

**ADDRESS OF THE GUEST OF HONOUR, THE GOVERNOR OF THE BANK OF GHANA – NASHIRU ISSAHAKU - FOR THE COMMISSIONING OF SERVICES INTEGRITY SAVINGS & LOANS LIMITED HEAD OFFICE BUILDING ON THURSDAY THE 1<sup>ST</sup> DAY OF DECEMBER 2016**

1. The Chief of the Defence Staff, Air Marshal Michael Samson-Oje,  
Service Commanders,  
Formation Commanders,  
Directors General,  
Senior Officers,  
Officers, Men and Civilian Employees of the Ghana Armed, Forces,  
Distinguished Invited Guests,  
Ladies and Gentlemen.

2. Today marks a major landmark in the financial intermediation landscape in our beautiful country Ghana. Today, the Ghana Armed Forces individually and collectively have decided to take their economic fortunes into their own hands. It gives me great pleasure to be a part of this history making event

3. I was tingled with delight when I got the invitation from the High Command of the Ghana Armed Forces, to be the Guest of Honour for today's function, which is the Commissioning of the newly-built Head Office of the Services Integrity Savings and Loans Limited, which I have been reliably informed to be the prelude to the establishment of a Universal Bank for the Ghana Armed Forces.

4. As I recall, when the Bank of Ghana received the application from the Ghana Armed Forces seeking approval for the establishment of a Savings and Loans Company with the ultimate aim of nurturing it eventually into a Universal Bank, the Bank of Ghana, characteristically, subjected the application to its usual high standard and uncompromising scrutiny. After all our queries were satisfactorily answered and our conditions were fulfilled, the Bank of Ghana then proceeded to issue a Provisional

Licence to the Services Integrity Savings and Loans Company with the expectation that it will endeavour to put in place measures that will enable it meet the criteria to get a Final Licence for it to commence operation. The record time with which the Services Integrity Savings and Loans Company fulfilled these conditions, enabling it to get its Final Certificate in record time, is not only admirable but also commendable. To me it is an indication that the company has the right attitude and posture to enter the banking industry with a sense of mission and the desire to succeed.

5. The Chief of the Defence Staff, Service and Formation Commanders, distinguished ladies and gentlemen, let me remind you that this company is venturing into the banking sector at the time when the capital market has leap frogged from its embryonic state in the 1990s, into a potent force in the West African sub-region. The evident implication of all this is that this Savings and Loans Company that is being established by the Military High Command to serve its personnel and society at large, will have to work hard to assert itself in a very competitive and tough financial terrain. It is however gratifying to note that over the years, measures have been put in place to improve the derivative market which has resulted into a considerable improvement of the capital structure and profit-making abilities of not only commercial banks but also those of corporate entities as well. This has gone a long way to strengthen the effect of monetary policies and also attracted more international capital into the country, thus accelerating the country's economic growth and future prospects.

6. In fact, Banks and Financial institutions that were set up in the early 1960s and 1990s were either wholly or majority owned by the public sector. From 1992 onwards the Bank of Ghana, as a matter of government policy, began to privatize a number of state owned banks. There has since been the liberalization of the financial sector that has resulted into a considerable influx of a number of foreign banks into the country and lately an increase in a number of domestic financial institutions such as the Services Integrity Savings and Loans Limited. Indeed, the liberalisation of the financial sector in the country under the Financial Sector Adjustment Programme(FINSAP) and the Financial Sector Strategic

Plan (FINSSIP) have also brought about improved savings, enhanced deposits mobilization, financial deepening, and competition in the banking industry. The introduction of the new Banking Act, the Banking Act of Ghana, 2004 (Act 673), which has led to an upward adjustment of the minimum capital required to set a bank also saw the introduction of the Universal banking licence which allows banking to provide a wide range of diverse banking services. It is thus my expectation that the Services Integrity Savings and Loans Company, which would soon be a Universal bank, will grow beyond seeking the welfare of personnel of the Ghana Armed Forces to positioning itself in the scheme of things, to emerge as a pivotal fulcrum around which the economy of the country as a whole will evolve. This is against the background that the Armed Forces is the singular institution that protects the sovereignty and the territorial integrity of the country. It actually protects the Bank of Ghana, so spreading its tentacles to provide security in the economic realm through its bank is definitely a step in the right direction and a feather in the cap of the military.

7. As the regulator of the banking system in Ghana, I wish to assure SIS&L of the material and moral support of the Bank of Ghana as it embarks on its journey into the banking and financial industry. I will however remind the management of SIS&L, and I am sure they are very much aware, that the safety and soundness of the banking system hinges on good governance practices as well as robust risk management systems. In this regard, I will encourage SIS&L to take steps in the not too distant future to enlist in the local stock market. This is because such a move will come with a number of benefits to SIS&L in particular and the economic well being of its clientele as a whole. In fact, banks that take this route are likely to build enduring relationships with international banks as well as tapping into the long term funds for intermediation in the local market. Additionally, it will enable them to attract additional capital resources that will go a long way to help them build their own capacities for risk-taking.

8. I must sound a note of caution here. Empirical evidence has it that the use of the military in running businesses has impacted professionalism. To avoid this impact, the Bank of

Ghana has insisted on maintaining this financial institution as a purely economic unit, run on professional basis, with internationally accepted rules and norms and using non-military civilian professionals having accepted professional competence. This institution will therefore come under the same regulatory framework as all other and not considered a military institution under military laws. Failure to comply to this shall attract sanctions from the Bank of Ghana

9. Distinguished ladies and gentlemen, in congratulating the Military High Command for their forbearance and bubbling foresight in nurturing this dream of establishing a bank into reality as is evident today. I look forward to seeing this company grow into the versatile universal bank that it has set out to be.

10. On this note, I declare the Head Office Building of Services Integrity Savings and Loans Company duly commissioned.

Thank you