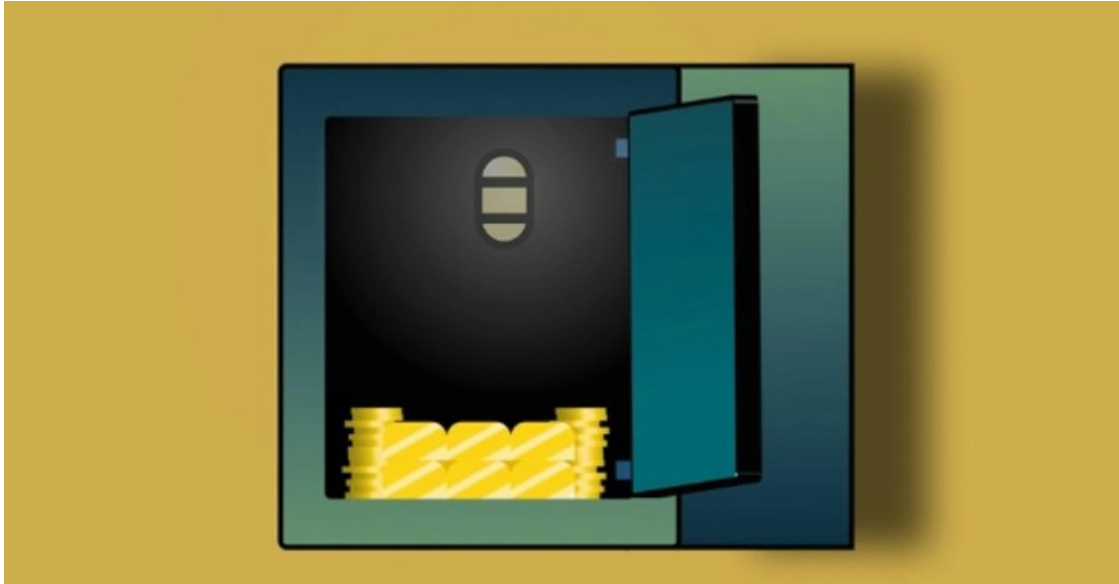


# South Africans now have protection from banks going under

South Africa marked a milestone in banking security on Monday, 1 April, 2024, by rolling out a comprehensive Deposit Insurance Scheme.



Source: [Pexels](#)

The Corporation for Deposit Insurance (Codi) is a subsidiary of Sarb and an integral part of the country's financial-sector safety net, which safeguards deposits of eligible individuals with coverage of up to R100,000 per depositor in case of a bank failure.

Despite only representing approximately 23% of total deposits by rand value, it will still encompass 90% of all depositors in terms of quantity.

Given that South Africa has experienced 13 bank failures over the last three decades - including the collapse of African Bank Limited in 2014 and that of VBS Bank in 2018 - this milestone marks the culmination of intense research and dialogue aimed at safeguarding bank depositors and bringing further confidence and stability to the financial sector.

The achievement brings SA's banking system in line with those of other G20 nations.

The Deposit Insurance Scheme's funding originates from banks, who pay premiums/levies equating to 0.215% annually of

covered deposits.

Additionally, banks will extend liquidity to the Codi through an interest-bearing loan equivalent to 3% of covered deposits.

For more, visit: <https://www.bizcommunity.com>