



SOUTH AFRICAN RESERVE BANK

## **Media statement**

**29 October 2020**

### **VBS Mutual Bank (in liquidation): Update to depositors and creditors**

VBS Mutual Bank (in liquidation) (hereinafter referred to as VBS) was placed under curatorship by the Minister of Finance on 11 March 2018. On 9 July 2018, the South African Reserve Bank (SARB) announced that with effect from Friday, 13 July 2018, qualifying retail depositors could have access to their deposits at any Nedbank branch, limited to a maximum guaranteed amount of R100 000 per retail depositor. When VBS was put into final liquidation on 13 November 2018, Mr Anoosh Rooplal was appointed as the liquidator.

This media statement serves as a joint update by the SARB and the liquidator, to depositors and creditors regarding developments on the payment of qualifying retail depositors, other depositors, creditors and suppliers.

#### **Qualifying retail depositors**

On 13 July 2018, while VBS was still under curatorship, retail depositors with deposits of up to R100 000 in their VBS transactional and savings accounts were able to claim their funds through Nedbank branches.

In total, 17 894 retail depositors qualified for repayment through Nedbank branches. Of the aforementioned qualifying accounts, 17 750 accounts were opened with Nedbank and the SARB transferred an amount of R261 million to Nedbank for the payment of qualifying retail depositors.

As at 30 September 2020, 12 220 retail depositors with take-on balances amounting to R255.8 million had activated their accounts with Nedbank, and a total of 5 530 retail depositors had not yet activated their accounts. Efforts have been made to reach out to all affected depositors to create awareness of the process to claim deposits.

Qualifying retail depositors who have not yet claimed their deposits at Nedbank have until 8 July 2021 to do so through any Nedbank branch. The SARB encourages those qualifying depositors who have not yet activated their accounts to do so without any further delay.

The SARB, Nedbank and the liquidator will continue with proactive attempts to contact impacted retail depositors.

## **Liquidation process**

The liquidator of VBS, Mr Anoosh Rooplal, has recently received, from the Master of the Court, all creditors' claims which were lodged against VBS at the meetings of creditors.

This includes claims from individual retail depositors, stokvels and burial societies, which exceeded the R100 000 guarantee threshold, as well as claims from corporate entities, municipalities and suppliers. In accordance with the Insolvency Act 24 of 1936, the liquidator's team has undertaken to verify the validity of all claims received and will expunge or remove those claims that are deemed not to be legitimate. The team will also reduce certain claims, should a claim submitted by a claimant not be in agreement with the records of the bank.

The liquidator received claims from 171 individual retail depositors which cumulatively amounted to approximately R41.5 million. Burial societies, stokvel and other claims constituted 240 claimants with a value of approximately R20.5 million. These depositors individually held deposits of more than R100 000 with VBS.

Mr Anoosh Rooplal commented, "With the receipt of all the creditors' claims from the Master, we have commenced with our reconciliation and assessment of these claims. We will now be able to report and communicate more often with the proven creditors in order to keep them updated of the liquidation process".

Collections on the loan books, which comprise the amounts owed to the bank, are progressing according to the collection strategies employed by the liquidator and his team. Unfortunately, the collection process has been negatively impacted by the COVID-19 pandemic. However, the liquidator remains committed to maximizing collections for the estate. The liquidator continues to institute and monitor civil proceedings as well as to cooperate and provide information when subpoenaed by the various enforcement authorities who request information for their ongoing criminal proceedings.

**Issued by SARB Media Relations**

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

078 143 0553