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CHALLENGES OF DEBT MANAGEMENT IN GUARANTY TRUST BANK PLC

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Abstract

A borrower's savings capacity and collateral is associated with the amount of loan to be granted by a financial institution. Most often, when a debt is created, it becomes difficult to recover due to poor management by the lender as well as loan diversion by the borrower consequent to inability to pay back. Hence, this study investigated the challenges of debt management in of guaranty trust bank plc.,(GTB) Lagos state. The study was meant to capture factors that caused unsecured loans in the bank. Questionnaires were administered to elicit data from the respondents and test the consistency and reliability of the research instrument. Yamane formula was used to derive sixty (60) respondents from the 70 credit officers and bank managers from various branches of the bank through stratified random sampling technique. The data was subjected to regression analysis using the statistical package for social sciences (SPSS). This study found out that there is a significant relationship between inadequate collateral provisions by borrowers and bad debt. From the correlation table, it shows that the correlation is significant at 5% level of significance. A multiple regression analysis was carried out to access the relationship between the dependent and independent variables. The result reveals that R2 = 0.740 (74.0%) for inadequate collateral provisions by borrowers and bad debt. R2=.778 (78%) for fund diversion by borrowers. Poor credit appraisal was found out to be the major cause of bad debt. Based on the findings of the study, it was recommended among others that financial institutions management should organize regular training programs for credit staff in areas like credit management, risk management and financial analysis so as to improve on the quality of credit appraisals, enable credit officers appreciate the need to comply with credit policy and further enhance monitoring credit.

Keywords: GTB, Debt management, Challenges, Borrowers, Loan and Collateral.

Background to the Study

The banking sector has been known for its intermediation role in providing financial assistance needed in the economy. This role is normally carried out in many ways, for example, granting of loans and advances to the customers, which constitute the major part of bank leading (Agu, 2010). In modern society, economic prosperity and progress depend largely on level of savings in the nation. A customer saves his excess funds in the bank for the purpose of realizing interest for future usage which otherwise, is made available to an investor for productive venture. When this happens, a debt is created. A debt has been described as an obligation to make future payment. Often times, the borrowers default due to fund diversion, or poor business knowledge. Consequently, the owners of these funds face the risk of not getting their money in good time or lose it entirely. The custodian of these funds may be saddled with challenges of struggling to repay or delay in payment and hence, debt management becomes necessary to guarantee confidence of the individual depositor that his money is safe. Debt management involves arrangement put in place for repayment of these credit facilities (Uremadu, 2004). According to ESCAP, (2006) Debt management encompasses more than the mere mobilization of domestic and external resources, recording this debt and making timely debt service payment. In the same vain it also fulfils a wider role in safe guiding the stability of the individual bank and thus the banking system as a whole.

According to Jhingan (2008), the major operational business of commercial banks revolves around financial intermediation. In carrying out this business, the banks would source for funds from various members of the public. The funds of the customers are held in safekeeping of the banks and therefore, such funds must be made available to the depositors whenever they demand for them.

Statement of the Problem

The fundamental role of banks and non-banks financial institutions are to intermediate between the surplus and deficits sectors of the economy ensuring that it will generate new values that will make the economy grow. In performing this role, banks are exposed to credit risks, for instance, the possibility that the borrower will not repay the credit granted them when it falls due or even fail out right to repay. When this possibility becomes a reality, a bank is said to be set with challenges of debt loan and other credit facilities. Obviously, this has adverse effects on banks since it affects their cash flow and impairs profitability. It is believed that most loans and advances go bad because of the inadequacy in credit management and recovery procedure of banks .Credit risk is inherent to the business of lending funds to the operations linked closely to market risk variable. Credit risk management is carried out to minimize the risk and maximize bank's risk adjusted rate of return by assuming and maintaining credit exposure within the acceptable parameters (Raghavan, 2003).

Objective of the Study

This study was meant to investigate the problem inherent on Guranty Trust Bank Plc. debt management.

The main objective of this study was to examine the challenges of debt management in GTB. Specifically, the objectives of the study include:

1· To investigate the impact of inadequate collateral security provision by borrowers on bad debt in Guaranty Trust bank.

2· To determine whether fund diversion has any effect on bad debt in GTB.

Research Questions

The following research questions guided the study.

1· To what extent has inadequate collateral security provision by borrowers caused bad debt in Guaranty Trust Bank Plc?

2· To what extent does fund diversion affect bad debt of Guaranty Trust Bank Plc?

Research Hypotheses

The following null hypotheses will be drawn as follows.

H0: Inadequate collateral provisions by borrowers have no significant relationship with bad debt in Guaranty Trust Bank Plc.

H0: Fund diversion has no significant relationship with bad debt in Guaranty Trust Bank Plc.

Literature Review

This focuses on the review of literature on the previous works related to debt management. Conceptual, theoretical and empirical frame works form the structure of this section.

Conceptual Framework

The banking business by its nature is a high risk environment. It is risky in the sense that it is the only business where the proportion of borrowed funds is far higher than the owners' equity. A high level of financial leverage is usually associated with high risk. This can easily be seen in a situation where adverse rumors, whether founded or precipitated financial panic and by extension a run on a bank. According to Umoh (2002) and Ferguson (2003) few banks are able to withstand a persistent run, even in the presence of a good lender of last resort. As depositors take out their funds, the bank hemorrhages and in the absence of liquidity support, the bank is forced eventually to close its doors. Thus, the risks faced by banks are endogenous, associated with the nature of banking business itself, whilst others are exogenous to the banking system. Available statistics from the liquidated banks clearly showed that inability to collect loans and advances extended to customers and directors or companies related to directors/managers was a major contributor to the distress of the liquidated banks. At the height of the distress in 1995, when 60 out of the 115 operating banks were distressed, the ratio of the distressed banks' non-performing loans and leases to their total loans and leases was 67%. The ratio deteriorated to 79% in 1996; to 82% in 1997; and by December 2002, the licenses of 35 of the distressed banks had been revoked (Owojori, Akintoye and Adidu, 2011).

Debt

Debt is an amount of money borrowed by one party from another (Ojo, 2004). Many corporations/individuals use debt as a method for making large purchases that they could not afford under normal circumstances. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest. A debt is an obligation owed by one party (the debtor) to a second party,(the creditor) usually this refers to assets granted by the creditor to the debtor which is expected to be paid in the future as may be agreed by both parties.

Types of debt

A company uses various kinds of debt to finance its operations. The various types of debt can generally be categorized into:1) secured and unsecured debt, 2) private and public debt, 3) syndicated and bilateral debt, and 4) other types of debt that display one or more of the characteristics noted above (Berger and De Young, 2007).

A debt obligation is considered secured, if creditors have recourse to the assets of the company on a proprietary basis or otherwise ahead of general claims against the company. Unsecured debt comprises financial obligations, where creditors do not have recourse to the assets of the borrower to satisfy their claims (Berger and De Young, 2007).

1. Loan

   Loan is a part of debt that is structured to be offset over a time period by the Borrower. Loan has various types;

2. Secured Loan: A secured loan is a loan in which the borrower pledges some asset for example a car or property as collateral for the loan. A mortgage loan is a very common type of debt instrument, used by many individuals to purchase housing. In this arrangement, the money is used to purchase the property. The financial institution, however, is given security a lien on the title to the house until the mortgage is paid off in full. If the borrower defaults on the loan, the bank would have the legal right to repossess the house and sell it, to recover sums owing to it. In some instance a loan taken out to purchase a new or used car may be secured by the car; in much the same way as a mortgage is secured by housing (Guttentag, 2007).

- Unsecured Loan: Unsecured loans are monetary loans that are not secured against the borrower's assets. These may be available from financial institutions under many different guises or marketing packages: credit card debt, personal loans, bank overdrafts, credit facilities or lines of credit and corporate bonds.

3. Debts

Debt Management

Debt management refers to a formal agreement with unsecured creditors for repayment of debts over a specific time period, generally extending the amount of time over which the debt will be paid back. Under debt management, the creditors are offered a Statement of Affairs (SOA). Through this, your disposable income, as estimated by the debt management company, will be proffered to the creditors and they will decide on whether to agree to it or not (Berger and De Young, 2007). Once agreed upon, you are supposed to pay regular installments to the debt management company. These instalments are then distributed amongst your creditors thus making it easier for you to repay your debts. The basic aim of debt management is, therefore, to help you clear your debts at a compact level over a fixed time period thus helping you make a new start with your finances.

Causes of Bad Debts

Research findings and publications show that bad loans occur as a result of some factors. Berger and De Young (2007) identified poor management as one of the major causes of problem loans. They argue that managers in most banks with problem loans do not practice adequate loan underwriting, monitoring and control. A World Bank policy research working paper on Non-performing Loans in Sub-Saharan Africa revealed that bad loans are caused by adverse economic shocks coupled with high cost of capital and low interest margins (Fofack, 2005).Goldstein and Turner (2006) states that the accumulation of non-performing loans is generally attributable to a number of factors, including economic downturns and macroeconomic volatility, terms of trade deterioration, high interest rate, excessive reliance on overly high-priced inter-bank borrowings, insider lending and moral.

Effects of Bad Debt

Loans generate huge interest for banks which contribute immensely to the financial performance of banks. However, when loans go bad they have some adverse effects on the financial health of banks. This is because in line with banking regulations, banks make adequate provisions and charges for bad debts which impact negatively on their performance. Central Bank of Nigeria regulations on loa provisioning indicate that loans in the non-performing categories, that is, loans that are at least ninety days overdue in default of repayment will attract minimum provisions of 25%, 50% and 100% for substandard, doubtful and loss, respectively (CBN, 2002). Goldstein and Turner (2006) also state that poor credit control, which results in undue credit risk, causes bank failure. Umole (2005) adds that a bad lending tradition leads to a large portfolio of unpaid loans. This results in insolvency of banks and reduces funds available for fresh advance, when eventually causes a financial crisis. Nwankwo (2006) states that irregular meetings of loans committees, false loans, large treasury losses, high sums of unrecorded deposits and money laundering in large amounts, contribute to bank failure.

Theoretical Framework

Asset Liability Management (ALM) Framework

The ALM application for a financial institution has been in use for a few decades and has subsequently been adopted by other private sector agents (Barro, 1979). Its main proposal is that risk can be contained by matching the financial features (e.g. interest rate characteristics) of the assets and liabilities, as then one side of the balance sheet will be hedged –or immunized- by the other side.A simplified view of the ALM application can be drawn from the risk management practice of a bank (Nars, 1997). As a financial intermediary, a bank takes deposits from the public and makes loans to individuals and businesses at interest rates that usually exceed the cost of raising such funds.

Value Discipline Model

For a deeper understanding of debt management in financial institutions, Michael Treacy and Fred Wieserma's "Value Disciplines Model" has been examined. This model is another important strategic framework for market positioning which has the following 3 positioning strategies:

a) Operational excellence
b) Product leadership
c) Customer intimacy

Customer relationship management (CRM) can be strategically embedded particularly in two of the three value disciplines (1) Operational Excellence, and
(2) Customer Intimacy.

With customer intimacy, Wieserma (1998) shows how companies can profit from establishing closer, more co-operative customer relationships. With operational excellence, firms aim to have economical, efficient processes whose resulting delivered values to customers are low prices and service convenience. (Wieserma & Treacy, 1996) .Firms applying customer intimacy focus on knowing the customer and building close relationships with these customers. CRM is often solely related to the customer intimacy value discipline. If CRM is embedded in a customer intimacy strategy, then CRM will be relationship-oriented. Firms embedding CRM in an operational excellence strategy focus on cost- reductions and raising the quality of the customer interaction process through process improvements (Verhoef and Langerak, 2002).

Empirical studies

Chen and Pan	2012	The credit risk efficiency of 34 Taiwanese commercial banks over the period 2005-2008.	Secondary Data	The results indicated that only one bank is sufficient in all types of efficiencies over the evaluated periods overall, the DEA result shows relatively low average efficiency levels in CR-TE,CR-AE AND CR -CE in 2008
Ahmad and Ariff	2007	The key determinants of credit risk of commercial banks on emerging economy banking systems compared with the developed economies.	Secondary Data	The study found that regulation is important for banking systems that offer multi products and services,
Al-Khouri	2011	The impact of banks specific risk characteristics, and the overall banking environment on the performance of 43 commercial banks operating in 6 of the Gulf cooperation council(GCC) countries over the period 1998 - 2008.	Fixed effect regression analysis	Result showed that credit risk, liquidity risk and capital risk are major factors that affects profitability is measured by return on assets while the only risk that affects profitability is measured by return on equity is liquidity risk.

Source: Research field survey, March 2014

Methodology

Primary and secondary data aided the data collections of this study. Secondary data were extracted from text books, journals, etc while primary data were gotten via research instrument (Questionnaire). The questionnaire was structured to elicit information from respondents. It was divided into two sections. Section A was devoted to the respondents' bio-data while Section B was based on the variables to be investigated in the study. This section (Section B) takes the modified Likers scale form. It had six optional responses as; strongly Agree (SA), Agree (A), Partially Agree (PA), Partially Disagree (PD), Disagree (D) and Strongly Disagree (SD)

The population of study consisted of 70 credit officers and managers from head office and selected branches of Guaranty Trust Bank Plc Lagos State from where sample size of 60 was drawn using Yamane formula. The stratified random sampling technique was applied because credit officers and branch managers in the organization are people who are experts in loan administration issues.

N = N / 1+ Ne2

Where, N = total population = 70

e = error margin

n= sample size

n= 70

1+70(0.05)2

n =70

1+70(0.0025)

n= 70

1+ 0.175

N= 70

1.175

n = 59.5= 60

The data collected in this study were analyzed using simple percentage and frequency counts to analyze the bio-data and research questions while simple regression method was carried out with the aid of statistical package for social science (SPSS) computer software to test the formulated hypothesis.

The regression analysis was further used to express the relationship between two variables and estimate the value of the dependent variable (Y- challenges) based on selected value of the independent variable (X- debt management) that is the challenges of debt management in financial institutions.

Analysis of Research Questions

Research Question 1: Has inadequate collateral security provision by borrowers caused bad debt in Guaranty Trust Bank Plc?

Table 1 below captures statements relating to this research question.

Table 1: Inadequate collateral provisions and bad debt

S/N	Items Description	SA (%)	A (%)	PA (%)	PD (%)	D (%)	SD (%)	Total
6.	Inadequate collateral provisions affect the incidence of bad debts in banks.	23 (38.3)	11 (18.3)	8 (13.3)	12 (20)	4 (6.7)	2 (3.3)	60 (100%)
7.	Improper assessment of the borrower's secu rity in terms of whether or not it possesses adequate net worth affects the incidence of bad debts in banks.	15 (25)	19 (31.7)	9 (15)	7 (11.7)	6 (10)	4 (6.7)	60 (100%)
8.	Unsecured collaterals being pledged for loan facilities before approving the loans l ead to bad debts.	18 (30)	21 (35)	6 (10)	9 (15)	2 (3.3)	4 (6.7)	60 (100%)
9.	Collecting the necessary documents from the customers before making the loan decisions will reduce the incidence of bad debts in banks.	20 (33.3)	27 (45)	8 (13.3)	3 (5)	2 (3.3)	-	60 (100%)

Source: Research Field Survey, March 2014

Table 1. Above reveals that 23 (38.3%) of the respondents strongly agreed, 11 (18.3%) agreed, 8 (13.3%) partially agreed, 12 (20%) partially disagreed, 4 (6.7%) disagreed while 2 (3.3%) strongly disagreeed with the statement that iinadequate collateral provisions affect the incidence of bad debts in banks. Also the table shows that 15 (25%) of the respondents strongly agreed, 19 (31.7%) agreed, 9 (15%) partially agreed, 7 (11.7%) partially disagreed, 6 (10%) disagreed while 4 (6.7%) strongly disagreeed with the statement that iimproper assessment of the borrower's security in terms of whether or not it possesses adequate net worth affects the incidence of bad debts in banks.

Table 1. further shows that 18 (30%) respondents strongly agreed, 21 (35%) agreed, 6 (10%) partially agreed, 9 (15%) partially disagreed, 2 (3.3%) disagreed while 4 (6.7%) strongly disagreeed with the statement that uunsecured collaterals being pledged for loan facilities before approving the loans lead to bad debts. Furthermore, 20 (33.3%) respondents strongly agreed, 27 (45%) agreed, 8 (13.3%) partially agreed, 3 (5%) partially disagreed while 2 (3.3%) disagreed with the

statement that collecting the necessary documents from the customers before making the loan decisions will reduce the incidence of bad debts in banks.
Based on the responses to this research question as perceived by the respondents, it can be concluded that inadequate collateral security provision by borrowers caused bad debt in banking industry.

Research Question 2: Does fund diversion have any effect on bad debt of Guaranty Trust Bank Plc.? Table 2 below captures statements relating to this research question.

Table 2: Fund diversion occurrences and bad debt

S/N	Items Description	SA (%)	A (%)	PA (%)	PD (%)	D (%)	SD (%)	Total
10.	Fund diversion has a significant effect on bad debts in banks.	18 (30)	14 (23.3)	8 (13.3)	7 (11.7)	8 (13.3)	5 (8.3)	60 (100%)
11.	Fund diversion occurs in anticipation of hi gh gains in other business ventures.	23 (38.3)	17 (28.3)	6 (10)	4 (6.7)	6 (10)	4 (6.7)	60 (100%)
12.	Fund diversion results due to lack of proper monitoring.	14 (23.3)	27 (45)	9 (15)	2 (3.3)	5 (8.3)	3 (5)	60 (100%)
13.	Fund diversion occurs as a result of ignorance of terms and conditions attached	8 (13.3)	10 (16.7)	9 (15)	11 (18.3)	17 (28.3)	5 (8.3)	60 (100%)

Source: Research Field Survey, March 2014

Table 2. above reveals that 18 (30%) of the respondents strongly agreed, 14 (23.3%) agreed, 8 (13.3%) partially agreed, 7 (11.7%) partially disagreed, 8 (13.3%) disagreed while 5 (8.3%) strongly disagreeed with the statement that fund diversion has a significant effect on bad debts in banks. The table also shows that 23 (38.3%) of the respondents strongly agreed, 17 (28.3%) agreed, 6 (10%) partially agreed, 4 (6.7%) partially disagreed, 6 (10%) disagreed while 4 (6.7%) strongly disagreeed with the statement that fund diversion occurs in anticipation of high gains in other business ventures.

Table 2 further shows that 14 (23.3%) respondents strongly agreed, 27 (45%) agreed, 9 (15%) partially agreed, 2 (3.3%) partially disagreed, 5 (8.3%) disagreed while 3 (5%) strongly disagreeed with the statement that fund diversion results due to lack of proper monitoring. Furthermore, 8 (13.3%) respondents strongly agreed, 10 (16.7%) agreed, 9 (15%) partially agreed, 11 (18.3%) partially disagreed, 17 (28.3%) disagreed while 5 (8.3%) strongly disagreed with the statement that fund diversion occurs as a result of ignorance of terms and conditions attached.

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	Inadequate collateral provisions	.	Enter

a. All requested variables entered.
b. Dependent Variab le: Bad debt

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786[a]	.740	.196	1.452

a. Predictors: (Constant), Inadequate collateral provisions
b. Dependent Variable: Bad debt

ANOVA [b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.264	1	25.264	5.631	.048[a]
	Residual	98.746	58	2.083		
	Total	124.010	59			

a. Predictors: (Constant), Inadequate collateral provisions
b. Dependent Variable: Bad debt

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	27.156	1.771		14.142	.000
	Relationship between inadequate collateral provisions and bad debt	1.336	.087	1.466	6.76	.048

a. Dependent Variable: Bad debt

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	20.48	23.01	21.00	.722	60
Residual	2.742	2.426	.000	1.327	60
Std. Predicted Value	1.844	1.412	.000	1.000	60
Std. Residual	1.871	1.652	.000	.990	60

a. Dependent Variable: Bad debt

F value = 5.631, 0.048a, t-cal = 6.76, df = 58 = t-tab = 1.68

It can be seen from the above that the simple regression between inadequate collateral provisions by borrowers and bad debt recorded F value of 5.63 indicating a strong relationship with a .048 level of significance.

Furthermore, since the value of t-calculated (6.76) is significantly greater than the value of t-tabulated (1.68) under 58 degrees of freedom at 0.05 level of significance. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis, which states that inadequate collateral provisions by borrowers have significant relationship with bad debt in financial institutions.

Hypothesis Two

H0: Fund diversion has no significant relationship with bad debt in Guaranty Trust Bank Plc.

H1: Fund diversion has significant relationship with bad debt in Guaranty Trust Bank.

In testing this hypothesis, the simple regression with the aid of statistical package for social science (SPSS) computer software was used with the data in Table 7. The result is presented below.

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Fund diversion	.	Enter

- All requested variables entered.
- Dependent Variable: Bad debt

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.778	.192	1.442

a. Predictors: (Constant), Fund diversion
b. Dependent Variable: Bad debt

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.244	1	26.244	4.91	.001[a]
	Residual	99.756	58	2.078		
	Total	126.000	59			

a. Predictors: (Constant), Fund diversion
b. Dependent Variable: Bad debt

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	28.166	1.747		16.122	.000
	Relationship between fund diversion and bad debt	2.316	1.089	2.456	6.48	.001

1. Dependent Variable: Bad debt

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	20.58	23.11	22.00	.732	60
Residual	2.842	2.526	.000	1.427	60
Std. Predicted Value	1.944	1.512	.000	1.000	60
Std. Residual	1.971	1.752	.000	.990	60

a. Dependent Variable: Bad debt

F value = 4.91, 0.01a, t-cal = 6.48, df = 58 = t-tab = 1.68

It can be seen from the above that the simple regression between fund diversion and bad debt recorded F value of 4.91 indicating a strong relationship with a 0.01 level of significance.

Furthermore, since the value of t-calculated (6.48) is significantly greater than the value of t-tabulated (1.68) under 58 degrees of freedom at 0.05 level of significance. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis, which states that fund diversion has a significant relationship with bad debt in financial institutions.

Conclusion

This study has extensively revealed that many factors caused bad debt in Guaranty Trust Bank Plc. Among them are inadequate collateral provisions, fund diversion, improper project evaluation and non-performing credit. Poor credit appraisal was found out to be the major cause of bad debt. The study concluded that to manage loan and credit effectively, efforts have to be made to obey and respect the cannons of good lending and ensure adequate control and supervision on the facility extended within the frame work of government regulation and guidelines. Sound lending requires a clear, well-articulated and easily accessible policy document which spells out the philosophy of lending. This will ensure that loan losses are kept at a minimum via a program which permits constant supervision on the projects being financed, easy identification of bad loans and instituting effective corrective measures.

Recommendations

In line with the findings made from this study, the following recommendations were suggested:

1. It is recommended that GTB management should organize regular training programs for credit staff in areas like credit management, risk management and financial analysis. This would sharpen the knowledge and skills of credit officers so as to improve on the quality of credit appraisal, prevent delayed loan approvals, enable credit officers appreciate the need to comply with credit policy and further enhance monitoring of credit. .
2. Another important way of minimizing unsecured loans is through regular monitoring and supervision of loan facilities. This would prevent diversion of funds into business ventures other than the agreed purposes.

3. Loans granted to customers should be well secured in terms of adequacy of the collateral provided and also ensure that proper legal documentation is put in place. This would reduce the losses arising from problem loans and minimise the effects of such loans in the form of bad debt provisions, on the financial performance of the bank.
4. There should be close and proper monitoring of loans before and after disbursement. This monitoring should be followed up for the entire life of the loan.
5. It is recommended that banks in Nigeria should enhance their capacity in credit analysis and loan administration while the regulatory authority should pay more attention to banks' compliance to relevant provisions of the Bank and other Financial Institutions Act (1999) and prudential guidelines.

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