

CORPORATION FOR PUBLIC DEPOSITS

Annual financial statements
for the year ended
31 March 2026



SOUTH AFRICAN RESERVE BANK





Contents

Approval and statement of responsibility	2
Directors' report	3
Independent auditor's report	5
Statement of financial position	8
Statement of profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	9
Notes to the annual financial statements	10
Abbreviations	27

Approval and statement of responsibility

The Board of Directors (Board) of the Corporation for Public Deposits (CPD) is responsible for the maintenance of adequate accounting records as well as the preparation and integrity of the CPD's annual financial statements and related information. The external auditors are responsible for the independent auditing of, and reporting on, the presentation of the annual financial statements in accordance with the basis of preparation and reporting framework described in Note 1 to the annual financial statements.

The Board has reason to believe that the CPD has adequate resources in place to continue operating in the foreseeable future; therefore, the annual financial statements have been prepared on the going-concern basis. The annual financial statements are based on appropriate accounting policies and supported by reasonable judgements and estimates. The Board is satisfied that the information contained in the annual financial statements fairly presents the results of operations for the current financial year and the financial position of the CPD at the reporting date, in accordance with the basis of preparation described in Note 1 to the annual financial statements and the requirements of the Corporation for Public Deposits Act 46 of 1984 (CPD Act).

The Board is also responsible for ensuring that adequate systems of internal financial control are in place for the CPD. These systems are designed to provide reasonable, though not absolute, assurance regarding the reliability of the annual financial statements; safeguard, verify and maintain accountability of assets and liabilities; and prevent and detect misstatement and 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 annual financial statements have been audited by an independent auditing firm, Ernst & Young Incorporated, which was given unrestricted access to all financial records and related data, including the minutes of all meetings of the Board and the shareholder, the South African Reserve Bank (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:

Rashad Cassim

R Cassim
Chairperson

Signed by:Wessel Hendrik Moolman
Signed at:2026-06-10 12:58:35 +02:00
Reason:Witnessing Wessel Hendrik Mool



W H Moolman
Director

Pretoria
10 June 2026

Directors' report

for the year ended 31 March 2026

The Board is pleased to present the CPD's 42nd annual financial statements.

Nature of business

The CPD, a wholly owned subsidiary of the SARB, is a juristic person established by the CPD Act.

The CPD accepts deposits from the public sector and invests these funds in short-term money market instruments, statutory liquid assets accepted by the SARB as collateral during its refinancing operations, and securities issued by public entities as governed by the CPD Investment Guidelines. The CPD may also accept call deposits from other depositors with the approval of the Minister of Finance (Minister). All funds invested with the CPD are repayable on demand.

Board of Directors

The activities of the CPD are managed and controlled by the Board. The Board assumes ultimate responsibility for the CPD. In accordance with the CPD Act, the Board comprises four individuals appointed by the Minister: two who hold the office of Governor or Deputy Governor of the SARB (or officers of the SARB) and two officers of National Treasury.

The Chairperson of the Board is appointed by the Minister.

The CPD Act allows directors to nominate, with the consent of the Board, alternate directors to act on their behalf in their absence or when they are unable to act as directors.

CPD Board of Directors, 2025/26

Director	Position and office	Date of appointment/ reappointment	Alternate director
R Cassim	Deputy Governor of the SARB and Chairperson of the CPD Board	1 July 2022	R Ralebepa
Z Parker	Officer of the SARB	1 August 2019	M Nkuna
T Msomi	Officer of National Treasury	1 July 2025	A M Maseko
W H Moolman	Officer of National Treasury	6 July 2020	G Mabundza

Owing to the scope and risk profile of the CPD, the Board has decided not to establish any committees to assist it in fulfilling its duties and responsibilities.

The Board meets at least four times a year to consider matters of the CPD. During the current financial year, the Board continued to provide oversight over the investment of funds and the accounting function, the performance of investments and interest rate structures, the activities and accounts of depositors and issuers of securities, and adherence to the CPD's approved Investment Guidelines.

Directors are not remunerated for services rendered to the CPD.

Attendance schedule for CPD Board of Directors meetings, 2025/26

	15/05/2025	14/08/2025	26/11/2025	17/02/2026
R Cassim	√	√	√	√
Z Parker	√	√	√	√
A M Maseko	√	√	√	x
W H Moolman	√	√	√	√
R Ralebepa	√	√	X	√
M Nkuna	√	√	√	√
G Mabundza	√	√	√	√
Y Sambo	√	<	<	<
T Msomi	+	√	√	√

- √ Attended
- x Absent
- + Appointed in July 2025
- < No longer an alternate member

Accountability

The annual financial statements of the CPD are required to be submitted to the Minister within six months after the end of the financial year, whereafter the Minister tables them in Parliament. The annual financial statements for the year ended 31 March 2025 were tabled in Parliament on 21 August 2025.

Internal controls

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

Administration and accounting

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

Contingency reserve

In terms of section 15 of the CPD Act, a contingency reserve is maintained to provide a buffer against future financial losses. An amount of R385 million (2025: R775 million) was transferred to the contingency reserve in the current financial year. Movements in the contingency reserve are set out in the 'Statement of changes in equity' on page 9 of these annual financial statements.

Financial results and performance

The financial results and performance of the CPD are set out in the annual financial statements. The total comprehensive income for the current financial year amounted to R385 million (2025: R775 million). No surplus funds were available for transfer to government (2025: Rnil).

Share capital

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

Dividend

As per paragraph 3(c) of the CPD Act, the CPD is authorised to pay the shareholder (the SARB), from its annual net profits, a dividend on its paid-up capital. The CPD did not declare a dividend in the current financial year (2025: Rnil) as it had not achieved a targeted minimum contingency reserve.

Registered office

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with confidence**

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Independent auditor's report

To the shareholder of the Corporation for Public Deposits

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of the Corporation for Public Deposits (CPD) set out on pages 8 to 27, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements are prepared, in all material respects, the financial position of the CPD as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation described in Note 1 to the annual financial statements and the requirements of the Corporation for Public Deposits Act, 46 of 1984.

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 Annual Financial Statements section of our report. We are independent of the CPD in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) as applicable to audits of financial statements of public interest entities, 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' International 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.

Emphasis of matter – Basis of preparation

We draw attention to Note 1 to the annual financial statements, which describes the basis of preparation. The annual financial statements are prepared in accordance with an entity-specific financial reporting framework, as described in Note 1, which is based on the CPD's own accounting policies and the requirements of the Corporation for Public Deposits Act. This basis of preparation has been applied to meet the financial information needs of the shareholder and other stakeholders identified in the Act. As a result, the annual financial statements may not be suitable for other purposes. Our opinion is not modified in respect of this matter.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in *Government Gazette* Number 49309 dated 15 September 2023 (EAR Rule) we report:

Final materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Final materiality:

We determined final materiality to be R2.1 billion, which is based 1% of total assets. We consider total assets to be the most appropriate basis as the CPD operates as a not-for-profit entity with a government mandate, where users' primary focus is on the scale of assets under management, the level of deposits held and the associated risks, rather than profit generation..

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other matter

The annual financial statements of the Corporation for Public Deposits for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those annual financial statements on 18 June 2025.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 27-page document titled "Corporation for Public Deposits Annual Financial Statements for the year ended 31 March 2026", which includes the Directors' Report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 directors for the annual financial statements

The directors are responsible for the preparation of the annual financial statements in accordance with the basis of preparation described in Note 1 to the annual financial statements. This includes determining that the basis of preparation is acceptable in the circumstances, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the CPD'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 directors either intend to liquidate the CPD or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CPD's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 CPD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 CPD'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 annual 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 CPD to cease to continue as a going concern.

We communicate with the 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 directors, we determine those matters that were of most significance in the audit of the annual 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.

Ernst & Young Inc.

Zaheer Wadee
Director

Chartered Accountant (SA)
Registered Auditor
Johannesburg, South Africa
10 June 2026

102 Rivonia Road
Sandton
2196

Statement of financial position

as at 31 March 2026

	Notes	2026 R'000	2025 R'000
Assets			
Cash and cash equivalents	2	156 019 910	119 619 827
Investments	3	53 429 621	424 891
Money market investments		119 533	72 585
Short-term deposits		53 096 744	–
Amortising notes		213 344	352 306
Total assets		209 449 531	120 044 718
Liabilities			
Deposits	4	207 030 948	118 301 203
Other liabilities	5	413 172	123 044
Total liabilities		207 444 120	118 424 247
Capital and reserves			
Share capital	6	2 000	2 000
Contingency reserve		2 003 411	1 618 471
Total capital and reserves		2 005 411	1 620 471
Total liabilities, capital and reserves		209 449 531	120 044 718

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2026

Interest income	7	12 804 630	10 629 079
Interest expense	8	(12 416 776)	(10 299 325)
Net interest income		387 854	329 754
Gain on investments	12	–	109 621
Expected credit loss movement	11.5.2	4 013	342 082
Profit before operating costs		391 867	781 457
Operating costs	9	(6 927)	(6 337)
Total comprehensive income for the year		384 940	775 120

Statement of changes in equity

for the year ended 31 March 2026

	Share capital	Accumulated profit/(loss)	Contingency reserve	Total
	R'000	R'000	R'000	R'000
Balance at 31 March 2024	2 000	–	843 351	845 351
Total comprehensive income for the year	–	775 120	–	775 120
Transfer to reserves	–	(775 120)	775 120	–
Balance at 31 March 2025	2 000	–	1 618 471	1 620 471
Total comprehensive income for the year	–	384 940	–	384 940
Transfer to reserves	–	(384 940)	384 940	–
Balance at 31 March 2026	2 000	–	2 003 411	2 005 411
Note	6			

Explanatory notes

Contingency reserve

A contingency reserve is maintained to provide a buffer against future financial losses. An amount of R385 million (2025: R775 million) was transferred to the contingency reserve in the current financial year.

Dividends paid

As per paragraph 3(c) of the CPD Act, the CPD is authorised to pay the shareholder (the SARB) from its annual net profits a dividend on its paid-up capital. The CPD did not declare a dividend in the current financial year (2025: Rnil) as it had not achieved a targeted minimum contingency reserve.

Transfer to government

In terms of section 15 of the CPD Act, the surplus after transfers to reserves and the declaration of dividends must be paid to government. For the year ended 31 March 2026, no amount (2025: Rnil) was due to government.

Statement of cash flows

for the year ended 31 March 2026

	Notes	2026 R'000	2025 R'000
Cash flows generated from operating activities			
Cash generated from operations	10	36 829 245	31 384 619
Interest received		11 987 614	9 955 592
Interest paid		(12 416 776)	(10 299 045)
Net cash flows generated from operating activities		36 400 083	31 041 166
Net increase in cash and cash equivalents		36 400 083	31 041 166
Cash and cash equivalents at the beginning of the year		119 619 827	88 578 661
Cash and cash equivalents at the end of the year	2	156 019 910	119 619 827

Notes to the annual financial statements

for the year ended 31 March 2026

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 Reporting framework

The CPD's operations are governed by the CPD Act.

In developing an accounting framework, the CPD has applied IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), unless indicated otherwise in the deviations noted below.

In addition, the CPD considers certain disclosures inappropriate to its functions as a secure, short-term investment manager for public sector funds and the sensitivity of the information that it collects as part of that function and as a wholly owned subsidiary of the SARB. The CPD's annual financial statements therefore disclose less detail than would be required under IFRS Accounting Standards. Summarised below is a list of all departures from IFRS Accounting Standards as a consequence of the above:

Disclosure

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

- market risk: the sensitivity analysis for each type of market risk to which the CPD 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; and
- credit risk: the credit quality per counterparty (issuer) and instrument class, the historical information about the counterparty default rates, and a breakdown of instruments per counterparty.

1.2 Basis of preparation

These accounting policies should be read together with the reporting framework above. These annual financial statements have been prepared on a going-concern basis, in accordance with the CPD Act and the accounting policies set out in this note. These annual financial statements have also been prepared on the historical-cost basis, unless stated otherwise. 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 key accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies of the CPD.

The annual financial statements of the CPD are presented in South African rand, which is the functional currency of the CPD, and the amounts are rounded off to the nearest thousand, unless otherwise stated. The statement of financial position is presented by order of liquidity.

1.3 New IFRS Accounting Standards, interpretations and amendments

1.3.1 Effective in the current financial year

There are no new or amended IFRS Accounting Standards, nor interpretations, effective in the current financial year which are applicable to the CPD.

1.3.2 Issued but not yet effective

Several new IFRS Accounting Standards as well as amendments to existing IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2026 and have not been early adopted in preparing these annual financial statements. The CPD will adopt these amendments in the relevant financial year in which they become effective. These are as follows:

- *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. The amendment is not expected to have a material impact on the CPD'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. The improvements are not expected to have a material impact on the CPD's financial statements

- *IFRS 18, Presentation and Disclosures in Financial Statements*

IFRS 18 is a 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, Presentation of Annual Financial Statements*, with only a few key new concepts being introduced, namely:

- 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;
- 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
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The effective date is for financial years commencing on or after 1 January 2027. The impact of the implementation of IFRS 18 on the CPD's financial statements will be assessed during the forthcoming financial year.

1.4 Financial instruments

1.4.1 Financial assets

1.4.1.1 Classification

In accordance with IFRS 9, *Financial Instruments* (IFRS 9), the CPD classifies its financial assets into the amortised cost measurement category.

For debt instruments, the business model test and the solely payments of principal and interest (SPPI) test are applied in determining the category which best applies to the financial instruments that the CPD holds and/or trades. Under the business model test, the CPD determines the objective for which it holds financial instruments (i.e. it holds financial asset to collect contractual cash flows rather than selling the instrument prior to its contractual maturity to realise its fair value changes, or both).

Factors considered by the CPD in determining the business model of a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated. The business model test is performed before the SPPI test.

Under the SPPI test, the CPD must determine whether the collection of contractual cash flows represents SPPI on specified dates. In making this assessment, the CPD considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for time, the value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement).

Management determines the classification of financial assets at initial recognition. The CPD reclassifies debt instruments when, and only when, its business model for managing these assets changes. The reclassification takes place from the start of the first reporting period following the change.

The classification depends on the purpose for which the financial assets were acquired. Management applies the principles contained in the Investment Guidelines of the CPD to classify cash and cash equivalents as well as investments. Instruments with maturities of three months or less at inception, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value are classified as cash and cash equivalents, and instruments with maturities of more than three months are classified as short-term investments. These principles align the classification with the definition of cash and cash equivalents in IAS 7, *Statement of Cash Flows* (IAS 7).

When the fair value of financial assets differs from the transaction price on initial recognition, the CPD recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of the deferred day-one profit or loss is determined individually. It is amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market-observable inputs or be realised through settlement.

Amortised cost

Assets held for the collection of contractual cash flows, where those cash flows represent SPPI, and which are not specifically excluded in terms of the CPD Act or designated at fair value through profit or loss, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss (ECL) allowance, which is recognised and measured as disclosed in Note 11.4. Interest income is calculated using the effective interest method and is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents at amortised cost comprises deposits with banks and other short-term highly liquid money market investments with original maturities of three months or less (91 days or less). Where the maturity date falls on a weekend or a public holiday, the 'next business day' convention will apply; however, the investment will still be considered as a 91-day investment. For the purposes of the statement of cash flows, cash and cash equivalents, as defined under this paragraph, include bank overdrafts as they are considered to be an integral part of the CPD's cash management.

The objective of the CPD's business model is to hold cash and cash equivalents to collect contractual cash flows rather than to sell the instruments to realise fair value changes. Cash is primarily held to facilitate operating activities. On specified dates, the contractual terms of cash and cash equivalents give rise to cash flows which are SPPI on the principal amount outstanding.

Investments

This portfolio consists of money market investments, fixed deposits placed with commercial banks as well as amortising notes issued by other financial institutions.

The objective of the CPD's business model for this portfolio is to invest in money market instruments in accordance with the CPD's Investment Guidelines based on the assessed liquidity required. The investments are held to collect contractual cash flows rather than to sell the instruments to realise fair value changes. On specified dates, the contractual terms of money market investments give rise to cash flows which are SPPI on the principal amount outstanding.

1.4.1.2 Measurement

Initial measurement

Financial instruments are initially measured at fair value and, in the case of financial instruments not carried at fair value through profit or loss, the initial amount also includes transaction costs directly attributable to their acquisition. The best evidence of fair value on initial recognition is the transaction price, unless the fair value is evidenced by comparison with other observable current market transactions for the same instrument or based on discounted cash flow models and option-pricing valuation techniques whose variables include only data from observable markets.

Where there is a difference between the transaction price and the fair value of the financial instruments (i.e. day 1 gains or losses), this difference is recognised in profit or loss only when the fair value is evidenced by a quoted price in an active market (Level 1 inputs by applying the requirements of IFRS 13, *Fair Value Measurement* (IFRS 13)). In any other case (i.e. the fair value is evidenced by level 2 and 3 inputs by applying the requirements of IFRS 13), the difference is deferred and recognised over the instrument's life.

The purchases and sales of financial assets that require delivery are recognised on the trade date, namely the date on which the CPD commits itself to purchasing or selling the assets.

Subsequent measurement

The amortised cost of financial assets is calculated using the effective interest method.

1.4.1.3 Recognition and derecognition

Financial assets are recognised when the CPD becomes party to the contractual provisions of the instruments. The purchases and sales of financial assets entered into during the normal course of business are recognised on the trade date, namely the date on which the CPD commits itself to purchasing or selling the assets.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where the CPD has substantially transferred all risks and rewards of ownership.

1.4.1.4 Impairment of financial assets

The CPD applies IFRS 9, and assesses, on a forward-looking basis, the ECL associated with its debt instruments carried at amortised cost. The CPD 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.

Refer to Note 11.4 for further detail on the measurement of the ECL allowance.

1.4.2 Financial liabilities

1.4.2.1 Classification

The CPD applies IFRS 9, and classifies its financial liabilities at amortised cost.

The CPD classifies a financial instrument that it issues as a financial liability in accordance with the substance of the contractual agreement. Management determines the classification of financial liabilities at initial recognition.

1.4.2.2 Measurement

Initial measurement

Financial liabilities are initially recognised at fair value, generally being their issue proceeds net of transaction costs incurred. The best evidence of fair value on initial recognition is the transaction price, unless the 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 only data from observable markets.

Subsequent measurement

Financial liabilities are subsequently carried at amortised cost.

1.4.2.3 Recognition and derecognition

The CPD recognises financial liabilities when it becomes a party to the contractual provisions of the instruments.

The CPD derecognises financial liabilities when, and only when, its 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.

1.4.3 Fair value

All financial instruments are measured at amortised cost, which approximates their fair values.

1.4.4 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate which exactly discounts estimated future cash flows (excluding ECL but including all fees paid or received which form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period to the gross carrying amount of the financial asset or liability. For purchased or originated credit-impaired financial assets, the CPD calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount, and which incorporates the impact of ECL in estimated future cash flows.

When the CPD revises the estimated future cash flows, the carrying amount of the respective financial instrument is adjusted to reflect the new estimate, discounted using the original effective interest rate. Any changes are recognised in profit or loss.

1.4.5 Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position, where there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.5 Related parties

According to IAS 24, *Related Party Disclosures* (IAS 24), the annual financial statements include the necessary disclosures to highlight the possibility that the CPD'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, fellow subsidiaries and members of management who hold positions of responsibility within the CPD, including those charged with governance in accordance with legislation and National Treasury. Directors or alternate directors receive no remuneration or allowances in respect of their services as directors. However, the Board may, at its discretion, compensate directors for actual expenses incurred by them with respect to their functions as directors. Their responsibilities, however, may enable them to influence the benefits of office that flow to them and their related parties or the parties they represent on the governing body.

1.6 Share capital

Ordinary shares are classified as equity and are recorded as the proceeds received net of incremental external costs directly attributable to the issue.

1.7 Interest income and expense recognition

Interest income and interest expense are recognised on a time-proportion basis, taking account of the principal amount outstanding and the effective interest rate over the period to maturity. Interest income and interest expense are recognised in profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method. Where financial assets have been impaired, interest income continues to be recognised on the impaired value, based on the original effective interest rate. Interest income and interest expense include the amortisation of any discount or premium, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on the effective interest basis.

1.8 Key accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Other than the items listed below, there were no significant changes to the CPD's estimates and assumptions in the current or prior financial year.

The preparation of annual financial statements in accordance with the reporting framework outlined in Note 1.1 requires the use of certain critical accounting estimates.

Measurement of the ECL allowance

The measurement of the ECL allowance for financial assets measured at amortised cost is an area that requires complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). An explanation of the inputs, assumptions and estimation techniques used in measuring the ECL is detailed in Note 11.4.3, which also sets out the key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring the ECL, such as:

- determining the criteria for a significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of the ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- establishing groups of similar financial assets for the purposes of measuring the ECL.

Refer to Note 11 for further detailed information about the judgements and estimates made by the CPD in the above areas.

2. Cash and cash equivalents

	2026	2025
	R'000	R'000
Current account with the SARB	265 776	37 628
Call deposit with the SARB	62 632 344	30 249 262
Short-term deposits at commercial banks	65 667 947	76 150 784
Money market investments	27 453 843	13 182 153
	156 019 910	119 619 827

As per the accounting policy, instruments with original maturities of three months or less are classified as cash and cash equivalents. The call deposit with the SARB earns interest at the SARB policy rate (SPR) (2025: SPR). The short-term deposits at commercial banks earn interest at market-related rates. The current account and call account with the SARB are repayable on demand. Short-term deposits have maturity date of 29 June 2026.

Money market investments include repo agreements of R27 billion (2025: R13 billion). The following table presents details of repo agreements:

Fair value of repo agreements	27 355 752	13 182 153
Fair value of collateral received	27 543 154	13 290 229
Fair value of collateral permitted to sell or repledge at the reporting date	27 543 154	13 290 229
Collateral cover	101%	101%
Maturity date	9 April 2026	10 Apr 2025

At the reporting date, none of the collateralised money market investments were past due or impaired (2025: none).

Counterparties are exposed to interest rate risk on the various securities pledged as collateral for repo agreements. The CPD has the ability to sell or repledge these securities in the event of a default.

3. Investments

	2026	2025
	R'000	R'000
Money market investments		
Non-interest-bearing Treasury bills	72 585	72 585
Floating rate notes	46 948	–
Short-term deposits		
Fixed deposits at commercial banks	53 096 744	–
Other investments		
Amortising notes	221 510	364 485
Total investments	53 437 787	437 070
ECL allowance	(8 166)	(12 179)
Total investments, net of ECL	53 429 621	424 891
Maturity structure of investments		
1 month and less	20 885 844	72 585
Between 1 and 3 months	23 279 408	–
Between 3 and 6 months	9 004 077	–
More than 6 months	260 292	352 306
	53 429 621	424 891

Non-interest-bearing Treasury bills are funded by non-interest-bearing deposits in terms of an agreement with National Treasury.

Short-term deposits are made for varying periods, depending on the CPD's immediate cash requirements, and earn interest at market-related rates.

The amortising notes are unlisted, bear interest at the three-month Johannesburg Interbank Average Rate (Jibar), and mature in March 2028. On 3 December 2025, the SARB announced that Jibar will be permanently discontinued after 31 December 2026 and will be replaced by the South African Rand Overnight Index Average (ZARONIA) thereafter. New terms and conditions for these notes will be negotiated and finalised after the current financial year.

4. Deposit accounts

	2026	2025
	R'000	R'000
Interest-bearing deposits: IGCC and other	206 081 206	117 357 575
Interest-bearing deposits: ETP (JSE Limited margin)	877 157	871 044
Non-interest-bearing deposits	72 585	72 585
	207 030 948	118 301 204

Maturity structure of deposit accounts

1 month and less	207 030 948	118 301 204
	207 030 948	118 301 204

Deposit accounts are repayable on demand in terms of section 3.1 of the CPD Act.

All interest-bearing deposits earn interest at the SPR. The prevailing rate at financial year-end was 6.75% (2025: 7.50%).

Margin call deposits are held on behalf of participants of the JSE Limited Bond Electronic Trading Platform (ETP). The CPD does not trade on the ETP, but rather holds the deposits for participants of the platform. The prevailing rate at the reporting date for ETP margin call deposits was 6.75% (2025: 7.50%).

Non-interest-bearing deposits fund the non-interest-bearing Treasury bills in Note 3.

5. Other liabilities

Cash received margin call	410 977	122 147
Interest accrued margin call	1 784	280
Interest received in advance	411	617
	413 172	123 044

6. Share capital

Authorised 2 000 000 (2025: 2 000 000) ordinary shares at R1 each	2 000	2 000
Issued 2 000 000 (2025: 2 000 000) ordinary shares at R1 each	2 000	2 000

7. Interest income

Interest on call and fixed deposits	11 128 371	8 646 015
Interest on amortising notes	30 968	19 713
Interest on money market instruments	1 642 438	1 708 964
Interest on loans and advances	2 853	254 387
	12 804 630	10 629 079

8. Interest expense

	2026	2025
	R'000	R'000
Interest on deposit accounts: IGCC and other deposit accounts	12 347 042	10 226 113
Interest on deposit accounts: ETP (JSE Limited margin)	60 585	63 426
Interest on margin call	4 950	4 960
Interest on overdraft	4 199	4 826
	12 416 776	10 299 325

Refer to Note 4 for further details on the interest rates for deposit accounts.

Interest on the overdraft with the SARB is calculated at a rate of 91-day Treasury bills less 40 basis points. The prevailing rate at the reporting date was 6.46% (2025: 7.40%).

9. Operating costs

Audit fees	1 484	1 424
Management fees	5 443	4 913
	6 927	6 337

10. Notes to the statement of cash flows

Cash generated from operations

Total comprehensive income for the year	384 940	775 120
Adjustments for:		
Interest income	(12 804 630)	(9 955 592)
Interest expense	12 416 776	10 299 045
Gains on investments	–	(109 621)
ECL movement	(4 013)	(342 082)
	(6 927)	666 870
Changes in operating assets and liabilities:		
Investments	(52 183 701)	23 308 746
Deposit accounts	88 729 745	7 458 304
Other liabilities	290 128	(49 302)
	36 829 245	31 384 619

11. Risk management in respect of financial instruments

Risk governance policies and procedures are performed by the RMCD of the SARB, with oversight by the Risk Management Committee and the Board Risk and Ethics Committee. Certain aspects of risk management specific to financial instruments are described below.

11.1 Credit and compliance risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligations. Credit risk arises from the activities of the CPD, such as deposits made with other institutions and the settlement of financial market transactions.

Credit risk is mitigated in the CPD by specifying a list of eligible securities, the minimum credit ratings for securities as well as sector concentration limits in the Investment Guidelines. The minimum counterparty credit rating for investment is a composite rating derived from Standard & Poor's, Moody's Investors Service and Fitch Ratings. Following the annual review, no amendments were made to the CPD's Investment Guidelines.

The CPD portfolio had no counterparty exposure that was below the minimum rating during the current financial year.

11.2 Interest rate management

The financial assets and financial liabilities of the CPD respectively earn and bear interest at rates linked to the South African money market rates. The CPD is exposed to interest rate risk, which is managed through specifying maturity limits in the Investment Guidelines.

11.3 Credit risk measurement

Estimating 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. Assessing the credit risk of a portfolio of assets involves estimating the likelihood of defaults occurring, the associated loss ratios and the default correlations. The CPD measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD). This is the approach used for measuring ECL under IFRS 9. Refer to Note 11.4.3 for further details.

The CPD uses external credit risk ratings to assess the PD of individual counterparties. Borrower- and loan-specific information collected at the time of application (such as the level of collateral) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models allow judgemental inputs to refine the internal credit rating for each exposure. This accommodates considerations which may otherwise not be captured as part of the other data inputs into the model. The credit grades are calibrated so that the risk of default increases exponentially with each higher-risk grade. For example, this means that the difference in the PD between an A and A- rating grade is smaller than the difference in the PD between a B and B- rating grade.

11.4 ECL measurement

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Its credit risk is continuously monitored by the CPD.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. Refer to Note 11.4.1 for a description of how the CPD determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, it moves to Stage 3. Refer to Note 11.4.2 for a description of how the CPD defines 'default' and 'credit-impaired'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECLs that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on a lifetime basis. Refer to Note 11.4.3 for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

The key judgements and assumptions adopted by the CPD in addressing the requirements of the standard are discussed below:

11.4.1 Significant increase in credit risk

The CPD considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

Quantitative criteria

A three-notch credit rating movement is used as an indicator, as it guarantees a change in an issuer's creditworthiness along the credit rating scale used by rating agencies. The short-term nature of exposure makes it unlikely that credit risk will move significantly. This is, however, reviewed frequently.

Qualitative criteria

These are used if the borrower is on a watchlist and/or if the financial instrument meets one or more of the following criteria:

- a negative outlook by two or more rating agencies in the past six months;
- a significant increase in credit spread;
- significant adverse changes in the business, financial and/or economic conditions in which the borrower operates;
- actual or expected forbearance or restructuring;
- actual or expected significant adverse changes in the operating results of the borrower;
- a significant adverse change in the collateral value (secured facilities only) which is expected to increase the risk of default; and
- early signs of cash flow or liquidity problems (such as a delay in the servicing of trade creditors or loans). The CPD did not use the low credit risk exemption for any financial instruments in the current or prior year.

11.4.2 Definition of 'default' and 'credit-impaired' assets

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

Quantitative criteria

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

Qualitative criteria

The borrower meets the 'unlikely to pay' criteria, which indicates that the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance;
- the borrower is in breach of financial covenant(s), if applicable;
- it is becoming probable that the borrower will enter bankruptcy;
- financial assets are purchased or originated at a deep discount that reflects the incurred credit losses; and
- an active market for that financial asset has disappeared.

The criteria listed above have been applied to all the financial instruments classified at amortised cost held by the CPD and are consistent with the definition of 'default' used for internal credit risk management purposes. The 'default' definition has been applied consistently to model the PD, EAD and LGD throughout the CPD's ECL calculations.

A financial 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 was determined based on an analysis which considered the likelihood of a financial instrument returning to a default status after 'cure' using different possible 'cure' definitions.

11.4.3 Measuring ECL: An explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or a lifetime basis, depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

In the current financial year, the CPD's exposure has been assessed as being in Stage 1. The impairment is therefore measured based on 12-month ECLs.

The ECL calculation is based on the following key components:

PD

This is an estimate of the likelihood of default over a given time horizon. The PD is derived from published default rates associated with the credit ratings of specific counterparties.

EAD

This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

LGD

This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD.

A benchmark LGD for large unsecured corporate facilities has been applied as a proxy.

Discount rate

This is used to discount the expected loss to a present value at the reporting date using the effective interest rate (EIR) at initial recognition. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

Forward-looking economic information is also included in determining the EAD, LGD and PD. The assumptions underlying the ECL calculation (such as the maturity profile of PDs and collateral values) are monitored and reviewed periodically.

11.5 Credit risk exposure

11.5.1 Maximum exposure to credit risk: Financial instruments subject to impairment

The table in Note 11.5.2 contains an analysis of the financial instruments for which an ECL allowance is recognised. The gross carrying amounts of the financial assets, before considering expected credit losses, as stated in note 2 Cash and cash equivalents and note 3 Investments, represent the CPD's maximum exposure to credit risk.

The CPD writes off financial assets when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators thereof include the ceasing of enforcement activity and instances where the collateral value indicates that there is no reasonable expectation of recovery.

Loans are advanced as part of national government's Inter-Governmental Cash Coordination (IGCC) arrangement in terms of which some state-owned entities and treasuries of provincial governments deposit excess funds with the CPD to form a pool of funds from the public sector. The national and provincial treasuries are allowed to borrow money from the IGCC pool of funds. National Treasury guarantees that the deposits will be made available to depositors on demand.

The CPD and the SARB concluded the updates to the IGCC legal agreements with National Treasury and the provincial treasuries, with an effective date of 31 March 2024. The updated agreements clarify repayment terms for the facility and outline the procedures in the event of default. Similarly, updated legal agreements for the state-owned entities were concluded in the current financial year.

The agreement further clarifies that the CPD and SARB are administrative parties in the IGCC arrangement and will not be liable for any losses on the facility. Therefore, the CPD has not recognised ECL on the IGCC facility.

11.5.2 Collateral and other credit enhancements

The CPD employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The CPD has internal policies in place on the acceptability of specific classes of collateral or credit risk mitigation.

The CPD's policies regarding obtaining collateral did not change significantly during the reporting period, and there has been no significant change in the overall quality of collateral held by the CPD since the prior reporting period.

The closing balance of the credit-impaired loss allowance as at 31 March 2026 is reconciled as follows:

Opening loss allowance as at 1 April 2024	354 261
Loss allowance reversed during the year	(354 261)
Loss allowance raised during the year	12 179
Loss allowance as at 31 March 2025	12 179
Loss allowance reversed during the year	(4 013)
Loss allowance as at 31 March 2026	<u>8 166</u>

	Stage 1 12-months ECLs	Stage 2 lifetime ECLs	Stage 3 lifetime ECLs	Purchased credit- impaired	Total
	R'000	R'000	R'000	R'000	R'000
2026					
Loss allowance as at 1 April 2025	12 179	–	–	–	12 179
Loss allowance reversed during the year	(4 013)	–	–	–	(4 013)
	<u>8 166</u>	–	–	–	<u>8 166</u>
2025					
Loss allowance as at 1 April 2024	–	354 261	–	–	354 261
Loss allowance reversal during the year	–	(354 261)	–	–	(354 261)
Loss allowance raised during the year	12 179	–	–	–	12 179
	<u>12 179</u>	–	–	–	<u>12 179</u>

11.6 Loss allowance

The loss allowance recognised in the current financial year is impacted by a variety of factors, namely:

- the impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from the regular refreshing of inputs to models;
- the impact on the measurement of ECL due to changes made to models and assumptions; and
- discounted unwinding within the ECL due to the passage of time, as ECL is measured on a present-value basis.

11.7 Deposit accounts

In terms of the current interest rate policies, as approved by the Board, the IGCC pool of funds, ETP margin call deposits and other deposits earn interest at the SPR.

11.8 Investments and cash and cash equivalents

Interest-bearing deposits are invested in call and fixed deposits as well as other money market investments at market-related yields.

The CPD also invests funds in the market on a buy- or sell-back basis at market-related yields. With respect to call deposit transactions between the SARB and the CPD, the SARB pays interest to the CPD at the SPR (2025: SPR).

The CPD's financial assets and financial liabilities respectively earn and bear interest at rates linked to South African money market rates. The repricing of these assets and liabilities therefore occurs at approximately the same time. Accordingly, the CPD is not subject to significant interest rate risk in respect of these instruments.

The CPD's management carefully manages its exposure to credit risk. Credit risk management and control are centralised in a credit risk management team that reports regularly to the Board.

11.9 Call and fixed deposits

The CPD invests in banks that have capital and reserves in excess of R2 billion, and limits its exposure to 45% of capital and reserves per bank. The total exposure to call and fixed deposits at commercial banks as at 31 March 2026 was R119 billion (2025: R76 billion). The CPD also places call deposits with the SARB. The total exposure to call deposits at the SARB as at 31 March 2026 was R63 billion (2025: R30 billion).

11.10 Investments, including cash and cash equivalents

The CPD may have significant investment exposure to other money market instruments such as promissory notes and negotiable certificates of deposit. Where applicable, the exposure to these instruments is subject to, and forms part of, the investment limits allocated to the type of issuer, as per the Investment Guidelines.

In terms of the Investment Guidelines approved by the Board, all investments are placed within the minimum national scale rating (NSR). The CPD utilises banking institutions with a minimum composite NSR that is not below NSR 'A' (excluding 'A-').

The majority of investments are short term, with maturities of less than three months. The profitability of the CPD is monitored regularly.

11.11 Liquidity risk management

In view of the short-term nature of the CPD's liabilities, its investment policy is to invest in assets with a maturity of less than three years and to further invest at least 60% of all funds in assets with a maturity of less than three months (91 days or less). Where the maturity date falls on a weekend or a public holiday, the 'next business day' convention will apply. Such an instance could result in a total maturity of more than 91 days. However, the investment will still be considered a 91-day investment. Refer to notes 2 and 3 for further details on the maturity structure of investments as at 31 March 2026.

11.12 Deposit accounts

The business of the CPD is to accept call deposits and invest the funds so obtained in short-term money market instruments, Treasury bills and with the SARB. The Financial Markets Department (FMD) of the SARB is responsible for investing the funds deposited with the CPD according to the Investment Guidelines approved by the Board. FMD endeavours to invest funds in an optimal manner, taking into account the expected cash flow of the CPD, the interest rate cycle, the possible liquidity impact and market tendencies. The Board has the authority to adjust the interest rate payable to depositors to maintain the desired results.

12. Gains and losses per category of financial assets and financial liabilities

	Total	Fair value through profit or loss (mandatory)	Amortised cost
	R'000	R'000	R'000
2026			
Interest income	12 804 630	–	12 804 630
Interest expense	(12 416 776)	–	(12 416 776)
ECL movement	4 013	–	4 013
2025			
Interest income	10 629 079	28 750	10 600 329
Interest expense	(10 299 325)	–	(10 299 325)
Gain on investments	109 621	109 621	–
ECL movement	342 082	–	342 082

13. Related-party disclosures

Name	Relationship
South African Reserve Bank	Holding company
African Bank Holdings Limited	Associate of the South African Reserve Bank
PayInc	Associate of the South African Reserve Bank
Corporation for Deposit Insurance	Fellow subsidiary
South African Mint Company (RF) Proprietary Limited	Fellow subsidiary
South African Bank Note Company (RF) Proprietary Limited	Fellow subsidiary
South African Reserve Bank Retirement Fund	Retirement fund of holding company
National Treasury	Significant influence
R Cassim (South African Reserve Bank)	Key management personnel
Z Parker (South African Reserve Bank)	Key management personnel
R Ralebepa (South African Reserve Bank)	Key management personnel
M Nkuna (South African Reserve Bank)	Key management personnel
A M Maseko (National Treasury)	Key management personnel
W H Moolman (National Treasury)	Key management personnel
Y Sambo (National Treasury)	Key management personnel
G Mabundza (National Treasury)	Key management personnel

The table below provides a summary of the transactions that were entered into with related parties during the relevant financial year:

	Expenditure paid to	Interest income	Interest expense	Amounts owed by	Amounts owed to
	R'000	R'000	R'000	R'000	R'000
2026					
South African Reserve Bank	5 129	3 606 171	4 199	62 898 121	–
South African Mint Company (RF) Proprietary Limited	–	–	18 478	–	161 369
South African Bank Note Company (RF) Proprietary Limited	–	–	86 592	–	244 443
South African Reserve Bank Retirement Fund	–	–	6 245	–	72 021
National Treasury	–	2 853	9 989 921	–	174 683 459
2025					
South African Reserve Bank	4 913	2 362 770	4 826	30 286 890	–
South African Mint Company (RF) Proprietary Limited	–	–	14 399	–	122 679
South African Bank Note Company (RF) Proprietary Limited	–	–	91 382	–	543 270
South African Reserve Bank Retirement Fund	–	–	7 507	–	77 646
National Treasury	–	254 387	8 121 048	–	98 137 232

Terms and conditions of transactions with related parties

Any outstanding balances as at the reporting date were unsecured, and settlement was in cash. No guarantees were provided or received for related party receivables or payables.

Abbreviations

Board	Board of Directors
CPD	Corporation for Public Deposits
CPD Act	Corporation for Public Deposits Act 46 of 1984
EAD	exposure at default
ECL	expected credit loss
EIR	effective interest rate
ETP	Electronic Trading Platform
FMD	Financial Markets Department
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
IGCC	Inter-Governmental Cash Coordination
IRBA	Independent Regulatory Board for Auditors
ISA	International Standard on Auditing
Jibar	Johannesburg Interbank Average Rate
LGD	loss given default
Minister	Minister of Finance
NSR	national scale rating
PD	probability of default
repo (rate)	repurchase (rate)
RMCD	Risk Management and Compliance Department
SARB	South African Reserve Bank
SPPI	solely payments of principal and interest
SPR	SARB policy rate

