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COMMUNIQUÉ

National Non-Performing Loans Resolution Conference

Theme: Resolving Non-Performing Loans to Unlock Access to Finance for Private Sector Growth and Job Creation

Convened by:

The Government of Liberia through the Central Bank of Liberia (CBL)

Monrovia, Liberia

September 2026

1. PREAMBLE

The Government of Liberia, through the Central Bank of Liberia (CBL), as the lead convener, convened the National Non-Performing Loans (NPL) Resolution Conference from September 9-11, 2026, in Monrovia under the theme, *"Resolving Non-Performing Loans to Unlock Access to Finance for Private Sector Growth and Job Creation."* The Conference was organized in collaboration with the Ministry of Finance and Development Planning, The Ministry of Commerce and Industry, the Ministry of Justice, the Liberia Bankers Association and other key stakeholders, with support from the World Bank.

The Conference brought together representatives of the Executive, Legislature, Judiciary, financial institutions, development partners, academia, the private sector, civil society, professional associations and other stakeholders to assess the causes, consequences and solutions to Liberia's persistent NPL challenge.

Participants acknowledged that elevated NPLs continue to constrain access to finance, weaken credit intermediation, discourage investment, increase the cost of borrowing, undermine financial sector resilience and impede private-sector-led economic growth.

The Conference noted that resolving NPLs is not solely a banking-sector issue but a national economic and development imperative that requires coordinated action across Government, financial institutions, the Judiciary, borrowers, development partners and other stakeholders.

Participants further affirmed that strengthening credit discipline, improving legal certainty, modernizing financial infrastructure, enhancing debt recovery mechanisms and supporting viable enterprise rehabilitation are essential to fostering a stronger and more inclusive financial system capable of supporting Liberia's long-term development agenda.

2. KEY FINDINGS

Following extensive deliberations, technical sessions and stakeholder consultations, the Conference concluded that:

1. High level of non-performing loans (NPLs) represents a significant structural constraint to Liberia's economic development and financial-sector stability.
2. High level of NPLs reduce banks' lending capacity, increase financing costs and limit access to credit for productive sectors of the economy.
3. Weak credit underwriting, inadequate borrower discipline, information asymmetries, governance deficiencies, delays in debt resolution and structural economic vulnerabilities contribute to NPL accumulation.

4. Delays in settlement of verified Government obligations to contractors and suppliers contribute materially to borrower distress and loan deterioration and must be addressed as part of a comprehensive NPL resolution strategy.
5. Effective NPL resolution requires simultaneous action to resolve existing distressed assets while preventing future accumulation through stronger institutions, improved supervision, legal reforms and responsible borrowing practices.
6. The presence of credit infrastructure and the use of digital technology can significantly improve credit risk assessment and support credit to good borrowers and the private sector in general.

3. NATIONAL RESOLUTIONS AND COMMITMENTS

The Conference therefore RESOLVED and COMMITTED to the following actions:

Resolution I:

National NPL Resolution Framework

(1) To develop and adopt a comprehensive National NPL Resolution and Reduction Framework that will provide strategic direction for reducing existing NPLs and preventing future accumulation.

Resolution II:

Strengthening Prudential Regulation and Supervision

(1) To strengthen credit underwriting standards, risk management frameworks, loan classification practices, provisioning requirements, restructuring mechanisms and supervisory oversight across financial institutions.

(2) To require all supervised financial institutions to develop measurable and time-bound NPL reduction and prevention plans subject to periodic monitoring by the Central Bank of Liberia.

Resolution III:

Legal and Judicial Reform

(1) To support reforms aimed at strengthening insolvency frameworks, collateral enforcement mechanisms, debt recovery procedures, alternative dispute-resolution processes and commercial dispute adjudication.

(2) To prioritize enactment of a modern Creditors and Borrowers Act and other reforms necessary to strengthen credit discipline and improve debt recovery outcomes.

Resolution IV:

Addressing Government Arrears

(1) Recognizing the relationship between delayed public-sector payments and loan distress, participants committed to supporting the establishment of a Government-Bank-Contractor Resolution Mechanism to facilitate timely verification, reconciliation and resolution of obligations associated with Government-financed contracts.

(2) The Conference further called for the publication of a transparent framework and schedule for settlement of verified arrears linked to bank-financed contracts.

Resolution V:

Modernization of Credit Infrastructure

(1) To modernize Liberia's credit infrastructure through strengthened credit reporting systems, enhanced collateral registries, improved borrower identification mechanisms, greater financial-sector interoperability and technology-enabled credit assessment tools.

(2) The Conference endorsed exploration of a Bank Verification Number or comparable national borrower identification framework to improve credit risk assessment and reduce fraud.

Resolution VI:

Establishment of Distressed Asset Resolution Mechanisms

(1) To undertake a detailed feasibility assessment regarding the establishment of an Asset Management Company and other market-based mechanisms capable of accelerating NPL resolution and restoring lending capacity.

Resolution VII:

Responsible Borrowing and Credit Discipline

(1) To strengthen borrower accountability through responsible borrowing, improved financial literacy, robust corporate governance, enhanced financial reporting and early engagement between lenders and distressed borrowers.

(2) The Conference reaffirmed that measures addressing willful and serial default should be strengthened while preserving due process and supporting rehabilitation of financially viable borrowers.

Resolution VIII:

Expanding Inclusive Access to Finance

(1) To support increased access to responsible credit, particularly for MSMEs, women-owned businesses, youth entrepreneurs, agricultural value chains and other underserved sectors.

(2) The Conference endorsed consideration of credit guarantee mechanisms and other innovative financing instruments to support lending to productive sectors and MSME sectors.

4. IMPLEMENTATION AND ACCOUNTABILITY

The Conference resolved that implementation of the agreed actions shall be coordinated through a National NPL Resolution Coordination and Implementation Mechanism under the leadership of the Central Bank of Liberia.

Participants further agreed that:

- A National NPL Resolution Roadmap shall be developed within three months after the Conference.
- Clear responsibilities, performance benchmarks, milestones and timelines shall be assigned.
- Progress shall be monitored through a national reporting framework.
- Quarterly implementation reports shall be produced and shared with stakeholders.
- Periodic review forums shall be convened to assess progress and address implementation challenges.

5. ADOPTION

Participants reaffirmed their collective commitment to implementing the resolutions and actions contained in this Communique in order to strengthen financial stability, expand access to finance, promote responsible lending and borrowing, enhance credit discipline, and support sustainable private sector growth and economic development in Liberia.

DONE, ADOPTED AND ISSUED in Monrovia, Republic of Liberia, this 11th day of September 2026, by participants of the National Non-Performing Loans Resolution Conference.