

**OPENING REMARKS BY CBSI GOVERNOR, MR DENTON RARAWA AT
THE GRAND OPENING OF THE PAN OCEANIC BANK [POB] OFFICE, AT
THE HYUNDAI MALL, HONIARA, SOLOMON ISLANDS, ON FRIDAY 11TH
JULY 2014**

Mr Upali de Silva, Chairman of Pan Oceanic Bank Board,
Mr. Nihal Kekulawala, Chief Executive Officer, Pan Oceanic Bank,
Senior POB Management and Staff,
Archbishop Adrian Smith,
Distinguished Guests,
Ladies and Gentlemen

Good Morning

I am honored indeed to be part of the opening ceremony of Solomon Island's newest bank, Pan Oceanic Bank, this morning.

As I mentioned in my congratulatory message to POB carried in the newspapers this morning, it has taken us over a year to reach this stage, where POB is opening its doors to the public. I remember meeting with a POB delegation in March 2013 in the CBSI Boardroom when they submitted their application for an interim license to conduct banking business in the country. It was not until seven months later in September 2013 that an interim license was granted. And it took another seven months before a full banking license was granted to POB in April 2014.

So it has been a long process. It has taken countless emails and letters between the promoters of POB and the CBSI. It took my staff many hours of work conducting the due diligence assessment of POB's application.

I am sure you are all aware, that setting up a bank in another country, especially a small developing country like Solomon Islands, is not an easy task. Even for well-established banks, setting up branches in a new market can be a lengthy process. So how much more is the challenge of establishing a new bank from scratch in a small unknown market?

New regulations and prudential requirements have to be complied with. Staff needs to be recruited and trained. IT platforms and systems have to be installed and correspondent bank relationships have to be established. Operational manuals and internal policies have to be drawn up. All these things and many more, have to be in place before you can open your doors to the public. So the opening of POB a locally incorporated bank this morning is a major achievement indeed. And I offer my Congratulations to POB.

At this juncture, let me also congratulate the NCRA Government for their foresight in amending the Financial Institutions Act that enabled the Central Bank to issue interim licenses to applicants for a banking license prior to granting a full license. This amendment allowed flexibility in the licensing procedures and allows time for an applicant for a banking license to meet the requirements and conditions of the regulator. The amendment also provided some degree of certainty to applicants and the space and time to work with the regulator on outstanding licensing requirements before a full banking license can be issued. Without the amendments, the licensing process would have been more tedious, and there would be uncertainty whether an applicant would be granted a banking license or not.

Also at this juncture, I want to pay special tribute to Westpac Banking Corporation, especially the Solomon Islands General Manager, Mr Kutila Pinto for your patience and understanding in assisting the country avert what could have potentially become a major source of economic instability. With the country prone to natural disasters such as the recent April floods, the last thing the country needed is another source of economic and financial instability. Westpac's understanding has been a very critical factor and is very much appreciated. Please convey our sincere appreciation to your superiors at Head Office in Sydney.

I would like to acknowledge my staff, especially Raynold Moveni and his team in the Financial Markets Supervision department for their hours of hard work in conducting the necessary due diligence assessment of POB's application for a banking license. And also to my Board for endorsing POB's application and granting the full banking license early this year.

But ladies and gentlemen, this morning, all accolades belong to Pan Oceanic Bank. This is your special day and we are all proud of you.

I encourage our people to come in and utilize the services and products on offer. We have a new player in town so why don't you come in and check it out. I know as with all new things in life, some of us may be cautious and nervous. That is natural. Just like when a new family moves into the house next door, you become cautious. You advise your children to be careful. You are more alert at home. But as time goes by you get to know your new neighbours and they become your friends.

So I would like to call on our people, firms and organizations to come out and do business with POB. They are our newest partner in our financial community. I am sure they will be more than willing to assist and respond to any questions you may have about themselves, their products and services.

Let me assure all of us that Pan Oceanic Bank is a well-capitalized bank and they bring to our country, especially to the financial sector, a team of highly experienced and skilled directors, senior managers and staff. As we heard last night, they have an accumulated 400 years of experience in the banking industry.

Conclusion

Finally, let me conclude by thanking Mr Nihal Kekulawala for inviting me here this morning. I am confident that the opening of POB's operations will contribute towards Solomon Islands economic development process as you provide financial services and products to our people and business community. I wish you all the best in your operations in the country.

Official Opening

Ladies and gentlemen, without further ado, it is my pleasure to officially declare the Pan Oceanic Bank operations in Solomon Islands, here at the Hyundai Mall duly open.

May God bless POB and may God bless Solomon Islands

Thank you very much