



Debtfree

NAMIBIA

FINANCES & OUR FEELINGS

October 2023

www.debtfreedigi.co.za

A portrait of John W. Gardner, a man with short dark hair and a goatee, wearing a dark suit jacket, a light blue and white striped shirt, and a blue tie. He is smiling slightly and looking directly at the camera. The background is a soft, out-of-focus blue.

EXCELLENCE IS DOING
ORDINARY THINGS
**EXTRAORDINARILY
WELL**

— John W. Gardner

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FROM THE EDITOR

Time has the ability to both crawl or to fly by. Sometimes we are very aware of how fast time can pass. Like when the December holidays come around and we wonder where the year went. Other times we are caught in the day-to-day of it all, and time seems to really drag. Or at least, we are so busy we don't even get to think about it.

I suspect that parents are exposed to the effects of time more often, because they often have to go shopping for their kids as they grow. New shoes, new shirts, new...well, new everything, it never seems to stop.

They say as you age, you begin to put a day, a week, a month into perspective with your entire life to date. Which is why when you think back to your childhood, time seems to have moved different when you were young.

Sometimes time moves quickly, but sometimes it moves slowly. When it comes to paying off debt, time also has this elastic quality.

The day to day, month to month drudge of paying off your debt can be hard for some people to handle. Time can seem

to crawl even though you are in fact making progress each month. Sometimes it just feels like we pay and pay and nothing is happening. It can make you feel stressed and depressed.

That's why, in this issue, we talk about financial stress. Owing money can really mess with your happiness. It can disrupt you at work and at home.

We also have some top tips for dealing with your debt stress. This is not something they teach you in school. This is the kind of thing you only learn over time. We have gathered some of the best tips to make things easier for you.

All we can say, is that if paying off your debt review feels like it is crawling, and your debts are taking forever to get paid up, "just keep swimming" (to quote a certain fish themed movie). Keep making those payments, keep chipping away at your debt. Stay strong.

Time is a funny old thing, soon you'll blink and suddenly you will be debt free.

Zak King



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CONTENTS

FINANCES AND OUR FEELINGS

5 TIPS FOR
DEALING WITH
FINANCIAL
STRESS

DEBT
SCHOOL

NEWS

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FINANCES



& OUR FEELINGS





SPENDING ON CREDIT IS FUN...

Paying it all back is not.

Dealing with demands from credit providers or collections agents can be very stressful. It can very negatively impact on your feelings.

Stress, depression and anxiety are very common when dealing with debt. More than that, these feelings can also cause additional problems for us at work or at home.

FINANCIAL STRESS MESSES UP OTHER PARTS OF YOUR LIFE

Many people who are struggling to deal with debt report feelings of frustration, low self-esteem and even impaired cognitive functioning.

Employers often notice that staff members, who have high levels of debt stress, begin to struggle to be as productive at work. Sleepless nights also don't help.

Those dealing with debt stress are also more likely to snap and be harsh with those around them. This can negatively impact on their family life. Debt has often been linked to the end of many relationships.

Research shows that worrying about debt, triggers stress. Stress then drives what they call 'negative behavioural patterns'. These patterns drive some consumers to spend without restraint.

You may have heard of people doing retail therapy. People often spend to feel powerful and free, even when they can't really afford it. Unfortunately, this can drive a person into more debt just as fast as a car accident or a medical emergency.







SORT YOUR DEBT & START TO FEEL BETTER

Being in debt is stressful but it really doesn't have to take all the joy out of your life. There are many ways to deal successfully with debt.

Talk to someone and make a plan to deal with your debt. Make some more changes to help reduce spending and save where you can and try to remain positive by focussing on the good things in your life.

Don't let debt dominate your entire life. Rather, get it sorted out and you will immediately begin to feel better.





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5 TIPS FOR DEALING WITH FINANCIAL STRESS





5 TIPS FOR DEALING WITH FINANCIAL STRESS



TALK ABOUT IT

Find someone to discuss your debt situation with.

Someone who you can be totally honest with about your situation and the feelings you have.

If that's not family or friends, why not talk to a Financial Advisors or a Credit or Debt Counsellor, they are trained to help.

5 TIPS FOR DEALING WITH FINANCIAL STRESS



REVIEW YOUR SPENDING AGAIN

Even if you have made a budget in the past and have adjusted your spending, things change over time. Prices go up and (good news) new cheaper options do also become available.

So, review your spending and make needed changes to free up funds for essentials and dealing with debt. A few changes can go a long way.





DEBT





5 TIPS FOR DEALING WITH FINANCIAL STRESS



CONFRONT THE PROBLEM

This is no time to stick your head in the sand.

Rather, figure out your actual situation (write everything down and use a calculator) and then speak to either your credit providers or financial advisor.

Also, it is good to inform your family (with age appropriate details for the kids) of your situation, and share the plan you have made of how to deal with it together.

5 TIPS FOR DEALING WITH FINANCIAL STRESS



DO SOMETHING

Doing nothing will not help you feel better. Get up and get out and about. Avoid shopping for fun. Avoid any more new accounts.

Rather try other activities. Why not start doing a little exercise? Why not take the dog for a walk?

Fresh air and some activity can really boost your feelings.









5 TIPS FOR DEALING WITH FINANCIAL STRESS



FOCUS ON THE GOOD

Focus on the good things in your life rather than fixating on the challenges you face.

If you take stock of your entire situation (once you have made a plan to deal with your debt) you will quickly realise there is lots of good in your life, including your family and friends.



BREAKING

NEWS

TRUSTCO BANK & BANK OF NAMIBIA AT WAR

In October 2023, the High Court refused to have a case about the Bank of Namibia's decision to suspend the operations of Trustco Bank dealt with as "*an urgent matter*".

This means they have to wait for the court case to play out after the normal waiting time.

What is the case all about and why are Trustco and the Bank Of Namibia at war?

To figure it all out we need to look back to 2021.

2021

In 2021, the Bank of Namibia said that Trustco Group Holdings (basically the parent company) must make a capital injection of N\$100 million into Trustco Bank over a three-year period.

Why? It was said that it was to sort out the bank's "precarious financial position and poor liquidity risk management". When they were told to do so, Trustco seemed to comply.

Trustco Group Holdings made the first payment of N\$33,3 million (in March 2021) but this money was almost immediately channelled back to the Trustco Group, through

a bunch of management fees and intra-group deposits. So, it only looked like they had put the money into the bank, but then it appears they quietly moved the money back to the parent company.

As you can imagine, when the Bank of Namibia figured out what was happening, they were not happy.

2022

In March of 2022 Trustco Group moved money into Trustco Bank but the Bank of Namibia still said that Trustco Group Holdings had failed to comply with the central bank's original 3 year directives to provide those funds and to provide the internal statements to prove what was done.

November 2022

Not satisfied that Trustco was actually cooperating, the Bank of Namibia eventually filed an application in the High Court to have Trustco Bank wound up.

2023

The whole debate of whether Trustco did or didn't comply, is still going on, but now at court level.

Eventually the Bank of Namibia even decided to suspend Trustco Banks Licence during August. This is what made Trustco Bank and Trustco Group Holdings file what is called

an urgent application against the Bank of Namibia. But their application was unsuccessful, and so they now have to wait till their turn at court.

That is not the only court case going on about Trustco Bank. In another High Court case, the Bank of Namibia is saying that Trustco Bank is actually insolvent (because its debts or liabilities are more than its assets) and that Trustco Bank is unable to pay its debts.

Some people say this is definitely the end of Trustco Bank, but Trustco Group chief executive, Quinton van Rooyen says his group's legal battles with the Bank of Namibia are *"far from over"*.

DEBT School

Can it Wait?

If you are faced with a sudden change in circumstances (either big or small) that can impact on your budget and ability to repay your debts.

If it is something smaller like, a broken appliance or dent in your car, and are thinking of dealing with it instead of paying all your debts, Ask yourself: Can you wait to fix the issue?

This is because, with some planning, you may be able to still pay your debts and save towards sorting out the problem over time. It may take a little while but maybe it can wait.