

### **IMPORTANT INFORMATION FOR CLIENTS** **UPDATE ON OUTSTANDING PAYMENTS (III)**

**December 01, 2021 – Accra:** IGS Financial Services Limited wishes to update clients on key developments in the financial sector as part of efforts to recover and pay outstanding payment requests made by clients.

IGS Financial Services Limited made a number of fixed deposit investments, on behalf of our clients. These investments are currently with The Seeds Funds Savings & Loans Limited (TSF) and Jislah Financial Services Limited (Jislah), both licensed by Bank of Ghana. Although, these two institutions remain open and operational, they have been unable to make payments to us for onward payment to clients as expected. The recent financial crises created panic withdrawals, which resulted in the on-going liquidity issues affecting the specialised deposit-taking (SDI) sub-sector and other institutions in the financial sector. Bank of Ghana indicated to us that they were aware of the liquidity issues affecting the remaining institutions in the industry and assured us that there are on-going plans to provide a holistic industry-wide solution. Bank of Ghana further indicated that any approved remedial actions shall be duly communicated to the public.

In recent developments, the 2022 National Budget, read by the Minister of Finance on November 17, 2021, indicates Government's support and commitment to resolve issues confronting the financial sector. The following outline some of the measures contained in the budget statement:

- The Government has budgeted **GHS 1billion**, under other expenditure, as financial sector clean-up cost to support the financial sector using the Ghana Amalgamated Trust (GAT) model. See page 226 of the 2022 national budget. The intended financial sector clean-up cost is also captured on pages 8, 58, and 64 of the 2022 national budget.
- The GAT model would be utilized for the financial sector clean-up in 2022, as mentioned in the budget statement. Under this model, struggling institutions may not be collapsed. Instead, the GAT would, among other things, invest to hold equity interest in financial institutions to restructure/transform them into viable institutions, and to strengthen the financial sector (see page 89 of the 2022 national budget). This would provide liquidity to the institutions. The GAT model was used during the recent financial crisis to support the following: OmniBSIC (formerly Omni Bank and Sahel Sahara Bank), Prudential Bank, UMB, NIB, and ADB.

It is our expectation that the new GAT, which is a Government-backed private equity company, shall support struggling institutions, including TSF and Jislah, thereby reducing the liquidity challenges and creating more investment opportunities, while boosting confidence in the financial sector.

We are optimistic that as a regulatory-compliant company, which has invested clients' funds with Bank of Ghana regulated entities, our valued clients shall benefit from the funds allocated by Government, in collaboration with Bank of Ghana, to the Financial Sector Clean-up in 2022.

Notwithstanding these assurances, we will not rest on our efforts to recover and pay all outstanding claims of our clients. We have had several engagements, with relevant stakeholders in our quest to recover funds invested on your behalf and wish to reaffirm our commitment to deliver on our mutually beneficial mandate. We shall duly communicate the necessary details/updates when communicated by the Ministry of Finance/Bank of Ghana.

We apologize once again for the inconveniences caused to all clients who have experienced delays in the payment of funds. We remain grateful for your patience, co-operation and support as we continue to pursue the recovery and payment of all outstanding payment requests. IGS: Invest. Grow. Secure.

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