

Annual General Meeting

3 October 2012



AGENDA

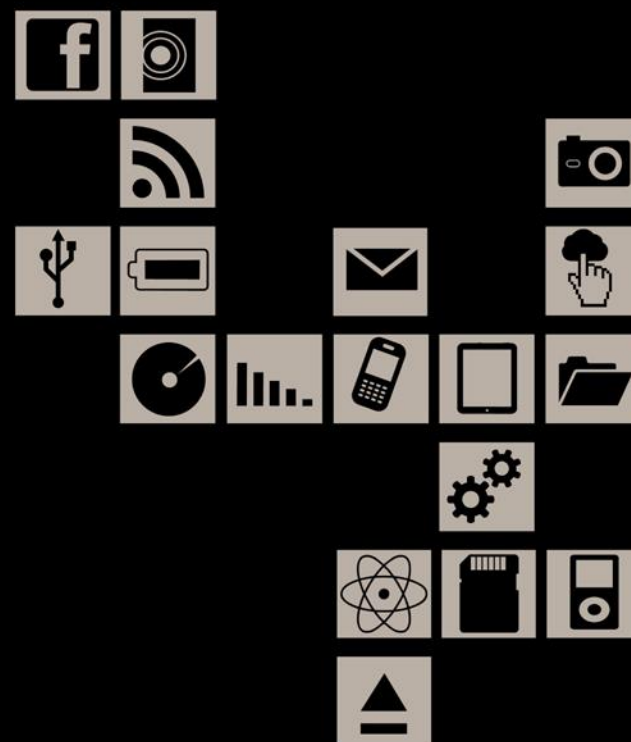
- Opening and welcome
- Apologies
- Minutes of previous AGM and matters arising
- Chairperson's Report
- CEO's Report
 - Annual Financial Statements and Annual Report
 - BANKSETA Council Members
 - 2013/14 Business Plan and Budget
- Skills @ work Awards
- General
- Closure





Chairperson's Report

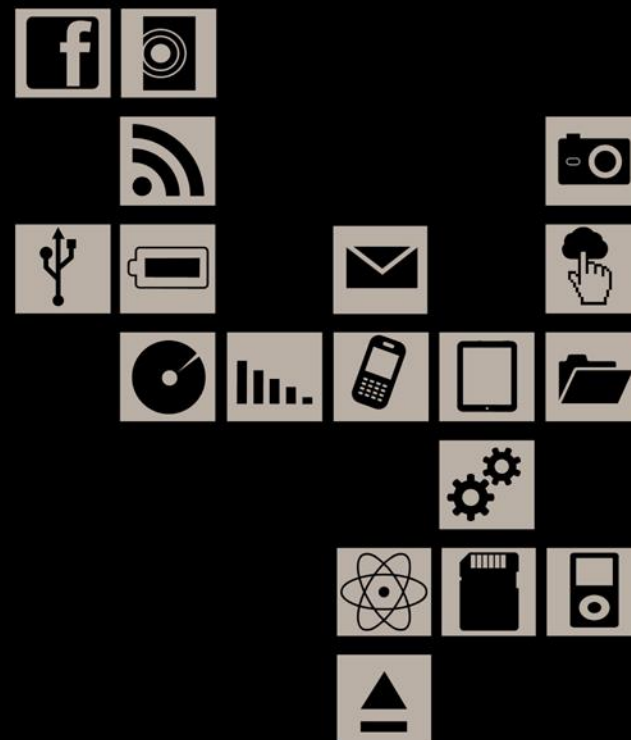
3 October 2012





CEO's Report

3 October 2012



BANKSETA VISION & MISSION

VISION

To be recognised as a centre of excellence and innovation for skills development in the broader banking and micro-finance 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 micro finance industry



CORPORATE VALUES

- Respect
- Innovation
- Customer focus
- Professionalism
- Diversity
- Integrity
- Team work

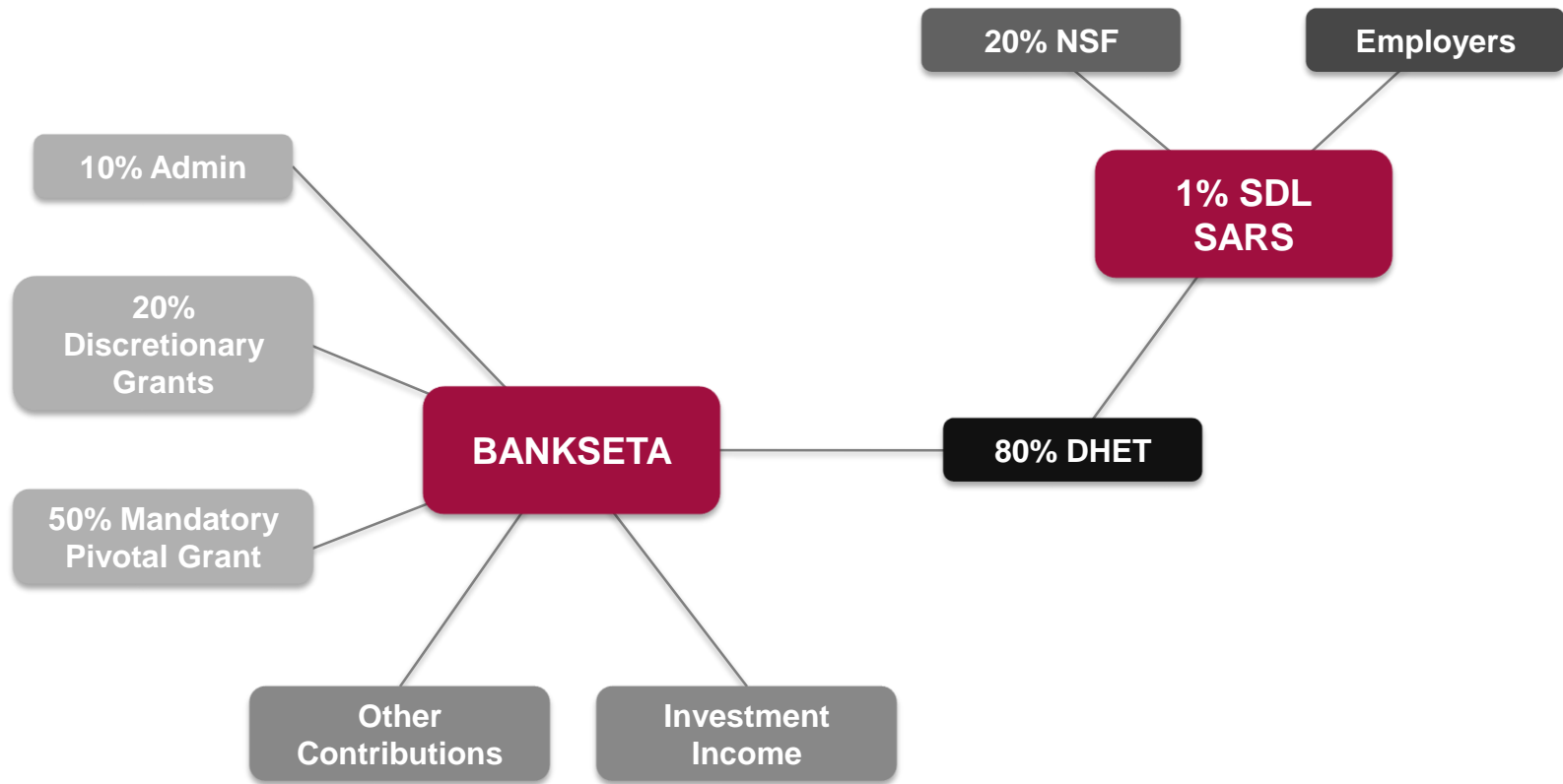


GUIDING PRINCIPLES

- Accelerate social transformation through skills development
- Leverage the skills levy funds for the strategic benefit of the sector and the NSDS
- Be cost-effective and co-source non-core delivery mechanisms
- Employ leading edge technology and best management practices
- Conduct research and benchmarking in order to improve the sector's competitiveness through skills development
- Be a hub for sector collaboration



OVERVIEW OF FINANCES



FINANCIAL HIGHLIGHTS

Overall

Annual Financial Statements	2010/11 Audited R'000	2011/12 Audited R'000
SDL Levy Income – 80%	353 480	450 341
Investment income	6 598	10 507
Total revenue (including 80% levy income, Special Project income, investment income etc.)	393 979	497 551
Total expenses (including admin expenses, Special Project expenses, grant and project expenses etc.)	(393 079)	(428 592)
Net surplus	900	68 959
Cash and cash equivalents	151 776	267 536



FINANCIAL HIGHLIGHTS

Overall

Total surplus funds allocated: R903 million

Total surplus funds spent: R778 million

	2008	2009	2010	2011	2012
CUMULATIVE	R'000	R'000	R'000	R'000	R'000
Surplus funds available (A)	425 552	547 727	651 470	765 765	932 940
Surplus funds allocated (B)	399 253	527 566	662 437	776 540	902 667
(B) as % of (A)	94%	96%	101%	101%	97%
Surplus funds spent (C)	312 392	411 274	566 731	680 126	778 342
(C) as % of (B)	78%	78%	85%	87.5%	86%



FINANCIAL HIGHLIGHTS

Administration Expenses

		2009	2010	2011	2012
PER YEAR	R'000	R'000	R'000	R'000	R'000
Skills development Levy Income	288 929	329 331	328 143	353 480	450 341
Income growth % variance	20%	14%	-0.4%	7%	27%
Project expenses paid	74 258	98 882	155 457	113 395	98 216
Administration costs	26 952	28 211	36 437	36 175	38 995
Admin cost % variance per year	16%	5%	29%	-0.71%	7.8%
Administration surplus - Rand	9 181	12 773	3 593	8 434	21 702
Administration surplus as % of admin income	25%	31%	9%	18.9%	36%

FINANCIAL HIGHLIGHTS

Administration Expenses

- Operational costs of running the business – consistently below 10% threshold
- Includes:
 - Human Resources Costs:
 - Cost of Employment – R15 785 000
 - Staff Training and Development – R598 000 (3.79% of payroll)
 - Travel and subsistence – R1 178 000
 - Board and Committee fees – R244 309
 - Marketing and Communications – R1 820 000
 - Consulting fees – R12 393 000
 - Audit fees – R1 137 000



OTHER HIGHLIGHTS

Administration Expenses

- Shift from NSDS II to NSDS III and relicensing of BANKSETA until 2016
- Revised SETA constitution and introduction of new Board members (and new board and committee fee structure)
- Recognised as Investors in People organisation
- Human Resources – 34 staff complement, 2 vacancies, (4 appointments and 3 exits during the year), new SSP department.
- Unqualified audit
- Implementation of media relations programme, developments in social networks and reposition of BANKSETA brand and value proposition



FINANCIAL HIGHLIGHTS

Mandatory Grants

	2008	2009	2010	2011	2012
PER SCHEME YEAR	R'000	R'000	R'000	R'000	R'000
Mandatory grants approved	174 212	199 736	200 038	213 942	260 942
Mandatory grant %	50%	50%	50%	50%	50%
Pay-out %	96%	96%	97%	97%	97%

- BANKSETA 80% levy income increased by 27%
- 2011/12 WSP and ATR submissions:
 - Large employers: 55 of 56
 - Medium employers: 32 of 35
 - Small employers: 219 of 805 (levy paying and non levy paying)



OTHER HIGHLIGHTS

Discretionary Grants

- End of March 2012 –
Discretionary Reserve: R133 691 000
- Allocated: R124 331 000 (approved by Accounting Authority for future projects and skills priorities)
- Strategic Priority Areas:
 - Youth Development
 - SME Support
 - Skills Development for the Employed
 - Research and Benchmarking
 - Capacity Building of public (FET/HET) institutions and SME providers
 - Transformation (underlying all BANKSETA initiatives)

PERFORMANCE INFORMATION

Discretionary Grants

Strategic Priority Area	Budget	Target/Beneficiaries	Achievement
4.1 Establishing a credit institutional mechanism for skills planning			
Research	R4 250 000	SSP, CAT Matrix	Achieved
4.2 Increasing access to Occupationally Directed Programmes			
Youth development	R68 207 911	1049 beneficiaries	Achieved
Skills Development for the Employed			
4.3 Promoting the growth of a Public FET College System that is responsive to sector, local, regional, and national needs and priorities			
Capacity building of public institutions	R26 700 000	1000 beneficiaries	Achieved
4.4 Addressing the low level of youth and adult language and numeracy skills to enable additional training			
Youth development	R1 540 000	92 594 Grade 4-5, 6-7 learners (9 provinces), 66 ABET learners	Achieved
4.5 Encouraging better use of workplace based skills development			
Skills Development for the Employed	R13 205 000	510 learners, 4 QCTO qualifications developed	Achieved
4.6 Encouraging and supporting co-operatives, small enterprises, worker-initiated, NGO and community training initiatives			
SME support	R9 385 000	479 beneficiaries (companies)	Achieved
4.8 Building Career and Vocational Guidance			
Youth	R1 200 000	588 teachers and 316 school learners	Achieved

HIGHLIGHTS

Discretionary Grants

1. Youth Development

- Niche learnerships for the employed and unemployed
- Letsema and Kuyasa Learnerships (75 – 80% employment rates)
- Virtual Bank Work Readiness Programme (70 unemployed commercial graduates – partnership with Guarantee Trust Corporate Services)
- University of Fort Hare bursaries (30 students, Financial Markets Programme)
- University of Zululand bursaries (50 students, partnership with SAICA Thuthuka)

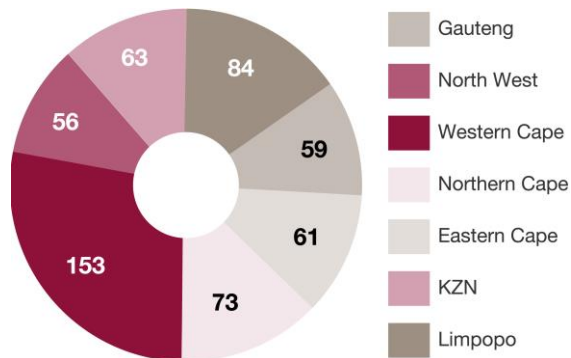


HIGHLIGHTS

Discretionary Grants

2. SME Development

- Training Voucher Project (473 vouchers, 104 organisations)
- Mobile Training Solutions:
 - 547 delegates, 193 organisations, 7 provinces
 - Four modules: Financial Management, Microfinance training, Computer Skills and legislation (NCA)
 - Provincial breakdown:



HIGHLIGHTS

Discretionary Grants

2. SME Development (continued)

- SME Support (11 bursaries in Certificate in Microfinance, funding window for skills interventions, information and consultation sessions, Ethiopia micro-finance conference)
- New Venture Creation (Recognition of Prior Learning Advisor and Assessor (RPLAA) business consultancy):
 - 25 young black entrepreneurs trained and mentored

HIGHLIGHTS

Discretionary Grants

3. Skills Development for the Employed

- FAIS Support and Implementation
- QCTO curriculum development (Credit/Loan Officer and Operational Risk Manager)
- Certificate in Management Development (160 entered, 140 completions)
- Masters and Executive Development Bursaries (250 candidates)
- IEDP (Retail Banking (UK and Uganda) and Investment Banking (USA and Ghana))
- National Payments Systems training material (partner with PASA)



HIGHLIGHTS

Discretionary Grants

4. Research and Benchmarking

- RPL benchmarking and Ministerial Task Team establishment
- Updates to Banking and Inclusive Banking SSP
- Letsema Impact Assessment

HIGHLIGHTS

Discretionary Grants

5. Capacity Building of Public (FET/HET) Institutions and SME Providers

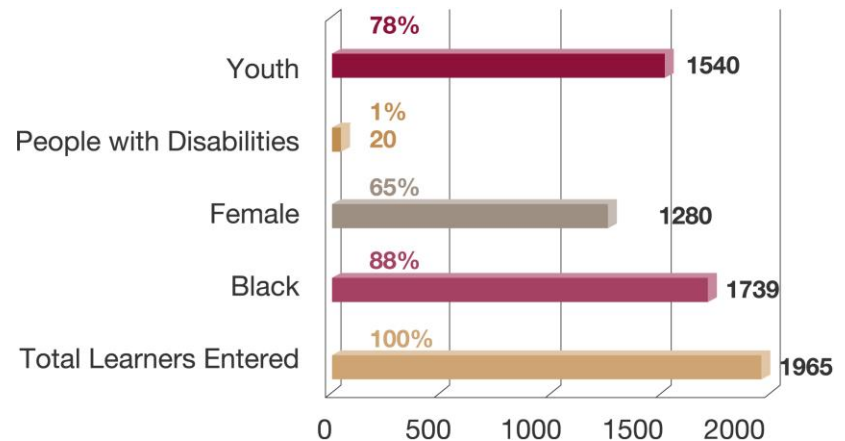
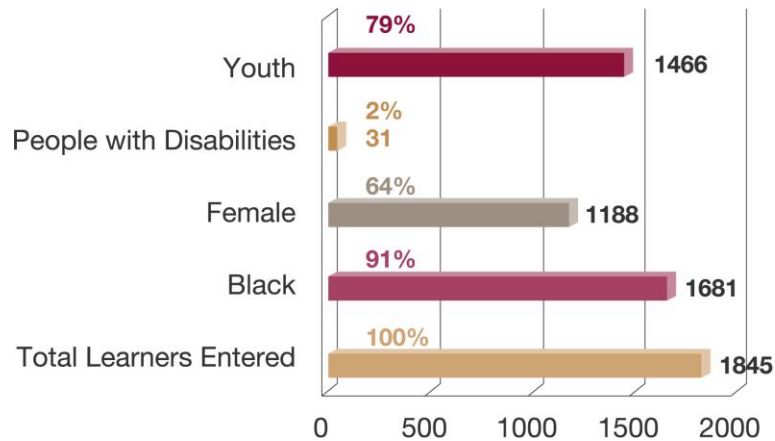
- University of Fort Hare and University of Zululand Centres of Excellence
- FET College SETA cluster (Lead SETA for Free State)

HIGHLIGHTS

Discretionary Grants

6. Transformation

- Learner data (DHET reporting)



- Total BEE spend: R56 565 124

LOOKING FORWARD 2013/14 BUDGET & BUSINESS PLAN

Description	2013/14	% Increase	2012/13
Levies Received	473 618	12%	422 601
*Admin (10%)	59 202		52 825
*Discretionary (20%)	118 405		105 650
*Mandatory(50%)	296 011		264 126
Interest Received	10 000	25%	8 000
Total Income	483 618		430 601
Admin expenditure	59 202	12%	52 825
Mandatory expenditure	287 131	12%	256 202
Discretionary expenditure	137 285	13%	121 574
*Discretionary Levy Income	118 405		105 650
*Mandatory Surplus	8 880		7 924
*Interest on Cash and Cash Equivalentts	10 000		8 000
Total Expenditure	483 618		430 601
Surplus/Deficit	-----		-----

2013/14 STRATEGIC OUTCOME-ORIENTATED GOALS

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.

2013/14 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 as defined in the Financial Sector Charter (FSC).

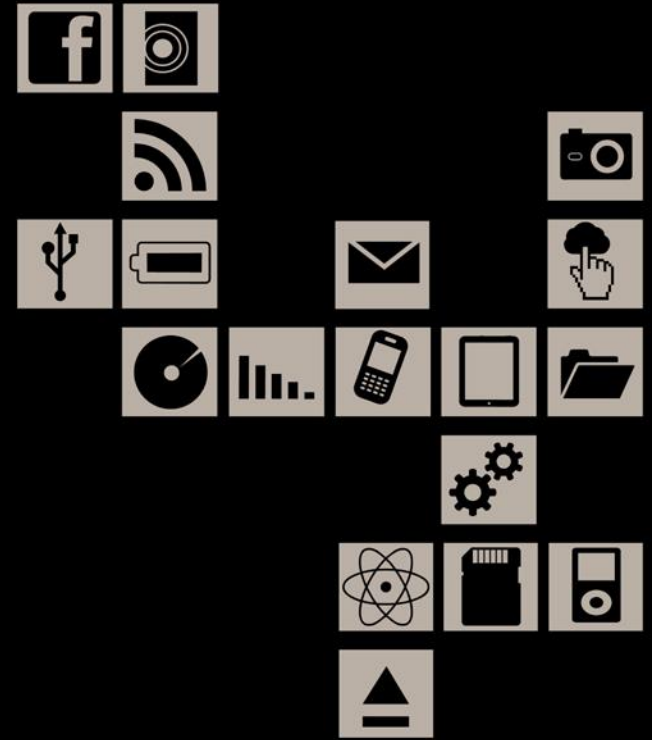


2013/14 FOCUS AREAS

- Recognition of Prior Learning (FAIS)
- QCTO curriculum development
- FET college and HDI university support
- Inclusive Banking support
- Dual Education Model (applicable in banking sector utilising FET Colleges)



THANK YOU



BANKSETA Council Members

Representing Employee Forum:

- Joe Kokela (Sasbo)
- Isaac Ramputa (Sasbo)
- Samantha Anthony (Sasbo)
- Wayne Hattingh (Sasbo) – joined June 2012
- Myan Soobramoney (Sasbo)
- Manny Captain (Sasbo)



BANKSETA Council Members

Representing Employer Forum:

- Fergus Marupen (ABSA)
- Shirley Zinn (Standard Bank) – resigned September 2012
- Abram Thebyane (Nedbank)
- Nathan Motjuwadi (Capitec Bank)
- Dalene Opperman (MFSA)
- Gcobani Fipaza (FirstRand) – resigned August 2012

Ministerial Appointments

- Martin Mahosi (Chairperson)
- Collette Caine (resigned)
- Malesela Maleka

