



7 August 2020

Meeting between the South African Reserve Bank and the Shareholders' Forum of VBS Mutual Bank (in liquidation)

The South African Reserve Bank (SARB) held a meeting with Chief Livhuwani Matsila and leaders of the Shareholders' Forum of VBS Mutual Bank (VBS) (in liquidation) on 6 August 2020.

The meeting discussed and agreed that there was a need for regular feedback to depositors and other affected parties about the liquidation process.

The SARB again emphasised that VBS was in the process of being liquidated and that reinstating the banking licence was not an option. The SARB also clarified the process and criteria for applying for a new banking licence. Any interest from the community to continue with traditional banking activities similar to those offered by VBS will be considered as part of a new banking licence application.

The meeting with the VBS Shareholders' Forum and representatives of the community was fruitful and the SARB will continue to engage, as appropriate. The SARB pledges to work with the community to guide and support their quest for greater inclusion in the financial sector.

VBS was placed under curatorship on 11 March 2018. VBS's mutual banking licence was suspended following its placement into liquidation by the High Court of South Africa on 13 November 2018. A liquidator was recommended by the Prudential Authority in terms of section 76 of the Mutual Banks Act 124 of 1993, and was subsequently appointed by the Master of the High Court to oversee the interests of creditors and depositors.

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