



CENTRAL BANK of SOLOMON ISLANDS
P.O. BOX 634, Honiara, Solomon Islands

Press Release: 01/2018

Tuesday 9th January, 2018

CBSI on Royal Solomon Islands Credit Union Limited

The Central Bank of Solomon Islands (CBSI) wishes to clarify an article written by Mr. Alfred Sasako titled "Missing Police Credits" that appeared in Island Sun Newspaper on January 8, 2018.

In the article concerned, there were references made to CBSI and to former CBSI Governor, who is now Solomon Islands Prime Minister, of 'doing little or nothing about the situation' in the Royal Solomon Islands Police Credit Union Limited (RSIPCUL).

For the information of your readers and the public, the references made about CBSI and its former governor are incorrect and misleading.

As part of its oversight responsibility, CBSI through the Office of the Registrar of Credit Unions conducted a number of prudential onsite examinations on RSIPCUL ranging from all aspects of governance and operational risks to credit and liquidity risks, among others. All its onsite examination findings, and risk mitigation strategies and recommendations were duly communicated to RSIPCUL Board and Management to address.

In addition to onsite examinations, the CBSI had also initiated two investigations, one in 1998 and one in 2017, as well as held quarterly bilateral consultations with RSIPCUL executives to help stabilize RSIPCUL. Some actions that the Office of the Registrar of Credit Unions and CBSI took included suspension of RSIPCUL Board of Directors, suspension of all credit union committees, removal of some directors through a special AGM, suspension of RSIPCUL operations, and removal of RSIPCUL management.

Similarly, the CBSI had also been providing an interim administration of RSIPCUL operations and assisted RSIPCUL stabilize its cash-flow situation and, in September of 2017, had called for a special AGM for RSIPCUL members to elect new board of directors, members to the supervisory committee, and members to the credit committee to oversee the administration of RSIPCUL going forward.

The RSIPCUL was registered in 1988 under the Credit Unions Act Cap 165 and the Standard By-Laws 1987. It is one of the largest active credit unions in Solomon Islands where its assets grew from \$3,904 in 1988 to \$8.5 million in 2017.

The Office of the Registrar of Credit Unions and CBSI will continue to provide oversight surveillance on RSIPCUL and on all registered credit unions in the country as part of its stability mandate.

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For more information, please contact:

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