

MEDIA RELEASE	PSA calls on KwaZulu-Natal Government to oppose Reserve's Bank liquidation of <i>Ithala Bank</i>
DATE	24 January 2025
EMBARGO	None
ENQUIRIES	Mlungisi Ndlovu 082 903 6805

The Public Servants Association (PSA) urges the KwaZulu-Natal Provincial Government, as the sole shareholder of *Ithala SOC Limited*, to take immediate legal action to oppose the South African Reserve Bank's (SARB) reckless application for liquidation of *Ithala Bank*.

This move by the SARB's Prudential Authority is a direct attack on the financial stability of the province, the livelihoods of more than 257 000 depositors, and the broader developmental agenda of the province. As the primary shareholder, the KwaZulu-Natal Government has a fiduciary duty to protect *Ithala Bank* and ensure that it remains a viable financial institution. Failure to intervene would amount to gross negligence, effectively allowing the SARB to dismantle one of the few remaining state-owned financial institutions committed to economic transformation and financial inclusion.

The PSA calls on the KwaZulu-Natal Premier and the Finance MEC to immediately file a legal challenge against the SARB's liquidation application before the Pietermaritzburg High Court hearing on 30 January 2025. A legally binding financial guarantee should be provided to prevent the destruction of *Ithala Bank*. In addition, National Treasury should be engaged to secure a sustainable rescue plan that protects depositors and employees.

The PSA condemns the SARB's decision, which disregards *Ithala Bank's* historical significance and its critical role in economic empowerment. The so-called "prudential regulation" cannot be used as a weapon to destroy state-backed financial institutions that serve marginalised and working-class communities. Instead of working towards solutions, the SARB has rushed to liquidation without considering viable alternatives such as business rescue, recapitalisation, or structured intervention. This reckless action is nothing short of economic sabotage against KwaZulu-Natal's financial independence.

The PSA stands firm in its commitment to defend *Ithala Bank's* depositors and employees. The PSA will not allow the SARB to bulldoze through a liquidation process that will cripple the financial security of thousands of people. The PSA demands that the KwaZulu-Natal Government immediately joins legal proceedings to protect *Ithala Bank*, or risk being complicit in its downfall.

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