



South African Reserve Bank

## **Media statement**

**13 April 2018**

### **SARB commissions forensic investigation into VBS Mutual Bank**

On 11 March 2018, the Minister of Finance appointed SizweNtsalubaGobodo Advisory Services (Pty) Limited, represented by Mr Anoosh Rooplal, as the curator of VBS Mutual Bank (VBS).

After a thorough assessment of VBS, Mr Rooplal recommended that an independent review of the business conduct of VBS be undertaken. Consequently, the Deputy Governor of the South African Reserve Bank and Chief Executive Officer (CEO) of the Prudential Authority (PA)<sup>1</sup>, Mr Kuben Naidoo, has appointed Advocate T Motau SC as an investigator in terms of section 134 of the Financial Sector Regulation Act 9 of 2017 to conduct a forensic investigation into the affairs of VBS.

The primary objective of the investigation that will be conducted by Advocate T Motau SC is to establish whether:

1. any of the business of VBS was conducted with the intent to defraud depositors or other creditors of the bank, or for any other fraudulent purpose;
2. VBS's business conduct involved questionable and/or reckless business practices or material non-disclosure, with or without the intent to defraud depositors and other creditors; and
3. there had been any irregular conduct by VBS's shareholders, directors, executive management, staff, stakeholders and/or related parties.

Based on the findings of the forensic investigation, the CEO of the PA will take appropriate follow-up action.

**Issued by SARB Media Relations**

[media@resbank.co.za](mailto:media@resbank.co.za)

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<sup>1</sup> The PA is a juristic person operating within the administration of the South African Reserve Bank. It is responsible for the prudential supervision of banks, insurers, co-operative financial institutions, financial conglomerates as well as certain market infrastructures and for ensuring that these institutions are managed safely and soundly.