

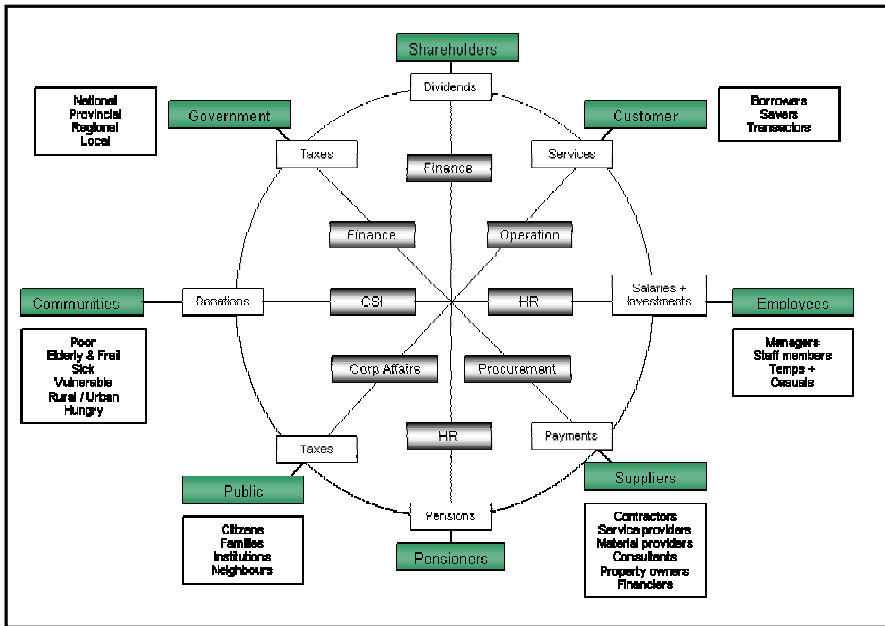
TEBA BANK CORPORATE CITIZENSHIP REPORT	2
REPORT FOR SHAREHOLDERS	2
Table of Teba's policies and who they serve.....	3
Table of formal precedents for Good Citizenship	3
Sustainability indicators addressed by Teba's policies	4
REPORT FOR CUSTOMERS.....	4
Banking the Unbanked	4
A History of Service.....	5
Uplifting Lives.....	5
"Savers are Winners"	5
Keeping costs and prices low	5
Protecting the poor from excess credit.....	6
Teba Bank's Corporate Responsibility	6
REPORT FOR EMPLOYEES	6
An HIV/AIDS Policy to be proud of	6
HIV/AIDS Training and Succession	7
Promoting Employee Wellness	7
Promoting Safety	7
Promoting Employee Health.....	7
Promoting the Environment	7
Promoting Employee Equity	7
Promoting Employee Ethics	8
Developing Teba's training capacity	8
Upgrading Teba for Nimbus	8
Promoting Employee Skills.....	8
Becoming Employer of choice	8
Recognising Worker Rights of Association	8
Applying the Financial Services Charter	8
Improving the Organisational Climate.....	9
Improving Performance Management.....	9
Increasing Sales	9
Sharing Profits	9
Preventing Money Laundering.....	9
REPORT FOR COMMUNITIES.....	9
Focus on our Stakeholders.....	9
Develop the Community	10
Complement our Work	10
Follow a Strategy	10
Think Big, Start Small.....	10
Show Value.....	11
Use the best-for-the-job.....	11
Work for passion, not profit.....	11

TEBA BANK CORPORATE CITIZENSHIP REPORT

As a good corporate citizen, Teba devotes its resources to serving its stakeholders. This 2003 Report shows our stakeholders, the needs we serve, the departments we set up to do so, and the policies we implement in initiatives that promote

stakeholder interests. The report below lists some of Teba's initiatives that put our corporate citizenship policies into practice. In this report, three stakeholders are specifically addressed: shareholders, customers, staff and communities.

Wagon wheel of our departments, what they provide, and the Stakeholders they serve



REPORT FOR SHAREHOLDERS

As a good Corporate Citizen, we are sensitive to the needs of our stakeholders. The 2003 report follows the King II recommendations, uses the GRI Sustainability indicators and shows how our operations work to serve our stakeholders, both internal and external.

This section inaugurates Teba Bank's Corporate Citizenship report

Stakeholder	Policy	Stakeholder Needs							
		Wealth / Income	Respect	Access / Transparency	Security	Health	Advancement	Equity / Non-Discrimination	
Shareholders	Dividend	v	v	v					
Customers	Products & Services, Channels	v	v	v	v	v	v	v	
Employees	HR, BEE, EE, BCOE, NOCSA, SHE	v	v	v	v	v	v	v	
Suppliers	Procurement	v	v	v	v			v	
Pensioners	Pensions	v	v	v					
Public	Corporate Affairs	v	v	v					
Communities	CSI	v	v	v					
Government	Tax, Compliance	v	v	v					
Environment	Facilities	v	v		v	v			

Table of our policies and the Stakeholder needs they promote

Teba Bank has developed a number of policy instruments. They reflect our commitment to and express our high standards of corporate governance. They also underpin our moral and business cases for the work we do. Each instruments aims to serve the needs of one or more Teba stakeholder.

Table of Teba's policies and who they serve

Shareholders	Articles of Association, and Memorandum
Directors on Teba Board	Articles of Association, and Board Charter
Shareholders	Dividend Policy
Communities	CSI Policy
Staff	HR Policy HIV/AIDS Policy Skills Development Policy
Suppliers	Procurement Policy
Pensioners	Pensions Policy
Customers	Financial Services Charter

Table of formal precedents for Good Citizenship

	International	South African
Legislation, Conventions and Standards	Universal Declaration of Human Rights International Labour Organisation Standards ISO 9 000 ISO 14 000 OHSAS 18 000	SA Constitution and Bill of Rights Basic Conditions of Employment Act Labour Relations Act Banks Act Occupational health and Safety Act National Environmental Management Act Mineral and Petroleum Resources Development Act National Water Act, Company's Act (directors' fiduciary duties) Common law, NOSA Grading
Guidelines	Global Reporting Initiative (1007) AA 1000 Series SA 8000 Standard Global Compact, Sigma Guidelines Dow Jones Sustainability and FTSE4Good Index	King II JSE Listing Requirements JSE SRI Index
Transformation Initiatives		Black Economic Empowerment Act, Employment Equity Act Skills Development Act, Finance Industry Charter

Source: the good Corporate Citizen, Inaugural Edition, p. 20 (by Dialogue)

The policies above put in place

Systems to introduce, monitor and enforce Ethics
Directors who consciously promote the highest standards

Senior managers to

1. Promote Ethics
2. Assess Ethics when selecting and promoting staff
3. Communicate and train employees on Ethics
4. Report breaches of Ethics safely
5. Apply rules fairly and consistently
6. Prevent, treat and cure offences

Collectively, Teba's policies address the need, of the Board of Directors, under the Company's Act, to exercise care, skill and diligence, and under King II, to exercise transparency, disclosure and accountability

The policies above also aim to comply with the precedents in place in South Africa and abroad that guide good citizenship. These precedents are listed below.

As a good Corporate Citizen, we endorse the spirit of standards for corporate conduct laid down internationally and in South Africa

Sustainability indicators addressed by Teba's policies

			Yes	In development
Economic and Financial	Direct Economic Impacts	Customers	√	
		Suppliers	√	
		Employees	√	
		Shareholders	√	
		Government	√	
		Communities in need	√	
	Labour Practices and Conditions	Employment	√	
		Labour relations	√	
		Health	√	
		Security	√	
		Safety	√	
		Training and education	√	
		Diversity and opportunity	√	
		Equity	√	
		Non-discrimination	√	
		Freedom of association and collective bargaining	√	
		Child, Forced and compulsory labour	√	
		Disciplinary practices	√	
	Operations	Respect for Competition	√	
		Pricing	√	
		Customer health and safety	√	
Products and services		√		
Advertising		√		
Respect for privacy		√		
Environmental	Environmental	Energy	√	
	Materials	√		
	Water	√		
	Biodiversity	√		
	Emissions and waste	√		
	Transport	√		
	Suppliers	√		
	Products and services	√		
Social	Human Rights	Indigenous customs and rights		√
	Society	Care for communities		√
		Political contributions		√

Source: Adapted from the 2002 Sustainability Reporting Guidelines

REPORT FOR CUSTOMERS

Banking the Unbanked

Spreading the benefits of banking to all South Africa's peoples is the financial sector's core challenge. Teba's banking licence is a critical enabler of our vision to provide micro-financial

Advent of new reporting standards is driven by

- a) Expanding globalisation
- b) Search for new forms of global governance
- c) Reform of corporate governance
- d) Global role of emerging

services to low income individuals in and around mining towns and rural areas. In this way, workers in the gold and platinum mining sector, and their families, will participate more fully in the economy and the nation they help build.

A History of Service

In the move from employment to financial services, the lessons Teba learnt since 1902 stay the same:

- a) develop suitable products
 - let customers put saving their wealth before borrowing
 - let customers be high or low transactors free from high service charges
 - share the advantages of technology even to the illiterate
 - open accounts without requiring formal employment and high opening / minimum balances
- b) offer services that customers value
 - have convenient locations and opening hours
 - speak the language
 - offer help without intimidating the poor and illiterate
 - give security and speed

Uplifting Lives

Teba Bank believes that affordable financial services combined with informed choices enables low-income customers to shift from borrowing to saving. This move to investing their wealth, rather than consuming it, improves the cash flow and money management for the poor, and is the only source of sustainable development in mining towns and the countryside.

“Savers are Winners”

Teba Bank, since inception as a savings fund, has educated communities that “savers are winners”. The poor need to save to build reserves ahead of shocks (e.g. illness or retrenchment) and life cycle demands (e.g. education or funerals), but too often spend on luxurious consumables (Lotto or cell-phones) and borrow in desperation. Research shows that saving is the key survival skill for managing income and creating wealth.

A significant portion (42%) of mining employees are using personal micro-loan product for the purpose of housing and educating their families.

Our provident-backed housing loan is not yet linked to the major provident fund used in the mining industry, as it is in the manufacturing sector. Our ability to monitor leakage and verify that the loan is in fact used for housing purposes is a major advantage.

Keeping costs and prices low

economies

- e) Rising visibility of and expectations for organisations
- f) Measurement of progress towards sustainable development
- g) Government’s interest in sustainability reporting
- h) Financial markets’ interest in sustainability reporting
- i) Emergence of next-generation accounting

Source: 2002 Sustainability Reporting Guidelines

Teba Bank is a leader in combining financial, economic, environmental and social information into a single annual report

Teba Bank supports the King 2 call for higher corporate standards of

Banking the unbanked depends on keeping banking affordable – for both customers and Teba. Affordability is key to Teba's mission, as reflected in our pricing policies. In deposit-based products and services, a disturbing trend elsewhere has seen balances eaten up by monthly service fees, even where accounts are dormant, and the poor penalised for saving with cash deposit fees. In contrast, we protect our customer's capital by charging no or low monthly fees and encourage savings by charging no cash deposit fees.

transparency, disclosure and accountability.

Protecting the poor from excess credit

In credit products and services, a further disturbing trend elsewhere has been the exhaustion of monthly incomes by automatic deductions. Too often, the poor are unwisely indebted and lenders have over-extended credit. By contrast, and as far as we know, uniquely, Teba imposes checks and balances in its lending policies that are implemented in our automated credit assessment and deduction system and linked to mining employees' bank accounts. This ensures that the greater of 60% or R250 remains in the account after all deductions.

Our research shows that far fewer miners whose accounts are managed by Teba's TSDN system are overly-indebted compared to those who have not. These findings and limits will be discussed with the mining industry.

Teba Bank's Corporate Responsibility

Teba Bank recognises that access to formal financial services is a mixed blessing for some. The poor need to use savings more, and credit less, to reap the benefits of South Africa's world-class financial system. Teba Bank's CSI programs complement our core business of providing basic financial services with education programmes in money management. These programmes increase awareness of consumers' rights to income, and inform consumption and investment decisions so that the poor make the most of the resources they have and the opportunities they create.

REPORT FOR EMPLOYEES

An HIV/AIDS Policy to be proud of

Teba's HIV/Aids policy emerged in 2000. The Aids policy is reviewed by the HR Committee. No employee may practice or tolerate discrimination against any employee or applicant for employment on the basis of HIV status. Though Teba encourages voluntary HIV testing as in the employee's own best interests, Teba does not require employees to undergo an HIV/Aids test. Teba keeps employee HIV+ status confidential. HIV+ employees cannot be dismissed for an

Teba Bank HIV Policy

1. *Recognises* that HIV/AIDS is a workplace issue: some or infected, all are affected
2. *Promotes* non-discrimination based on HIV/ AIDS status: real or perceived
3. *Promotes* gender equality and opposes sexual coercion and abuse
4. *Promotes* a work-place conducive to physical and mental health
5. *Promotes* a culture of dialogue shaped by mutual respect
6. *Does not screen* for HIV/AIDS status of existing or aspirant employees
7. *Protects* the confidentiality of an

incapacity caused by AIDS.

HIV/AIDS Training and Succession

Teba Bank has incorporated HIV/Aids training into the workplace skills plan. Since 2000, Teba Bank has an on-going HIV/Aids awareness and prevention programmes. Teba is committed to removing myths, stigma and prejudice amongst the workforce.

Promoting Employee Wellness

A peer counselling project has been introduced in the bank, sponsored by the German donor, GTZ. Its aim is to persuade HIV+ staff to join the Wellness Programme, and to provide confidential support to HIV+ staff and their families. A voluntary HIV+ testing project was conducted during 2002. Some 60% of staff participated.

Disability and productivity is managed through the employer's disability scheme, the Sanlam Employees Benefits Income Care programme and the Employee Assistance Programme (EAP) counselling service.

Promoting Safety

Bank robberies too often harm and traumatise staff, customers and suppliers. Teba has a trauma response unit to care for the victims plus sophisticated technology to prevent and manage crime.

Promoting Employee Health

Teba Bank's Employee Assistance Program (EAP) offers material and psychological support to all staff, free of charge. Through the EAP, employees receive free anti-retroviral medication and free medical checkups via the EAP's Wellness programme.

Promoting the Environment

A human rights policy as well as safety, health and environmental issues will form an integral part of such a document.

Promoting Employee Equity

Teba has an active and successful Employment Equity committee.

Management	2008 Target	Teba 2003
<i>Senior (Non-executives with CTC > 450k)</i>		
Black	25%	43%
Black women	4%	14%
<i>Middle (CTC R250k-R450k)</i>		
Black	30%	18%
Black women	10%	4%
<i>Junior (CTC R150k-250k)</i>		
Black	45%	45%

employee's HIV/AIDS status

8. Offers material and psychological support for PLWA and their families
9. Continues to employ HIV+ staff and finds appropriate work for as long as possible

Total Employees

Region	Headcount
Head Office	152
Eastern Cape	44
Burgersfort	7
Evander	15
Fochville	99
Klerksdorp	63
Northam	50
Randfontein	36
Rustenburg	116
Welkom	101
Total :	683

Teba Bank is on track for some targets and way ahead of other targets set by Government for 2008.

Black	45%	45%
Black women	15%	10.5%

Promoting Employee Ethics

Teba's ethical performance is the sum of every employee's ethical performance. Indicating its importance, Teba's "Policy on Ethical Conduct" is a standalone section within the HR Policy Manual. The policy binds all employees, in all capacities and at all seniorities, to be ethical and professional in all relationships with colleagues and stakeholders.

Employees must respect the dignity of all colleagues. They may not discriminate against fellow employees in word or deed based on race, gender, language, religion, sexual orientation or disability.

Teba Bank endorses the code of ethics recommended by the King Report and undertakes to operate within its terms

The directors have reason to believe Teba employees pursue the highest standards of personal conduct

Developing Teba's training capacity

Introducing the new FlexCUBE banking computer system needed 6 months of intensive staff training. This training was handled entirely in-house and was a considerable feat by (and saving for) Teba.

Teba Bank believes that behaviour that offends even one employee can poison the entire working environment. All interactions must be based on mutual respect.

Upgrading Teba for Nimbus

In February 2003 teller training started on the FlexCUBE system with three 3-day "train-the-trainer" sessions in Midrand for the regions. After training, staff practiced on the FlexCUBE system. This process continued until implementation on 16 June 2003.

Teba spends 4% of payroll on training: half on work and half on non-work skills programmes.

Promoting Employee Skills

Teba Bank wants its training programmes to meet industry standards and become accredited. Teba Bank would, above all, like to position itself as an employer of choice – one that develops and cares for its people.

Teba Bank has joined the banking sector (through BANKSETA) in the Department of Labour's Investors in People initiative

Becoming Employer of choice

Teba's top 60 earners contributed to a survey in 2003 of factors that would make them stay or go. A comprehensive strategy, based on promoting Teba as Employer of Choice, will be introduced during 2004.

Recognising Worker Rights of Association

Teba Bank recognised the South African Society of Banking Officials (SASBO) in 2003, giving staff union representation for the first time. The union represents the majority of staff and is present for the important processes. The first salary negotiations with SASBO took place in February 2004.

Applying the Financial Services Charter

Teba Bank fully endorses the Financial Services

Charter and undertakes to meet and exceed the targets regarding (1) black ownership (2) black management and (3) procurement from Employment Equity compliant companies.

Improving the Organisational Climate

A company-wide survey was conducted in 2003 to assess the current organisational climate and culture. The results will emerge as interventions during 2004.

Improving Performance Management

Teba is currently reviewing its performance management systems. Enhancements in performance management will be introduced during 2004.

Increasing Sales

The current sales incentive scheme was reviewed by MicroSave. A scheme to fully incentivise individual sales was designed and will be implemented during 2004.

Sharing Profits

Teba reviewed its profit-sharing scheme in 2003. The scheme has been re-modelled, and is now based on Return on Equity and linked to inflation. It is also enhanced to reward performance by specialists and managers.

Preventing Money Laundering

Training in the regions is underway to accredit staff before the June 2004 deadline set by the Financial Intelligence Centre Act (FICA).

REPORT FOR COMMUNITIES

Teba currently invests 100% of its dividends in communities. This dividend policy reflects Teba's commitment to corporate social responsibility. Since Teba is implementing its first round of CSI programmes, which will be covered in future reports, this founding report addresses the principles Teba has adopted.

Focus on our Stakeholders

The poor in South Africa have the greatest need. With low-income miners already the target market, Teba has chosen to focus on benefiting current clients, their families and communities. Spending resources on potential clients mixed in marketing, hence the limit to applying profits to the people who helped generate them. Teba's CSI programmes therefore have in mind the current client base: miners, their spouses, mine beneficiaries and, more recently, low income families in rural areas, many (68%) of whom had not used a banking institution in the past.

Teba's CSI Principles

1. **Focus on our stakeholders**
2. **Develop the community**
3. **Complement our work**
4. **Follow a strategy**
5. **Thing big, start small**
6. **Show value**
7. **Use the best**
8. **Work for passion, not profit**

Target scale of Teba's CSI

- **Miners, miners wives and mine beneficiaries – 350,000 customers**
- **Low income families residing near Teba Bank branches – 60,000 customers**

Clients reside in the following areas:

Develop the Community

Teba is a development institution serving the financial needs of mine workers, their families and communities, and more recently, the rural unbanked. Our CSI programmes extend that developmental mission, equally focused but not profit-driven.

Complement our Work

Teba's products and services create expectations of a "you grow, we grow" relationship. Communities are approaching branches to ask what the Bank can do for them and their families. Teba undertook research in 2003 to discover what clients wanted to see the bank doing for them.

Follow a Strategy

Teba prefers to be more "proactive" (to decide interventions strategically, and support projects that match) and less "reactive" (to respond to requests), though outstanding requests are considered. The bulk (up to 95%) of funds is earmarked for development, but some (up to 10%) is set aside for charity or crisis interventions.

Pro-activity has the following benefits:

1. Focuses limited resources
2. Increases impact and social return for both the bank and its clients
3. Plays to the strengths and core business of the Bank
4. Is managed and measured better
5. Is scaled to the capacity of staff
6. Manages client expectations better

Think Big, Start Small

Apartheid has left a legacy of poverty and joblessness, and poor health care and education. Teba's taxes go to Government expressly to address this. Teba's limited CSI resources are applied to overcoming *the marginalisation of the rural poor from their local economies*. Our aim is to help with:

1. accessing government grants
2. escaping the debt trap
3. raising financial literacy
4. smoothing remittances to the rural areas
5. leverage productive assets such as land, water and livestock
6. access to formal and self employment
7. improving the education for the rural poor
8. restoring hope and confidence in the rural poor
9. improving infrastructure in areas surrounding rural towns
10. opening new markets for small enterprises

- 55% in South Africa
- 23% in Lesotho
- 10% in Mozambique
- 12% in other areas

Of the 55% residing in South Africa

- 32% in Eastern Cape
- 19% in Free State
- 17% in the North West
- 12% in KZN
- 12% in Gauteng
- 5% in Limpopo
- 3% in Mpumalanga

Show Value

Teba wishes to do well in whatever it does. Its programmes face the following standards: on behalf of both the Bank and the beneficiaries,

11. Show value
12. Be sustainable
13. Win local participation (to give ownership and build local capacity)
14. Be distinct (no duplication of other initiatives)
15. Let the impact be measurable
16. Be affordable
17. Be defined in time (with defined entry and exit points)
18. Match local priorities
19. Be scalable (to involve staff and customers)
20. Be practical (leverage strengths and recognise limits)

Use the best-for-the-job

Teba will often use project partners to implement its programmes. The standards to uphold include:

1. Have capacity
2. Have a track record of quality
3. Demonstrate local knowledge
4. Build local capacity
5. Satisfy affirmative action targets

Work for passion, not profit

Teba's CSI programme needs to work for Teba, otherwise Teba will struggle to work for CSI. However, the principle governing Teba's CSI is compassion, and the goal of Teba's CSI is healthier, happier, stronger communities – no matter where they bank.