

## **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**

4 September 2023

### **TRUSTCO AND BON AGAIN CLASHES OVER BANKING BUSINESS**

Trustco Group Holdings Limited, the owner of Trustco Bank Limited, has once again filed joint legal action in the High Court of Namibia, initiating an urgent application for interim relief against the Bank of Namibia (BoN).

Remarkably, this marks the fifth legal dispute brought against BoN by various complainants in a short span. Adding an unprecedented twist to the situation, the Governor of BoN, Johannes !Gawaxab, along with senior officials, are now under scrutiny in a contempt of court investigation instigated by yet another disgruntled business entity.

This wave of litigation and the ensuing contempt of court inquiry involving BoN and its Governor stands as an exceptional occurrence not observed within the highly esteemed global central banking community. This situation should rightfully evoke national concern and attention.

Judge MA Tommasi recently reprimanded BoN in the CBI Exchange matter when BoN defied a court order:

*"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.”*

The concerns raised by one of Namibia's most esteemed judges must not be disregarded.

The central argument advanced by Trustco is that BoN is undermining the authority of Courts. Trustco argues that BoN seeks to make ongoing legal processes and other litigation irrelevant. BoN argues in the contempt of court matter that the Courts are creating new law and are therefore restraining the exercise of BoN's statutory and regulatory functions.

While recognizing and respecting BoN's enforcement powers, Trustco remains adamant that the regulatory responsibilities should not stray into the duties and powers of the judiciary. For Trustco, a perceived or real usurping of judicial powers by BoN or any other regulator, will be a red line that cannot be crossed. The empowering legislation of BoN is designed so that BoN is judge, prosecutor, executioner and more recently, even legislator, Trustco maintains.

Dr. Quinton van Rooyen, Trustco's CEO, remarked, *"Namibia's post-independence journey has witnessed the unfortunate disappearance of several Namibian banking entities, including E-Bank, City Savings and Investment Bank, Swabou Bank, and SME Bank, under the stewardship of the Bank of Namibia (BoN). Given the continued dominance of pre-independence banks within the banking sector, it is a matter of public and national concern that individuals lacking access to local or foreign capital markets may find themselves at a distinct disadvantage, potentially trapped in poverty under the current BoN regime. Quarterly reports consistently indicate that a significant portion of Namibian depositor funds flows offshore, rather than supporting local businesses and entrepreneurs..”*

Van Rooyen continues: *“Although Trustco Bank represents a mere 0.4% of Trustco Group's total investment portfolio, we remain resolute in our commitment to build a world-class Namibian Bank. BoN unfortunately fails to recognize or heed the call from everyday and ordinary citizens that the Namibian banking landscape is in need of serious transformation.*

For further information, please contact:

Neville Basson

Tel +264 275 4501

Email: [NevilleB@tgh.na](mailto:NevilleB@tgh.na)

**TRUSTCO GROUP HOLDINGS LIMITED**

Registration Number: 2003 / 058

Trustco House, 2 Keller Street, Windhoek, Namibia | PO Box 11363, Windhoek, Namibia | **Tel:** +264 61 275 4500 | **Fax:** +264 61 275 4504  
Ongwediva: +264 65 233 300 | Johannesburg: +27 11 644 6622 | Cape Town: +27 21 852 0851

**Web:** [www.tgh.na](http://www.tgh.na) | **E-mail:** [info@tgh.na](mailto:info@tgh.na)

**Directors:** Adv. R. Heathcote (Chairman) (Non Executive), Mr. Q. van Rooyen (Managing Director), Mr. F.J. Abrahams (Financial Director)  
Mr. W. Geysler (Non Executive), Mr. R. J. Taljaard (Non Executive), Mr. R. Marney (Non Executive), Ms. J. van den Heever (Non Executive), Komada Holdings (Pty) Ltd (Company Secretary)