



South African Reserve Bank

PRESS RELEASE

Tuesday, 30 October 2018

The Prudential Authority yesterday issued an application out of the High Court of South Africa, Pretoria for the final winding-up (liquidation) of VBS Mutual Bank (VBS). Whilst VBS is currently under curatorship pursuant to a decision taken by the Minister of Finance on 10 March 2018, the Prudential Authority (PA) is of the view that curatorship must now be terminated and VBS must be placed in final winding-up. This is as a result of the fact that VBS is hopelessly insolvent and massive frauds have been perpetrated against it. As a result there is no prospect of entering into any resolution plan in respect of VBS.

The PA believes that the final winding-up of VBS is in the best interests of all parties. This will then allow a liquidator to utilise the machinery provided for in insolvency legislation and the Companies Act to effect recoveries, and to follow the recommendations of the investigator who investigated the affairs of VBS and who has prepared a report into VBS.

The PA expects the application for the final winding-up of VBS to be set down for hearing, by the Pretoria High Court, on Tuesday, 13 November 2018.

Although the Mahikeng Local Municipality has launched an application of its own, in the Polokwane High Court, for the final winding-up of VBS, the PA is of the view that the Mahikeng Local Municipality's application is defective for a number of reasons including, that it is the PA who should terminate curatorship by liquidation, the PA has not been joined in the Polokwane High Court application and it is the Pretoria High Court which exercises jurisdiction in this matter.

A copy of the application to liquidate VBS Mutual Banks can be found on the SARB website www.resbank.co.za

Issued by SARB Media Relations

media@resbank.co.za

0123997966