



REPUBLIC OF NAMIBIA



MINISTRY OF INDUSTRIALISATION, TRADE AND SME DEVELOPMENT

MEDIA STATEMENT

REGARDING THE DEVELOPMENTS AT SME BANK LIMITED MARCH 3, 2017

1. The Ministry of Industrialisation, Trade and SME Development (the “Ministry”) as the representative of the majority shareholder in SME Bank Limited (the “SME Bank”), namely the Government of the Republic of Namibia (“Government”), has become aware of the decision taken by the Bank of Namibia to effect an assumption of control of the SME Bank, for the reasons set out in their press release on the subject matter dated 01 March 2017.
2. It is the Ministry’s understanding, that the assumption of control of the SME Bank by the Bank of Namibia will ensure the stability of the SME Bank and is a precautionary measure. It is the Ministry’s firm belief that the Bank of Namibia has assessed this situation and all possible options at its disposal before opting to assume control of the SME Bank. To this end, Government supports the role and functions of the Bank of Namibia, as regulator, and appreciates the steps it has taken to ensure the continued function of the SME Bank.
3. The Ministry (and Government) is confident that the Bank of Namibia will ensure that the circumstances around the assumption of control of SME Bank by the Bank of Namibia, are fully investigated in the shortest time reasonably possible and the Ministry, as Shareholder, awaits the outcome of these investigations, where after Government will consider its position accordingly.
4. The public should note, as has the Ministry, that the SME Bank’s activities and its banking business will not be affected, as the SME Bank will continue to operate as normal during the time the Bank of Namibia assumes control of the entity.
5. As an entity established through a concerted national effort to cater for the under-served sector of the economy, the SME Bank’s mandate is yet to be fully realised and its potential not yet fully harnessed. Access to Finance, remains the greatest obstacle to Micro, Small and Medium Enterprises (MSMEs) growth as identified in the Harambee Prosperity Plan and the National MSME Policy of 2016-2022. As a responsible Government, we cannot afford for this important institution to fail or default on its mandate.
6. Therefore, the Ministry pledges Government’s unequivocal support to the SME Bank during this provisional period in order for the leadership and the staff of the SME Bank to deliver on the expectations placed on them by the Namibian Nation.
7. As stated by the Bank of Namibia, customers with savings and investment deposits at this point in time can be rest assured that their deposits are safe. As such, depositors are urged not to withdraw or redeem their deposits earlier than the date of maturity.
8. Furthermore, the Ministry appeals to customers of the SME Bank to maintain a good standing on their loan repayments and honour their contractual obligations. This will ensure the sustainability of the SME Bank in order for it to continue providing a service to its clientele.
9. All relevant stakeholders, depositors, creditors and employees of the SME Bank are hereby assured of the Government’s commitment to the SME Bank as a sustainable entity and its future growth.

Hon. Immanuel Ngatjizeko, MP
MINISTER

“Growth At Home”

