATIVE MANDATE

• Encouraging employers to develop an active learning environment in the workplace
• Providing employees with opportunities to acquire new skills / progress in their careers
• Increasing levels of investment in workplace education and training
• Promoting transformation as guided by the NSDS equity targets of 85% black, 54% female and 4% people with disabilities
CURRENT FUNDING MODEL

- 10% Admin
- 49.5% Discretionary Grants
- 20% Mandatory Grant
- 0.5% QCTO
- Other Contributions
- Investment Income
- 20% NSF
- Employers
- 1% SDL SARS
- 80% DHET
## PERFORMANCE INFORMATION

### 2014/2015 DHET / BANKSETA SLA SUMMARY

<table>
<thead>
<tr>
<th>GOALS / OUTCOME / OUTPUTS</th>
<th>TARGET</th>
<th>ACHIEVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1 LEARNERSHIPS WORKERS ENTERED</td>
<td>3650</td>
<td>Partially Achieved</td>
</tr>
<tr>
<td>4.2.1 BURSARIES WORKERS ENTERED</td>
<td>638</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 SKILLS PROGRAMMES WORKERS ENTERED</td>
<td>150</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 LEARNERSHIPS WORKERS COMPLETED</td>
<td>1756</td>
<td>Partially Achieved</td>
</tr>
<tr>
<td>4.2.1 BURSARIES WORKERS COMPLETED</td>
<td>195</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 SKILLS PROGRAMMES WORKERS COMPLETED</td>
<td>113</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 LEARNERSHIPS UNEMPLOYED ENTERED</td>
<td>800</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 BURSARY UNEMPLOYED ENTERED</td>
<td>629</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 INTERNSHIPS UNEMPLOYED ENTERED</td>
<td>205</td>
<td>Partially Achieved</td>
</tr>
<tr>
<td>4.2.1 SKILLS PROGRAMMES UNEMPLOYED ENTERED</td>
<td>210</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 LEARNERSHIPS UNEMPLOYED COMPLETED</td>
<td>640</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.1 BURSARY UNEMPLOYED COMPLETED</td>
<td>346</td>
<td>Partially Achieved</td>
</tr>
<tr>
<td>4.2.1 SKILLS PROGRAMMES UNEMPLOYED COMPLETED</td>
<td>168</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.2.3 UNIVERSITY GRADUATE PLACEMENT</td>
<td>500</td>
<td>Partially Achieved</td>
</tr>
<tr>
<td>4.3.2 TVET GRADUATE PLACEMENT</td>
<td>600</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.3.2 TVET COLLEGE PARTNERSHIPS</td>
<td>7</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.4. AET PROGRAMMES ENTERED</td>
<td>500</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.6.1 CO-OPERATIVES</td>
<td>30</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.6.2 SMALL BUSINESS SUPPORT</td>
<td>40</td>
<td>Achieved</td>
</tr>
<tr>
<td>4.8 CAREER GUIDANCE</td>
<td>500</td>
<td>Achieved</td>
</tr>
</tbody>
</table>
OPERATIONAL HIGHLIGHTS – OVERALL

- New office in East London
- Appointed staff to Finance and IT Departments in line with strategic decision to insource
- Unqualified audit
- Target for Workplace Skills Plans exceeded – 96% pay-out of Mandatory Grants
- Stakeholder engagement – partnerships with the BASA, SABPP, Association for Skills Development, business boardrooms
- Customer Satisfaction Survey – 82.5%
STRATEGIC FOCUS AREAS: YOUTH DEVELOPMENT

• 888 Grade 10, 11 and 12 learners assisted with math and science support across six centres across four provinces
• More than 7000 career guides distributed and 639 life orientation teachers trained in career awareness
STRATEGIC FOCUS AREAS: CAPACITY BUILDING OF PUBLIC TRAINING PROVIDERS

- 12 TVETs for WIL
- 6 UoTs for WIL
- 8 TVET colleges accredited with AAT(SA) to deliver the Accounting Technician level 3 qualification
- 300 learners being trained on the Accounting Technician level 3 qualification
- 30 lecturers supported to obtain a Level 4 Accounting technician qualification
- 18 learners at Sol Plaatjes in the Northern Cape linked to the Square Kilometer Array Project
STRATEGIC FOCUS AREAS: SKILLS FOR THE EMPLOYED

Inter-Banking Compliance Project: Compliance E-Learning & Training Material

30 pieces of legislation that has been broken up into themes:

• Theme 1 - What is Compliance
• Theme 2 - Data Protection
• Theme 3 - Business Conduct
• Theme 4 - Anti-Money Laundering & Terrorist Financing Legislation
• Theme 5 - Governance and Prudential Requirements

All these have been developed into an e-learning intervention with a complementary learner guide.
STRATEGIC FOCUS AREAS: SKILLS FOR THE EMPLOYED

Occupational Certificate: Compliance Officer

• Training material was Designed and Developed in line with the Occupational Certificate: Compliance Officer qualification.
• 50 Compliance Officers were selected and trained in order to assist business with end-to-end Compliance Processes and Practices.
STRATEGIC FOCUS AREAS: SME SUPPORT

• Completions of skills needs analysis for development finance
• Support to the Co-operative Academy in KZN
• The BANKSETA/CBDA internship pilot where 10 interns graduated successfully with 2 getting employed by the Presidency and another employed by SARS
• 40 SMEs assisted with demand driven training
STRATEGIC FOCUS AREAS: RESEARCH AND BENCHMARKING

• IT research and Africa Expansion phase 1 research
• A more focused Sector Skills Plan with greater alignment to the Strategic Plan and Annual Performance Plan to findings from sector skills planning
• 12 Phd students funded – with 2 completing their degree thus far
Strategic outcome Oriented Goal 1
Research sector skills and undertake benchmarking against national and international best practices to ensure relevant and cutting edge interventions.

Strategic outcome Oriented Goal 2
To enhance the employability of the Youth through effective education and training development initiatives.

Strategic outcome Oriented Goal 3
To provide the employed workforce with scarce and critical skills to close skills gaps.
2016/17 STRATEGIC OUTCOME-ORIENTATED GOALS

Strategic outcome Oriented Goal 4
Enhance SME participation, sustainability and job creation through skills development.

Strategic outcome Oriented Goal 5
To enhance and build capacity of public FETs / HEIs, SME providers and universities of technology to increase the national footprint and to improve relevance of training interventions in response to sector needs.

Strategic outcome Oriented Goal 6
To create a skills pool that would enable the sector to meet transformation targets.
2016/17 FOCUS AREAS

- Establishment of an assessment centre for QCTO Qualifications
- Establishment of an RPL Centre
- Consolidation of projects and a full impact assessment for NSDS III period
- Focus of skills development for digitisation and technological developments
- Training of National Credit Act Amendments
- Rural Training in Financial Management
- Partnerships with National Credit Regulator, Stokvel Association
- Labour Market Forecasting
SETA LANDSCAPE

• National Skills Development Strategy III extended to 31 March 2018
• SETAS re-established to 31 March 2018
• SETA Accounting Authorities (Council) re-established until 31 March 2018
• Minister of Higher Education and Training publishes Government Gazette No 39386 Vol. 605 on 10 November 2015 proposing a new SETA Landscape
• Submissions and inputs should be submitted by 20 January 2016 to the Department of Higher Education and Training (DHET) by e-mail, post or hand delivery
• Submission to the BANKSETA by 8 January to collate, submit to council and submit to DHET by 20 January
Financial Highlights

- **Clean Audit** – unqualified
- Levy payers 648, prior year 653
- Levy income R599 million, increase 5%, total income R680 million, increase 11%
- Allocated R720 million during the year to DG projects, spent R336 million increase 43%
- Discretionary funds at year end are 94.6% committed. Surrendered R2 million to NSF.
- Mandatory grant payment ratio remained high at 97%.
- Admin expenses at R56 million below the 10.5% legislated limit.
- Human Resources - staff increased to 40 from 33 due to insourcing of functions.
- Staff costs R24.9 million (prior year R18.8 million).
- Established 2 regional offices and 1 provincial presence in a TVET.
- Consulting and outsourced services costs R12.8 million (prior year R11.9 million).
- External audit fees R1.7 million (prior year R1.6 million).
- Operating leases R2.4 million (prior year R2.1 million).
- Research and QCTO costs R3.2 million (prior year 3.0 million).
## BANKSETA Financial Performance

### 2015 vs 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>%</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit outcome</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unqualified</td>
<td>R millions</td>
<td>R millions</td>
<td>Var</td>
<td>Commentary</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levy income</td>
<td>599</td>
<td>568</td>
<td>5%</td>
<td>Mainly inflationary growth</td>
</tr>
<tr>
<td>Investment Income</td>
<td>28</td>
<td>20</td>
<td>41%</td>
<td>Interest rates increased in later half of the year and fund grew.</td>
</tr>
<tr>
<td>Donations</td>
<td>16</td>
<td>21</td>
<td>-21%</td>
<td>Final portion of the co-funding agreements with ABSA</td>
</tr>
<tr>
<td>Other income</td>
<td>38</td>
<td>4</td>
<td>959%</td>
<td>Mainly penalties and interest</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>680</strong></td>
<td><strong>612</strong></td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandatory grants</td>
<td>134</td>
<td>188</td>
<td>-29%</td>
<td>Decrease due to change in % claimable from 50% to 20%. Claim ratio remained at 97%.</td>
</tr>
<tr>
<td>Discretionary grants and projects</td>
<td>336</td>
<td>235</td>
<td>43%</td>
<td>Higher amounts, 49.5% available, but there was also an expenditure ceiling in place.</td>
</tr>
<tr>
<td>FET College Contribution</td>
<td>-</td>
<td>65</td>
<td></td>
<td>Prior year contribution</td>
</tr>
<tr>
<td>Admin expenditure</td>
<td>56</td>
<td>48</td>
<td>16%</td>
<td>Within 10% level. Increase due to additional offices and staff growth</td>
</tr>
<tr>
<td>Finance expenditure</td>
<td>3</td>
<td>2</td>
<td>21%</td>
<td>Interest on FET contribution paid in instalments.</td>
</tr>
<tr>
<td>DG Surrender to NSF</td>
<td>2</td>
<td>-</td>
<td></td>
<td>Commitments was slightly below legislated level of 95% at 94.6% leading to forfeiture of these funds</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>531</strong></td>
<td><strong>539</strong></td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Surplus</strong></td>
<td>149</td>
<td>74</td>
<td>102%</td>
<td>Surplus mainly due time lag between income receipt, allocation and training delivery</td>
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</table>
BANKSETA Financial Performance

Levy income
R millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Levy income</th>
</tr>
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<tbody>
<tr>
<td>2011</td>
<td>353</td>
</tr>
<tr>
<td>2012</td>
<td>450</td>
</tr>
<tr>
<td>2013</td>
<td>575</td>
</tr>
<tr>
<td>2014</td>
<td>568</td>
</tr>
<tr>
<td>2015</td>
<td>599</td>
</tr>
</tbody>
</table>

- Levy income
BANKSETA Financial Performance

Expenditure
R millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Mandatory grants</th>
<th>Discretionary grants and projects</th>
<th>Admin expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>214</td>
<td>143</td>
<td>36</td>
</tr>
<tr>
<td>2012</td>
<td>261</td>
<td>129</td>
<td>39</td>
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<tr>
<td>2013</td>
<td>351</td>
<td>152</td>
<td>46</td>
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<tr>
<td>2014</td>
<td>300</td>
<td>188</td>
<td>48</td>
</tr>
<tr>
<td>2015</td>
<td>336</td>
<td>134</td>
<td>56</td>
</tr>
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</table>
## BANKSETA Financial Position

### Year ended 31 March 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 Actual</th>
<th>2014 Actual</th>
<th>% Var</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>R millions</td>
<td>R millions</td>
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</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Non Current Assets - PPE</td>
<td>2</td>
<td>2</td>
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</tr>
<tr>
<td>Accounts receivable</td>
<td>19</td>
<td>3</td>
<td>584%</td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td>565</td>
<td>464</td>
<td>22%</td>
</tr>
<tr>
<td>Consumables</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>586</td>
<td>469</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
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</tr>
<tr>
<td>Non current liabilities - FET</td>
<td>-</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>122</td>
<td>121</td>
<td>1%</td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>1</td>
<td>1259%</td>
</tr>
<tr>
<td>Donor Funding received in advance</td>
<td>-</td>
<td>20</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>139</td>
<td>170</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>447</td>
<td>299</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Funds and Reserves</strong></td>
<td>447</td>
<td>299</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Commitments</strong></td>
<td>423</td>
<td>689</td>
<td>-39%</td>
</tr>
<tr>
<td>% Committed</td>
<td>94.6%</td>
<td>230.6%</td>
<td></td>
</tr>
</tbody>
</table>
BANKSETA Financial Position

Cash, Reserves and Commitments
R millions

Cash and Cash equivalents
Funds and Reserves
Commitments

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash and Cash equivalents</th>
<th>Funds and Reserves</th>
<th>Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>565</td>
<td>445</td>
<td>423</td>
</tr>
<tr>
<td>2014</td>
<td>464</td>
<td>299</td>
<td>689</td>
</tr>
</tbody>
</table>
## BANKSETA 2015/16 Budget

<table>
<thead>
<tr>
<th></th>
<th>2015 Actual</th>
<th>2016 Budgeted</th>
<th>% Var</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levy income</td>
<td>599</td>
<td>625</td>
<td>4%</td>
<td>Conservative inflationery growth</td>
</tr>
<tr>
<td>Investment Income</td>
<td>28</td>
<td>24</td>
<td>-13%</td>
<td>Funds expected to drop to R400 million as DG spend is accelerated</td>
</tr>
<tr>
<td>Donations</td>
<td>16</td>
<td>-</td>
<td>-13%</td>
<td>No co-funding contracts expected.</td>
</tr>
<tr>
<td>All other</td>
<td>38</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>680</strong></td>
<td><strong>649</strong></td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandatory grants</td>
<td>134</td>
<td>152</td>
<td>14%</td>
<td>Expected to remain at 97% claim ratio</td>
</tr>
<tr>
<td>Discretionary grants and projects</td>
<td>336</td>
<td>415</td>
<td>23%</td>
<td>Greater DG spend to track income</td>
</tr>
<tr>
<td>Admin expenditure</td>
<td>56</td>
<td>82</td>
<td>47%</td>
<td>Set at 10% level</td>
</tr>
<tr>
<td>Finance expenditure</td>
<td>4</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DG Surrender to NSF</td>
<td>2</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>532</strong></td>
<td><strong>649</strong></td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

**Net Surplus**

|                | 149 | -                      | Net zero surplus/deficit position |


BANKSETA 2015/16 Budget

Allocation of DG funds - 2016/17

- Youth (Unemployed): 51%
- Employed: 42%
- SME & Inclusive Banking: 2%
- Capacity Building HEI and SME: 5%
- Research & benchmarking: > 0%

Allocation of DG funds for 2016/17:

- Youth (Unemployed): 51%
- Employed: 42%
- SME & Inclusive Banking: 2%
- Capacity Building HEI and SME: 5%
- Research & benchmarking: > 0%
APPROVAL OF 2014/15 AFS AND ANNUAL REPORT
APPROVAL OF 2016/17 BUSINESS PLAN AND BUDGET
19 NOVEMBER 2015
BANKSETA BOARD MEMBERS

Representing Employee Forum:
• Joe Kokela (Sasbo)
• Samantha Anthony (Sasbo)
• Myan Soobramoney (Sasbo)
• Manny Captain (Sasbo)
• Liesel Hollis (Sasbo)

Representing Employer Forum:
• Abram Thebyane (Nedbank)
• Nathan Motjuwadi (Capitec Bank)
• Elizabeth Maepa (FirstRand) (resigned effective from December 2015)
• Sharon Taylor (Standard Bank)
• Sarah Louw (Absa/Barclays Bank) (joined from June 2014)
• Israel Noko (MFSA) (joined from June 2014)
BANKSETA BOARD MEMBERS

Ministerial Appointments
• Martin Mahosi (Chairperson)
• Malesela Maleka

Board member resignations
• Isaac Ramputa (January 2014)
• Elizabeth Maepa (November 2015)

Board member nominations (awaiting approval by the Minister)
• Olaotse Matshane (CBDA)
• Amanda Naude (Sasbo)
• Sifiso Mthembu (FirstRand)
SETA impact: Celebrating 15 years of uplifting skills

SKILLS@WORK AWARDS

19 NOVEMBER 2015
THANK YOU