

STATEMENT BY

**M S FOFANA
DEPUTY GOVERNOR
BANK OF SIERRA LEONE**

ON

THE OFFICIAL OPENING

OF THE

INTERNATIONAL COMMERCIAL BANK

ON

WEDNESDAY 8TH DECEMBER 2004

His Excellency, The President

Guest of Honour and Founder of ICB

Honourable Ministers

Honourable Members of Parliament

Members of the Diplomatic Corps

Shareholders and Promoters

**Board of Directors, Management and Staff of International
Commercial Bank**

Distinguished Ladies & Gentlemen

I am pleased to participate at this Official opening of the newly established International Commercial Bank (ICB), which is part of the ICB Group whose head office is in Malaysia. The establishment of this bank has brought the number of commercial banks in Sierra Leone to seven. This is a significant improvement on what we had at the end of the 11 year civil conflict. The impetus for the growth of the banking industry is provided by the improved security situation, macroeconomic stability as well as consumer and business confidence in Sierra Leone.

Your Excellency, distinguished guests, our banking laws have always encouraged the participation of foreign investors in our financial sector. The history of commercial banking in Sierra Leone goes back some two centuries ago when our banking system was largely foreign dominated. Though today's banking sector has greater domestic participation, we still

welcome foreign participation not only in direct investment in the real sector, but also in the banking sector.

Your Excellency, distinguished guests, as a vibrant financial sector is crucial for any economy, regardless of its size, the Bank of Sierra Leone is determined to maintain a healthy financial system that is both competitive and productive. It is expected that the establishment of a foreign owned bank will not only bring in additional capital and employment, but will also bring with it new products and expertise that will make the industry more competitive and more responsive to customer needs.

Your Excellency, distinguished guests, one of our roles as a central bank is to promote a safe and sound financial system that will instil confidence in depositors and investors. We therefore regulate and supervise all licensed financial institutions within the framework of international tenets and best practices, as a better regulated financial sector is more resilient to external shocks.

Your Excellency, distinguished guests, the growth of any economy, both in size and complexity, should be accompanied by the growth of its financial sector. It must be widened and deepened to provide access to short, medium and long-term finances. To achieve this, the Bank of Sierra Leone is facilitating the development of a capital market through the

private sector. The principal function of this market is to raise long-term funds to support new investment, especially for medium and large scale enterprises, and to provide an avenue for converting financial instrument into cash.

In addition to the Bank of Sierra Leone's facilitating role, we have already created a capital market regulatory unit for the initial regulation of this market until a security exchange commission is established.

Furthermore, the Bank of Sierra Leone is also facilitating the establishment of community banks in areas where there are no commercial banks in order to compliment the commercial banks' efforts in rural intermediation. These community banks will provide institutional anchor to the Government's micro finance programme.

In a bid to deepen the Secondary Market Operations in financial instruments, the Bank is at some advanced stage of introducing Securities Repurchase Agreements (Repos) with banks and other financial institutions. Bank of Sierra Leone is also in the process of modernising the Payments System with the introduction of an Electronic Clearing House to expedite the cheque payments with a longer term objective of instituting a Real Time Gross Settlement (RTGS) System.

Finally, your Excellency, distinguished guests, let me take this opportunity on behalf of the Governor, Dr J D Rogers, who is unavoidably absent here today, to extend a hearty welcome into the banking industry of this country, to the Board of Directors, management and staff of the International Commercial Bank. I would also take this opportunity to commend the shareholders for this remarkable venture. This has further confirmed to the international community the conducive atmosphere in the country for investment.

Let me also encourage the bank's management to carefully study the needs of the public and develop products that will entice the large unbanked public to use the banking system.

I wish our new bank every success in its operations.

Thank you.