CODI Annual Report 2024/25

South African Reserve Bank
CODI
Corporation for Deposit Insurance

Contributing to **financial stability** through the provision of **deposit insurance**

Contents

Contact details

PHYSICAL ADDRESS

SARB Head Office
370 Helen Joseph Street
Pretoria 0002
Telephone: 012 313 3911/0861 12 7272

POSTAL ADDRESS

P O Box 427
Pretoria 0001

WEBSITE

https://resbank.co.za/CODI

MESSAGE FROM THE CHAIRPERSON

It is with great pleasure that I present the Corporation for Deposit Insurance's (CODI) first Annual Report and financial statements for the year ended March 2025. This report focuses on the initiatives that CODI embarked on, its achievements and the challenges that lie ahead.

CODI became operational on 1 April 2024, resulting in the explicit protection of covered deposits. This occurred at a time of intensified global uncertainty and heightened geopolitical tensions. Despite the volatility, South Africa's financial system remained strong and resilient.

Since its establishment, CODI has achieved several milestones, including the establishment of the Deposit Insurance Fund (DIF), which is a financial reserve administered by CODI to protect depositors. CODI also completed phase 1 of its information technology (IT) programme, which receives aggregated depositor balances from banks. This allows for automated calculations of the contributions that banks must make to CODI.

During the year under review, CODI improved its readiness for the role it will play should a bank resolution occur, including analysing the potential implications of a bank failure and drafting template agreements for the use of the DIF.

Furthermore, engagement, collaboration and coordination with other financial safety net members – including National Treasury (NT), the South African Reserve Bank (SARB) as the Resolution Authority (RA), the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) – was, and will continue to be, a key priority.

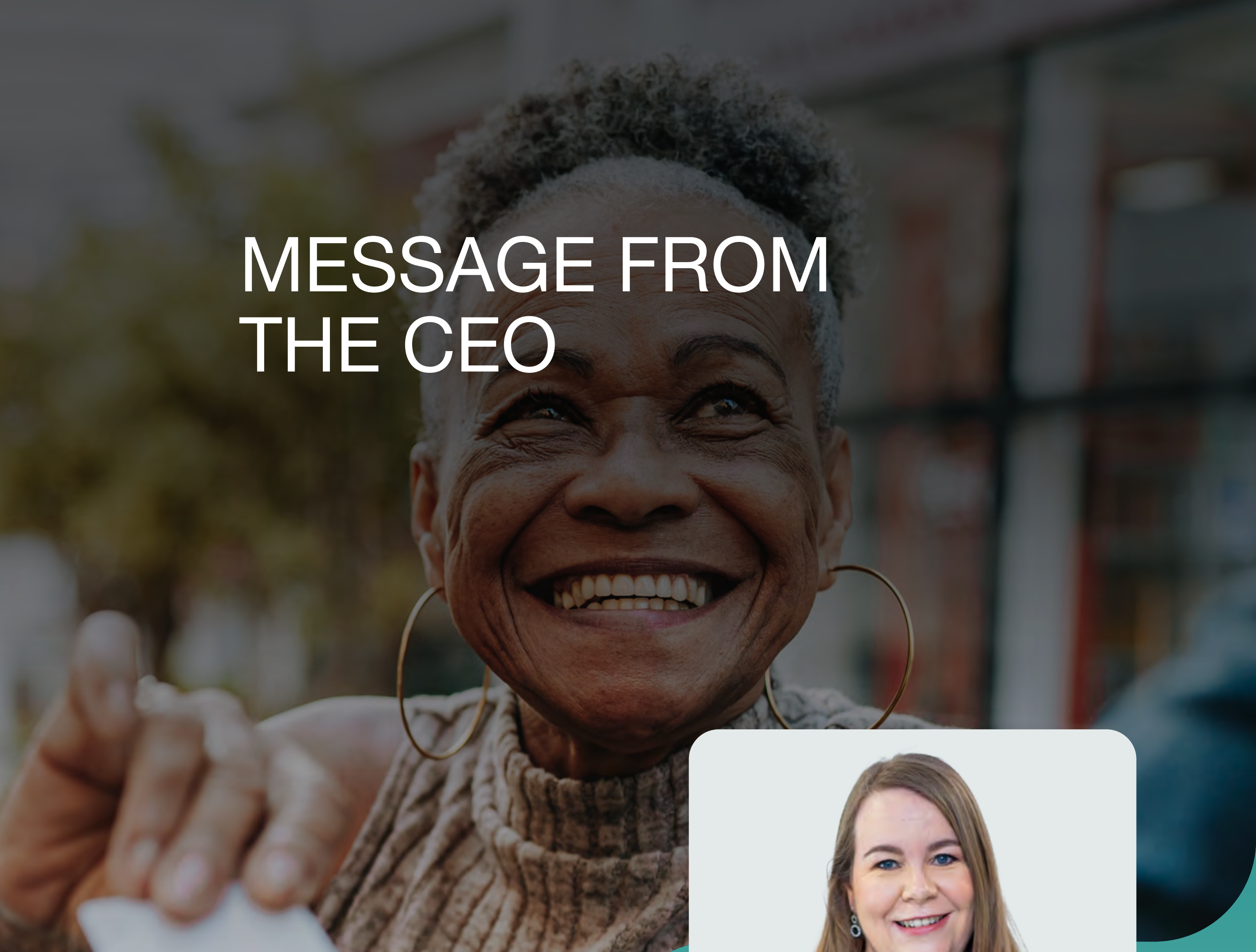
CODI made considerable strides in enhancing its risk management and compliance framework to identify and prepare for strategic and operational risks. A Board of Directors (Board) is in place, responsible for effective governance that provides diverse views to ensure the DIF is managed and utilised optimally. During this financial year, the Board approved several internal policies to align CODI's operations with achieving its strategic goals.

We are eagerly embarking on our next strategic cycle, focusing on enhancing public confidence and trust in the protection that CODI offers.

A special word of gratitude goes to the CODI team and Board, who have shown tremendous commitment to CODI's successful operationalisation and ongoing functioning.

M (Mampho) Modise

Deputy Governor of the SARB and Chairperson of CODI



MESSAGE FROM THE CEO

CODI started this financial year with a significant milestone, having become operational on 1 April 2024 after many years of preparatory work to establish the required legislative framework, policies, processes and systems.

South Africa's financial sector remained sound and resilient in the past year.

The 2024/25 financial year marked the completion of CODI's strategy to become an operational deposit insurer, enabling it to deliver on its mandate of protecting covered deposits in South Africa in the unlikely event that a registered bank fails. With CODI's operationalisation, explicit protection of covered deposits up to R100 000 per depositor per bank was introduced.

As there were no bank failures, CODI had an opportunity to improve its readiness to support a bank resolution in the future.

The highlights of CODI's strategic achievements during the past financial year included:

Establishing and maintaining the DIF

The DIF was established using financial contributions and loans from the banks in South Africa.

As at 31 March 2025, the DIF was **R20** billion strong.

Public awareness of depositor protection

CODI embarked on various initiatives to make the public aware of its existence as well as the benefits and limitations to CODI's protection. Since banking customers trust their banks for financial information, banks played a critical role in making their customers aware of CODI.

Monitoring bank compliance

CODI implemented processes to monitor banks' compliance with deposit insurance legislation and offered training sessions to banks' customer-facing staff members to facilitate compliance with CODI's requirements.

Deposit insurance systems development

CODI made significant progress in its systems development programme with the implementation and completion of phase 1, which focused mainly on collecting aggregate deposit data from banks and financial transactional support.

Stakeholder engagements

CODI focused on enhancing its collaboration, coordination and information-sharing with the SARB (as the RA), the PA and the FSCA.

A key role player, Switzerland's State Secretariat for Economic Affairs (SECO), provided financial support for the World Bank to support CODI on various technical matters.

A key facilitator to global engagements has been the International Association of Deposit Insurers (IADI). The IADI is the standard-setting body for deposit insurance systems. During the past year, CODI became more actively involved in the IADI's committees and working groups.

Organisational capacity

CODI started collecting levies from banks on 1 April 2024. It uses these levies for its operational expenses. To keep its operational costs low, CODI has outsourced most of its support services to the SARB. CODI will rely on technology and systems to automate internal processes to keep its organisational structure streamlined and focused.

A cornerstone of CODI's successes has been its staff. CODI strives to enhance the skills development of its staff members through capacity-building opportunities.

I would like to express my gratitude to the CODI Board, management and staff members. Their dedication and commitment contributed to CODI's achievements. Furthermore, I would like to express appreciation to all stakeholders, specifically the banks and SARB, who continue to play a vital role in enabling CODI's achievement of its strategic goals.

Sabihah Mohamed

S (Sabihah) Mohamed

Chief Executive Officer (CEO) of CODI

INTRODUCTION

About this report

The CODI Annual Report for the year ended 31 March 2025 provides readers with the advancements achieved since the operationalisation of CODI on 1 April 2024. It gives an account of the progress made against the CODI strategy, its financial performance and the administration of the DIF, its operations, and other material non-financial information. The intended readers of the report are members of Parliament, NT, the SARB, banks, depositors and any other interested stakeholders.

About CODI

CODI plays a pivotal role in safeguarding South Africa's financial system by providing depositor protection and supporting financial stability. As South Africa's deposit insurer, CODI provides a structured mechanism to guarantee qualifying bank depositors access to their covered deposits in the unlikely event of a bank failure. This function enhances public confidence in the banking system, reducing the systemic risk associated with financial sector disruptions.

Established under the Financial Sector Regulation Act 9 of 2017 (FSR Act), CODI operates as a wholly owned subsidiary of the SARB.

Wholly owned subsidiaries of the SARB

Currency-producing

South African Mint

South African Mint Company (RF) Proprietary Limited including its subsidiary Prestige Bullion (RF) Proprietary Limited (SA Mint)

SABN

South African Bank Note Company (RF) Proprietary Limited (SABN)

Banking and investment services

Corporation for Public Deposits (CPD)

Deposit insurance

South African Reserve Bank
CODI
Corporation for Deposit Insurance

Corporation for Deposit Insurance (CODI)

CODI functions within the broader framework of financial sector regulations, supporting the SARB's financial stability mandate by managing the DIF to protect vulnerable depositors in a bank resolution. The DIF is funded through contributions from banks in the form of monthly premiums and liquidity loans.

CODI's mandate extends beyond depositor payouts. Through its paybox-plus responsibility, CODI can also support other bank resolution strategies. These include providing secured loans, entering into loss-sharing agreements and issuing guarantees to facilitate bank resolution processes. Additionally, CODI is responsible for promoting public awareness, ensuring that financial customers understand the rights and protections that CODI offers.

CODI timeline

As a member of the G20, South Africa has focused on enhancing financial stability. The lessons learnt from the 2008–09 crisis saw the country introduce the 'Twin Peaks' model in 2011 to reform the regulatory and supervisory system for financial institutions and market infrastructures by separating prudential supervision and market conduct regulation. This led to the establishment of the PA and the FSCA. The FSR Act gives the SARB an explicit mandate to maintain and enhance financial stability. Through the FSR Act, the SARB became the RA and CODI was established as South Africa's deposit insurer.

The journey to establish CODI involved extensive public consultation. All contributions were carefully considered in the design of CODI to establish it as South Africa's Deposit Insurance Scheme (DIS).

CODI timeline

2014 – Decision made to implement a deposit insurance scheme

2016 – Development of the Resolution Bill, which became the Financial Sector Laws Amendment Bill (FSLAB)

2018 – Publication of the FSLAB for comment

2021 – Promulgation of the Financial Sector Laws Amendment Act 23 of 2021 (FSLAA)

2022 – Promulgation of the Financial Sector and Deposit Insurance Levies Act 11 of 2022

2022 – Promulgation of the Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act 12 of 2022

2023 – CODI becomes a legal entity

2024 – CODI becomes operational on 1 April 2024

2024 – Implementation of phase 1 of the CODI IT system

2024 – Establishment of the DIF

2024 – Launch of the public awareness campaign

2024 – Official launch of CODI on 25 April 2024

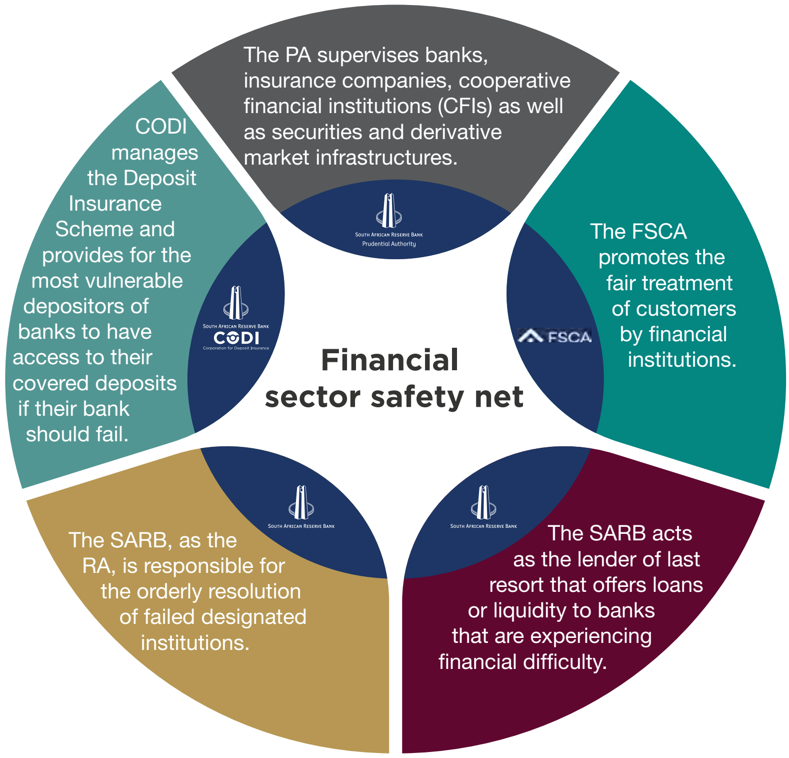
Before the establishment of CODI, depositor protection in South Africa relied on government interventions, where taxpayer funds were used to compensate depositors in the event of bank failures. CODI introduces a systematic and legally mandated approach, aligning South Africa with global best practice in financial stability and deposit insurance.

As a critical component of South Africa's financial stability framework, CODI ensures that qualifying depositors (i.e. individual and non-financial business depositors) have timely access up to R100 000 of their covered deposits (balances in savings, fixed and notice deposits, term deposits, and transactional and cheque accounts) in the unlikely event that their registered bank is placed into resolution. This mechanism fosters trust in the banking system and mitigates the risk of financial contagion.

Role and mandate

Protecting depositors when a bank fails

Since it became operational in April 2024, CODI has become part of the financial safety net in South Africa by providing depositors with reasonable access to their deposits should their bank be placed into resolution. South Africa's financial safety net consists of the PA, FSCA, the SARB as the lender of last resort, the SARB as the RA, and CODI (with the DIF).



CODI protects depositors by providing resolution support when a bank has been placed into resolution by the SARB as the RA.

When the SARB, as the RA, places a bank into resolution, CODI can use the DIF to support the resolution of the bank in one of the following ways:

- pay out the covered deposits of a bank in resolution;
- provide a secured loan to the bank in resolution;
- provide a loss-sharing agreement between CODI and the bank in resolution or a person assuming liability for the covered deposits of the bank in resolution; or
- offer a guarantee in favour of the bank in resolution, the SARB or another person in respect of the bank's obligations in relation to the covered deposits of the bank in resolution.

International standards and best practice for deposit insurance

CODI became a member of the IADI in 2023 when it was established as a legal entity. CODI participates in the IADI's conferences and seminars, and shares relevant experiences on depositor protection issues.

A key aspect of CODI's operations involves evaluating its policies and practices against international best practice and standards, such as the IADI Core Principles for Effective Deposit Insurance Systems, while staying updated on deposit insurance trends and developments in the global financial system.

CODI's mission, vision and values

Mission: We increase confidence in the South African financial system through an independent, privately funded DIF that protects the covered depositors of a bank in resolution.

Vision: We contribute to the stability of the financial system by protecting vulnerable depositors.

As a wholly owned subsidiary of the SARB, CODI contributes to the SARB's statutory mandate of safeguarding the stability of the financial system, supported by its values of accountability, excellence, integrity, open communication, and respect and trust.

Our values

- Accountability
- Excellence
- Integrity
- Open communication
- Respect and trust

DELIVERING THE CODI STRATEGY

Strategic overview

The 2024/25 performance cycle marks the end of the execution of the SARB's Strategy 2025. CODI contributed to strategic focus area (SFA) 2, which was to 'protect and enhance financial stability', through key strategic objectives and initiatives for this cycle. Continuous assessment of CODI's progress against these objectives was undertaken quarterly.

CODI strategy

How CODI supported the SARB's 2020-25 strategy to protect and enhance financial stability

SFA 1	SFA 2	SFA 3	SFA 4	SFA 5
Maintain headline inflation within the target range	**Protect** and enhance financial stability	**Promote** and enhance the safety, soundness and integrity of regulated financial institutions and market infrastructures	**Enhance** South Africa's resilience to external shocks	**Ensure** the cost-effective availability and integrity of the currency

Corporation for Deposit Insurance strategy map

Value proposition

- Strengthening the financial safety net by protecting vulnerable depositors (Target met)

Strategic internal process objectives

- Sufficiently funded DIF for a payout and to support a resolution (Target met)
- Develop a fully operational DIS (Target met)
- Improve confidence and credibility in the financial system through the promotion and awareness of the DIS (Target met)
- Enhance scope of coverage to support stability of the South African financial system (Target partially met)

Organisational capacity and capability

- Attract, develop and retain critical skills and competencies and embed a CODI-appropriate culture (Target met)
- Develop a requisite technology solution for CODI (Target met)

Target met   Target partially met

Strategic success

During the past year, CODI achieved the following strategic objectives:

- established the DIF and reached the targeted fund size approved by the CODI Board;
- launched public awareness campaigns about depositor protection;
- provided banks with communication and awareness materials and guidelines to support their legal obligations to create awareness about CODI and depositor protection;
- successfully completed a resolution simulation, facilitated by the World Bank, to test the coordination and decision-making between financial safety net participants when a bank is placed into resolution;
- developed processes and templates to improve CODI's speed and efficiency for its role in a bank resolution; and
- completed the implementation of a foundational IT solution.

The SARB's strategy framework requires that an in-depth review process be undertaken every five years to craft a new five-year strategic plan.

In 2024/25, CODI's strategy focused on the establishment of the legislative framework, processes, procedures, systems and resources required for CODI to become fully operational. With CODI reaching this milestone on 1 April 2024, it became necessary to develop a new strategy for the next five years, in line with the SARB's five-year strategy cycle, considering CODI's operational environment.

CODI's 2025–30 strategic objectives are aligned with the requirements of the FSR Act and facilitate the execution of its functions in support of its mission and vision.

Corporation for Deposit Insurance strategic map

How CODI supports the SARB's 2025–30 strategy to safeguard the stability of the financial system

SFA 1

Deliver low and stable inflation

SFA 2

Safeguard the stability of the financial system

SFA 3

Enhance the resilience, effectiveness and accessibility of payments

Corporation for Deposit Insurance strategy map

Value proposition

Support financial stability by protecting vulnerable depositors when a CODI member fails

Strategic internal process objectives

- Improve resolution support readiness
- Mature CODI's operations and financial independence
- Improve awareness, confidence and trust in CODI's protection

Organisational capacity and capability

Build a future-fit workforce

Looking ahead

The CODI 2025–30 Strategy focuses on assessing its compliance with the IADI's revised Core Principles for Effective Deposit Insurance, evaluating its readiness to support a bank resolution, maturing its operations, achieving financial independence, assessing the adequacy of coverage and improving public awareness, underpinned by a workforce that is future-fit.

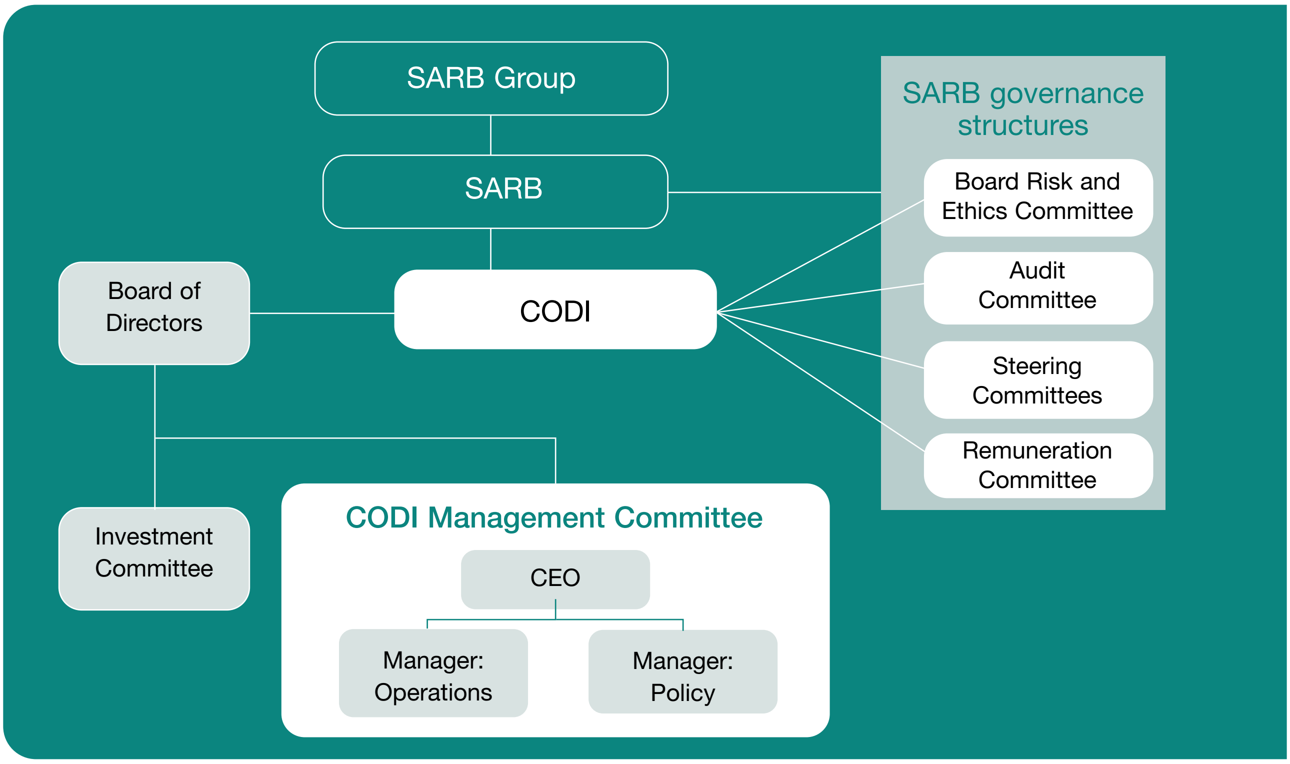
Over the next financial year, CODI aims to:

- **optimise the investment of the DIF**, which includes the appointment of external fund managers to increase returns on investments;
- **improve CODI's readiness to support a bank resolution**, which includes conducting simulations and tests, considering options for diversifying payout channels, and improving CODI's ability to receive and validate single customer view (SCV) calculations from all banks;
- **enhance awareness and confidence in CODI's protection** by assessing the level of compliance by banks, refining the public awareness strategy, and initiating an assessment of the adequacy of the coverage limit and scope of coverage; and conducting a feasibility study for the inclusion of cooperative financial institutions as CODI members;
- **mature CODI's operations and financial independence**, with a focus on establishing agreements with the SARB's support departments and the effective utilisation of levies for CODI's operational costs;
- **roll out phase 2 of the CODI IT system**, which includes processing detailed depositor submissions and mechanisms to verify and validate depositor data; and
- **assess compliance with the IADI's Core Principles** and develop a remedial plan to address potential non-compliance.

CODI'S GOVERNANCE AND OPERATIONAL PROCESSES

The FSR Act prescribes CODI's governance structure and reporting obligations. It specifies two governance structures for CODI, namely the CODI Board and the CODI Investment Committee. Although CODI is a wholly owned subsidiary of the SARB, CODI's affairs are managed and controlled by the CODI Board. The Board is responsible for overseeing the management and administration of CODI. CODI is required to manage its affairs in an effective and efficient way by establishing and implementing appropriate and effective governance systems and processes in line with international standards.

CODI governance structure



Board of Directors

Section 166AI of the FSR Act mandates that CODI must have a Board with eight (8) members consisting of the following representatives:

- a representative from NT, appointed by the Director-General of NT;
- a SARB Deputy Governor, appointed by the Governor of the SARB;
- the CEO of the PA;
- the CEO of CODI;
- the Commissioner of the FSCA;
- the Group Chief Financial Officer (CFO) of the SARB; and
- not more than two persons appointed by the SARB Governor as directors, with the concurrence of the Minister of Finance (Minister).

The Board was established to oversee the management and administration of CODI to ensure that it is efficient and effective. The Board is responsible for ensuring compliance with good corporate governance principles, adopting rules and setting policies for sound accounting, administration and overall functioning.

In terms of the FSR Act, the Board must act for CODI in the following matters:

- authorise the CODI CEO to sign memorandums of understanding and amendments thereto;
- appoint members of committees and give directions regarding the conduct of the work of a committee;
- determine how to apply the DIF for resolution support in terms of the FSR Act (section 166AA); and
- make determinations regarding the deposit insurance levy or any other matter assigned to him/her in terms of the FSR Act.

The Board is also responsible for the appointment and removal of the CODI CEO.

As an independent Board, all members share equal and collective fiduciary responsibilities as well as duties of care and skill.

BOARD OF DIRECTORS

Mampho Modise
Deputy Governor: SARB
and Chairperson: CODI Board

Nomfundo (Fundi) Tshazibana
Deputy Governor: SARB and
CEO: PA

Sabihah Mohamed
CEO: CODI

Reshoketswe (Shoki) Ralebepa
Group CFO: SARB

Unathi Kamlana
Commissioner: FSCA

Vukile Davidson
Chief Director: Financial
Markets and Stability, NT

Bongiwe (Bongi) Kunene
Managing Director: The
Banking Association South
Africa and Independent
Director

André Bezuidenhout
Independent Director

Directors are expected to make every effort to attend all Board meetings, thoroughly prepare in advance and actively participate in discussions. They should contribute their expertise, skills and experience in fulfilling their responsibilities. Any appointment, renewal, resignation or removal of directors is conducted in accordance with section 166AI of the FSR Act.

Frequency and attendance of Board meetings from 1 April 2024 to 31 March 2025

Table 1: CODI Board attendance

Name of Board member	04/06/2024	06/09/2024	26/11/2024	03/03/2025	Meeting attendance
M (Mampho) Modise **Deputy Governor: SARB and Chairperson: CODI Board**	✓	✓	✓	✓	4/4
N (Nomfundo) Tshazibana **Deputy Governor: SARB and CEO: PA**	✓	✓	✓	✓	4/4
A (André) Bezuidenhout **Independent Director**	✓	✓	✓	✓	4/4
B (Bongiwe) Kunene **Independent Director**	A*	✓	✗*	✓	2/4
U (Unathi) Kamlana **Commissioner: FSCA**	✓	A*	✓	A*	2/4
V (Vukile) Davidson **Chief Director: Financial Markets and Stability, NT**	✓	A*	✓	✓	3/4
S (Sabihah) Mohamed **CEO: CODI**	✓	✓	✓	✓	4/4
R (Reshoketswe) Ralebepa **Group CFO: SARB**	✓	A*	✓	✓	3/4

* Apologised for absence(s) ✓ Attended ✗ Absent **A** Alternative representation

The Board has the authority to establish Board committees and delegate powers to them to enhance its effectiveness. While acknowledging that certain powers may be delegated, the Board retains ultimate accountability for these matters and must exercise its decision-making responsibility accordingly.

Key approvals by the Board during the financial year under review

Table 2: CODI Board decisions

4 June 2024	• CODI's annual financial statements for the 2024/25 financial year • CODI's 2024/25 Annual Report • Investment policy • Reduction of the target DIF size from 4% of covered deposits to 3% • Management agreement with the SARB for services • Memorandums of understanding in terms of the FSR Act
6 September 2024	• Appointment of identified banks to the CODI panel of payout agent banks • The revised CODI organisational structure and additional positions
26 November 2024	• CODI's strategy for the period 2025–30 • CODI's approach to become self-funded • Operational budget for the 2025/26 financial year • Maintaining the liquidity tier size at 3% of covered deposits for the 2025/26 financial year • Publication of the liquidity tier size on the SARB website • Size of the liquid and investment tranches and the cash holdings of the DIF investment portfolio • Draft investment guidelines • 2025 Board work plan
3 March 2025	• Engagement of BDO South Africa Incorporated as the external auditors for the 2024/25 financial year-end audit (ratification) • Memorandum of understanding with the Namibian Deposit Guarantee Authority

Investment Committee

In accordance with section 166AO(2) of the FSR Act, the Board has established the Investment Committee to review the management of the investment portfolio of the DIF and to make recommendations to the Board, as established under section 166BD of the FSR Act.

The CODI Investment Committee was established in the 2023/24 financial year and consists of directors selected by the Board.

The Investment Committee consists of the following members:

- N (Nomfundo) Tshazibana
  Chairperson
- S (Sabihah) Mohamed
- A (André) Bezuidenhout
- V (Vukile) Davidson
- L (Lorna) van Wyk
- V (Vongani) Masondo

Frequency and attendance of meetings of the Investment Committee from 1 April 2024 to 31 March 2025

Table 3: Investment Committee meeting attendance

Name of Board member	10/05/2024	13/08/2024	31/10/2024	12/02/2025	Meeting attendance
N (Nomfundo) Tshazibana **Chairperson**	✓	✓	✓	✓	4/4
S (Sabihah) Mohamed	✓	✓	✓	✓	4/4
A (André) Bezuidenhout	✓	✓	✓	✓	4/4
V (Vukile) Davidson	✓	✓	✗*	✓	3/4
L (Lorna) van Wyk #		✓	✓	✓	3/3
V (Vongani) Masondo #		✓	✗*	✓	2/3

Became members from 13/08/2024 * Apologised for absence(s) ✓ Attended ✗ Absent

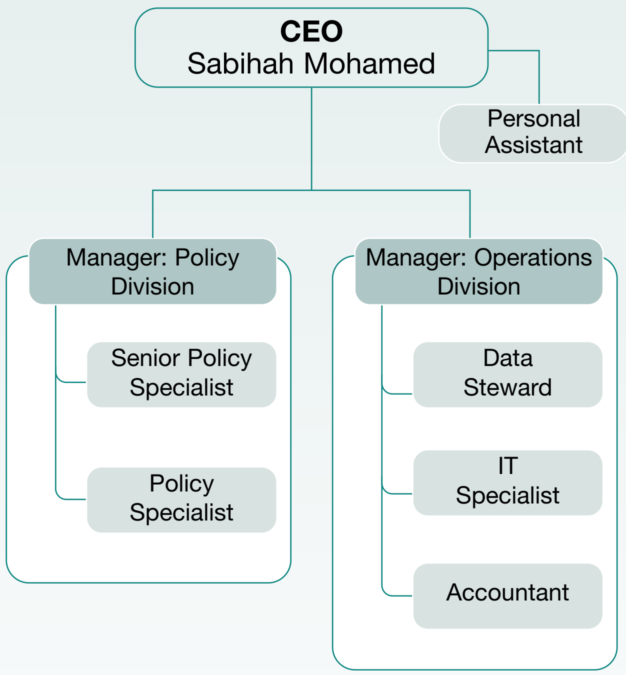
CODI's Management Committee

CODI's Management Committee (Manco) is responsible for the day-to-day operations and management of CODI, and consists of the CEO, the Policy Manager and the Operations Manager.

CODI's Manco meets regularly to evaluate operating policies and processes, and to monitor the progress of key strategic initiatives.

The CODI Manco is also responsible for submitting policies and strategies to the CODI Board. Furthermore, the Manco provides feedback to the Board on CODI's operations and functions, and submits reports to the Investment Committee on the DIF.

CODI's organisational structure



SARB governance structures

In terms of the FSR Act, CODI must determine the resources, facilities, accommodation, use of assets and other services, and the SARB must provide same, as agreed. SARB resources are seconded to CODI. As a result, CODI must comply with the policies and guidelines of the SARB for the agreed services, and utilises existing SARB governance structures as detailed on page 21.

Governance, risk, compliance, audit and ethics

Board Risk and Ethics Committee (BREC)

BREC assists the Board in discharging its responsibilities relating to risk management and good organisational citizenship behaviour, specifically social and ethics responsibilities. The committee also oversees risk and ethics matters relating to the SARB subsidiaries, including CODI.

Audit Committee

The Risk Management Committee (RMC) reports quarterly to the Audit Committee on its assessment of CODI's risks, risk ratings and action plans to address risks that may affect the achievement of CODI's objectives. The independent internal and external audit functions also provide a layer of defence by ensuring that necessary controls and risk-mitigating strategies are in place and are being applied.

Information and Technology Steering Committee (I&TSC)

The I&TSC is responsible for oversight of information and technology (I&T) management, which includes approving I&T projects and programmes to provide business value, and driving the target architecture of the SARB. CODI is a member of the I&TSC. The implementation of the CODI systems forms part of the oversight provided by the I&TSC.

Risk Management Committee

The SARB's Risk Management and Compliance Department (RMCD) facilitates various structured risk assessments and the continuous monitoring of the management of CODI's risks. CODI has completed a strategic risk assessment to identify inherent and residual risks. Risk mitigation plans have been formulated and approved by the CODI Board and reported to the RMC.

Remuneration Committee (Remco)

In accordance with section 166AY(2) of the FSR Act, the SARB must second personnel to CODI. Remco reviews the SARB-wide human resources framework and remuneration policies and practices, and recommends, for the SARB Board's consideration, the remuneration packages and the annual increases for staff, including the staff seconded to CODI. Recommendations are based on market enquiries, benchmarking against similar organisations and surveys to determine the appropriate increases.

SOUTH AFRICA'S DEPOSIT INSURANCE SCHEME

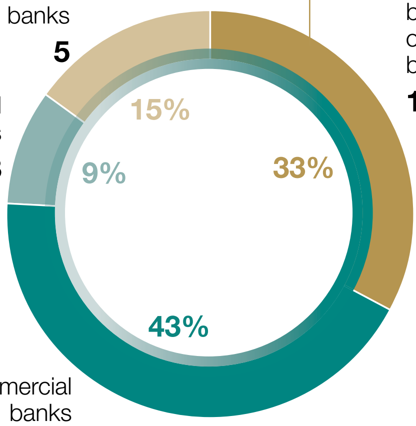
Membership of CODI – profile of members

Membership of CODI is compulsory for all banks registered in terms of the Banks Act 94 of 1990, the Mutual Banks Act 124 of 1993 and the Co-operative Banks Act 40 of 2007. It includes banks operating within the borders of South Africa that are regulated and supervised by the PA. CODI maintains a list of these banks on its webpage on the SARB website.

As at 31 March 2025, the number of CODI members totalled 33 banks, of which 14 were commercial banks, 5 were cooperative banks, 3 were mutual banks and 11 were local branches of foreign banks. During the period under review, one commercial bank, Grindrod Bank Limited, amalgamated with African Bank Limited.

Furthermore, banks are required to display a CODI membership sign on at least one of their digital platforms or in their physical branches for depositors to know they are members of CODI.

CODI member bank profile



Banks' total covered deposits

Table 4: Banks' total covered deposits

Membership type*	Total covered deposits (R'000 000)
Commercial banks	635 167
Mutual banks	528
Cooperative banks	74
Local branches of foreign banks	737
Total	636 506

* Banks registered in terms of the Banks Act 94 of 1990, the Mutual Banks Act 124 of 1993 and the Co-operative Banks Act 40 of 2007

Deposit Insurance Fund

In April 2024, in terms of the FSR Act,[2] CODI established the DIF using financial contributions from banks in the form of a loan (a liquidity contribution)[3] and premiums.[4]

The DIF consists of two tiers:

1. Liquidity tier

In accordance with section 166BH of the FSR Act, banks are required to maintain funds in the liquidity tier of the DIF. To meet this requirement, banks must extend a loan to CODI that is equivalent to 3% of their covered deposits.

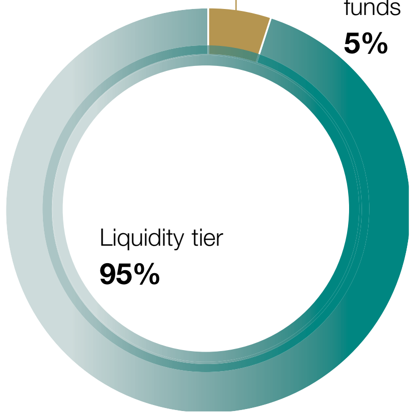
The size of this tier may fluctuate between 0% and 3.5%, with CODI determining the specific percentage annually based on its funding needs.

The designated percentage is published on the SARB website and takes effect from the date specified by CODI. Banks earn interest on these funds.

2. The DIF's own funds:

This tier serves as a loss-absorbing buffer and is funded through premiums paid by banks. Banks contribute 0.2% of their covered deposits annually, with payments made monthly.

Composition of the DIF



CODI will use the funds from the DIF to give qualifying bank depositors access to up to R100 000 of their qualifying account balances should their bank fail and be placed into resolution. As at 31 March 2025, the DIF balance was R20 billion.

CODI annually assesses the size of the DIF to ensure that it remains adequate to support its role in a bank resolution. It publishes the fund liquidity contributions' percentages on its website in the fourth quarter of each calendar year. Should CODI need to increase the premiums, it would, in accordance with legislative requirements, follow an industry consultation process to facilitate the parliamentary amendment of the premium percentage.

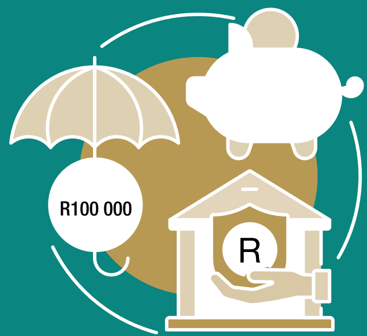
2 The primary legislation for CODI includes the FSR Act.

3 The liquidity contributions from banks are calculated as 3% of a bank's covered deposits.

4 Premiums are calculated at 0.2% of a bank's covered deposits per year, payable over 12 months.

Banks' total covered deposits

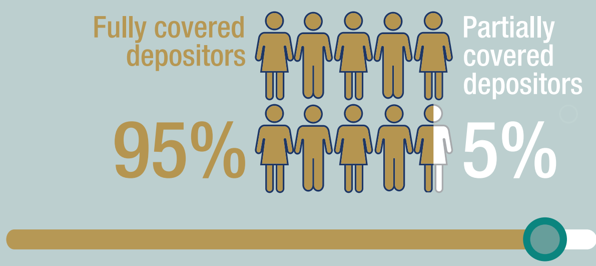
What is the maximum limit of protection that CODI offers?



Qualifying depositors are covered up to a maximum amount of **R100 000 per depositor per registered bank.**

The R100 000 coverage limit includes both the principal amount of a deposit and interest. A total of 95% of the country's depositors are fully covered, meaning that 9 out of 10 depositors have up to R100 000 in qualifying products. The remaining 5% are partially covered, which means they have more than R100 000 deposited in qualifying products. For these depositors, CODI will give access to R100 000 if the registered bank fails; however, their remaining balances must be claimed from the estate of the failed bank. The liquidator will process these balances in line with the creditor hierarchy.

Covered depositors' coverage



CODI's deposit insurance coverage

Qualifying products*

- Current
- Transactional
- Savings

- Term and notice accounts
- Tax-free savings

- Islamic Wadi'ah
- Islamic Qard
- Islamic Murabaha

- Individuals
- Non-financial corporate depositors
- Qualifying depositors of formal beneficiary accounts
- Informal banking accounts (stokvels)

R100 000

* These are banking products where the nominal balance (deposit and accrued interest) is guaranteed and repayable at par. Qualifying products are not limited to the ones listed.

Non-qualifying products

- Bearer instruments
- Accounts where the capital amount is not guaranteed and not repayable at par (e.g. investment products such as unit trusts)
- Holdings of commodities
- Electronic money products

Non-qualifying depositors

- Banks
- Non-bank private financial sector
- Insurers
- Pension funds
- Fund managers
- Other private financial corporate sector institutions
- Government, including local, provincial and national government
- Public financial sector entities
- Public Investment Corporation (PIC)
- Corporation for Public Deposits (CPD)
- Other public non-financial corporations
- Monetary authorities

DEVELOPMENTS IN THE LEGISLATIVE ENVIRONMENT

CODI plays a supportive role in assisting NT to progress deposit insurance-related legislation. CODI continues to review its regulatory frameworks to ensure they remain robust, effective and aligned with international standards.

CODI has requested, among other things, the following amendments to the FSR Act:

- provisions to enable CODI, or an appointed third party, to conduct meetings, on-site examinations and third-party reviews at a bank; and
- provisions to strengthen CODI's right to process qualifying depositors' personal information.

These changes aim to facilitate improvements in data quality at banks, enabling faster resolution support from CODI in the unlikely event that a registered bank fails.

PUBLIC AWARENESS AND COMMUNICATION

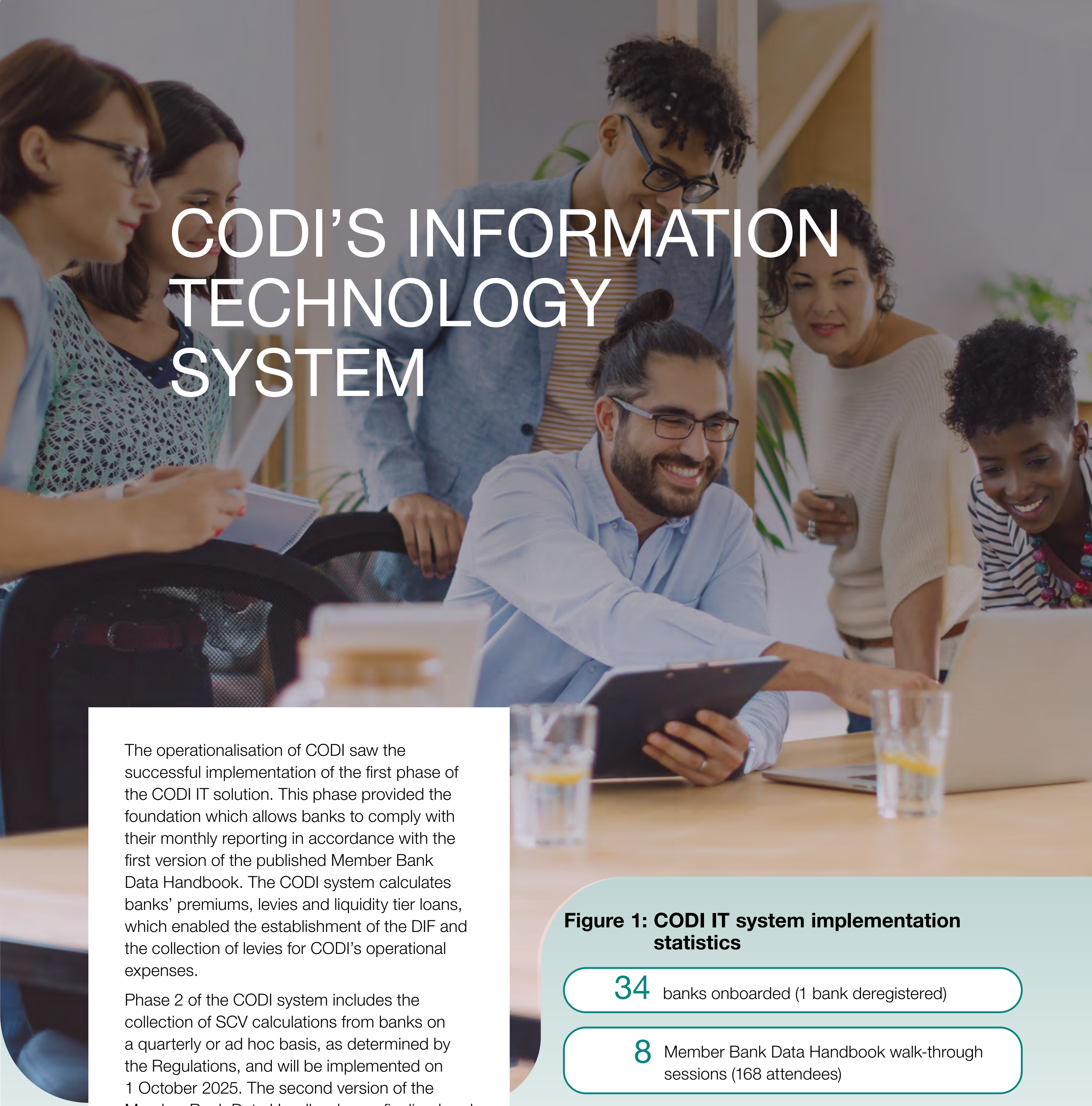
One of CODI's main functions is to promote awareness among financial consumers on the benefits and limitations of CODI's protection. CODI launched an ongoing public awareness campaign for which it:

- launched its web page on the SARB website to publish information on deposit insurance, including frequently asked questions, newsletters, discussion papers and deposit insurance legislation;
- developed communication materials such as infographics, videos and animation for CODI's web page and social media platforms;
- developed standardised deposit insurance information for banks to distribute to their depositors from 1 April 2024;
- provided digital membership logos to banks to communicate their membership to CODI;
- developed guidelines on the implementation of banks' public awareness obligations;
- conducted training sessions for more than 1 500 customer-facing staff of member banks and provided supporting materials on depositor protection for the customer-facing staff;
- trained spokespeople to engage with the media; and
- conducted several media interviews on television, radio, print and online platforms.

MONITORING BANKS' COMPLIANCE

Banks have a legal responsibility to adhere to deposit insurance legislation to ensure that CODI can execute its mandate of protecting qualifying depositors.

Since the implementation of the deposit insurance legislation, CODI has addressed banks' non-compliance issues on a case-by-case basis. The standard procedure involves CODI informing affected banks of their non-compliance, ensuring that the bank follows the measures provided for in the Deposit Insurance Regulations (Regulations) and taking the financial implications of the reported issues into consideration. Depending on the extent of the non-compliance, CODI meets with the bank concerned.



CODI'S INFORMATION TECHNOLOGY SYSTEM

The operationalisation of CODI saw the successful implementation of the first phase of the CODI IT solution. This phase provided the foundation which allows banks to comply with their monthly reporting in accordance with the first version of the published Member Bank Data Handbook. The CODI system calculates banks' premiums, levies and liquidity tier loans, which enabled the establishment of the DIF and the collection of levies for CODI's operational expenses.

Phase 2 of the CODI system includes the collection of SCV calculations from banks on a quarterly or ad hoc basis, as determined by the Regulations, and will be implemented on 1 October 2025. The second version of the Member Bank Data Handbook was finalised and socialised with banks. A series of workshops with all banks took place in November and December 2024. The CODI Technical Guide was also completed and presented to banks for an analysis and design of their business systems. In February 2025, the first of a series of technical workshops took place to track banks' readiness and test their understanding of the technical requirements. Figure 1 on the right shows statistics relating to the implementation of the CODI IT system.

Figure 1: CODI IT system implementation statistics

- **34** banks onboarded (1 bank deregistered)
- **8** Member Bank Data Handbook walk-through sessions (168 attendees)
- **3** technical specification walk-through sessions (99 attendees)
- **13** CODI IT solution user training sessions
- **367** data submissions approved, **390** invoices issued and **356** liquidity instructions issued

CODI financial summary

DIF
R20 billion

Net profit
R1 billion

Interest income – own funds
R45 million

Operational expenses
R3 million

Premiums received
R1 billion

Liquidity loans
R19 billion

Levies received
R91 million

Total interest income
R1 billion

Total interest paid
R1 billion

ANNUAL FINANCIAL STATEMENTS

Approval and statement of responsibility

The CODI Board is responsible for the maintenance of adequate accounting records, as well as the preparation and integrity of the annual financial statements and related information. The external auditors are responsible for the independent auditing of, and reporting on, the presentation of the financial statements in conformity with the basis of accounting described in Note 1 of the annual financial statements and the requirements of the FSR Act.

The Board has reason to believe that CODI has adequate resources in place to continue operating for the foreseeable future. The annual financial statements are based on appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The Board is satisfied that the information contained in the annual financial statements presents the results of operations for the current financial year and the financial position of CODI at the reporting date.

The Board is also responsible for ensuring that adequate systems of internal financial control exist for CODI. These systems are designed to provide reasonable, not absolute, assurance as to the reliability of the annual financial statements; to safeguard, verify and maintain accountability of assets and liabilities; and to prevent and detect misstatement and financial loss. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the current financial year.

The financial statements have been audited by BDO South Africa Incorporated, an independent auditing firm which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board and of the shareholder, being the SARB. The Board believes that all representations made to the independent auditors during the audit were valid and appropriate.

The annual financial statements were approved by the Board and are signed on its behalf by:

M (Mampho) Modise

Deputy Governor of the SARB and
Chairperson of CODI

A (André) Bezuidenhout

Independent Director

20 May 2025

Reporting framework

The annual financial statements have been prepared in accordance with the FSR Act and the accounting policies set out in Note 1.

The FSR Act is not prescriptive regarding the accounting framework that CODI should adopt. Therefore, CODI has elected to apply the IFRS® Accounting Standards as a guide for appropriate accounting policies, and as a model for the presentation and disclosure framework followed in its annual financial statements. However, due to the sensitivity around certain disclosures and as a result of CODI being a wholly owned subsidiary of the SARB, CODI considers certain disclosures required by IFRS Accounting Standards to be inappropriate for its functions.

The significant departures from IFRS Accounting Standards are summarised as follows:

In the annual financial statements, not all the information required by IFRS 7 Financial Instruments: Disclosures (IFRS 7) is disclosed. This specifically relates to:

- market risk: the sensitivity analysis for each type of market risk to which CODI is exposed at the reporting date, showing how profit or loss would have been affected by any changes in the relevant risk variables that were reasonably possible at that date;
- credit risk: the credit quality per counterparty (issuer) and instrument class, the historical information about counterparty default rates and a breakdown of instruments per counterparty; and
- credit risk disclosures relating to expected credit losses (ECL) measurement.

Directors' report

for the year ended 31 March 2025

1. Nature of business

CODI, a wholly owned subsidiary of the SARB, is a juristic person established in terms of the FSR Act.

CODI has been established as the DIS for South Africa. In the event of a bank failure, qualifying depositors will be provided access to their funds, up to R100 000 from the DIF, to which banks will contribute through monthly premiums and liquidity loans. CODI contributes to the SARB's financial stability mandate.

2. Accountability

The annual financial statements of CODI are required to be submitted to the SARB and Minister within six months after the end of the financial year. The Minister is responsible for tabling these statements in Parliament, concurrently with copies of the reports referred to in section 32(3) of the SARB Act. The annual financial statements for the year ended 31 March 2025 were authorised for issue in accordance with a resolution passed by the Board.

3. Internal controls

The Internal Audit Department of the SARB evaluates the internal controls in place to ensure the integrity and reliability of CODI's financial information, compliance with all applicable laws and regulations, the accomplishment of objectives, the efficiency of operations, and the safeguarding of assets. The RMCD of the SARB assesses the risk management processes of CODI. The Audit Committee of the SARB is responsible for monitoring and evaluating the internal controls of CODI.

4. Administration and accounting

CODI is accommodated in the SARB's Head Office and uses the SARB's staff, accounting systems and other infrastructure.

5. Financial results and performance

The financial results and performance of CODI are set out in the annual financial statements. The total comprehensive income for the year amounted to R1 billion (2024: R1 million loss). Total assets increased to R20 billion (2024: Rnil), consisting mainly of DIF investments. Total liabilities increased to R19 billion (2024: Rnil), mainly due to liquidity tier contributions from member banks. No surplus cash was available for transfer to the DIF (2024: Rnil).

6. Share capital

The authorised and issued share capital is set out in the annual financial statements. Refer to Note 6 for details.

7. Going concern

The Board is of the opinion that CODI will continue as a going concern in the year ahead. The directors are not aware of any material changes that may adversely impact the corporation. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect CODI.

8. Events after the reporting period

There were no applicable events after the reporting period that were required to be disclosed in terms of the IFRS Accounting Standards.

Modise

M (Mampho) Modise
Deputy Governor of the SARB and
Chairperson of CODI

Registered office

South African Reserve Bank
370 Helen Joseph Street, Pretoria
Republic of South Africa, 0002

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent Auditor's Report
To the members of
Corporation for Deposit Insurance (CODI)

Opinion
We have audited the financial statements of the Corporation for Deposit Insurance (the Corporation), set out on pages 38 to 53, which comprise the Statement of financial position as at 31 March 2025, and the Statement of profit or loss and other comprehensive income, the Statement of changes in equity, and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Corporation for Deposit Insurance for the year ended 31 March 2025 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1.1 to the financial statements.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' I*nternational Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

Final materiality (overall materiality) was set at R302 437 000, which represents 1.5% of total assets.

Total assets were selected as the most appropriate benchmark for determining the value of the Corporation for stakeholders. This is because total assets are a representative measure of the Corporation's size and serve as a key benchmark that users of the financial statements consider when assessing its financial position.

We chose 1.5% as the appropriate threshold after considering several factors. These included the Corporation's significant public interest due to its large policyholder base, the involvement of other significant outside stakeholders, and the fact that the Corporation operates in a regulated environment.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

1. Liquidity Tier Loan	
Key audit matter	***How our audit addressed the key audit matter***
Liquidity Tier Loan, note 5 to the financial statements Member banks that hold covered deposits must maintain a minimum amount in the account in the reserves of the Corporation as specified by the Prudential Standard CODI 1 – Fund Liquidity. Liquidity tier loan is required to be equal to the prescribed percentage of the member bank's total covered deposit amount. Due to the significance of this balance and significant auditor attention, Liquidity Tier Loan has been considered a matter of most significance in the current year audit of the financial statements.	Our audit procedures included the following: • We assessed the design and implementation of the relevant controls in respect of the approval and uploading of the Liquidity Tier Loan top-up payments. Directly obtained from member banks the covered deposit confirmations and, • Agreed the confirmed deposit amounts to the recorded covered deposit amounts, • Recalculated the liquidity tier loan amount by using the confirmed covered deposit amounts and the prescribed percentage per the Financial Sector Regulations Act 9 of 2017. • Agreed the recalculated amount to the general ledger recorded amount. • Confirmed that the deposits were received from all member banks by inspecting the bank statements of the Corporation. • Obtained the submissions of covered deposit by member banks and inspected that each submission had a declaration by member bank's CEO and CFO, or their equivalents. • Recalculated the interest payable liability at year end. We did not note any inconsistencies in this regard. • We evaluated the adequacy of the disclosures in respect of the Liquidity Tier Loan as contained in the financial statements against the Corporation's stipulated basis of accounting as set out in Note 1 to the financial statements.

Emphasis of Matter – Basis of Accounting
We draw attention to Note 1.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the entity's own accounting policies and to satisfy the financial information needs of the South African Reserve Bank. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information
The directors are responsible for the other information. The other information comprises the information included in the document titled "CODI Annual Report 2024/25". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Corporation's Directors for the Financial Statements
The Corporation's directors are responsible for the preparation and presentation of the financial statements in

accordance with the basis of accounting described in Note 1.1 to the financial statements and for such internal control as the Corporation’s directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation’s directors are responsible for assessing the Corporation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation’s directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Corporation’s directors.
- Conclude on the appropriateness of the Corporation’s directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We communicate with the Corporation’s directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Corporation’s directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO South Africa Inc.

BDO South Africa Inc. (Jun 19, 2025 14:53 GMT+2)

BDO South Africa Incorporated
Director: Alethia Chetty
Registered Auditor
Johannesburg, South Africa
Wanderers Office Park
52 Corlett Drive
Illovo
2196
19 June 2025

Statement of financial position

as at 31 March 2025

	Note(s)	2025 R'000	2024 R'000
Assets			
Cash and cash equivalents	2	**19 927 235**	–
Trade and other receivables	3	**235 216**	–
Total assets		**20 162 451**	–
Equity and Liabilities			
Equity			
Share capital	6	**1 000**	1 000
Accumulated profit/(loss)		**1 378 886**	(1 000)
Total equity		**1 379 886**	–
Liabilities			
Trade and other payables	4	**3 578**	–
Liquidity tier liability	5	**18 778 987**	–
Total liabilities		**18 782 565**	–
Total equity and liabilities		**20 162 451**	–

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2025

	Note(s)	2025 R'000	2024 R'000
Levy income	7	**90 895**	–
Premium income	8	**1 246 997**	–
Investment income	9	**1 435 442**	–
Operating costs	10	**(3 578)**	(1 000)
Operating profit/(loss)		**2 769 756**	(1 000)
Finance costs	11	**(1 389 870)**	–
Total comprehensive income/(loss) for the year		**1 379 886**	(1 000)

Statement of changes in equity

for the year ended 31 March 2025

	Share capital R'000	Accumulated profit/(loss) R'000	Total equity R'000
Balance at 1 April 2023	**–**	**–**	**–**
Total comprehensive loss for the year	–	(1 000)	(1 000)
Equity contribution	1 000	–	1 000
Balance at 1 April 2024	**1 000**	**(1 000)**	**–**
Total comprehensive income for the year	–	1 379 886	1 379 886
Balance at 31 March 2025	**1 000**	**1 378 886**	**1 379 886**

Statement of cash flows

for the year ended 31 March 2025

	Note(s)	**2025 R'000**	2024 R'000
Cash flows generated from/(utilised in) operating activities			
Cash generated from/(utilised in) operations	12	**2 538 118**	(1 000)
Cash flows generated from/(utilised in) financing activities			
Finance costs		**(1 271 203)**	–
Increase in liquidity tier liability	13	**18 929 362**	–
Issuance of equity shares	6	**–**	1 000
Repayment of liquidity tier liability	13	**(269 042)**	–
Net cash flows generated from financing activities		**17 389 117**	1 000
Total cash movement for the year		**19 927 235**	–
Cash and cash equivalents at the beginning of the year		**–**	–
Cash and cash equivalents at the end of the year	2	**19 927 235**	–

Notes to the annual financial statements

for the year ended 31 March 2025

1. Accounting policies

The material accounting policies adopted in the preparation of these annual financial statements are set out below. The accounting policies have been applied consistently to all years presented, unless otherwise stated.

1.1 Basis of preparation

These accounting policies should be read together with the reporting framework on page 33. These annual financial statements have been prepared in accordance with the FSR Act and the accounting policies set out in this note, on a going-concern basis.

The annual financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at initial recognition.

The preparation of annual financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies of CODI.

The annual financial statements of CODI are presented in South African rand, which is the functional currency of CODI, and the amounts are rounded to the nearest thousand, unless otherwise stated. CODI presents its assets and liabilities on the statement of financial position in order of liquidity.

1.2 New IFRS Accounting Standards

1.2.1 New and amended IFRS Accounting Standards

In the current year, the following IFRS Accounting Standards have become effective:

Amendments to IAS 1: Classification of liabilities as current or non-current

The amendments clarify the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period to defer settlement of a liability for at least 12 months after the reporting period, then the liability is classified as non-current. If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions. In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current, even if management intends or expects to settle the liability within 12 months of the reporting period. Additional disclosures would be required in such circumstances. The effective date of the amendments is for financial years beginning on or after 1 January 2024. The amendments do not have a material impact on CODI’s financial statements.

Amendments to IAS 1: Non-current liabilities with covenants

The amendments improve the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants. The amendments also provide guidance on when to classify liabilities arising from covenants as current or non-current. Additional disclosures will be required in the notes to the annual financial statements if an entity classifies liabilities arising from covenants as non-current. The effective date of the amendments is for financial years beginning on or after 1 January 2024. The amendments do not have a material impact on CODI’s financial statements.

Amendments to IFRS 16: Lease liability in a sale and leaseback

The amendments require that a seller-lessee in a sale and leaseback transaction shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The effective date of the amendments is for financial years beginning on or after 1 January 2024. The amendments do not have a material impact on CODI’s financial statements.

Amendments to IAS 7 and IFRS 7: Disclosures: Supplier Finance Arrangements

The amendments apply to circumstances where supplier finance arrangements exist. These are arrangements where finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendments require the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendments is for financial years beginning on or after 1 January 2024. The amendments do not have a material impact on CODI’s financial statements.

1.2 New IFRS Accounting Standards (continued)

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures

IFRS S1 and IFRS S2 are the inaugural standards issued by the International Sustainability Standards Board. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term, while IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. The effective date of these standards is for financial years commencing on or after 1 January 2024 with the adoption thereof currently not being mandatory in South Africa. The SARB is currently developing its broader sustainability strategy and will consider adopting these voluntary standards in future financial years, for all entities within the group, when the strategy has been finalised.

1.2.2 New and amended IFRS Accounting Standards issued but not yet effective

Several new IFRS Accounting Standards and amendments are effective for annual periods beginning on or after 1 January 2025 and have not been early adopted in preparing these financial statements. CODI will adopt these in the relevant financial year in which they become effective. These are as follows:

Amendments to IAS 21: Lack of exchangeability

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow. The effective date of the amendments is for financial years beginning on or after 1 January 2025. It is unlikely that the amendments will have a material impact on CODI's financial statements.

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

The amendments clarify that financial assets and financial liabilities are recognised and derecognised at settlement date, except for regular way purchases or sales of financial assets and financial liabilities meeting the specified conditions. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date. The amendments also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social and governance-linked features. Additionally, these amendments introduce additional disclosure requirements with respect to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The effective date of these amendments is for financial years commencing on or after 1 January 2026. It is unlikely that the improvements will have a material impact on CODI’s financial statements.

Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

These amendments address the application of ‘own use’ and hedge accounting requirements for Contracts Referencing Nature-dependent Electricity (often referred to as power purchase agreements (PPAs)) which meet specified criteria. If a PPA qualifies for the ‘own use’ exemption, it is accounted for as an executory contract rather than as a derivative. In contrast, if a PPA does not qualify for the ‘own use’ exemption, it is accounted for as a derivative to which hedge accounting considerations may apply. The amendments apply to contracts that reference electricity generated from nature-dependent sources and for which cash flows vary based on the amount of electricity generated by a reference production facility. New disclosures have also been introduced. The effective date of the amendments is for financial years commencing on or after 1 January 2026. It is unlikely that the amendments will have a material impact on CODI’s financial statements.

Annual improvements to IFRS Accounting Standards: Volume 11

Annual improvements are limited to changes that either clarify wording in an IFRS Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the IFRS Accounting Standard. The effective date of these annual improvements is for financial years commencing on or after 1 January 2026 and have been made to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. It is unlikely that the improvements will have a material impact on CODI’s financial statements.

IFRS 18: Presentation and Disclosures in Financial Statements

IFRS 18 is the new IFRS Accounting Standard issued with the objective of providing investors with more transparent and comparable information about entities' financial performance. This new IFRS Accounting Standard replaces IAS 1 with only a few key new concepts being introduced, namely:

a. requirements relating to the structure of the statement of profit or loss, including the introduction of required new subtotals in the statement of profit or loss;
b. required disclosures in the financial statements for certain profit or loss performance measures that are reported outside of the entity's financial statements management-defined performance measures; and
c. enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The effective date of this IFRS Accounting Standard is for financial years commencing on or after 1 January 2027. The impact of the adoption of IFRS 18 on CODI's financial statements will be assessed during the relevant financial year.

IFRS 19: Subsidiaries without Public Accountability: Disclosures

IFRS 19 is a voluntary IFRS Accounting Standard that enables an eligible subsidiary to provide reduced disclosures compared to the disclosure requirements of an applicable IFRS Accounting Standard. A subsidiary is eligible to apply IFRS 19 if it does not have public accountability, and its parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. Entities that elect to apply IFRS 19 are, however, still required to apply the recognition, measurement and presentation requirements of an applicable IFRS Accounting Standard. The effective date of this IFRS Accounting Standard is for financial years commencing on or after 1 January 2027. CODI will assess its eligibility to apply the requirements of IFRS 19 during the relevant financial year.

1.3 Financial instruments

1.3.1 Financial assets

1.3.1.1 Initial recognition

CODI recognises its financial assets in the statement of financial position when, and only when, it becomes party to the contractual provisions.

1.3.1.2 Classification

CODI's financial assets include cash and cash equivalents as well as trade and other receivables. Subsequent to initial recognition, a financial asset is measured at amortised cost if it meets both of the following conditions:

a. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of CODI's financial assets meet the conditions outlined above and are therefore measured at amortised cost.

1.3.1.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

The best evidence of fair value on initial recognition is the transaction price, unless fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on discounted cash flow models and option-pricing valuation techniques whose variables include data from observable markets.

1.3.1.4 Subsequent measurement

Amortised cost is calculated using the effective interest rate method that discounts the estimated future cash payments or receipts through the expected life of the financial instruments to the net carrying amount of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation, minus any impairment of the financial assets.

1.3.1.5 Impairment

CODI assesses the ECL associated with its financial assets measured at amortised cost and recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

CODI recognises 12-month ECLs for its financial assets, unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECLs are recognised.

1.3.2 Financial liabilities

1.3.2.1 Initial recognition

CODI recognises its financial liabilities in the statement of financial position when, and only when, it becomes party to the contractual provisions.

1.3.2.2 Classification

CODI's financial liabilities include trade and other payables and the liquidity tier liability, which are subsequently measured at amortised cost.

1.3.2.3 Initial measurement

Financial liabilities are initially recognised at fair value less transaction costs.

The best evidence of fair value on initial recognition is the transaction price, unless fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on discounted cash flow models and option-pricing valuation techniques whose variables include data from observable markets.

1.3.2.4 Subsequent measurement

Amortised cost is calculated using the effective interest method that discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial liability. Finance costs are calculated using the effective interest method and are recognised in profit or loss in the period to which they relate.

1.3.2.5 Derecognition

CODI derecognises financial liabilities when, and only when, CODI's obligations are discharged, cancelled, expire or are substantially modified. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.4 Taxation

CODI is exempt from income tax.

1.5 Cash and cash equivalents

Cash and cash equivalents consists of current accounts held with the SARB as well as short-term deposits held with the SARB and other financial institutions, which have original maturities of three months or less, as well as the interest accrued thereon. The majority of these cash and cash equivalents make up the DIF, which is considered to be restricted cash, as CODI can only use the funds in the DIF to make payments to depositors in the event that a member bank is placed in resolution as well as payments in support of other bank resolution strategies as determined by the SARB.

1.6 Related parties

As per IAS 24: Related Party Disclosures, the annual financial statements contain the disclosures necessary to draw attention to the possibility that CODI's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances with such parties.

Related parties include, but are not limited to, the holding company (the SARB), fellow subsidiaries and members of management who hold positions of responsibility within CODI, including those charged with governance.

1.7 Share capital

Ordinary shares are classified as equity and are recorded at the cost stipulated by the FSR Act.

1.8 Operating income

The operating income of CODI consists of levy income, premium income and investment income.

1.8.1 Levy income

Levies are charged annually to member banks in order to fund the operations of CODI and administer the DIF. Levies are recognised in profit or loss in the period in which they are due.

Any levies not actually received when due are recognised and included in trade and other receivables.

1.8.2 Premium income

Premiums are charged monthly to member banks in order to fund the DIF. Premiums are recognised in profit or loss in the period in which they are due.

Any premiums not actually received when due are recognised and included in trade and other receivables.

1.8.3 Investment income

Investment income comprises interest and dividends received on the DIF investments and invested levy income. Investment income is calculated using the effective interest method and is recognised in profit or loss in the period to which it relates.

Notes to the annual financial statements continued

for the year ended 31 March 2025

2. Cash and cash equivalents

	2025 R'000	2024 R'000
Cash and cash equivalents consists of:		
Call deposit with the SARB	**19 904 021**	–
Current accounts with the SARB	**6 665**	–
Shari'ah-compliant investments with other financial institutions	**16 549**	–
Total cash and cash equivalents	**19 927 235**	–
Restricted cash and cash equivalents	**19 836 340**	–

Restricted cash and cash equivalents relates to DIF investments which may only be used for payouts to depositors in the event of a bank failure as well as payments in support of other bank resolution strategies as determined by the SARB. The call deposit with the SARB earns interest at a rate equal to the prevailing repurchase (repo) rate which was 7.5% as at 31 March 2025. Shari'ah-compliant investments held with other financial institutions earn investment income which is linked to the prevailing repo rate.

3. Trade and other receivables

	2025 R'000	2024 R'000
Amounts due from the SARB	**129 941**	–
Premiums receivable	**105 174**	–
Investment income receivable on Shari'ah-compliant investments	**101**	–
	235 216	–
Maturity structure of trade and other receivables		
Within 1 year	**235 216**	–
	235 216	–

4. Trade and other payables

	2025 R'000	2024 R'000
Amounts due to the SARB	**1 855**	–
Provision for audit fees	**1 723**	–
	3 578	–
Maturity structure of trade and other payables		
Within 1 year	**3 578**	–
	3 578	–

5. Liquidity tier liability

	2025 R'000	2024 R'000
Interest-bearing liquidity tier contributions from member banks	**18 660 320**	–
Interest payable on liquidity tier liability	**118 667**	–
	18 778 987	–
Maturity structure of liquidity tier liability		
Within 1 year	**118 667**	–
Over 5 years	**18 660 320**	–
	18 778 987	–

The purpose of the liquidity fund contribution is to enable CODI to initially build up its fund base. Member banks are required to maintain a minimum amount in the account of the DIF, based on their level of covered deposits.

The contribution amount is based on a percentage of total covered deposits, published by CODI on an annual basis. The liquidity fund contribution is rolled and adjusted monthly with changes in the member banks' total covered deposits. During the current financial year, the prescribed liquidity fund contribution was 3% of covered deposits.

The liquidity fund contribution is interest-bearing and the capital will be repaid to the commercial banks as CODI builds up sufficient funds in the DIF.

Interest on the liquidity tier liability is payable monthly to member banks at the repo rate. As at 31 March 2025, the repo rate was 7.5%.

The SARB issued a guarantee to the member banks for the loan amounts provided to CODI in the form of the liquidity tier contributions. This guarantee was entered into at the same time as the liquidity tier loan agreements and is thus considered to be integral to these loans.

6. Share capital

	2025 R'000	2024 R'000
Authorised		
1 000 000 (2024: 1 000 000) ordinary shares at R1 each	**1 000**	1 000
Issued		
1 000 000 (2024: 1 000 000) ordinary shares at R1 each	**1 000**	1 000

Notes to the annual financial statements continued

for the year ended 31 March 2025

7. Levy income

	2025 R'000	2024 R'000
Levy income	**90 895**	–

All member banks are required to pay annual levies based on a percentage of covered deposits. The Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act 12 of 2022 specifies the percentage rate to be imposed on the covered deposits. Currently, the levy percentage is 0.015% per annum of a member banks' covered deposits for March, with a minimum levy amount of R1 000 per year payable by the end of May. Levies are subject to pro rata apportionment where an entity becomes and/or ceases to be a member during a levy period subject to the R1 000 minimum limit.

Interest is payable on late or non-payment of deposit insurance levies at the rate specified in the Prescribed Rate of Interest Act 55 of 1975.

The interest rate is currently the repo rate plus 3.5% per annum on the amount of the levy that remains unpaid 30 days after the due date.

8. Premium income

	2025 R'000	2024 R'000
Premium income	**1 246 997**	–

All member banks are required to pay monthly premiums. The Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act 12 of 2022 specifies the annual premium rate on covered deposits to be imposed. Currently, monthly premiums are payable at a rate of 0.2% per annum of a member bank's covered deposits.

Interest is payable on late or non-payment of deposit insurance premiums at the rate specified in the Prescribed Rate of Interest Act 55 of 1975.

The interest rate is currently the repo rate plus 3.5% per annum on the amount of the premiums that remains unpaid 30 days after the due date.

9. Investment income

	2025 R'000	2024 R'000
Interest on call deposit with the SARB	**1 434 254**	–
Investment income on Shari'ah-compliant investments	**1 188**	–
	1 435 442	–

Refer to Note 2 for details on the related investments.

Notes to the annual financial statements continued

for the year ended 31 March 2025

10. Operating costs

	2025 R'000	2024 R'000
Audit fees	**1 723**	–
Business forums	**59**	12
Conference fees	**26**	16
Consulting fees	**282**	402
Membership fees	**486**	514
Other operating costs	**3**	–
Professional fees	**522**	–
Promotions	**29**	–
Recreational costs	**48**	–
Telecommunications	**25**	–
Training	**124**	–
Travel and accommodation	**251**	56
	3 578	1 000

11. Finance costs

	2025 R'000	2024 R'000
Interest on liquidity tier liability	**1 389 870**	–
	1 389 870	–

Refer to Note 5 for details on the liquidity tier liability.

12. Cash generated from/(utilised in) operations

	2025 R'000	2024 R'000
Total comprehensive income/(loss) for the year	**1 379 886**	(1 000)
Adjusted for:		
Finance costs	**1 271 203**	–
Changes in operating assets and liabilities:		
(Increase) in trade and other receivables	**(235 216)**	–
Increase in trade and other payables	**3 578**	–
Increase in interest payable on liquidity tier liability	**118 667**	–
	2 538 118	(1 000)

13. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities

	Opening balance	Contributions received	Repayment of liability[1]	Total cash flows	Non-cash flows[2]	Closing balance
2025						
Liquidity tier liability	–	18 929 362	(269 042)	18 660 320	118 667	**18 778 987**

1 R269 million of the liability was repaid as a result of the deregistration of a member bank.

2 The total non-cash flows relate to the interest payable to the member banks on the liquidity tier liability as at 31 March 2025. Refer to Note 5.

14. Contingencies

As specified in section 166AA of the FSR Act, CODI has an obligation to provide protection to depositors by ensuring that they have access to their money in the event that their bank is placed in resolution. As at 31 March 2025, there were no member banks placed in resolution.

15. Related parties

15.1 Relationships

Ultimate holding company	SARB
Significant stakeholder of holding company	NT
Key management personnel services provider	SARB
Fellow subsidiary	SA Mint
Subsidiary of fellow subsidiary (SA Mint)	Prestige Bullion (RF) Proprietary Limited
Fellow subsidiary	SABN
Fellow subsidiary	CPD
Associate of holding company	African Bank Holdings Limited
Subsidiaries of holding company's associate	African Bank Insurance Group Limited African Bank Limited Grindrod Financial Holding Limited ABL2024 Limited (formerly Grindrod Bank Limited)[1]
Retirement fund of holding company	SARB Retirement Fund

1 Grindrod Bank Limited was a subsidiary of African Bank Holdings Limited, operating as a seperate licenced bank until 31 July 2024. With effect from 1 August 2024, the banking operations of Grindrod Bank were absorbed into African Bank Limited. Their banking license was also deregistered effective 1 August 2024.

15. Related parties continued

Members of key management

M Modise	Chairperson of the Board
N Tshazibana	Non-executive director
R Ralebepa	Non-executive director
S Mohamed	Executive director
U Kamlana	Non-executive director
V Davidson	Non-executive director
B Kunene	Independent director
A Bezuidenhout[1]	Independent director

1 A Bezuidenhout is the only member of the Board currently being paid for his services directly by CODI. In the current financial year, an amount of R0.5 million was paid for services rendered (2024: Rnil).

	2025 R'000	2024 R'000
15.2 Related party balances		
Cash and cash equivalents		
Call deposit with the SARB	**19 920 353**	–
Current accounts with the SARB	**6 665**	–
Trade receivables		
Amounts due from the SARB	**113 609**	–
Premiums receivable from African Bank Limited	**2 644**	–
Trade payables		
Amounts due to the SARB	**(1 855)**	–
Liquidity tier liability		
Interest on liquidity tier liability payable to African Bank Limited	**(3 005)**	–
Liquidity tier contributions from African Bank Limited	**(471 942)**	–

15. Related parties continued

	2025 R'000	2024 R'000
15.3 Related party transactions		
Income received from the SARB		
Investment income	**1 434 254**	–
Income/(Expenses) received from/(paid to) African Bank Limited		
Levy income	**888**	–
Premium income	**23 525**	–
Finance costs	**(21 996)**	–
Income/(Expenses) received from/(paid to) Grindrod Bank Limited		
Levy income	**1 274**	–
Refund of levy income	**(845)**	–
Premium income	**5 849**	–
Finance costs	**(9 455)**	–

Terms and conditions of transactions with related parties

Outstanding balances at the reporting date are unsecured and settlement is in cash. No guarantees have been provided or received for related party receivables or payables, with the exception of the guarantee provided by the SARB to African Bank Limited for the liqudity tier liability owed by CODI. Refer to Note 5.

16. Financial instruments and risk management

Financial risk management

Overview

CODI is exposed to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (interest rate risk).

Risk governance policies and procedures are performed by the SARB's RMCD with oversight by the SARB's RMC and BREC. Certain aspects of risk management specific to financial instruments are described below.

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

CODI's maximum exposure to credit risk is the carrying amount of cash and cash equivalents as well as the trade and other receivables held in the statement of financial position.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit risk for exposures other than those arising on cash and cash equivalents is managed by mandating the payment of levies, premiums and liquidity tier contributions as well as enforcing penalties on any late payments thereof by member banks.

Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of the default correlations. CODI measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD), which are defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

CODI defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The member bank is more than 30 days past due on its contractual payments.

Qualitative criteria:

The member bank meets the unlikeliness to pay criteria, which indicates that it is in significant financial difficulty. These are instances where:

– the member bank is in long-term forbearance;

– the member bank is in breach of financial covenant(s), if applicable;

– it is becoming probable that the member bank will enter bankruptcy.

16. Financial instruments and risk management continued

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three months. This period of three months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

- EAD is based on the amounts CODI expects to be owed at the time of default, either over the next 12 months (12-months EAD) or over the remaining lifetime (lifetime EAD).
- LGD represents CODI's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

As at 31 March 2025, CODI had not pledged nor did it hold any collateral relating to its financial liabilities or financial assets respectively.

These three components (PD, EAD and LGD) are multiplied together and adjusted for the likelihood of survival (i.e. the counterparties had not prepaid or defaulted in an earlier month).

Liquidity risk

CODI is exposed to liquidity risk, which is the risk that an entity will encounter difficulties in meeting its obligations as they become due.

CODI is exposed to liquidity risk primarily through the liquidity tier liability. This risk is managed through CODI's communication that the liquidity tier liability will only be repaid to the member banks as CODI builds up sufficient funds in the DIF. CODI will only commence meeting its contractual obligations towards the liquidity tier liability once it has ascertained that it will not encounter any difficulties in meeting those obligations.

CODI is also exposed to liquidity risk as a result of this obligation to make payouts to depositors in the event of a bank failure.

This is managed through the SARB's commitment to provide CODI with an emergency funding loan in the event that CODI is unable to meet its obligations in this respect.

The maturity profile of contractual cash flows of non-derivative financial liabilities is presented in the following table. The cash flows are undiscounted contractual amounts.

		Within 1 year	Over 5 years	Total	Carrying amount
Financial liabilities					
Trade and other payables	4	3 578	–	**3 578**	3 578
Liquidity tier liability	5	118 667	35 776 288	**35 894 955**	18 778 987
		122 245	**35 776 288**	**35 898 533**	18 782 565

16. Financial instruments and risk management continued

Interest rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and comprises currency risk, interest rate risk and other price risk. CODI currently only has exposure to interest rate risk.

CODI is exposed to interest rate risk on its investments and the liquidity tier liability. The financial assets and liabilities of CODI respectively earn and bear interest at rates linked to the South African repo rate which is set by the SARB's Monetary Policy Committee (MPC). The repricing of these assets and liabilities therefore occurs at approximately the same time as changes to the repo rate are announced by the MPC. Owing to financial assets and liabilities both being linked to the repo rate, an economic hedge exists for the impact of interest rate changes in profit or loss. The remaining interest rate exposure is minimal.

Categories of financial instruments

The balances of total assets of R20 billion (2024: Rnil) and total liabilities of R19 billion (2024: Rnil), as presented in the statement of financial position, represent the carrying amounts of CODI's financial assets and financial liabilities, all of which are measured at amortised cost in accordance with IFRS 9.

17. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The Board is of the opinion that the corporation will continue as a going concern in the year ahead and, consequently, adopted the going concern basis in preparing the annual financial statements. The directors are not aware of any new material changes that may adversely impact CODI. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect CODI.

18. Events after the reporting period

There were no applicable events after the reporting period that were required to be disclosed in terms of the IFRS Accounting Standards.

Abbreviations

Board	Board of Directors
BREC	Board Risk and Ethics Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODI	Corporation for Deposit Insurance
CPD	Corporation for Public Deposits
DIF	Deposit Insurance Fund
DIS	Deposit Insurance Scheme
EAD	exposure at default
ECL	expected credit losses
FSB	Financial Stability Board
FSCA	Financial Sector Conduct Authority
FSLAB	Financial Sector Laws Amendment Bill
FSR Act	Financial Sector Regulation Act 9 of 2017
G20	Group of Twenty
IADI	International Association of Deposit Insurers
IFRS	International Financial Reporting Standard
IT	information technology
I&T	information and technology
I&TSC	Information and Technology Steering Committee
LGD	loss given default
Manco	Management Committee
MPC	Monetary Policy Committee
NT	National Treasury
PA	Prudential Authority
PD	probability of default
PPA	power purchase agreement
R	rand
RA	Resolution Authority
Regulations	Deposit Insurance Regulations
Remco	Remuneration Committee
repo	repurchase
RF	ring-fenced
RMC	Risk Management Committee
RMCD	Risk Management and Compliance Department
SABN	South African Bank Note Company (RF) Proprietary Limited
SA Mint	South African Mint Company (RF) Proprietary Limited
SARB	South African Reserve Bank
SARB Group	South African Reserve Bank Group
SCV	single customer view
SFA	strategic focus area