

## Box 2 Understanding the South African Reserve Bank's balance sheet

The South African Reserve Bank's (SARB) balance sheet has evolved significantly in recent years and the format of the monthly statement of assets and liabilities has also been updated to enhance transparency.<sup>1</sup> This box provides a detailed breakdown of the various reporting categories to further improve understanding of the SARB's balance sheet.

### Assets

As at October 2025, the SARB's assets amounted to almost R1.3 trillion, with total gold and foreign assets accounting for approximately 96% of total assets. This item includes foreign exchange (FX) reserves, gold and special drawing right (SDR) holdings from the International Monetary Fund (IMF).<sup>2</sup> The FX reserves largely constitute foreign-currency deposits and investments in safe assets like highly rated bonds.<sup>3</sup>

The second largest asset category, making up about 3% of total assets, is the SARB's holdings of South African government securities. Most of these were acquired in 2020 through interventions aimed at stabilising financial markets after the onset of the coronavirus disease 2019 (COVID-19).<sup>4</sup> However, a small portion dates back to 2003–2005, when the government settled losses on the Gold and Foreign Exchange Contingency Reserve Account (GFECRA), which explains the R8.1 billion value of this line item in February 2020, before the COVID-19 crisis.<sup>5</sup>

The remaining asset items are all significantly smaller in value.

- 'Other securities' largely reflects the SARB's stakes in its subsidiaries – the South African Bank Note Company (RF) Proprietary Limited (SABN), South African Mint Company (RF) Proprietary Limited (SA Mint), Corporation for Deposit Insurance (CODI) and Corporation for Public Deposits (CPD) – as well as African Bank shares acquired during that institution's 2014 rescue.
- 'Domestic fixed assets' represents the SARB's property holdings, including office buildings and various movable assets such as computer equipment.
- 'Domestic loans and advances' includes the remaining balances for the various loan guarantee schemes introduced between 2020–2023<sup>6</sup> as well as staff loans – as per section 10 of the South African Reserve Bank Act 90 of 1989, as amended (SARB Act).
- 'Accommodation to banks', which represents lending to banks, was much larger in the past (generally R56 billion before COVID-19). Its share has since fallen to less than 1% of total assets after the introduction of the new Monetary Policy Implementation Framework (MPIF).<sup>7</sup>
- 'Other assets' reflects items such as the SARB's stake in the Bank for International Settlements (BIS).

### Equity and liabilities

The liability side of the SARB's balance sheet is more complex, with a wider variety of items.

Like any central bank, the SARB has monetary liabilities. Of these, notes and coin in circulation are the most familiar to the public, worth nearly R170 billion and comprising about 13% of total equity and liabilities. These are low-cost liabilities for the SARB as they do not pay interest.

Besides notes and coin, the SARB also has monetary liabilities in the form of bank reserves, which are electronic balances used for final settlement of high-value transactions between banks.<sup>8</sup> These are reported as 'Deposits by banks' in the balance sheet, but this obscures an important distinction. Of the current R340 billion or so in bank deposits, roughly half are required reserves (which are a regulatory obligation and earn no interest), while the rest are excess reserves that earn interest at the policy rate. This latter category has expanded since the MPIF reform mentioned above, with excess reserves taking the place of various other liabilities.

1 For instance, the GFECRA is now reported as a stand-alone item, rather than being included in 'other liabilities'.

2 The SDR is an international reserve asset created by the IMF to supplement the official reserves of its member countries, thereby enhancing global liquidity and supporting the stability of the international monetary system. SDRs are created by an IMF decision and allocated to participant countries in proportion to their IMF quotas. These allocations represent a liability for the receiving member. The value of the SDR is determined by a weighted basket of five major currencies (the US dollar, the euro, the Chinese yuan, the Japanese yen and the British pound). For further information, see: <https://www.imf.org/en/about/factsheets/sheets/2023/special-drawing-rights-sdr>

3 SARB (2025). *Financial Stability Review, First Edition*. See p. 11 for a disaggregation of these holdings by currency.

4 K Eckhold et al. (May 2024). 'EMDE Central Bank Interventions during COVID-19 to Support Market Functioning'. IMF Working Paper WP/24/101.

5 At the time, this was just under 1% of total assets. The value of the portfolio was R36.7 billion in mid-2025 and its peak value was slightly over R42 billion in January 2021. The balances have fluctuated, given valuation changes and maturities.

6 These are the Loan Guarantee Scheme (2020); the Bounce-Back Scheme (2022); and the Energy Bounce-Back Loan Guarantee Scheme (2023).

7 The new framework no longer requires banks to borrow from the SARB, while the SARB no longer needs to drain liquidity to create this borrowing requirement.

8 Technically, these are South African Multiple Option Settlement (SAMOS) system accounts, which are operated by the SARB. Whenever a bank pays another bank, this is done through the SAMOS system, using bank reserves.

The SARB also holds several types of government deposits. Unlike in many other jurisdictions, national government does not keep its main local currency cash deposits at the central bank; instead, these funds are held in the Tax and Loan Accounts with the major commercial banks.<sup>9</sup> The SARB does, however, hold government's foreign currency deposits, which are part of the FX reserves. The SARB also records a liability to government for the SDRs, which are included in the FX reserves but ultimately belong to government. The 'Other government deposit' category similarly captures the Reserve Tranche Position (RTP) at the IMF, also counted within FX reserves.<sup>10</sup>

In addition, the SARB holds other public funds, mainly from the CPD and CODI, which are reported as 'Other deposits' in the balance sheet.

- The CPD holds deposits from qualifying entities such as provinces, municipalities and state-owned enterprises. These funds are partly invested in financial market instruments, but some (roughly R50 billion in recent months) are kept at the SARB, ready to meet depositor needs. These balances were often larger before the new MPIF, when the CPD was used more actively for liquidity management.
- The CODI funds (about R20 billion) are currently placed with the SARB but will eventually be managed externally.<sup>11</sup> These funds support South Africa's deposit insurance system.

The SARB also has a collection of 'other liabilities', covering a diverse set of obligations such as amounts due to creditors and SARB group companies as well as tax liabilities. These are small, around 0.5% of the balance sheet.

The SARB's largest liability is the GFECRA. This is a valuation account, reflecting profits or losses on FX assets caused by gold price and exchange rate movements. While central banks usually treat valuation gains as part of equity under International Financial Reporting Standards,<sup>12</sup> in South Africa they are recorded in the SARB's accounts as non-interest-bearing liabilities to government, in line with the SARB Act, with settlement at the discretion of the SARB Governor and the Minister of Finance.

The revised 2024 GFECRA settlement agreement provided for the reallocation of some of these funds to the SARB's equity and distribution of others to National Treasury (NT). The balance in this account is now reviewed annually to ensure the buffer is large enough to absorb plausible valuation losses on FX reserves from rand appreciation, without turning negative. Excess balances are distributed to the SARB's contingency reserve fund, if needed, and after that paid over to NT.<sup>13</sup>

As at October 2025, the GFECRA balance was nearly R373 billion, or about 29% of the balance sheet. It should be noted, however, that this includes R104 billion earmarked for distribution to the SARB and NT, as explained in the *2025 Medium Term Budget Policy Statement (MTBPS)*.<sup>14</sup>

Finally, the SARB also holds equity in various accounts.

- Its original source of capital is R2 million in shares, an amount unchanged in over a century and now very small relative to the overall balance sheet.
- More materially, the SARB has a contingency reserve fund of about R151 billion. Just two years ago, this fund was barely over R20 billion, but it has grown due to the R100 billion transfer from the GFECRA and larger-than-usual profits over the past two years, mostly from higher earnings on FX reserves.
- The SARB also has a statutory reserve fund worth R459 million, accumulated through the SARB Act requirement to retain 10% of profits each year.
- It furthermore has about R12 billion in 'other equity', reflecting unappropriated profits and valuation gains on assets such as property.

In summary, equity was nearly R164 billion in October 2025, more than 12% of the balance sheet. This represents a stronger capital position than before, commensurate with the expansion of interest-bearing liabilities arising from the new GFECRA settlement agreement.

<sup>9</sup> NT is entitled to deposit at the CPD, but government's cash balances are generally not kept at the CPD.

<sup>10</sup>The RTP resembles a capital subscription to the IMF, although it is a liquid asset that can be drawn at short notice, after declaring a balance-of-payments need. It is captured as a liability on the SARB's balance sheet because the RTP is ultimately a government asset, much like the SDRs. For further details, see: IMF (2022). 'Classification of Reserve Position in the IMF'.

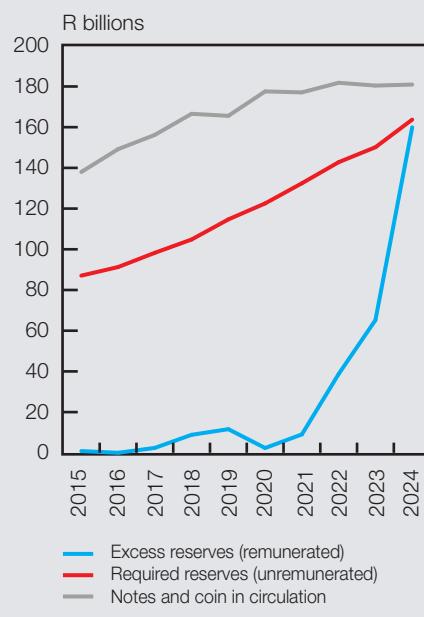
<sup>11</sup> CODI is South Africa's deposit insurance scheme, launched in 2024.

<sup>12</sup> D Archer and P Moser-Boehm (2013). 'Central Bank Finances'. BIS Papers No. 71 p. 20.

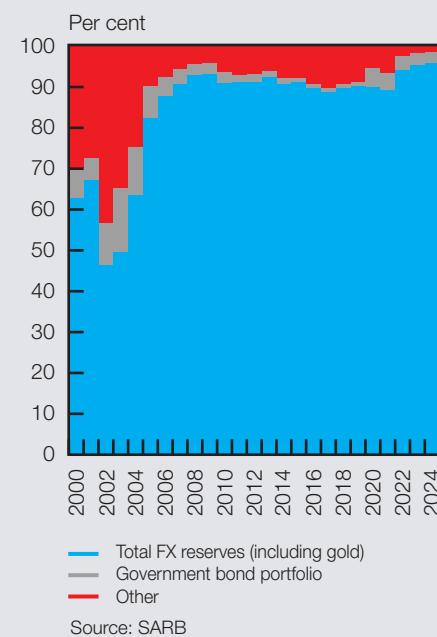
<sup>13</sup>SARB (2024–2025). GFECRA-related documents.

<sup>14</sup>Of this sum, R23 billion is for the SARB's contingency reserve, and the balance is for NT. A more detailed explanation is available in the 2025 *MTBPS* box 'GFECRA buffers', Chapter 3, p. 29. <https://www.treasury.gov.za/documents/mtbps/2025/mtbps/FullMTBPS.pdf>

### SARB monetary liabilities



### Composition of SARB assets



### Balance sheet of the South African Reserve Bank as at October 2025\*

Assets	Value (R billions)	Share of total	Equity	Value (R billions)	Share of total
Gold	280.933	21.67%	Share capital	0.002	0.00%
SDR holdings	112.674	8.69%	Statutory reserve fund	0.459	0.04%
Foreign exchange reserves (excl. SDRs)	846.424	65.30%	Contingency reserve fund	151.239	11.67%
Total gold and foreign assets	1 240.031	95.66%	Other	11.847	0.91%
			<b>Total equity</b>	<b>163.546</b>	<b>12.62%</b>
Domestic assets - Fixed assets	7.546	0.63%			
Domestic assets - Loans and advances	4.069	0.22%	<b>Liabilities</b>		
Accommodation to banks - Repurchase agreements	0.851	0.00%	Notes and coin in circulation	175.426	13.53%
Accommodation to banks - Utilisation of cash reserves	0.198	0.00%	Deposits - SA government's SDR deposit account	110.881	8.55%
Securities - SA government	36.667	2.98%	Deposits - SA government: Other	8.409	0.65%
Securities - Other	3.808	0.29%	Deposits - Banks	324.913	25.06%
Other assets	2.730	0.21%	Deposits - Other	85.609	6.60%
			Foreign loans and deposits - SA government	48.274	3.72%
			Foreign loans and deposits - Other	0.050	0.00%
			Gold and Foreign Exchange Contingency Reserve Account	372.982	28.77%
			Other liabilities	6.202	0.48%
<b>Total assets</b>	<b>1 296.293</b>	<b>100%</b>	<b>Total equity and liabilities</b>	<b>1 296.293</b>	<b>100%</b>

\* Components may not add up to totals due to rounding off.