



NOTICE OF REVOCATION OF LICENCES OF INSOLVENT SAVINGS AND LOANS COMPANIES AND FINANCE HOUSES, AND APPOINTMENT OF A RECEIVER

Accra, Ghana, 16th August, 2019

The Bank of Ghana has, with effect from today, revoked the licences of twenty-three (23) insolvent savings and loans companies and finance house companies (see Annex 1). These actions were taken pursuant to Section 123 (1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), which requires the Bank of Ghana to revoke the licence of a Bank or Specialised Deposit-Taking Institution (SDI) where the Bank of Ghana determines that the institution is insolvent. The Bank of Ghana has also appointed **Mr. Eric Nipah** as a Receiver for the specified institutions in line with section 123 (2) of Act 930.

The revocation of the licences of these institutions has become necessary because they are insolvent even after a reasonable period within which the Bank of Ghana has engaged with them in the hope that they would be recapitalized by their shareholders to return them to solvency. It is the Bank of Ghana's assessment that these institutions have no reasonable prospects of recovery, and that their continued existence poses severe risks to the stability of the financial system and to the interests of their depositors.

In line with the Government's commitment to protect depositors' funds, the Government has made funds available to enable the Receiver pay depositors after their claims are validated. The Receiver will in due course make an announcement with regards to when and where payments will be made. The Receiver will also indicate documents required from depositors to facilitate the validation of claims and orderly payment of validated deposits. Other creditors of the failed institutions will be settled by the Receiver upon validation of their claims and to the extent that the Receiver is able to realise value from the remaining assets of these institutions.

The Bank of Ghana has also with effect from today, revoked the licences of two non-bank financial institutions, namely **Express Funds International Ltd (remittance company)** and **Ghana Leasing Company Ltd (leasing company)** which are insolvent and have been inactive for a number of years. This action is pursuant to Section 7 of the Non-Bank Financial Institutions Act, 2008 (Act 774), which mandates the Bank of Ghana to revoke the licence of a non-bank financial institution licensed under that Act if that institution among other things ceases to carry on business. The Bank of Ghana has notified the Registrar of Companies of the revocation of these two licences and has

requested that the Registrar commences winding-up proceedings against these companies under the Bodies Corporate (Official Liquidations) Act, 1963 (Act 180).

Background

As part of its efforts to restore confidence in the banking and specialized deposit-taking sectors, the Bank of Ghana embarked on a clean-up exercise in August 2017 to resolve insolvent financial institutions whose continued existence posed risks to the interest of depositors.

A comprehensive assessment of the savings and loans and finance house sub-sectors carried out by the Bank of Ghana in the last few years, identified serious challenges (see Annex 2), summarized as follows:

- a. The levels of capital held by some savings and loans companies and finance house companies were in violation of the minimum regulatory capital required by Act 930. This made it precarious for these institutions to continue to undertake the business of specialised deposit-taking institutions, given the risks they posed to their depositors and other counterparties to whom they were exposed directly or indirectly;
- b. Excessive risk-taking without the required risk management function to manage risk exposures;
- c. The use of depositors' funds to finance personal or related-party projects or businesses on terms that were not commercial, leading to little or no income accruing to the relevant savings and loans companies or finance house companies and thereby compounding their liquidity challenges;
- d. Corporate governance weaknesses with weak Board oversight, poor accountability, and override of internal controls;
- e. Creative accounting practices and under-provisioning for impaired assets, thereby misrepresenting their true financial condition to the Bank of Ghana and other stakeholders; and
- f. Persistent regulatory breaches, involving non-compliance with Bank of Ghana's prudential rules, and failure to implement Bank of Ghana on-site examination recommendations.

All efforts by the Bank of Ghana to get the shareholders and directors of the affected institutions to rectify the above lapses, especially the significant capital deficiencies, yielded no positive results. Consequently, the financial position of these institutions has continued to deteriorate, leading to their insolvency with some of them ceasing operations and closing their offices to depositors while those currently in operation are unable to pay depositors and other creditors at all or fully.

Given the risks that these institutions continue to pose to the entire financial system and the need to protect the interest of depositors, the Bank of Ghana is sanitizing this sub-sector through the orderly resolution of the failed institutions in accordance with Sections 123 to 137 of Act 930.

The Bank of Ghana has with effect from today, completed the clean-up of the banking, specialized deposit-taking (SDI), and non-bank financial institutions (NBFI) sectors which began in August 2017. This follows the revocation of the licences of nine (9) universal banks, 347 microfinance companies (of which 155 had already ceased operations), 39 micro credit companies/money lenders (10 of which had already ceased operations), 15 savings and loans companies, eight (8) finance house companies, and two (2) non-bank financial institutions that had already ceased operations.

The Bank of Ghana is committed to ensuring that the banking, SDI, and NBFI sectors remain resilient, inclusive, and supportive of Ghana's economic growth trajectory. To ensure that the remaining institutions remain resilient going forward, the Bank of Ghana will remain vigilant, intensify on-site examinations and enforcement actions including the application of sanctions for non-compliance with statutory, prudential and other requirements, and ensure that early warning signs of distress are mitigated by regulated institutions expeditiously. **The Bank of Ghana will also work with ARB Apex Bank to reposition the rural and community banking sector, to enable them to better support rural economic development.** Furthermore, the Bank of Ghana and the Government of Ghana will also launch the commencement of operations of the Ghana Deposit Protection Scheme in September 2019 to further strengthen protection of depositors' interests.

Kindly direct any questions to the Banking Supervision Department of Bank of Ghana. You may call the following telephone numbers:

- **0302- 665252/ 665005/ 665034**
- **020 019 9519**
- **024 427 1764**

ANNEX 1

LIST OF TWENTY-THREE (23) INSOLVENT INSTITUTIONS WHOSE LICENCES HAVE BEEN REVOKED

NO.	NAMES OF INSOLVENT INSTITUTIONS	NATURE OF LICENSE
1	Accent Financial Services Ltd.	Finance House
2	Adom Savings and Loans Ltd.	Savings and Loans Company
3	AllTime Finance Ltd.	Finance House
4	Alpha Capital Savings and Loans Ltd.	Savings and Loans Company
5	ASN Financial Services Ltd.	Savings and Loans Company
6	CDH Savings and Loans Ltd.	Savings and Loans Company
7	Commerz Savings and Loans Ltd.	Savings and Loans Company
8	Crest Finance House Ltd.	Finance House
9	Dream Finance Company Ltd.	Finance House
10	Express Savings and Loans Company Ltd.	Savings and Loans Company
11	First African Savings & Loans Company Ltd.	Savings and Loans Company
12	First Allied Savings and Loans Co. Ltd.	Savings and Loans Company
13	First Ghana Savings and Loans Co. Ltd.	Savings and Loans Company
14	FirstTrust Savings and Loans Ltd.	Savings and Loans Company
15	Global Access Savings and Loans Company Ltd.	Savings and Loans Company
16	GN Savings and Loans Ltd.	Savings and Loans Company
17	Ideal Finance Ltd.	Finance House
18	IFS Financial Services Ltd.	Finance House
19	Legacy Capital Savings and Loans Ltd.	Savings and Loans Company
20	Midland Savings and Loans Company Ltd.	Savings and Loans Company
21	Sterling Financial Services Ltd.	Finance House
22	Unicredit Savings and Loans Ltd.	Savings and Loans Company
23	Women's World Banking Savings and Loans Co. Ltd.	Savings and Loans Company

ANNEX 2: DETAILED REASONS FOR REVOKING LICENCES OF 23 INSOLVENT SAVINGS AND LOANS COMPANIES AND FINANCE HOUSE COMPANIES

1. ACCENT FINANCIAL SERVICES LIMITED

Accent Financial Services Limited was incorporated in Ghana on 21st November, 2012 and was licensed by the Bank of Ghana to commence operations in June 2013.

The institution has been insolvent since March 2017. The Bank of Ghana has since March 2017 engaged the Board and Senior Management of the institution on the need to inject additional capital but that yielded no results.

The specific issues that led to the revocation of its license included the following:

- a. The institution had a net worth of negative GH¢55.76 million as at end February 2019, in violation of section 28(1) Act 930.
- b. The institution had a capital adequacy ratio of negative 144.30% as at end February 2019, in violation of section 29(2) of Act 930.
- c. The institution has been facing serious liquidity challenges as it has been unable to meet customer withdrawal requests since 2017. The Bank of Ghana has received many complaints from customers regarding the inability of the institution to meet their withdrawal demands.
- d. Most of the institution's investments portfolio had no supporting documents whilst loans granted to related parties were concealed from the Bank of Ghana.
- e. High non-performing loans due to poor underwriting standards
- f. Creative accounting practices, thereby misrepresenting the institution's true financial condition and thereby misreporting its true financial position to the Bank of Ghana.
- g. Corporate governance weaknesses with weak Board and Management oversight.
- h. The institution is currently not engaged in normal business activities as a result of its capital and liquidity challenges.

2. ADOM SAVINGS AND LOANS LIMITED

Adom Savings and Loans Company Limited is a financial services company incorporated under the Companies Act, 1963 (Act 179) in January 2010 and licensed by the Bank of Ghana to operate as a savings and loans company in August 2016. The company commenced operations in November 2016.

A review of the institution's performance in August 2018 revealed that it was insolvent. The institution's reported capital adequacy ratio and net worth as at May 2019 were negative. The Bank of Ghana has since August 2018 engaged the Board and Shareholders of the company on the need to inject additional capital.

Among other things, the Bank of Ghana's supervisory assessments revealed the following:

- a. The institution's Net worth of negative GH¢9.60 million as at end May 2019 violated section 28(1) of Act 930.
- b. The institution's capital adequacy ratio of negative 126.23% as at end May 2019 was in violation of Section 29(2) of Act 930.
- c. Non-performing related party exposures were far in excess of the statutory limits.
- d. The Institution has consistently breached the minimum cash reserve ratio requirement since 11th July, 2018 mainly as a result of its liquidity challenges. The institution is also unable to meet withdrawals of customers.
- e. Poor earnings due mainly to high management fees paid to related parties.
- f. Weaknesses in Board and Senior Management oversight, including the fact that the institution have been without a substantive Managing Director since September 2018.
- g. Poor credit underwriting standards and weaknesses in risk management function resulting in high non-performing loans.
- h. The company did not keep accounting records in a manner that gives an accurate and reliable account of the transactions of the company thus not showing a true and fair view of its operations.

3. ALLTIME FINANCE LIMITED

AllTime Finance Limited was licensed by Bank of Ghana to operate as a finance house in July 2017 and commenced operations in August, 2017.

A review of the institution's operations as at end-August 2018 revealed that Alltime Finance Limited was insolvent with adjusted negative capital adequacy ratio and networth. The Bank of Ghana has been engaged the institution on several occasions on the need to rectify its capital deficiency.

The key issues that led to the revocation of license of the institution include the following:

- a. The institution's Net worth of negative GH¢23.15 million as at end May 2019 was in violation of Section 28(1) Act 930.

- b. The institution's capital adequacy ratio of negative 47.41% as at end May 2019 was in violation of Section 29(2) of Act 930.
- c. The institution is over-exposed to its related company, AllTime Capital Limited to the tune of GH¢18.19 million in violation of regulatory limits.
- d. The Institution has not been able to meet depositors' withdrawals. The Bank of Ghana has also received many complaints from the Institution's customers of its inability to pay their deposits.
- e. Failure on the part of the Board to adequately exercise oversight on the institution.
- f. Failure to implement Bank of Ghana on-site examination recommendations.
- g. The institution amended its shareholding structure and business name without furnishing the details to the Bank of Ghana for approval.
- h. The company did not keep accounting records in a manner that gives an accurate and reliable account of its transactions. This is considered unsafe and unsound banking practices. Specific examples include misrepresentation of investments and deposits in related companies, and over exposure of Loan facilities to related parties.

4. ALPHA CAPITAL SAVINGS AND LOANS LTD.

Alpha Capital Savings and Loans Limited was licensed by the Bank of Ghana in January 2015 and commenced operations in April 2015.

A review by Bank of Ghana in December 2016 assessed the institution to be insolvent with a negative capital adequacy ratio. The institution's CAR continued to decline up to September 2017 when it stopped submitting required monthly reports to the Bank of Ghana. The Bank of Ghana has been engaging the Board and Senior Management on the need to inject additional capital but all efforts yielded no results.

The specific issues that led to the revocation of the institution's license includes the following:

- a. The institution's Net worth of negative GH¢11.51 million as at end May 2019, violating Section 28(1) of Act 930.
- b. The institution's capital adequacy ratio of negative 81.05% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The Institution has not been able to meet depositors' withdrawals, leading to customer agitations and confrontations. The Bank of Ghana has also received many complaints from the Institution's customers of its inability to pay their deposits.
- d. Weaknesses in Board and risk management oversight functions.
- e. Failure to implement Bank of Ghana on-site examination recommendations.
- f. The institution has ceased operations and closed its offices to the general public.

5. ASN FINANCIAL SERVICES LIMITED

ASN Financial Services Ltd. (ASN) was licensed by the Bank of Ghana as a Finance House on July 14, 2014.

The institution has remained insolvent with serious liquidity challenges since October 2016. Its capital adequacy ratio and net worth as at end-June 2019 were negative. The Bank of Ghana has engaged the shareholders several times on the need to inject additional capital to rectify the capital deficiency. The issues that led to the revocation of the institution's license included the following:

- a. The institution's Net worth of GH¢628,311.16 as at end May 2019, violating Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 81.39% as at end May 2019 was in violation of Section 29(2) of Act 930.
- c. Persistent breaches in the cash reserve ratio requirement since 2016 due to serious liquidity challenges.
- d. The institution has been unable to honour customer's withdrawal requests with many customer complaints received by the Bank of Ghana.
- e. The use of depositors' funds to finance some related party projects.
- f. Failure to implement Bank of Ghana on-site examination recommendations.
- g. Weaknesses in corporate governance practices as the institution has been without a functioning board and key management personnel with the relevant qualifications and experience to conduct the business of banking.
- h. Poor risk management culture and weak credit underwriting standards leading to high non-performing loans.

6. CDH SAVINGS AND LOANS LTD.

CDH Savings and Loans Limited commenced operations in 2016 after taking over Ivory Finance Company Limited which had been operating since the year 2000.

In September 2018, CDH Savings & Loans Limited (CDH) was identified as insolvent per the August 2018 prudential returns submitted. CDH itself reported a negative Capital Adequacy Ratio which was further adjusted downward by the Bank of Ghana. The Bank of Ghana also noted severe liquidity challenges which threatens the ability of the institution to operate as a going concern as an additional issue. The Bank of Ghana has since engaged extensively the Board and Senior Management on the need to inject additional capital into the company, and plans repeatedly submitted by CDH to the Bank of Ghana to address supervisory concerns have failed to materialise.

The Specific issues which led to the revocation of the company's license are the following:

- a. The institution's Net worth of negative GH¢171.36 million as at end May 2019 violated Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 35.90% as at end May 2019 was in violation of Section 29(2) of Act 930.
- c. The recognition of income on non-performing loans/exposures by the company contrary to Directives of the Bank of Ghana. Income on non-performing loans/exposures were to be suspended until such time as the loans/exposures became performing but CDH did not comply with this Directive, resulting in an overstatement of its revenue and assets in the financial statements over several years.
- d. The transfer of collateral security supporting the institution's non-performing loans/exposures to affiliate companies using creative accounting with no resultant cash inflow to the company which resulted in the overstatement of the balance sheet.
- e. The overexposure of CDH to its affiliate companies to the tune of 319% contrary to the regulatory limit of 25%.
- f. The failure of CDH to sell repossessed collaterals caused liquidity challenges resulting in the company's inability to meet withdrawal requests from numerous depositors. The Bank of Ghana kept receiving complaints from individuals and institutions of their inability to access/withdraw funds from their accounts.
- g. The inability of CDH to access placements/investments with other insolvent financial institutions, including related companies, worsened its solvency liquidity situation.

7. COMMERZ SAVINGS AND LOANS LIMITED

Commerz Savings and Loans Limited (formerly known as Sterling Savings and Loans Limited and part of Nordcom Africa Holdings Limited) was licensed by the Bank of Ghana in December 2016 and commenced operations in February 2017.

As a result of persistent complaints by customers that the institution was unable to meet their withdrawal request, the Bank of Ghana reviewed the operations of the institution.

The institution was found to be insolvent with an adjusted negative capital adequacy ratio with serious liquidity challenges. Bank of Ghana has since engaged the Board and Senior Management on the need to inject additional capital but that have not yielded any positive results.

The specific issues that led to the revocation of its license includes the following:

- a. The institution's Net worth of negative GH¢40.99 million as at end May 2019 violated Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 126.15% as at end May 2019 violated Section 29(2) of Act 930.
- c. Serious liquidity challenges causing the inability of the institution to meet withdrawal demands of its customers.
- d. High and increasing non-performing loans (NPLs) ratio due to poor credit underwriting standards.
- e. Weaknesses in risk management oversight resulting in poor investment decisions.

8. CREST FINANCE HOUSE LIMITED

Crest Finance House Limited was originally incorporated as Apex Finance House Limited on September 2, 1997. The name was changed from Apex Finance House Limited to Crest Finance House Limited and subsequently licensed to operate as a Finance House on 5th June 2007.

In 2015, Bank of Ghana found the institution to be insolvent with serious liquidity challenges. The institution's capital adequacy ratio and net worth as at October 2015 were severely negative.

The specific issues that led to the revocation of its license included the following:

- a. The institution's Net worth of negative GH¢17.55 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 6,873.50% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. Non-performing exposures to its parent company and a company in which the Chief Executive Officer is a director in excess of statutory limit. The exposures also contributed significantly to the institution's liquidity challenges.
- d. The institution's total loan portfolio was non-performing due to poor loan underwriting standards and related party exposures.
- e. The institution was unable to honour its customers' withdrawal request.
- f. Weaknesses in corporate governance practices and poor risk management culture contributed to the institution's problems.
- g. The institution has ceased operations and closed its offices to the general public, without approval from the Bank of Ghana.

9. DREAM FINANCE LIMITED

Dream Finance Limited (DFL) was licensed by the Bank of Ghana on October 25, 2013 as a Finance Company.

Based on a 2015 review of the institutions operations, Bank of Ghana found Dream Finance to be insolvent and also facing liquidity challenges mainly as a result of the institution's non-performing exposures to its related companies. The Bank of Ghana subsequently engaged the directors of the institution and agreed on a timeline to resolve the solvency and liquidity challenges. The institution failed to comply with the agreed plan. The institution's capital adequacy ratio and net worth are both negative as at end-May 2019.

The specific issues that led to the revocation of the institution's license include the following:

- a. The institution's Net worth of negative GH¢333.46 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 7,508.10% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The use of depositors' funds to finance related party projects. The institution is over exposed to six (6) of its related companies. The non-performing related party exposures, has contributed significantly to the liquidity challenges of the institution.
- d. The institution has persistently breached the cash reserve ratio requirement since 2015 due to serious liquidity challenges. It is also unable to honour customer's withdrawal requests.
- e. The institution changed its name from Dream Finance Limited to El Finance Limited and also relocated its Head Office without the prior approval of the Bank of Ghana.
- f. Weaknesses in corporate governance practices as the institution is without a functioning board and key management personnel with the relevant qualifications and experience to do the business of banking.
- g. The institution was involved in creative accounting practices, thereby misrepresenting and misreporting its true financial position to the Bank of Ghana.
- h. The institution failed to implement Bank of Ghana on-site examination recommendations.
- i. The institution is currently not engaged in normal business activities as a result of its capital and liquidity challenges.

10. EXPRESS SAVINGS AND LOAN LIMITED

Express Savings and Loans Company Limited (ESLL) was licensed by the Bank of Ghana on 14th August, 2007.

The institution has remained insolvent since 2016 due to the inability of the shareholders to inject additional capital into the company. The institution has failed to meet the capital plan submitted to the Bank of Ghana in February 2018 requiring the institution to inject additional capital by end-April 2018 and subsequently to the required minimum. The institution's adjusted capital adequacy ratio and net worth are both severely negative. as at end-May 2019.

The specific issues that resulted in the revocation of the institution's license include the following:

- a. The institution is insolvent and has consistently failed to meet the minimum Capital Adequacy Ratio requirement since 2016 due to accumulated losses.
- b. The institution's Net worth of negative GH¢119.83 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- c. The institution's capital adequacy ratio of negative 610.52% as at end May 2019 is in violation of Section 29(2) of Act 930.
- d. The institution has persistently failed to meet the minimum cash reserve ratio requirement and customer withdrawal requests since 2014. Cash reserve requirement as at end May 2019 was 0.23%
- e. The institution is overexposed to its related parties with regards placements.
- f. The institution has failed to submit as well as publish its audited financial statements since 2016 in breach of Act 930, which requires financial institutions to publish and furnish Bank of Ghana with a copy of their audited financial statements not later than four (4) months after the end of the financial year.
- g. The institution has closed down fourteen (14) of its eighteen (18) branches as at May, 2019 without prior approval from the Bank of Ghana in breach of Section 25(2) of Act 930.

11. FIRST ALLIED SAVINGS AND LOANS LIMITED

First Allied Savings and Loans Limited (FASL) was licensed by Bank of Ghana to operate as a savings and loans company on March 27, 1996.

First Allied Savings & Loans Ltd. (FASL) was found to be insolvent with a negative Capital Adequacy Ratio and a negative net worth as of 31 March 2018. The Bank of Ghana directed the Board Chairman/Majority Shareholder and Management of the Institution

to immediately inject additional capital to address the capital deficiency. In June 2018, the Bank of Ghana received reports of a run on the institution FASL due to its inability to meet customers' deposit withdrawals, especially at its Kumasi and Adabraka Branches. The liquidity challenges later spread to all the twenty-seven (27) branches of the Institution across the country. The shareholders have failed to address these liquidity challenges.

A review of the institution's operations in July 2018 revealed that its reported financial statements did not reflect its true state of affairs. An adjustment to the financials resulted in an assessed negative Capital Adequacy Ratio and negative networth mainly due to huge accumulated losses recorded over the years, additional provision for loan losses and reversal of unearned interest receivables from income.

The specific issues that led to the revocation of its license included the following:

- a. The institution's Net worth of negative GH¢661.84 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 263.21% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The income surplus and profit & loss accounts per the General Ledger as at 31st August, 2018 showed losses but the institution reported positive Income Surplus and Profit and Loss figures in the prudential returns as at 30th June 2018 submitted to the Bank of Ghana.
- d. The reported deposit liabilities were grossly understated as at end-June 2018, in effect, reducing customer deposits to conceal losses over the years.
- e. Total non-performing loans constituted 88.89% of the institution's total loan portfolio.
- f. The current accounts of eight (8) related companies linked to the major shareholder were overdrawn in excess of GH¢100.00 million and were non-performing.
- g. The Institution purportedly advanced credit facilities to various institutions, predominantly churches and schools without proper documentation. These facilities are non-performing
- h. The Institution stopped submitting prudential returns to Bank of Ghana in June 2018, citing technical challenges.
- i. The Institution cannot meet the deposit withdrawals of its customers with many customer complaints received by the Bank of Ghana.

12. FIRST AFRICAN SAVINGS AND LOANS LIMITED

First African Savings & Loans Company Limited was incorporated in November 1993 to undertake money transfer and remittance business. It was licensed by Bank of Ghana to operate as a savings and loans company in October 2009.

The company was found to be experiencing liquidity and capital adequacy challenges since 2017. In addition, the Bank of Ghana determined in August 2017 and December 2018 confirmed that the company was insolvent. The Bank of Ghana has since October 2018 engaged the Board and Senior Management on the need to inject additional capital.

The specific issues that led to the revocation of its licence included the following:

- a. The institution's Net worth of negative GH¢22.29 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 90.15% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The company failed to conduct due diligence on its counterparties resulting in the impairment of some of its investments.
- d. The company's affiliate, First African Remittances, UK failed to reimburse funds totalling GH¢5.40 million due to First African Savings and Loans. First African Savings and Loans pre-financed remittance receivables and the said amount has been outstanding for over two years. The long outstanding remittance receivable has been provisioned as a loss.
- e. The company's Non-Performing Loans ratio has been deteriorating since 2017 to virtually 100% non-performing at end May 2019.
- f. The company has consistently violated the minimum cash reserve ratio requirement, which is the regulatory measure of the liquidity position of deposit.
- g. The institution is unable to meet the withdrawal demands of its depositors. The institution has related party exposure which it is unable to recover.

13. FIRST GHANA SAVINGS AND LOANS LIMITED

First Ghana Savings and Loans Company Limited (FGSL) was a specialised deposit-taking institution originally licensed to operate as a mortgage financing institution. It was established in 1956 under the Building Societies Ordinance of 1955 and operated as a Building Society under the name 'First Ghana Building Society' (FGBS). In 2006, the institution changed its corporate status from a Building Society to a limited liability company which was renamed First Ghana Building Company Limited. Following the issuance of a savings and loans license on March 8, 2015 by Bank of Ghana, the institution's name changed to First Ghana Savings and Loans Company Limited.

The specific issues that led to the revocation of its license included the following:

- i. The institution's Net worth of negative GH¢14.08 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- ii. The institution's capital adequacy ratio of negative 54.47% as at end May 2019 is in violation of Section 29(2) of Act 930.
- iii. The cash reserve ratio of was below the required minimum of 10% from January 2019 to end-April 2019.
- iv. The institution has failed to submit a credible capital restoration plan to restore it to solvency.
- v. The Bank of Ghana has repeatedly engaged the Board and Senior Management on the need to inject additional capital but this has not yielded any positive results.

14. FIRSTRUST SAVINGS AND LOANS LIMITED

FirsTrust Savings and Loans Company Limited (FTSL) was authorised as a savings and loans by the Bank of Ghana on September 19, 2014 and was issued a license as FTSL on January 28, 2015. The name was changed to FirstTrust in January 2015. . Prior to this, the institution was known as EZI Savings and Loans (EZI) Limited which was licensed by the BOG as a savings and loans institution on October 11, 2007 until its acquisition by Ideal Financial Holdings in 2014.

Bank of Ghana's reviews conducted in 2015, 2016 and 2017 all showed that the institution was showing severe signs of distress. The institution reported a negative capital adequacy ratio and net worth as at end-May 2019.

The Bank of Ghana engaged the Board and Senior Management on the need to inject additional capital. The specific issues that led to the revocation of its license included the following:

- a. The institution's Net worth of negative GH¢175.90 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 132.96% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The institution has breached the statutory cash reserve ratio (CRR) requirement since January 2018. The institution is currently facing challenges in meeting customer withdrawals, with numerous customer complaints to the Bank of Ghana. Cash reserve requirement as at end May 2019 was 0.07%
- d. The use of depositors' funds to finance related party projects. The institution is over exposed to six (6) of its related companies to the tune of GH¢17.93 million. The non-performing related party exposures, has contributed significantly to the liquidity challenges of the institution.

- e. Weaknesses in corporate governance practices as the institution is without a functioning board since August 2018.
- f. The institution has consistently failed to implement Bank of Ghana on-site examination recommendations including the payment of penalties imposed for breaching some sections of Act 930.
- g. The institution failed to keep accounting records in a manner that gives an accurate and reliable account of its transactions. This constitutes unsafe and unsound banking practice.

Bank of Ghana declined a request dated 25th July, 2019 to merge the operations of FirsTrust Savings and Loans Limited and Ideal Finance Limited because the two institutions under consideration are both insolvent and illiquid. The total projected cash injection of GH¢127.00 million, if approved, will lead to total shareholders' funds of the proposed merged entity from negative GH¢291.60 million to negative GH¢164.60 million and CAR from negative 78.32% to negative 47.26% leaving a significant capital deficit of GH¢234.05 million. The merger was therefore, not going to address the current financial challenges facing the two institutions, or improve their future prospects.

15. GLOBAL ACCESS SAVINGS AND LOANS COMPANY LIMITED

Global Access Savings and Loans Company Limited was incorporated under the laws of Ghana in 1998 and commenced business in February 2000 as a Partner Agent of ADB in the Western Union Money Transfer Business. The company grew and added other money transfer services to its remittance product line. Following the changing need of customers, Management decided to convert the company into a Savings and Loans Company. The company was granted a savings and loans company license on 15th June, 2009 by the Bank of Ghana and it commenced operations on December 6, 2010.

The institution has been insolvent since 2016 with serious liquidity challenges. The reported capital adequacy ratio and net worth are both negative. The Bank of Ghana has had several engagements with the Board and Senior Management on the need to inject additional capital but have not yielded any fruitful results. The institution rather opted to apply for liquidity support from the Bank of Ghana which was declined due to its insolvency position.

The specific issues that led to the revocation of its license included the following:

- a. The institution's Net worth of negative GH¢58.19 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 195.06% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The institution has breached the statutory cash reserve ratio requirement since 2016.
- d. The institution assumed the liability of a loan contracted by the majority shareholder amounting GH¢2.91 million. The loan amount was injected into the institution as equity capital. The liability was however concealed as a suspense account in the books of Global Access Savings and Loans Limited.
- e. The institution continues to record accumulated losses due mainly to high rent expenses paid to the majority shareholder for the use of its premises.
- f. The institution failed to keep accounting records in a manner that gives an accurate and reliable account of its transactions constitutes unsafe and unsound banking practice
- g. The institution failed to implement Bank of Ghana's on-site examinations findings conducted in October 2018.
- h. There have been several complaints from customers about the inability of the Institution to honour depositors' withdrawals.
- i. The company neither published nor submitted its 2017 Audited Financial Statements to the Bank of Ghana contrary to Act 930.

16. GN SAVINGS AND LOANS LTD.

GN Savings and Loans Company Limited was originally incorporated as First National Savings and Loans (FNSL) Company Limited and licensed as a Savings and Loans Company on 8th May 2006. It was subsequently issued with a universal banking license by the Bank of Ghana on 4th September 2014 and was renamed GN Bank Limited.

On 4th January 2019, the Bank of Ghana approved a request to reclassify GN Bank from a universal bank to a Savings and Loans company following its inability to meet new required minimum paid-up capital of GH¢ 400 million by 31st December 2018. The reclassification was to among other things enable the institution to downsize its operations and also inject additional capital to resolve the acute liquidity challenges it was confronted with. The Bank of Ghana subsequently appointed an Advisor to GN to assist in the reclassification process.

In spite of the above, the institution has been unable to resolve its liquidity crisis and has also not been able to meet the majority of the conditions the Bank of Ghana imposed on the institution following its reclassification as a savings and loans company. The financial condition of the institution has also deteriorated since the reclassification with both negative capital adequacy ratio and negative net worth.

The Bank of Ghana has reached the conclusion that GN is currently insolvent under section 123 (4) of the Banks and SDIs Act, 2016 (Act 930), being in breach of its key prudential regulatory requirements. Its Capital Adequacy Ratio (CAR) is currently -61%, in breach of the minimum required of 13%. It is also facing a severe liquidity crisis with numerous complaints received by the Financial Stability Department of the Bank of Ghana from aggrieved customers who have been unable to access their deposits with the institution for the last several months. What is more, it has consistently failed to meet the minimum cash reserve requirement of 10% of its total deposits, since the end of the first quarter of 2019.

GN's shareholders have failed to restore the bank to the required regulatory capital and liquidity levels in spite of long-standing promises that new capital was expected from foreign investors.

While GN has indicated that government owes it a total amount of GH¢942.98 million of which GH¢102.73 million represented Interim Payment Certificates (IPCs), the Bank of Ghana's assessment is that IPCs totaling GH¢30.33 million only have been confirmed by the Ministry of Finance as at 6th August 2019 as owed to contractors that may be indebted to affiliates of GN. The Bank of Ghana's supervisory assessment shows that even when the total outstanding IPCs amount of GH¢30.33 million was considered, it still did not address GN's capital deficit of -GH¢683.66 million.

It must be noted that GN's insolvency problems are largely attributable to overdraft and other facilities it extended to its related parties who are other companies in the Groupe Ndom network of businesses, under circumstances that violated relevant prudential norms. Of particular interest are the funds totalling **GH¢761.55 million** that GN Bank as it then was, placed with its sister companies Ghana Growth Fund (Gold Coast Advisors) and Gold Coast Fund Management Limited (now Blackshield Capital Management), both licensed by the Securities and Exchange Commission. Some of these funds were used by the two related parties to pay their customers whose investments with them had matured, while some were also used to fund road and other contractors, who claim to have worked on Government projects. It is important to note that the IPCs claimed by GN are not supported by transactions that were entered into directly by GN and such contractors or Government and its entities. They reflect transactions entered into by Ghana Growth Fund or Gold Coast Fund Management with these contractors using funds taken from GN under circumstances that violated prudential norms. The failure of the two related parties to pay back these funds to GN affected GN's capital position, leading eventually to its insolvency and acute liquidity challenges.

In addition to GN's insolvency and liquidity challenges, the Bank of Ghana has found other key regulatory violations such as the following:

- The institution's adjusted Net worth of negative GH¢30.70 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- The institution's adjusted capital adequacy ratio of negative 61.20% as at end May 2019 is in violation of Section 29(2) of Act 930.
- Contrary to section 64 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the institution's exposure to its related party has consistently been above the regulatory limit of 25% of net own funds (NOF). Exposures to other affiliates companies were mainly payments made by the bank on behalf of such affiliates.
- The structure of GN's balance sheet clearly shows that the bank mobilizes deposits for its related companies. The inability of these related companies to honour their obligation to GN has resulted in serious liquidity challenges and contributed to their insolvency as all related party exposures are non-performing. The institution's high non-performing loans (NPL) was mainly attributed to these related party exposures, which were never paid, thereby putting the deposits of its customer at risk.
- A recent Bank of Ghana investigation conducted at GN revealed that a significant amount (USD62,255,516.93, GBP718,528.59 and EUR4,200) of depositors' funds held with GN had been transferred to International Business Solutions (another company owned by Groupe Nduom and which is based in the U.S.A) without any

documentation to support such transfers in breach of section 19 of the Foreign Exchange Act 2006, Act 723, Section IV of Bank of Ghana Notice No. BG/GOV/SEC/2007/4, and subsequent Bank of Ghana Notices issued in August 2014 prohibiting such practices.

- The company is yet to publish its 2018 audited accounts contrary to section 90 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Furthermore, the company did not keep accounting records in a manner that gives an accurate and reliable account of the transactions of the company, and did not therefore show a true and fair view of its operations.
- GN has suspended operations in seventy (70) of its branches including the Head office branch at Asylum Down and Castle Road branch, and temporarily suspended its entire management team without the approval of the Bank of Ghana contrary to section 25 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), mainly as a result of its insolvency and liquidity challenges.

17. IDEAL FINANCE LIMITED

Ideal Finance Limited was incorporated in 2009 under the Companies Act, 1963 (Act 179) and licensed by the Bank of Ghana under the Non-Bank Financial Institutions Act, 2008 (Act 774) as a money lending company. The company was subsequently licenced to carry on the business of a finance house on 18th December, 2014 and established its head office at East Legon in Accra.

Ideal Finance has been faced with severe insolvency and liquidity challenges over the past two years. The Institution faces a significant capital shortfall with a Capital Adequacy Ratio (CAR) of negative 33% in breach of the minimum required of 13% with a corresponding capital deficit of negative Ghc188,257,625.35

The institution is also facing a severe liquidity crisis with numerous complaints received by the Financial Stability Department of the Bank of Ghana from aggrieved customers who have been unable to access their deposits with the institution for the last several months. What is more, it has consistently failed to meet the minimum cash reserve requirement of 10% of its total deposits.

The Institution's shareholders have failed to restore the bank to the required regulatory capital and liquidity levels in spite of long-standing promises that new capital was expected from foreign investors.

The Bank of Ghana has found key regulatory violations such as the following:

- The institution's adjusted Net worth of negative GH¢117.5 million as at end November 2018 indicates that the paid up capital is impaired in violation of Section 28(1) Act 930.
- The institution's adjusted capital adequacy ratio of negative 32.8% as at end November 2018 is in violation of Section 29(2) of Act 930.
- Contrary to section 64 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the institution's exposure to its related party has consistently been above the regulatory limit of 25% of net own funds (NOF). Exposures to related parties (FirstTrust Savings & Loans and Ideal Capital partners) were to the tune of Ghc63.19 million.
- The institution's high non-performing loans (NPL) ratio of 23.2% was mainly attributed to poor credit risk management, thereby putting the deposits of its customer at risk.
- The company is yet to publish its 2018 audited accounts contrary to section 90 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Furthermore, the company did not keep accounting records in a manner that gives an accurate and reliable account of the transactions of the company, and did not therefore show a true and fair view of its operations.
- Ideal Finance has not submitted their returns since November 2018. All efforts to get them to submit have proven futile.

An onsite examination carried out in September 2017 revealed the following:

1. The institution did not appropriately classify fifteen (15) impaired loan accounts in accordance with the requirements of the Bank of Ghana's Guide for Reporting Institutions, which resulted in an additional loan loss provision of GH¢14,255,275.53.
2. The Institution was technically over-exposed to all its credit customers due to its negative net own funds position which is in violation of Section 62(1) of Act 930.
3. Credit facilities granted to the affiliates of the Company were not approved by the Board and the exposures were not reported to Bank of Ghana in breach of Section 70(2) and 70(4) of Act 930. Total related party loans totaled GH¢52.70 million.

In a letter dated 25th June, 2019, the Bank of Ghana was notified about the intention to merge the operations of Ideal Finance Limited (IFL) and FirstTrust Savings and Loans Limited (FTSL). A review of the documents submitted in connection with the proposed merger and all available records obtained from the two institutions revealed that:

1. The shareholders' funds of Ideal Finance Limited (IFL) and FirsTrust Savings and Loans Limited (FTSL) as at March 2019 per the merger documents was negative GH¢62.18 million and negative GH¢93.22 million respectively.
2. The reported shareholders' funds of IFL per the last submitted prudential returns as at November 2018 was GH¢28.89 million. This was adjusted to negative GH¢117.50 million due to additional loan loss provisions and impaired investments, resulting in a decline in the reported capital adequacy ratio (CAR) of 0.52% to negative 52.18%, indicating a capital deficit of GH¢171.92 million.
3. The reported shareholders' funds of FTSL per the prudential returns for May 2019 of negative GH¢99.46 million was adjusted to negative GH¢174.10 million due to impaired investments, resulting in a further reduction in the CAR of negative 48.67% to negative 132.96%, indicating a capital deficit of GH¢189.13 million.
4. The CAR of the merged entity was therefore assessed to be negative 78.32% with a capital deficit of GH¢361.05 million. The merger will therefore, neither address the current financial challenges facing the two institutions, nor improve their future prospects. In the light of the above, BoG could not accede to the request to merge the operations of FirsTrust Savings and Loans Limited and Ideal Finance Limited.
5. The cash reserve ratios of FTSL as at May 2019 was 0.07% compared to the regulatory minimum of 10%.
6. Both institutions are unable to meet customer withdrawal needs and the Bank of Ghana has received countless complaints from customers of both institutions about their inability to access their funds.
7. The use of landed property to shore up capital for the emerging entity is considered unacceptable in the light of the insolvent and illiquid state of the two institutions.

18. IFS FINANCIAL SERVICES LIMITED

IFS Financial Services Limited was incorporated on September 1, 2006 and licensed by the Bank of Ghana on June 5, 2007 to operate as a Finance House.

Bank of Ghana determined in December 2018 that the institution was insolvent due to additional provision for loan losses and impaired Investments resulting in a negative Capital Adequacy Ratio and a negative net worth. A further assessment of the institution's investments as at end-May 2019 led to a further deterioration of its capital adequacy ratio and net worth.

The Bank of Ghana engaged the Board and Senior Management on the need to inject additional capital to rectify the capital deficiency. However, efforts made by the shareholders have failed to yield the desired result.

The specific issues that led to the revocation of its license included the following:

- a. The institution's adjusted Net worth of negative GH¢2.29 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's adjusted capital adequacy ratio of negative 18.77% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The institution has persistently breached the minimum Cash Reserve Ratio requirement since June 2018. Cash reserve requirement as at end May 2019 was 0.33%.
- d. The institution did not appropriately classify nine (9) impaired loan accounts which resulted in additional provision for loan losses during an on-site examination conducted in December 2018. The institution's non-performing loans (NPL) ratio stood at 64.73%.
- e. The institution failed to conduct proper due diligence on its counterparties resulting in the impairment of some investments.

19. LEGACY CAPITAL SAVINGS AND LOANS LTD.

Legacy Capital Savings & Loans Company Limited (LCSL) was licensed by Bank of Ghana to operate as a savings and loans company on August 12, 2016, after operating as a microfinance institution from October 30, 2013. It commenced operations as a savings and loans company in November 2016.

The institution was found to be facing liquidity challenges in August 2018. A subsequent assessment indicated that the institution was insolvent and also facing serious liquidity challenges. The institution's adjusted capital adequacy ratio was negative as at end-May 2019. The Bank of Ghana has since August, 2018 engaged the Board and Senior Management on the need to inject additional capital.

The specific issues that led to the revocation of its license included the following:

- a. The institution's adjusted Net worth of negative GH¢19.52 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's adjusted capital adequacy ratio of negative 16.96% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. Non-performing related party exposures of GH¢4.49 million constituted 200% of the institution's reported net own funds in breach of Act 930.

- d. The institution has consistently breached the minimum cash reserve ratio requirement since August 2018 due to liquidity challenges. The cash reserve requirement as at end May 2019 was 5.85%
- e. The institution failed to keep accounting records in a manner that gives an accurate and reliable account of its transactions.
- f. Poor loan underwriting standards resulting in the impairment of loans.

20. MIDLAND SAVINGS AND LOANS COMPANY LIMITED

Midland Savings and Loan Company Limited was licensed by the Bank of Ghana to operate as a Savings and Loans Company on October 21, 1996. It commenced full operations on March 13, 1997.

The institution was found to be facing liquidity challenges in January 2017. A subsequent assessment indicated that the institution was undercapitalized and also facing serious liquidity challenges. The Bank of Ghana has since August 2018, engaged the Board and Senior Management on the need to inject additional capital.

The specific issues that led to the revocation of the institution's licence included the following:

- a. The institution's Net worth of negative GH¢148.92 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 311.91% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The institution failed to conduct due diligence on counter parties resulting in the impairment of some investments. In addition to the impairment of the investments, the persistent operational losses have resulted in an adjusted negative capital adequacy ratio and negative net worth as at August 31, 2018.
- d. The institution is over exposed to related parties such as Liberty Asset Management, Liberty DMI Microfinance and Griffin Financial Services continue to be rolled over in spite of the liquidity challenges it faces.
- e. The company has consistently breached the minimum cash reserve ratio requirement. Cash reserve requirement as at end May 2019 was 0.23%.
- f. The company failed to keep accounting records in a manner that gives an accurate and reliable account of its transactions. As a result, the institution is unable to submit prudential returns regularly and could not provide the various schedules that reconciles with key balance sheet balances such as loans and investments.
- g. As a result of the liquidity challenges, the company is unable to provide adequate funds to run the various branches thus rendering the branches inactive.

- h. The inability of the company to honour customers' withdrawal request have resulted in customers resorting the use of their lawyers in filing claims on the institution and complaints to the Bank of Ghana.

21. STERLING FINANCIAL SERVICES LIMITED

Sterling Financial Services Limited was licensed by the Bank of Ghana in 1997 and subsequently commenced its operation.

The institution reported a capital adequacy ratio of negative 1,469.39% as at end-March 2010, on the account of significant deterioration in the quality of loan portfolio. The institution has therefore been insolvent and experienced serious liquidity challenges. As a result, the institution could not honour customer withdrawals. The Bank of Ghana has engaged the Board and Senior Management and recommended them to inject additional capital to rectify the capital deficiency but that proved futile. The institution stopped submitting prudential returns to the Bank of Ghana in May 2010 and subsequently folded up its operations in 2011 without notification to the Bank of Ghana.

22. UNICREDIT GHANA LIMITED

uniCredit Ghana Limited (uniCredit), formerly Kantamanto Savings and Loans Company Limited, was given an operating license in October 1995 and commenced operations on 1st November, 1995. In 2006, the Institution was acquired by the Hoda Group of Companies and subsequently its name was changed from Kantamanto Savings and Loans Limited to uniCredit Ghana Limited in March 2007.

The Institution is currently over exposed to a related party, uniSecurities Limited, a sister company. The institution's inability to access its funds from uniSecurities, even though overdue, has resulted in severe liquidity challenges and its inability to meet withdrawal requests of customers.

uniCredit Savings & Loans Ltd. was found to be insolvent with a negative capital adequacy ratio and negative networth following the Bank of Ghana's assessment as of December 2018. The Bank of Ghana directed the Board and Management of the institution to immediately inject additional capital to address the capital deficiency but this has not been successful.

The specific issues that led to the revocation of the licence of the institution included the following:

- a. The institution's adjusted Net worth of negative GH¢221.32 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's adjusted capital adequacy ratio of negative 97.83% as at end May 2019 is in violation of Section 29(2) of Act 930. This is mainly due to the non-performing related party exposures of GH¢160.10 million to uniSecurities which is far in excess of its negative networth.
- c. The Institution has been breaching the statutory cash reserve ratio requirement since April 2018.
- d. The institution is unable to meet the deposit withdrawals of customers due to its severe liquidity challenges. The Bank of Ghana has been receiving many complaints from the institution's customers about their inability to access their funds.
- e. The institution has a high percentage of non-performing loans.

23. WOMEN'S WORLD BANKING GHANA (WWBG) SAVINGS AND LOANS LIMITED

WWBG was incorporated on May 31, 1982 as a Non-Governmental Organisation and became fully operational as a private limited liability company on September 17, 1996. The company was subsequently licensed by Bank of Ghana in October 1996 as a savings and loans company.

The Bank of Ghana determined that the institution was insolvent in October 2017. The Bank of Ghana has since March 2018 engaged the Board and Senior Management on a number of occasions on the need to restore the institution's paid up capital and capital adequacy ratio to the required minimum levels. The shareholders have not been able to comply with a capital restoration plan the institution submitted on March 27, 2018 that proposed additional capital injections to meet the required minimum capital adequacy ratio. The institution's reported capital adequacy ratio and net worth were both negative as at end-May 2019.

The specific issues that led to the revocation of the institution's licence included the following:

- a. The institution's Net worth of negative GH¢45.56 million as at end May 2019 indicates that its paid up capital is impaired in violation of Section 28(1) Act 930.
- b. The institution's capital adequacy ratio of negative 46.62% as at end May 2019 is in violation of Section 29(2) of Act 930.
- c. The institution persistently recorded accumulated losses due to poor loan underwriting standards resulting in high non-performing loans.
- d. The institution has consistently breached the minimum cash reserve ratio requirement since March 2019.

- e. The institution's failure to implement Bank of Ghana's on-site examination recommendations.
- f. The institution's external auditors expressed an opinion on the institution's 2018 audited financial statements that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

PUBLIC