

Press release

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Central Bank Gold Agreement renewal demonstrates continued commitment to transparency and gold producing nations

The World Gold Council welcomes the decision by European central banks to agree on a new Central Bank Gold Agreement (CBGA). The Agreement, the fourth of its kind, marks a continued commitment from some of the world's largest gold reserve holders to preserve the clarity and transparency that this agreement provides for gold market participants. It also firmly reasserts the importance of gold as an asset in global monetary reserves.

Today's statement from the European Central Bank (ECB) reasserts the crucial commitment of CBGA signatories to continue the coordination of gold transactions in order to avoid market disturbances. The Agreement also removes the quantitative ceiling for annual gold sales and in doing so provides a clear signal that gold sales are essentially complete.

During the course of the last five years, major gold holders from European central banks have virtually stopped all gold sales – selling less than 25 tonnes of gold against an agreed limit of 2,000 tonnes. These limited sales were primarily conducted for the purposes of minting gold coins.

Responding to the announcement, Natalie Dempster, Managing Director, Central Banks & Public Policy, said: "This is extremely positive news for the global gold market especially against a backdrop of ongoing gold purchases by emerging market countries. It underlines the commitment to gold that European central banks continue to have with regard to their monetary reserves. Of equal importance is the message it sends to gold-producing countries, who can be reassured that their economic development will not be undermined by uncoordinated sales of gold."

The continuation of this agreement is of particular importance to gold-producing countries, many of which are Heavily Indebted Poor Countries (HIPC). Today, just over half of the 39 countries recognized by the World Bank and IMF's HIPC Initiative are gold producers, with gold production in these nations worth on average 4.2 per cent of GDP. The continuation of this Agreement supports on-going economic development in these critical regions.

ENDS

Notes to editors:

Statement from the European Central Bank:

ECB and other central banks announce the fourth Central Bank Gold Agreement

The European Central Bank, the Nationale Bank van België/Banque Nationale de Belgique, the Deutsche Bundesbank, Eesti Pank, the Central Bank of Ireland, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, the Central Bank of Cyprus, Latvijas Banka, the Banque centrale du Luxembourg, the Central Bank of Malta, De Nederlandsche Bank, the Oesterreichische Nationalbank, the Banco de Portugal, Banka Slovenije, Národná banka Slovenska, Suomen Pankki – Finlands Bank, Sveriges Riksbank

and the Swiss National Bank today announce the fourth Central Bank Gold Agreement (CBGA).

In the interest of clarifying their intentions with respect to their gold holdings, the signatories of the fourth CBGA issue the following statement:

- Gold remains an important element of global monetary reserves;
- The signatories will continue to coordinate their gold transactions so as to avoid market disturbances;
- The signatories note that, currently, they do not have any plans to sell significant amounts of gold;
- This agreement, which applies as of 27 September 2014, following the expiry of the current agreement, will be reviewed after five years.

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About the World Gold Council

The World Gold Council is the market development organisation for the gold industry. Working within the investment, jewellery and technology sectors, as well as engaging in government affairs, our purpose is to provide industry leadership, whilst stimulating and sustaining demand for gold.

We develop gold-backed solutions, services and markets, based on true market insight. As a result, we create structural shifts in demand for gold across key market sectors.

We provide insights into the international gold markets, helping people to better understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, the Far East, Europe and the US, the World Gold Council is an association whose members include the world's leading and most forward thinking gold mining companies.