

# Press Statement



## PHASE II: COMPENSATION OF SMALL DEPOSITORS FOR THE LOSS OF VALUE INCURRED DUE TO THE EXCHANGE RATE MOVEMENT AS AT 20 FEBRUARY 2019

1. The Deposit Protection Corporation (DPC) hereby advises depositors of the People's Own Savings Bank (POSB) who had balances of USD 1,000 (One Thousand United States Dollars) and below as at 20 February 2019, to submit compensation claims for loss of value due to exchange rate movement from USD1: RTGS\$1 to USD1: RTGS \$2.5, with effect from 22 August 2022.
2. In the 2021 Budget Statement, the Minister of Finance and Economic Development announced that Government would compensate small and vulnerable depositors who had balances of USD 1,000 (One Thousand United States Dollars) and below, for the loss of value due to exchange rate movement from USD1: RTGS\$1 to USD1: RTGS \$2.5, as at 20 February 2019, with resources equivalent to USD75 million.
3. Government subsequently availed through Kuvimba Mining House the sum of USD400,000 for distribution to vulnerable depositors. The Deposit Protection Corporation as agent has accordingly commenced Phase II of the compensation exercise targeting POSB depositors.

### Implementation Arrangements

4. Eligible POSB depositors are advised to submit their claims as at 20 February 2019, on a first come first served basis, with effect from Monday 22 August 2022 to POSB.
5. POSB will periodically submit claim schedules to the Deposit Protection Corporation for verification, validation, and subsequent remittance of the requisite payment to the POSB, for onward settlement to eligible depositors in USD without incurring transaction costs.
6. The Minister of Finance & Economic Development, DPC, the Reserve Bank of Zimbabwe, and the banking sector have reached an agreement in that regard.
7. By way of illustration, a depositor who had USD1,000 in his or her account would get USD600 being the total lost value. Other selected loss permutations are as indicated below.

USD FCA Amount	New Value (RTGS FCA)	Loss Amount (RTGS FCA)	USD FCA Amount	New Value (RTGS FCA)	Loss Amount (RTGS FCA)
1000	400	600	200	80	120
500	200	300	100	40	60
400	160	240	50	20	30
300	120	180	10	4	6

8. Qualifying depositors should approach their relevant POSB branches and/or make use of POSB and DPC websites for account balance confirmation.

### Termination of Compensation to the Deposit Taking Microfinance Institutions (DTMFIs)

9. For the record, the window for submission of claims for loss of value compensation by depositors of DTMFIs was closed on 10 July 2022. All the 914 depositors who submitted claims to their DTMFIs were paid a cumulative amount USD 83,288.

### Subsequent Compensation Phases

10. After compensating depositors of DTMFIs in Phase I and POSB depositors in Phase II, subsequent tranches for disbursement would be allocated to other deposit taking institutions namely commercial banks and building societies, as and when additional funds are availed.

### Claim Forms

11. The Loss of Value Claim Forms for the current Phase II are available at POSB branches across the country while soft copies are available on POSB and DPC digital platforms, including the DPC website [www.dpcorp.co.zw](http://www.dpcorp.co.zw)

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19 AUGUST 2022