



## **TRUSTCO GROUP HOLDINGS LIMITED**

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000AORF067

("Trustco" or "the Company")

## **OPERATIONAL UPDATE REGARDING THE INSURANCE AND ITS INVESTMENTS SEGMENT: ("NAMIBIAN INSURANCE DIVISION")**

### **Introduction**

Trustco Shareholders ("Shareholders") are advised that the Namibian Minister of Finance, Hon. Minister Mr Calle Schlettwein ("Minister of Finance") caused certain notices and regulations to be issued and gazetted (Government Notices 333 to 338, promulgated on 29 December 2017 under Government Gazette No 6496) in terms of the Namibia National Reinsurance Act No 22 of 1998 (the "Act").

The notices and regulations dealt with the compulsory cession of insurance contracts and compulsory reinsurance and related matters.

The members of the insurance industry of which Trustco Life Limited ("Trustco Life") and Trustco Insurance Limited ("Trustco Insurance") forms a part of, launched a constitutional challenge to the issuance of these notices and regulations and brought an application to review the said notices and regulations and requested it to be set aside.

Shareholders are advised that neither Trustco Life nor Trustco Insurance reinsure any of their business nor are they currently required to obtain reinsurance.



## **Actions**

Subsequently the Minister of Finance and the Namibia National Reinsurance Corporation Limited (“NamibRe”) brought an urgent application to the High Court of Namibia (Main Division under Case No: HC-MD-CIV-MOT-GEN-2018/00227) to compel the members of the insurance industry of Namibia to comply with certain notices and regulations in terms of the Act.

The Minister of Finance and NamibRe sought a declaratory order that the said notices and regulations were valid and enforceable and launched an application to compel the members of the insurance industry to comply with the notices and regulations and that the CEO’s and directors of the members of the insurance industry face imprisonment for contempt of court.

The members of the insurance industry contended that they would not comply with the notices and regulations pending a final determination of the judicial review proceedings and raised a collateral challenge in that regard.

## **Conclusion**

On 20 September 2018, the High Court of Namibia, delivered a judgment and granted an order together with costs against the Minister of Finance and NamibRe. The High Court rejected the application and enforcement of the Minister’s notices and regulations pending the constitutional judicial proceedings brought by the members of the insurance industry.

On 25 September 2018, the Minister of Finance and NamibRe launched an application for leave to appeal to the High Court of Namibia against the above mentioned judgment and the leave to appeal application was argued on 14 November 2018.

Presiding Honorable Judge Masuku delivered his order on 29 November 2018 and the application for leave to appeal was refused, with an order for cost granted against the Minister of Finance and NamibRe.



Windhoek, Namibia

30 November 2018

Amanda Bruyns

**Company Secretary:** Trustco Group Holdings Limited

**JSE Sponsor**

Vunani Corporate Finance

**NSX Sponsor**

Simonis Storm Securities Proprietary Limited