



Press Release on Sovereign Bank Limited

The Bank of Ghana appointed an advisor to the Sovereign Bank Limited in April 2018. The Bank of Ghana did not previously publish notice of the appointment of the advisor, as it was done as part of its normal supervisory routine. Given the recent press reports on the bank, however, we find it necessary to release this press statement to clarify the issues on Sovereign Bank.

Sovereign Bank was licensed by the Bank of Ghana as a universal bank in January 2016. As part of its supervisory functions, the Bank of Ghana completed an on-site examination of the bank in December 2017. The outcome of the on-site examination revealed some governance and capitalization challenges which needed to be addressed.

The Bank of Ghana has a range of powers under the Banks and Specialized Deposit-Taking Institutions Act of 2016 (Act 930) to take prompt remedial action to address supervisory concerns it identifies in a regulated institution. One of such powers is to appoint an advisor under section 101 (1) of Act 930 that will advise an institution's management.

Consequently, and in accordance with section 101 (1) of Act 930, the Bank of Ghana appointed an advisor in April 2018 to advise the management of Sovereign Bank Limited. The Advisor is expected to help monitor the bank's recapitalization efforts and implementation of governance reforms agreed with the Bank of Ghana. The Advisor will stay in the bank until otherwise advised by the Bank of Ghana, and will furnish the Bank of Ghana with a status report on the bank as frequently as the Bank of Ghana may require.

It is important to note that an advisor, unlike an official administrator, does not take over the powers, responsibilities, and duties of the bank's shareholders, directors, or management. Under Act 930, the Advisor may attend meetings of the Board of Directors without voting at such meetings.

The Bank of Ghana takes this opportunity to assure depositors and customers of Sovereign Bank Limited that Sovereign Bank remains open for business under the control of the bank's own management, and that customers' deposits are safe.

The Bank of Ghana remains committed to promoting a strong and resilient banking sector that retains the trust and confidence of the general public.

Kindly direct any questions to Bank of Ghana. You may call telephone number 0302665034 or send email to bsd@bog.gov.gh.

Issued by Bank of Ghana on 4th May, 2018