



Private Bag X454, PIETERMARITZBURG, 3200
2nd Floor North Tower, Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3200
Tel: 033 846 6983 or E-mail address: nkosikhona.duma@kzntreasury.gov.za

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KZN FINANCE MEC STATEMENT ON ITHALA SOC LTD COURT PROCEEDINGS

KwaZulu-Natal (KZN) MEC for Finance, Mr. Francois Rodgers, welcomes the allocation of 25 July 2025 for hearing the appeal by Mr. Johannes Kruger, the South African Reserve Bank (SARB) appointed Repayment Administrator (RA) in the matter involving Ithala SOC Ltd (Ithala). The matter is expected to be heard in the Durban division of the KZN High Court.

On 09 May 2025, Judge Muzi Ncube in the Pietermaritzburg Division of the KZN High Court ruled that Mr. Kruger has over stepped his mandate which relates only to the deposit book and that he had no mandate to take over all other operations of Ithala.

Judge Ncube further ruled that Ithala should resume its core business activities excluding deposit-taking transacting. The ruling followed court proceedings that were heard in the Labour Court in Durban on 17 March 2025.

Undeterred by another court loss, Mr. Kruger opted to appeal Judge Ncube's ruling, causing a delay in the resumption of activities by Ithala.

Indeed, the accounts of pensioners, taxi drivers, SMME owners, domestic workers, among others, remain frozen as the alleged attempts of Ithala's systemic collapse persist.

MEC Rodgers said:

"It appears that the RA in their actions and instructions is to the detriment of Ithala's depositors for whom we have been fighting. It is common cause that Ithala serves a niche market of mainly rural citizens in KZN. Many of Ithala's customers may not find similar services and assistance in the commercial banks".

MEC Rodgers is concerned by what appears to be fruitless and wasteful in Mr. Kruger's failed litigation attempts.

"We will be submitting a question in the National Assembly to establish how much the RA has been paid by the SARB's Prudential Authority so far, and furthermore, a quantification of their litigation cost".

MEC Rodgers still maintains that the matter can be resolved amicably by all the relevant stakeholders, including National Treasury if the parties were willing to engage on the matter.

ENDS.

Issued by KZN Treasury. For clarity, contact Spokesperson and Media Liaison Officer, Nkosikhona Duma on 071 383 0388.