



OFFICIAL PRESS RELEASE

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PRESS RELEASE

Sound Banking System despite the revocation of Pacific International Commercial Bank's licence

The National Reserve Bank of Tonga wishes to assure the public that despite the revocation of the banking licence of Pacific International Commercial Bank (PICB) effective from 26th July 2016, the banking system remains sound. Whilst PICB represented a very small proportion of the total banking system, the banks in Tonga continue to be profitable and maintain strong liquidity and capital position.

The NRBT would like to assure the public that the revocation of PICB's licence was an isolated incident specific to one bank and should not be seen as a failure of the banking system as a whole. Nevertheless, it is the NRBT's duty of care and legal obligation to protect the depositors and creditors from any additional losses and ensure the stability and public confidence in the banking system is well maintained. This supports the NRBT Board of Director's decision to revoke PICB's licence.

The members of the public are reminded that it is an offence under Section 3 of the Financial Institutions Act, to conduct the business of banking without a valid banking licence issued by the Reserve Bank.

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