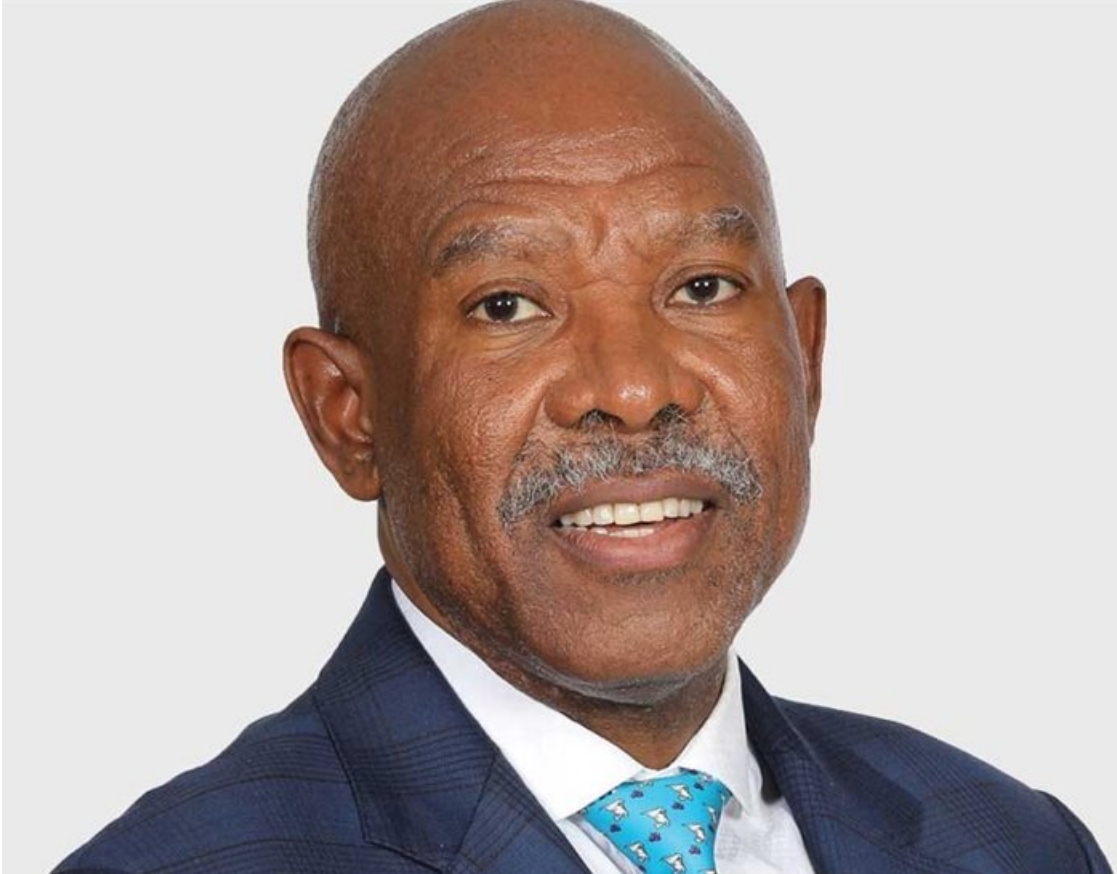


SA's central bank takes control of "the miners' bank"

South Africa's central bank said on Monday it had placed Ubank, a small South African lender primarily offering financial services to families of gold and platinum miners, under a curatorship with immediate effect.



Source: SARB. South African Reserve Bank Governor, Lesetja Kganyago.

South African Reserve Bank Governor Lesetja Kganyago said in the last two years the central bank has increased scrutiny of the lender due to corporate governance issues, failure to diversify its business model, and inability to inject sufficient capital, among other issues.

"After having duly considered the seriousness of the issues facing the bank... the Prudential Authority, has decided to place Ubank under curatorship with immediate effect," he said in a virtual briefing.

The central bank places a bank under curatorship, meaning it can appoint an independent administrator who takes over the day to day operations of the bank from the current management.

Ubank has been placed under the central bank's Prudential Authority, which gives it the legal means to implement a resolution plan such as finding an investor or injection of capital and avoid liquidation.

It has appointed KPMG South Africa as the administrator of the bank, but the governor assured that the lender would remain open for business and continues to be highly liquid and will continue to grant loans, Kganyago stressed.

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