

## **TRUSTCO GROUP HOLDINGS LIMITED**

Incorporated in the Republic of Namibia

(Registration number 2003/058)

NSX Share Code: TUC

JSE Share Code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067 ("the Company" or "Trustco")

## **MEDIA RELEASE**

20 August 2023

### **TRUSTCO GROUP HOLDINGS RESPONDS TO TRUSTCO BANK LICENSE SUSPENSION**

Trustco Group Holdings, a distinguished Namibian investment entity committed to prudent financial stewardship, hereby issues a comprehensive response to the recent decision by the Bank of Namibia (BoN) to suspend the authorization of Trustco Bank Namibia (Trustco Bank) to operate as a banking institution.

Against the backdrop of the Namibian banking landscape, where post-independence banking entities like E-Bank, City Savings and Investment Bank, Swabou Bank, and SME Bank vanished into obscurity, it is imperative to acknowledge that pre-independence banks are thriving. The poignant fact that no post-independence Namibian-owned bank has survived remains a matter of deep contemplation.

In February 2021, Trustco Bank Namibia emerged from its seven-year incubation phase, primed for sustainable growth and stability. Our prudent approach led us to present several well-structured business plans and a substantial investment proposition of up to NAD 1 billion to the BoN. Regrettably, all plans were rejected with scepticism and deemed excessively ambitious by the regulator. The divergence in opinion prompted ongoing dialogue and review. During this phase, we were embroiled in a Section 57 notice and subsequent litigation, confirming our commitment to rigorous oversight and the protection of our investment in Trustco Bank.

It is noteworthy that Johannes !Gawaxab of BoN carries a concerning reputation, evident in his D+ grade in the Global Finance Central Banker's Report, the worst of any post-independence central bank governor. His record with previous Namibian institutions, including EOS Capital, Air Namibia, and the Social Security Commission, has raised questions about his stewardship. In a realm governed by integrity and accountability, such a record warrants thorough scrutiny.

In terms of jurisprudence, we stand resolute. A pending contempt of court application against Johannes !Gawaxab, alongside other key members of the BoN management team, instituted by other members of the financial services industry, speaks to the gravity of the situation. Our pursuit of truth and justice extends to a pending High Court application, compelling !Gawaxab to appear and provide oral evidence under oath regarding the Trustco Bank matter.

It is with deep concern that we note BoN's habit of disregarding High Court orders. The CBI Exchange matter stands as a stark reminder of their approach to the rule of law. In this matter, Judge MA Tommasi reprimanded BoN:

*“when courts issue orders, they do so not as suggestions or pleas to the persons at whom they are directed. Court orders issued ex cathrada, are compulsive, peremptory and expressly binding. It is not for any party; be he high or low, weak or mighty and quite regardless of his status or standing in society, to decide whether or not to obey; to choose which to obey and which to ignore or to negotiate the manner of his compliance.”*

Again BON's complete disregard for court orders is palpable. Their blatant refusal to adhere to court orders, follow due process and impose their will above legal dictums, is disconcerting.

Trustco Group Holdings remains steadfast in our commitment to robust corporate governance, accountability, and ethical conduct. We continue to engage in dialogue and due process to address any concerns raised. Our objective is to ensure that the interests of all stakeholders are safeguarded in a manner reflective of the highest standards of accountability and transparency.

The CEO of Trustco Group, Dr Quinton van Rooyen noted, “While this suspension poses new obstacles, Trustco remains unwavering in the quest towards economic justice for all Namibians. Our mission has always been financial inclusion and wealth creation. Trustco Bank represents a crucial avenue for advancing this purpose. We appreciate the patience of stakeholders as we remain committed to resolve this matter swiftly and responsibly, guided by our enduring vision for Namibia’s future.”

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