



**STATEMENT BY HIS EXCELLENCY, DR. JULIUS MAADA
BIO, PRESIDENT OF THE REPUBLIC OF SIERRA LEONE
AT THE FORMAL OPENING OF THE NORTHERN
REGIONAL HEADQUARTER BRANCH OF UNION TRUST
BANK, MAKENI, 12 FEBRUARY 2021**

Your Excellency, Dr Ernest Bai Koroma, Former President of the Republic of Sierra Leone,
Ministers of Government,
Honourable Members of Parliament,
Your Worship, the Mayor of the Municipality of Makeni,
Our Revered Paramount Chiefs and Traditional Authorities,
Our Generous Hosts, Guests, Distinguished Ladies and Gentlemen,
Good morning.

1. Even at a time when COVID-19 continues to ravage the world with fatal consequences, it gives me great pleasure to be with you here this morning to celebrate the opening of the headquarter office of Union Trust Bank here in Makeni.

2. I would like to start by encouraging all of us to remind one another that while COVID-19 is with us, we must continue to adhere to all health protocols especially the proper wearing of face masks and all other measures in effect. We must all contribute to the collective national effort to curtail and prevent the spread of COVID-19. As I have often reiterated, our overall target is to save lives while sustaining livelihoods, and we have won worldwide acclaim from international institutions and countries for our leading and effective interventions, relatively low infection rates, and low case fatality ratio.

3. But even with the worst of COVID-19, our economy has remained largely buoyant as a result of my Government's anticipation of and quick action interventions to forestall the worst impact of the pandemic. Essential commodities have been on the market at relatively steady prices. Our mining industry has continued production without layoffs and even added new operators and hundreds of new mining jobs. Our social safety net interventions have provided for our most vulnerable citizens. Most importantly, the private sector has remained active and financial institutions including banks have remained operational throughout this difficult period.

4. So, we have done a lot, albeit in extremely difficult circumstances. But most importantly, we have remained focused on our key programmatic goals laid out in our manifesto and in our Medium-term National Development Plan.

5. As a background to our targeted policies on financial inclusion, access to finance, and growing the private sector, we recognise in our Medium-term National Development Plan that "the extension of financial services to the rural population, which constitutes about 60 percent of the population, is inherently limited by the concentration of financial institutions in urban areas."

6. We further note that "only 1 percent of individuals are covered by the Bank of Sierra Leone's credit registry, which means that banks are

unable to properly check individuals' credit histories, which increases the risk of lending."

7. We observe that "outreach of the microfinance and community banking sectors is also limited by poor governance and communication technology."

8. My Government has since strengthened the regulatory and supervisory framework around banking and worked on addressing risks within the banking system and other financial institutions. Beyond that, Government has also supported the expansion of mobile telephone coverage and fibre-optic penetration. The benefits to the banking sector of leveraging such investments in communications infrastructure and technology are evident.

9. It is also my Government's assessment that one of the most viable means of poverty alleviation is to expand access to finance whilst providing training in business skills in line with our human capital development's relevant and purposeful education imperative. We believe that just providing money to people who would not know how to use it to explore new businesses, expand their existing businesses, or take advantage of business networks is as good as wasting money.

10. So, for us, expanding access to finance and blending that with training in business skills that are needed to sustain and expand the microenterprises or medium enterprises that citizens could establish with the capital outlay makes perfect sense. It is good for developing the private sector and it is good for nurturing the right conditions for economic growth and poverty reduction in Sierra Leone.

11. My Government, therefore, recognises that a key sector that promotes financial inclusion is the banking sector. It mobilises money that can be used for generating economic activity, increasing productivity, and creating jobs. So as a Government, we have a number of expectations

12. Government has undertaken various efforts to promote financial inclusion in the country including creating a digital biometric registration for citizens wishing to open bank accounts. Part of this emphasis on using technology is to see how financial institutions can use financial technology to extend financial services to more Sierra Leoneans.

13. But beyond this, my Government believes that we can gain a lot as a nation if we promote a savings and investment culture among citizens. The days of “earn and spend” are gone. Banks can therefore work with Government to foster that savings and investment culture. But we expect also that banks should be able to make available low cost credit to credit-worthy Sierra Leoneans who have proven investment ideas.

14. Clearly, Union Trust Bank has contributed significantly to providing access to finance that has led to the creation of business opportunities for small and medium enterprises across the country. It also helps provide short-term capital requirements to economic agents.

15. In promoting more access to banking services in the rural areas, Union Trust Bank services places where the foreign-owned banks do not have branches. No doubt, its customer-focused banking products have helped deepen financial inclusion among citizens who live and do business in rural communities.

16. I am informed that Union Trust Bank Limited is a client institution for both the African Development Bank Group and the Islamic Development Bank Group. It is also the first Western Union Money Transfer agent in Sierra Leone with agencies in all districts. This international reach and the diversified financial services portfolio is also very helpful.

17. I also am informed that the bank has many touchpoints for their customers. That is truly impressive. But I also want to encourage Union Trust Bank to adopt more strategies to give themselves an even more competitive edge over international and other commercial banks. Government, therefore, stands ready to create the necessary enabling environment to support the growth of indigenous private sector banking in Sierra Leone.

18. I also see prospects for more cooperation with Government in further reducing the numbers of unbanked especially in rural areas while also reducing the cost of financial transactions for rural community dwellers. To that end, it is possible to engender more cooperation among banks, mobile network operators, and the Ministry of Information and Communications on cheaper, technology-mediated ways of accessing and transferring money at much-reduced costs.

19. I am informed that Union Trust Bank did not experience a cash shortage during the two weeks of the Christmas period. I want to encourage Union Trust Bank, as well as other players in the sector, to adopt liquidity management practices that assure that depositors can access their money in banks as and when they need it.

20. Let me conclude by stating that I am proud that Union Trust Bank Limited is the only indigenous private bank in Sierra Leone. It clearly demonstrates the capacity of Sierra Leoneans to develop a corporate culture and compete actively in the banking sector. The establishment of several brick-and-mortar branches all over Sierra Leone demonstrates that the bank is visibly re-investing its profits in Sierra Leone.

21. With these few remarks, I now formally commission the regional branch of Union Trust Bank, Sierra Leone, Ltd.

I thank you.