



Joint communication from the South African Reserve Bank, the liquidator of VBS Mutual Bank (in liquidation) and Nedbank Limited

1 April 2021

VBS Mutual Bank completes transfer of guaranteed retail deposits to Nedbank Limited

The VBS Mutual Bank (VBS) liquidator, Anoosh Rooplal, today announced that qualifying retail depositors, who had up to R100 000 in their VBS accounts, should redeem their funds at any Nedbank Limited (Nedbank) branch up until 8 July 2021. This is the date when the agreement between the liquidator, the Prudential Authority (PA) and Nedbank is due to end. In terms of this agreement which was concluded in 2018, depositors were guaranteed up to R100 000 per depositor and had three years to collect their money.

Anoosh Rooplal noted, “The transfer to Nedbank of individual depositors with balances of up to R100 000 has been a very successful exercise. These depositors were able to access their funds fairly quickly. Without the intervention of the South African Reserve Bank (SARB), these depositors would still be out of pocket for their funds. Of the original 18 300 deposit accounts, 17 750 have been transferred to Nedbank at a value of R260 million, and 98% of the R260 million has been activated and collected by depositors in terms of value”. A decision was taken by the PA and Nedbank to close some 3 773 accounts with balances of R100 or less. These accounts amounted to approximately R105 000 and were closed from a cost and administrative perspective. These depositors still reserve the right to claim their funds from Nedbank up until 8 July 2021.

The final tranche of qualifying accounts was recently transferred to Nedbank and constituted some 370 accounts amounting to approximately R3.7 million in value.

Nedbank has embarked on a further campaign, aimed to encourage previous VBS clients to activate their account at any Nedbank branch, should they not have done so already.

The following documentation is required for clients to access their funds:

South African individuals:

- South African identity document.

Stokvels, clubs and burial societies:

- pro-forma founding statement for burial society; or
- resolution document; or
- founding document/certified copy thereof; or
- other document relating to the founding of legal form; or
- declaration of other legal entities form.

The campaign will run over several weeks through radio advertising as well as text messages and telephone calls to non-activated account holders. Nedbank will strongly encourage all VBS deposit holders to go to their nearest Nedbank branch as soon as possible to access their funds.

“The intention for this initiative was always for the vulnerable depositors to not suffer financial loss as a result of the fraud that was perpetrated at VBS and hence the decision by National Treasury to guarantee these funds,” added Rooplal.

VBS retail creditors who are owed more than R100 000 and institutional creditors

Claims were received from creditors during the first and second round of meetings held with creditors. The process to determine the validity of creditors’ claims has been largely completed by the liquidator. Communication has been sent to the Master of the High Court as well as to those affected creditors regarding their reduced or expunged claims as per the Insolvency Act 32 of 1916.

Rooplal concluded, “If there are any further creditors who have not lodged their claims, they should please come forward and do so.”

Further information is available on the VBS website.

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Note to editors

About the R100 000 guarantee of retail deposits

On 9 July 2018, the SARB announced that it would facilitate the repayment of all retail deposits up to R100 000 per retail depositor, starting from 13 July 2018 for the following three years. Retail depositors include individuals, burial societies, stokvels and saving clubs’ deposits in VBS. The guarantee does not cover municipal or corporate deposits. Qualifying funds were consequently transferred to Nedbank which facilitated access to the account holders.

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