

OPENING REMARKS BY THE DEPUTY CHAIRMAN OF SOLOMON ISLANDS NATIONAL PROVIDENT FUND ON SOFT LAUNCHING OF SOLOMON FINANCE LIMITED (SFL), 11 AM FRIDAY 25 MARCH 2022.

Salutations

Hon Minister of Finance & Treasury, Mr Harry Kuma
Permanent Secretary of Finance, Mr. Mckinnie Dentana
Governor, Central Bank of Solomon Islands, Dr. Luke Forau,
Deputy Governor, Central Bank of Solomon Islands, Mr. Raynold Moveni
Chief Manager Financial Systems Regulation, CBSI, Mr. Daniel Haridi,
SFL Chairman Gane Simbe and members of SFL Board
My colleague members on SINPF Board
SINPF and SFL management teams.
Invited Media.

First, I welcome you all to this official soft launch of our new our investee company, the Solomon Finance Limited (SFL) this morning. We are so pleased that you can come and witness this very special event especially our three guests of honors, Hon Harry Kuma Minister of Finance, the Permanent Secretary of Finance Mr. Mckinnie Dentana, and Dr Luke Forau, Governor of the Central Bank of Solomon Islands.

Unfortunately, we are only able to co-host with SFL Board a soft launch due to the current situation we are in at the moment and constrained financial resources.

Today marks another milestone in the Fund's 44 years journey when we will announce Solomon Finance Ltd commencement of business date. Besides being an investment for the members of the Fund for their returns, it is also a service and benefit to our members where they can access financing to support them with their retirement goals, without touching their retirement savings whilst they are still in employment.

The approved investment outlay for SFL in cash and guarantee is \$15 million. The SFL's loan book will be funded by term deposits that will be placed by SINPF Board in SFL.

It has taken the SINPF Board past and present, more than 12 years to achieve its vision to provide pre-retirement credit solutions to our members through a wholly owned credit subsidiary. Today it is now possible as the SINPF will be the 2nd provident or superannuation fund in our Pacific region to establish a separate wholly owned credit institution for its members.

The SFL competing with other credit providers in the market will provide an additional choice to our members for their credit needs.

On this note, I want to re-emphasize the message when my Chairman of SINPF Board announced the successful granting by the Central Bank of Solomon Islands the license to conduct banking business as a credit institution to SFL on December 13, 2021.

His message on behalf of the SINPF Board and SFL Board was that the establishment of SFL is **“consistent with the Fund’s objective and vision to support members to build up their wealth for their old age and retirement while they are active and still in employment.”**

What this statement means is that SFL is not an early withdrawal channel for members to withdraw their contributions from the Fund. No, SFL is a channel that will encourage members to develop personal plans for their retirement carefully before seeking financing from SFL so that it builds up their wealth and savings and helps them enjoy a comfortable retirement in their sunset years.

I wish to take this opportunity to thank Board members of SINPF both past and present for your contributions through the years towards achieving this strategic goal. I also wish to thank the management and staff of SINPF past and present for your persistent efforts over these years. You have all earned yourself a historical legacy to have been part of SFL’s genesis.

I also pay special appreciation to the Minister of Finance who has supported the SINPF Board vision for this investment and exercised his approval to have the investment come to fruition. Also I want to thank the current Minister of Finance for recently approving SFL as an eligible licensed financial institution that the SINPF Board can place deposits with.

To the Central Bank Governor and your staff vetting and ensuring that our application is tested critically against the Financial Institutions Act (FIA) requirements and for your eventual granting of the full credit license.

Last but not least the Board members, management and staff of SFL who had worked hard to make the dream come true. The hard work will now start as the SFL open its door for business.

We will not be naïve or complacent as for any new business or investment there will always be challenges that SFL will confront and have to resolve in the early phase of its commercial existence and growth. The SINPF Board is confident that SFL Board and management has the competency to deal successfully with any of these potential challenges and risks when they arise.

Before announcing the formal commencement of SFL business, I would like to share with you our members a predicament faced by the SINPF Board when considering member requests for exemptions to the Minister of Finance for partial early withdrawal of their savings.

The dilemma faced by the Board is reconciling these requests against the key objective of the Fund that their funds accumulated over time are for their retirement and old age.

Today these requests to the Minister of Finance referred to us as part of his consultation is increasing. For the 1st 8 months of our 2022 financial year we had received more than 400 requests for exemption adding additional work load to the Fund in addition to the normal growth in eligible member benefit payouts.

The major reasons for their exemption requests are school fees, medical and health fees, building of a house, purchase of a land and establishment of small income generating business.

When members draw on their retirement funds for their old age to fund these and other life contingencies, they will reduce what they will received later when they reach their retirement or old age.

With the commencement of SFL, members can now channel these requests through the SFL with well planned proposals.

And for the major reason for us being here today, it gives me the pleasure and honor, to announce to you and especially members of the Fund **that the *Solomon Finance Limited will officially open for business on Monday 28th March 2022 at 9 am.***

Once again thank you all and especially to our guests of honor for gracing SFL's soft launch today.

In closing I would to conclude by thanking our Almighty Father for his wisdom, knowledge, and guidance over the past 11 years as we today launch SFL for the glory of his name.

God Bless SFL, God Bless SINPF, and God Bless Solomon Islands