



SOUTH AFRICAN RESERVE BANK
Prudential Authority

On 2 December 2025, National Treasury announced that it will make up to R2.2 billion available to repay depositors of Ithala SOC Limited (Ithala). The payout process starts on 8 December. This follows the Prudential Authority's (PA) application to liquidate Ithala in January 2025 and the freezing of depositors' accounts to protect them from a run on the entity.

Background

1. Why can't Ithala release deposits or operate as usual?

Ithala's exemption in terms of the Banks Act 94 of 1990 (Banks Act), which allowed it to accept deposits, expired on 15 December 2023. The PA then froze all depositors' accounts to facilitate repayments and protect customers.

2. Was Ithala a licensed bank?

No. Ithala operated under a temporary exemption from the Banks Act. Once that exemption expired, it became unlawful for Ithala to accept deposits.

3. Who is managing this process now?

The PA has appointed a repayment administrator (RA) to protect and repay depositors. National Treasury is funding the repayment and has appointed First National Bank (FNB) to facilitate the actual payouts.

4. Why did regulators step in?

Ithala was not solvent and lacked sufficient funds to fully pay its depositors. Regulators intervened to protect the public from financial loss, prevent a disorderly collapse of Ithala and ensure that repayments are made in an organised, fair and stable manner.

5. Is the liquidation application of Ithala cancelled or will it continue?

No, it has not been withdrawn yet. The application may be withdrawn when the PA is satisfied that depositors will receive repayment of their capital deposit amounts through this process, as that would fulfil the PA's mandate to protect depositors.

6. Can Ithala now take deposits again, engage in banking business, or operate as a bank?

No. Ithala is not a bank, nor is it exempted from complying with the relevant provisions of the Banks Act, which requires, among other things, registration to conduct the business of a bank. It cannot accept deposits unless it is successfully registered as a licensed bank in the future.

The guarantee

7. What does the government guarantee mean?

The guarantee means National Treasury will provide funds to ensure that all verified depositors are repaid their deposits.

8. Is this the same as deposit insurance?

No. Deposit insurance only applies to registered banks. This is a one-off decision in the public interest because Ithala operated under a special exemption.

Covered depositors

9. Will the guarantee cover everyone?

Yes. All verified depositors, including individuals, stokvels, businesses and public entities, will be repaid.

10. Are business, non-profit and municipal accounts covered?

Yes. All verified accounts are included.

The payout process

11. How and when will repayments happen?

FNB will manage payouts. FNB has started sending SMSs with instructions for depositors to visit FNB branches from 8 December for verification.

12. What documents do I need?

Bring your valid ID, proof of address and your bank account details if you want the money transferred to another existing account. Payments cannot be made to any Ithala accounts, as the entity is not permitted to accept deposits.

13. Will verification be available at Ithala branches?

No. You need to go to an FNB branch for verification. You will receive an SMS with further instructions.

11. What if I do not receive an SMS from FNB?

If you do not receive an SMS in the next few weeks, you can go to an FNB branch with the necessary documents.

14. Do I need to open a new account with the payout bank?

No. That is optional. You can have the funds transferred to any South African bank account in your name.

15. How long after verification will I get paid?

The payout should be executed within two business days.

16. What if I don't have old statements or deposit slips?

Do not worry – your details will be verified using Ithala's internal records.

17. Can someone claim on my behalf?

Yes, but they will need a valid legal document such as a power of attorney. Fraud checks will apply.

18. Are joint accounts included?

Yes. Both account holders must complete verification.

19. What about fixed deposits or investments?

All fixed deposits will be paid out. You do not have to wait for the original maturity date.

20. How will payouts work for stokvels, trusts and co-operatives?

Stokvels, trusts and co-operatives will also receive an SMS from FNB with information on what needs to be provided.

21. Can payouts be made in cash for bulk payments?

No. Cash payouts are not offered, as paying into bank accounts is simpler and more secure. Most local branches also no longer have tellers. For payments greater than R20 but less than R3 000, an e-wallet will be issued.

22. What happens if a depositor passes away before claiming?

If a depositor has passed away, the executor of the estate (as appointed by the Master of the High Court) will have to make the withdrawal.

23. How long do I have to claim my money?

You have until 7 December 2028 to claim your money. National Treasury will announce any changes well in advance.

24. What if I do not claim in time?

You will then retain your claim against Ithala for repayment and fall outside this special arrangement facilitated by National Treasury.

25. What happens if a depositor does not want to 'take this deal'?

Such a depositor will not be paid from the funds made available by National Treasury, but will retain their claim against Ithala, which they must pursue in their own capacity.

26. Why is it a full and final settlement?

This is to ensure that finality is achieved in this matter.

27. Why must depositors sign a cession of their claims to National Treasury?

Since National Treasury is funding the R2.2 billion required to repay Ithala depositors, it is a requirement that it obtains all depositor claims once repayment is made. This enables National Treasury to be reimbursed in due course by Ithala or the KwaZulu-Natal provincial government.

Interest payments**28. Will interest be paid?**

Interest earned up to the January 2025 freeze date will be included. No interest after that date will be paid in this process.

29. Why do depositors not receive interest from January 2025?

The R2.2 billion to be paid by National Treasury is based on the capital amounts (i.e. the value of the deposits) as at 23 January 2025. Once the freeze happened, all assets were controlled by the RA, who lacks the legal authority or established process to charge or pay interest.

Avoiding scams**30. How do I know an SMS is real?**

Official messages will only come from FNB. No one will ever ask for a fee.

31. How can I avoid scams?

- Do not respond to unsolicited messages.
- Do not pay anyone for 'early access'.
- Only use official channels for verification.

Ithala loans**32. Must depositors still repay outstanding loans to Ithala? If so, where should it be paid?**

Yes. Customers must continue making loan payments as they fall due. Until further notice, such payments must be made into the dedicated Absa account under the control of the RA, as previously communicated. Use the dedicated Absa account number (4067762302) and provide the Ithala loan account number as reference.

33. Will my loan be deducted from my deposit?

No. Deposits and loans are separate. You will get your full deposit back and you must keep paying your loan.