



PRESS RELEASE

NOTICE OF REVOCATION OF LICENCES OF INSOLVENT MICROFINANCE COMPANIES AND APPOINTMENT OF RECEIVER

Accra, Ghana, May 31, 2019 - The Bank of Ghana has, with effect from today, revoked the licences of 192 insolvent microfinance companies (see attached list). In addition, licences of another 155 insolvent microfinance companies that have ceased operations (see attached list) have been revoked. 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 or is likely to become insolvent within the next 60 days. Consequently, the Bank of Ghana has appointed **Mr. Eric Nipah** as Receiver for the specified institutions in line with section 123 (2) of Act 930.

The revocation of the licences of these institutions is to get rid of insolvent and dormant institutions that have no reasonable prospects of rehabilitation and have denied depositors access to their deposits, thereby constituting a threat to the stability of the financial system. By the revocation of these licences, the Bank of Ghana seeks to protect the stability of the financial system and to protect affected depositors.

To salvage depositors' funds, the Government of Ghana has made funds available to enable the Receiver pay depositors, after their claims are validated. In line with the hierarchy of creditor claims set out under Act 930, 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.

Background

The emergence and rapid growth of microfinance operations in the late 2000s, led to the introduction by the Bank of Ghana of a licensing regime for the industry in 2011 after the promulgation of the Non-Bank Financial Institutions Act, 2008 (Act 774). Existing microfinance operators that had hitherto operated without a licence from the Bank of Ghana, were grandfathered into the new licensing regime introduced in 2011. Subsequently, these institutions were re-licensed under the now-repealed Banking Act

of 2004 (Act 673). A number of additional licences were issued on an annual basis until the end of 2015. By the end of 2015, about 484 microfinance companies had been licensed by the Bank of Ghana.

The majority of licensed microfinance companies began to show signs of distress from 2014 onwards, as a result of severe undercapitalisation, high cost of operations largely from high and unsustainable interest rates offered to depositors, poor lending and investment practices leading to inordinate losses, diversion of customer deposits into private, unprofitable and speculative ventures, general non-compliance with prudential norms, poor corporate governance, weak internal controls, and fraud, among others.

Over the years, the Bank of Ghana notified these institutions of deficiencies and vulnerabilities which had been identified through off-site reviews and onsite examinations. Unfortunately, efforts by the Bank of Ghana to get the affected institutions and their shareholders and directors to rectify these deficiencies yielded no results. Consequently, the financial position of these institutions continued to deteriorate, leading to their insolvency with majority of them ceasing operations and closing their offices with depositors' funds locked up. Even those that have not closed their offices are unable to pay their depositors. This has placed a substantial amount of depositors' funds at risk. Given the risks that these institutions continue to pose to the entire financial system, and the need to protect depositors, the Bank of Ghana is sanitizing this sector through the orderly resolution of the failed institutions in accordance with sections 123 to 137 of Act 930.

The Way Forward

Following the revocation of the licences of these institutions, a total number of 137 microfinance companies will continue to operate. Going forward, the Bank of Ghana has put in place measures to ensure that the existing institutions remain safe and sound by complying with relevant prudential norms. Among other things, the Bank of Ghana is:

- Undertaking a comprehensive review of licensing and supervisory policies and directives;
- Reviewing the minimum capital requirements for microfinance companies and encouraging possible consolidation through voluntary mergers and acquisitions;
- Introducing proportional corporate governance, fit and proper, and risk management directives;
- Embarking on strict supervision of licensed institutions and enforcement of relevant regulatory requirements;
- Increase the resources available for effective supervision of licensed microfinance companies.

The Bank of Ghana assures the public of its continued commitment to protecting depositors' funds and promoting the stability of the financial system.

Kindly direct any questions to the Other Financial Institutions Supervision Department of Bank of Ghana. You may call telephone number **0209-125348/0302-665619**.

End

Issued by Bank of Ghana on May 31, 2019

PUBLIC

MICROFINANCE COMPANIES – INSOLVENT AND CEASED OPERATIONS

S/No NAME OF INSTITUTION

.

- 1 72 HOURS MICROFINANCE COMPANY LIMITED**
- 2 ABIS PLUS MICROFINANCE LIMITED**
- 3 ACIT CAPITAL MICROFINANCE LIMITED**
- 4 ADWENPA MICROFINANCE LIMITED**
- 5 ADWUMADEN MICROFINANCE LIMITED**
- 6 AFRICAN TRUST MICROFINANCE LIMITED**
- 7 AG MICROFINANCE LIMITED**
- 8 AGT MICROFINANCE COMPANY LIMITED**
- 9 ALLOT MICROFINANCE COMPANY LIMITED**
- 10 ARHINPA MICROFINANCE LIMITED**
- 11 ATTENTION MICROFINANCE LIMITED**
- 12 AV GLOBAL MICROFINANCE LIMITED**
- 13 BEACONCITY MICROFINANCE COMPANY LIMITED**
- 14 BEDEL MICROFINANCE LIMITED**
- 15 BENGAY MICROFINANCE COMPANY LIMITED**
- 16 BETTER LIFE MICROFINANCE COMPANY LIMITED**
- 17 BIG DREAMS MICROFINANCE LIMITED**
- 18 BIK MICROFINANCE COMPANY LIMITED**
- 19 BOATEM MICROFINANCE LIMITED**
- 20 BOAVOLE MICROFINANCE LIMITED**
- 21 BRISK CREDIT MICROFINANCE LIMITED**

- 22 C.I.G. MICROFINANCE LIMITED
- 23 CAPITAL HOUSE MICROFINANCE LIMITED
- 24 CAPITAL LINE MICROFINANCE LIMITED
- 25 CAPTAINS MICROFINANCE COMPANY LIMITED
- 26 CASABLANCA MICROFINANCE LIMITED
- 27 CASHBRIDGE MICROFINANCE LIMITED
- 28 CC MICROFINANCE LIMITED
- 29 CITIZENS RESOURCE MICROFINANCE LIMITED
- 30 COMAID MICROFINANCE LIMITED
- 31 COMBA MICROFINANCE LIMITED
- 32 COMMON CAPITAL MICROFINANCE LIMITED
- 33 COMMUNITY MICROFINANCE LIMITED
- 34 CRUCIAL TIMES MICROFINANCE LIMITED
- 35 CYPRESS CEDAR MICROFINANCE COMPANY LIMITED
- 36 DAA NHYIRA MICROFINANCE COMPANY LIMITED
- 37 DC MICROFINANCE COMPANY LIMITED
- 38 DEMS MICROFINANCE COMPANY LIMITED
- 39 DG CAPITAL MICROFINANCE LIMITED
- 40 DIVINE FORTUNES MICROFINANCE LIMITED
- 41 DIVINE MICROFINANCE LIMITED
- 42 DWADIFO ADANFO MICROFINANCE COMPANY LIMITED
- 43 DYNASTY MICROFINANCE SERVICES LIMITED
- 44 EDEN MICROFINANCE LIMITED
- 45 EKOKA GET RICH MICROFINANCE LIMITED
- 46 ELITE MICROFINANCE LIMITED

- 47 **ELLIS MICROFINANCE LIMITED**
- 48 **ERA MICROFINANCE SERVICES LIMITED**
- 49 **EXCEL UNITED MICROFINANCE LIMITED**
- 50 **FIRST FIDELITY MICROFINANCE LIMITED**
- 51 **FLEXI MICROFINANCE LIMITED**
- 52 **FOCUS LINK MICROFINANCE COMPANY LIMITED**
- 53 **FORTRESS MICROFINANCE COMPANY LIMITED**
- 54 **FRANKAMAN MICROFINANCE COMPANY LIMITED**
- 55 **GIANT GAIT MICROFINANCE LIMITED**
- 56 **G-LIFE MICROFINANCE LIMITED**
- 57 **GLOBAL ONE MICROFINANCE COMPANY LIMITED**
- 58 **GMET MICROFINANCE LIMITED**
- 59 **GODIGO MICROFINANCE LIMITED**
- 60 **GOLDEN TRUST MICROFINANCE COMPANY LIMITED**
- 61 **GOLDPOT MICROFINANCE LIMITED**
- 62 **GOODNEWS MICROFINANCE COMPANY LIMITED**
- 63 **HALAL MICROFINANCE LIMITED**
- 64 **HIGH PRESTIGE MICROFINANCE SERVICES LIMITED**
- 65 **HOG MICROFINANCE LIMITED**
- 66 **ICS MICROFINANCE LIMITED**
- 67 **IK MICROFINANCE LIMITED**
- 68 **INSTANT MICROFINANCE LIMITED**
- 69 **INVESTSURE MICROFINANCE LIMITED**
- 70 **JADA MICROFINANCE LIMITED**
- 71 **JAYS MICROFINANCE LIMITED**

- 72 JOPAT MICROFINANCE COMPANY LIMITED
- 73 JORBIES MICROFINANCE LIMITED
- 74 JOYHELP MICROFINANCE LIMITED
- 75 JOYPRIN MICROFINANCE COMPANY LIMITED
- 76 K. A. D. MICROFINANCE LIMITED
- 77 KANAFIN MICROFINANCE SERVICES LIMITED
- 78 KAPITAL EXPRESS MICROFINANCE COMPANY LIMITED
- 79 KARSI MICROFINANCE LIMITED
- 80 KENLASAB MICROFINANCE LIMITED
- 81 KINGDOM TRUST MICROFINANCE LIMITED
- 82 LANDMARK MICROFINANCE LIMITED
- 83 LAST CHANCE MICROFINANCE COMPANY LIMITED
- 84 LATTER RAIN MICROFINANCE LIMITED
- 85 LEAD CAPITAL MICROFINANCE LIMITED
- 86 LEAD GLOBAL MICROFINANCE LIMITED
- 87 LEAP CREDIT MICROFINANCE LIMITED
- 88 LIGHT MICROFINANCE LIMITED
- 89 LIQUIDITY SOLUTIONS MICROFINANCE LIMITED
- 90 LIYAC MICROFINANCE COMPANY LIMITED
- 91 LOYAL SHEPHERD MICROFINANCE LIMITED
- 92 MALLON MICROFINANCE COMPANY LIMITED
- 93 MAN CAPITAL MICROFINANCE COMPANY LIMITED
- 94 MARS MICROFINANCE LIMITED
- 95 MEGAMITCH MICROFINANCE LIMITED
- 96 MICRENE MICROFINANCE LIMITED

- 97 MIGHTY MICROFINANCE LIMITED
- 98 MOKAP MICROFINANCE LIMITED.
- 99 MONEYSHOP MICROFINANCE LIMITED
- 100 MOORE NAARA MICROFINANCE LIMITED
- 101 MT MICROFINANCE LIMITED
- 102 NATIVITY MICROFINANCE SERVICES LIMITED
- 103 NIVA MICROFINANCE LIMITED
- 104 NOBLE DREAM MICROFINANCE LIMITED
- 105 OBAATANPA MICROFINANCE COMPANY LIMITED
- 106 OBUOBA MICROFINANCE COMPANY LIMITED
- 107 OYE MICROFINANCE LIMITED
- 108 PANAM MICROFINANCE COMPANY LIMITED
- 109 PIMCEL MICROFINANCE COMPANY LIMITED
- 110 PINNACLE MICROFINANCE LIMITED
- 111 PLATINUM CAPITAL MICROFINANCE LIMITED
- 112 PREMIER MICROFINANCE LIMITED
- 113 PRICE CAPITAL MICROFINANCE LIMITED
- 114 PROFIT POINT MICROFINANCE LIMITED
- 115 PRO-LINK MICROFINANCE LIMITED
- 116 PRUDENCE MICROFINANCE LIMITED
- 117 PURPLE MICROFINANCE LIMITED
- 118 QODESH MICROFINANCE LIMITED
- 119 QUICK ONE MICROFINANCE LIMITED
- 120 REELL MICROFINANCE LIMITED
- 121 RESTORE MICROFINANCE COMPANY LIMITED

- 122 RHOKIDA MICROFINANCE LIMITED
- 123 ROYAL FUTURE MICROFINANCE LIMITED
- 124 SAG AVE MARIA MICROFINANCE COMPANY LIMITED
- 125 SAY-ADSAM MICROFINANCE LIMITED
- 126 SEEDSHARE CAPITAL MICROFINANCE LIMITED
- 127 SHALOM MICROFINANCE COMPANY LIMITED
- 128 SHINE CREDIT MICROFINANCE LIMITED
- 129 SICA MICROFINANCE LIMITED
- 130 SILBAN CAPITAL MICROFINANCE LIMITED
- 131 SIM MICROFINANCE LIMITED
- 132 SKYCREDIT MICROFINANCE LIMITED
- 133 SKYY CREDITLINE MICROFINANCE LIMITED
- 134 SOLUTION PIONEERS MICROFINANCE COMPANY LIMITED
- 135 SS MICROFINANCE LIMITED
- 136 SS STACOTS MICROFINANCE COMPANY LIMITED
- 137 ST. MARY'S MICROFINANCE LIMITED
- 138 STALWART MICROFINANCE SERVICES LIMITED
- 139 STAR PLUS MICROFINANCE LIMITED
- 140 STAR WEALTH MICROFINANCE LIMITED
- 141 STRATEGIES MICROFINANCE SERVICES LIMITED
- 142 SWEET JESUS MICROFINANCE LIMITED
- 143 TBS CAPITAL MICROFINANCE LIMITED
- 144 THE INFORMAL PROJECT MICROFINANCE COMPANY LIMITED
- 145 TIPPING POINT MICROFINANCE LIMITED

- 146 TRANS MICROFINANCE LIMITED**
- 147 TURNING POINT MICROFINANCE COMPANY LIMITED**
- 148 UNICORN HAPPY INVESTMENT MICROFINANCE LIMITED**
- 149 V-SEED MICROFINANCE SERVICES LIMITED**
- 150 WAXSON MICROFINANCE COMPANY LIMITED**
- 151 WESTERN ALLIED MICROFINANCE LIMITED**
- 152 WETLAND MICROFINANCE LIMITED**
- 153 WIMAC TRUST MICROFINANCE LIMITED**
- 154 WISELINK MICROFINANCE COMPANY LIMITED**
- 155 XEROX MICROFINANCE SERVICES LIMITED**

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