

RESERVE BANK OF FIJI



OPENING ADDRESS AT THE OFFICIAL OPENING OF BANK OF SOUTH PACIFIC LIMITED BY GOVERNOR OF THE RESERVE BANK OF FIJI, MR. SAVENACA NARUBE ON 18 DECEMBER 2006

Your Excellency, Mr. Peter Eafeare

Mr. Noreo Beangke, Chairman Bank of South Pacific

Mr. Garth McIlwain, Managing Director Bank of South Pacific

Mr. Kevin McCarthy, General Manager, Papua New Guinea

Mr. Greg Watson, General Manager, Fiji

Mr. Irfan Rabbani, Habib Bank Limited

Distinguished Guests

Ladies and Gentlemen:

I am glad to be here this morning and thank you for the invitation to the official opening of the Bank of South Pacific branch in Fiji. It is always pleasing to see a new bank join the financial sector in Fiji. Over the years we have seen several banks come and go. This of course is a commercial reality. I am particularly glad that the new entrant that we are welcoming today is a strong regional bank. It is also encouraging that, in our current political climate, the Bank of South Pacific has decided to go ahead with its plans to enter Fiji. I warmly congratulate you on this new venture and wish Bank of South Pacific Limited all the best in your operations in Fiji.

Fiji is going through some turbulent times. We in the Reserve Bank of Fiji have moved quickly to safeguard financial stability. We have asked the commercial banks to freeze their loan books. We have tightened exchange controls. But let me explain here that we have not stopped any foreign transactions. We have just asked the commercial banks that they seek our approval first before they make these deals. I must thank the commercial banks for their support and cooperation for the measures that we have put in place.

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Bank of South Pacific Limited has a long history of banking in Papua New Guinea going back as far as 1957. BSP is listed on the Port Moresby Stock Exchange and has 54 percent market share of the total assets of the Papua New Guinea banking system making it the largest bank in the country. It operates a network of 39 branches across Papua New Guinea and one branch in Niue. BSP is increasing its overseas presence – here in Fiji today and in the Solomon Islands.

BSP has satisfied all the licensing requirements of the Reserve Bank of Fiji and we are pleased to issue the Bank with a licence. With the commencement of Bank of South Pacific Limited's operations today, we envisage many benefits to both countries. Trade relationships between Papua New Guinea and Fiji will be strengthened. We will see increased competition for banking services and products. There will also be an opportunity for capacity building as Fiji staff work in other BSP branches and vice versa.

We at the Reserve Bank of Fiji look forward to working closely with Bank of South Pacific Limited to ensure that Fiji's financial system is dynamic and sound. I look forward to your contribution to the economy and the financial system.

Once again, I congratulate you on the official opening of Bank of South Pacific Limited and wish you every success in your operations.

Thank you

18 December 2006

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