

## **MEDIA STATEMENT**

17 January 2025

FOR IMMEDIATE RELEASE

### **MEC MUSA ZONDI CLARIFIES ITHALA SOC'S FINANCIAL POSITION**

KwaZulu-Natal's MEC for Economic Development, Tourism and Environmental Affairs, Rev. Musa Zondi, has addressed recent reports concerning Ithala SOC, emphasizing that the entity is solvent and disputing claims to the contrary.

The MEC stated that Ithala's financial position remains sound, as evidenced by:

- Ithala Development Finance Corporation received a clean audit from the Auditor-General of South Africa for the financial year ending 31 March 2024, while Ithala SOC Limited received an unqualified audit.
- Assets that exceed liabilities, reinforcing its financial stability.
- Existing business operations and confirmation that depositors' funds are safe.

### **LEGAL PROCEEDINGS**

It is important to note that the court has not made a ruling on the merits of the case. Ithala filed an urgent interdict to challenge the directives issued by the Repayment Administrator (RA), which include halting deposits and withdrawals. However, the court declined to grant the interdict, citing the imminent court hearing scheduled for next week Friday, the 24th of January 2025. This decision leaves Ithala in a precarious position, as clients will not have access to their funds, particularly during the weekend when many citizens face pressing financial obligations such as funerals, weddings, medical expenses, and the opening of schools.

### **UNPRECEDENTED CHALLENGE FOR A HISTORIC INSTITUTION**

What has happened is very unfortunate and unprecedented. Ithala has been a reliable institution for over 60 years, proudly servicing communities across KwaZulu-Natal and offering critical financial support to those in rural and underserved areas.

### **COMMITMENT TO RESOLVE THE CRISIS**

The Premier of KwaZulu-Natal, Hon. Thami Ntuli, is currently seized by the matter and has escalated the issue to the President of the Republic, seeking urgent solutions to protect depositors and stabilize Ithala's operations.

"This is not a matter of insolvency but one of ensuring fair and equitable processes in addressing Ithala's licensing and operational challenges. To the people of KwaZulu-Natal, I assure you that your funds are safe, and we are doing everything possible to resolve this matter swiftly. Please do not panic - your government is working tirelessly to ensure a fair resolution that prioritises your interests

and to ensure that the poorest of the poor can continue to access Ithala and participate in the mainstream economy,” said Rev. Zondi.

The KwaZulu-Natal Provincial Government, in collaboration with relevant stakeholders, remains committed to safeguarding depositors’ interests, stabilizing operations, and preserving Ithala’s legacy.

Further updates will be provided as the matter progresses.

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