



SOUTH AFRICAN RESERVE BANK

4 August 2025

Frequently asked questions relating to the resolution of Ditsobotla Primary Savings and Credit Co-operative Bank Limited

1. What is the mandate of the South African Reserve Bank?

The primary mandate of the South African Reserve Bank (SARB) is to protect the value of the currency in the interest of balanced and sustainable economic growth. The SARB also has a statutory mandate to enhance and protect financial stability in South Africa.

2. What is the objective of the new resolution framework?

The SARB's resolution framework is designed to maintain financial stability and protect the interest of bank depositors when a designated institution is placed in resolution. A designated institution refers to any bank as well as non-bank financial institution that has been identified as systemically important and is subject to resolution planning and oversight by the SARB.

3. What happens to a bank resolution?

When a bank or designated institution is placed in resolution, the SARB, as the Resolution Authority, steps in, taking control of and managing the affairs of the affected institution in a safe and orderly manner. This process is intended to prevent further losses to depositors and creditors, using special tools outlined in the Financial Sector Regulation Act 9 of 2017 (FSR Act). For more information, visit [Resolution Authority](#).

4. What triggers a resolution?

A resolution is triggered when the SARB believes a designated institution cannot, or is likely unable to, meet its obligations. The SARB then makes a recommendation to the Minister of Finance, who decides whether to place the affected institution in resolution. Once the Minister has made the determination, the SARB assumes control and starts managing the business.

5. How does the new resolution framework differ from curatorship?

Until 1 June 2023, when a bank failed, it would be placed under curatorship in terms of the Banks Act 94 of 1990 (Banks Act). In this process, a curator managed the bank under the supervision of the Prudential Authority (PA).

However, the Financial Sector Laws Amendment Act 23 of 2021 (FSLAA) repealed these curatorship provisions and established a new resolution framework. Since 1 June 2023, bank failures are managed through resolution, under the direction of the SARB.

Under the new framework, a deposit insurance scheme has been established and the SARB appointed as the designated Resolution Authority.

The resolution framework gives the SARB broader powers to protect both financial stability and the interests of depositors. It also requires the SARB to plan ahead for the possible resolution of all designated institutions, thereby ensuring that an actual resolution process, when it happens, is more orderly than what was previously possible under the curatorship framework.

6. Why was Ditsobotla Co-operative Bank placed in resolution?

Ditsobotla Primary Savings and Credit Co-operative Bank Limited (DCB) was placed in resolution after it failed to meet regulatory requirements over an extended period.

The bank experienced substantial losses over the past year, could not pay all its creditors and failed to meet its legal capital and liquidity requirements.

In addition, DCB's governance, internal controls and operational practices were found to be inadequate and risky for depositors. Despite heightened supervision and recommendations by the PA, DCB failed to implement the necessary corrective actions. These actions included:

- diversifying the bank's membership portfolio to reduce reliance on DLM and address concentration risk; and
- ensuring that all governance structures and staff undergo training to properly manage DCB's risks.

7. What is the role of the resolution practitioner?

A resolution practitioner for a designated institution is an impartial and competent individual appointed by the SARB to act on its behalf and follow its directives. The main objective of appointing a resolution practitioner is to ensure that the former

management team of the affected designated institution no longer controls its funds. The resolution practitioner's primary responsibility is to safeguard the institution's assets and protect the interest of depositors.

To do this, the resolution practitioner must:

- carry out the SARB's instructions regarding the designated institution;
- submit monthly activity reports to the SARB on their actions relating to the designated institution; and
- comply with the terms specified during their appointment.

During the resolution period, the SARB may delegate any of its resolution functions to the appointed resolution practitioner.

8. Who is DCB's resolution practitioner?

SNG Grant Thornton has been appointed as DCB's resolution practitioner. With this appointment, DCB's Board of Directors (Board) and management are relieved of their powers. These are now vested in the SARB.

9. Are depositors' money at DCB safe?

As a registered bank, DCB's qualifying depositors (individuals and non-financial corporates) are covered by the Corporation for Deposit Insurance (CODI) up to R100 000 per depositor. The resolution practitioner's first task is to verify and confirm depositors and their balances so that payouts can proceed quickly.

10. Can members withdraw their entire balance from DCB?

While the resolution practitioner assesses the bank's affairs, some temporary restrictions on fund withdrawals will apply.

11. Can I close my DCB account and switch to another bank?

Yes. Members have the right to close their accounts and move their funds to another bank of their choice.

12. What happens to members with outstanding loans at DCB?

Loan accounts will remain active and members are expected to continue paying their regular monthly instalments in full. Missing any payments will result in the outstanding amount being added to the loan balance, which will then be reported

as a default on the member's credit record.

13. How many member accounts does DCB have?

As at May 2025, DCB had 1 452 members and reported total assets amounting to R8.30 million. Please note that these figures are yet to be audited.

14. How does a co-operative bank differ from a commercial bank?

A co-operative bank is owned and governed by its members, who typically share a common bond, such as living in the same geographical region, belonging to the same association, or working for the same employer.

Only members are entitled to transact with a co-operative bank and benefit from its services. Members are not referred to as customers as they are considered part-owners and can participate in decision-making, such as electing the Board and Audit Committee to conduct oversight of the institution.

Unlike commercial banks, co-operative banks are not primarily driven by profit. Their main goal is to serve the financial needs and well-being of their members.

Co-operative banks in South Africa are governed by the Co-operative Banks Act 40 of 2007.

15. What is DCB's background?

DCB is based in Lichtenburg, North-West and its membership is defined by a geographical common bond, meaning that anyone who lives in the broader Ngaka Modiri Molema District is eligible to join. The bank was established through the merger of the savings and credit co-operatives Aganang, Ikageng and Itireleng, whose original members were employees of Alpha Cement, the Lichtenburg Municipality and Lafarge Cement respectively.

DCB was officially registered with the SARB on 1 March 2014. After registration, the common bond was expanded to include all residents within and employees of DLM as well as those living in the Ngaka Modiri Molema District. Over time, employees of DLM made up the majority of DCB's membership.

16. What products and services does DCB offer?

DCB provided its members with deposit-taking services and offered them loans.

17. If I do not bank with DCB, how can I be sure my money is safe at my bank?

All banks are supervised by the PA, which enforces strict prudential regulations around capital, liquidity, risk management and corporate governance. If any bank fails to comply with these regulations, the PA requires the bank's Board and management to take corrective actions.

In the extreme case where the corrective actions are not implemented, or they prove to be unsuccessful, the SARB may recommend that the bank be placed in resolution. This requires the approval of the Minister of Finance. The SARB is legally empowered to ensure that the bank's critical functions continue, that the funds covered by deposit insurance remain protected and that the bank's resolution is managed in an orderly manner.