

## Absa takes Busisiwe Mkhwebane's directive on Bankorp to the high court

Absa is asking the High Court in Pretoria to review and set aside Public Protector Busisiwe Mkhwebane's remedial action contained in her Bankorp "lifeboat" report.

By [Hanna Zady](#) 14 Jul 2017



Public protector, Busisiwe Mkhwebane

"We look forward to this case being brought to court. The years of baseless accusations have been unfair and prejudicial to Absa," the bank said in a statement..

"Because the business of the courts is conducted in the open, South Africans will get an opportunity to hear the facts and watch them being interrogated, in order for this matter to be put to rest."

The Treasury is joining Absa in seeking to have Mkhwebane's report set aside. Finance minister Malusi Gigaba said in papers that Mkhwebane had disregarded the evidence placed before her pertaining to the lifeboat.

In her report on the apartheid-era financial assistance extended by the South African Reserve Bank to Bankorp, which was later bought by Absa, Mkhwebane found that the government should recover R1.125t from Absa for the loan.

But Absa said the report's findings and remedial action were based on "material errors of fact", including that Absa had benefited from the bank's financial support and that such support did not benefit the general public.

"There is no debt owed by Absa." The price paid by Absa to acquire Bankorp had taken into account the Reserve Bank assistance, it said.

Absa would also be challenging the report on the basis that the public protector's process was procedural flawed and unfair to Absa; the debt had prescribed and was therefore not recoverable; and the public protector had no jurisdiction to investigate the matter.

This comes as earlier this week, Mkhwebane backtracked on a proposal, contained in the same report, to have the Reserve Bank's constitutional mandate changed. Mkhwebane said she would not be opposing a court application by the Bank to have this aspect of her report set aside.

**Source:** *BDpro*

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