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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA SUSPENDS TBN'S AUTHORISATION TO CONDUCT BANKING BUSINESS

1. On 18 August 2023, the Bank of Namibia, in accordance with Section 15(5) of the Banking Institutions Act, 2023 (Act No. 13 of 2023), after consultation with the Minister of Finance and Public Enterprises, resolved to suspend the authorisation of Trustco Bank Namibia (Trustco Bank) to operate as a banking institution with immediate effect.
2. The suspension is temporary and subject to Trustco Bank rectifying certain stipulated and communicated instances of non-compliances within six months from the 18th of August 2023. In the event that Trustco Bank, at the end of the suspension period, remains non-compliant with identified provisions of the Banking Institutions Act and the matters that caused its suspension, the Bank of Namibia will take further action as mandated by the Act.
3. The decision to suspend the Trustco Bank's license resulted from numerous non-compliance and serious shortcomings, of which several internal control weaknesses remain unresolved. This is despite several repeated interventions by the Bank over an extended period directing Trustco Bank to rectify these shortcomings.
4. The objective of the suspension is to safeguard the integrity of the banking system and formal banking sector amidst the Bank of Namibia's concerns about Trustco Bank's internal control environment, as well as its failure to comply with orders and directives issued by the Bank as prudential regulator and supervisor of the banking industry. Further, the suspension is intended to protect the interest of both internal and external stakeholders (be they depositors, shareholders, creditors, or the financial sector at large).

5. Despite the suspension, customers will have access to their deposits at Trustco Bank. Furthermore, the Bank of Namibia emphasises the importance of Trustco Bank customers who have credit facilities to maintain and honour their loan repayment obligations in terms of their agreed contractual terms to prevent listing on credit bureaus and/or any other measures that may be taken to recover such funds. For further enquiries, customers should contact Trustco Bank in this regard.
6. The public is hereby informed that the decision to suspend the banking institution's license is taken independent of ongoing litigation involving Trustco Bank and the regulator in the High Court of the Republic of Namibia. Such court matters shall proceed as planned.
7. The Bank of Namibia remains committed to fostering banking system stability and integrity by executing its supervisory mandate in line with the provisions of the Banking Institutions Act.

Issued by:



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