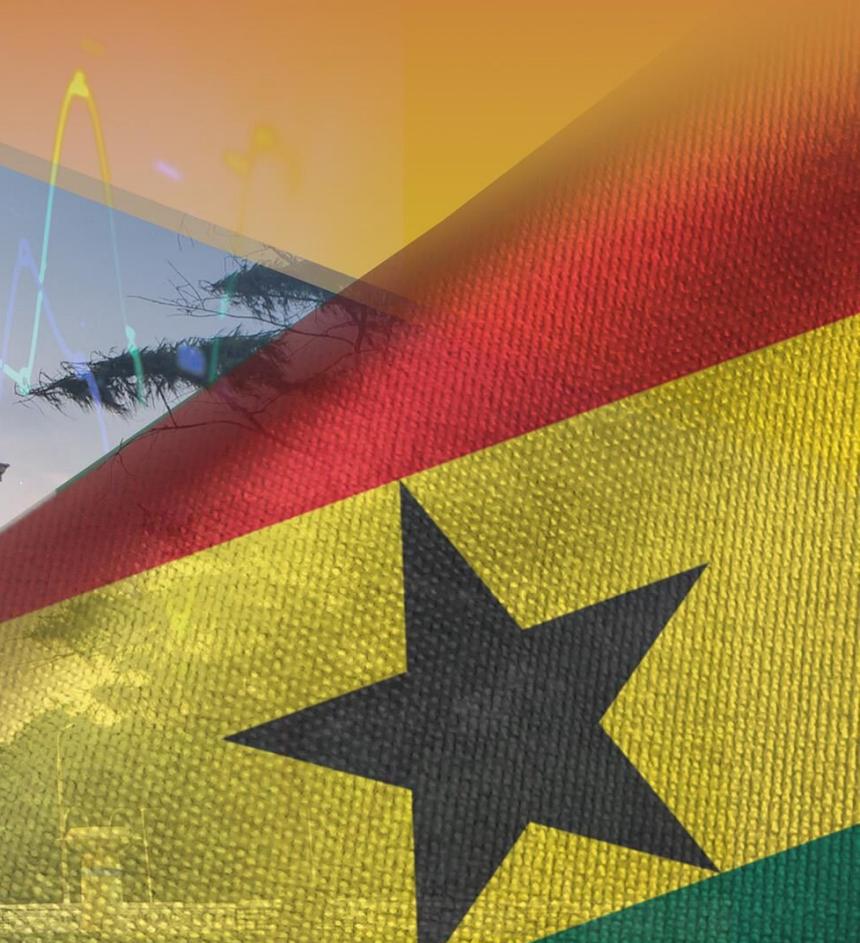




Republic of Ghana

Investors Presentation

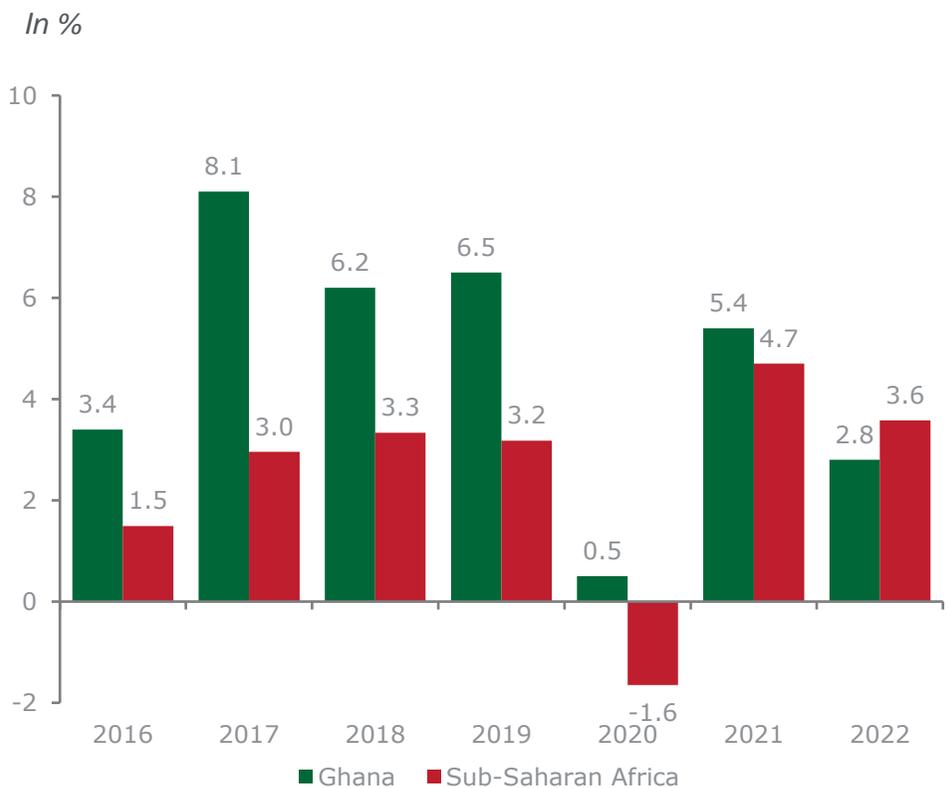
Ministry of Finance



The combination of Covid, the war in Ukraine and the tightening of US monetary policy has put public finance under severe pressure

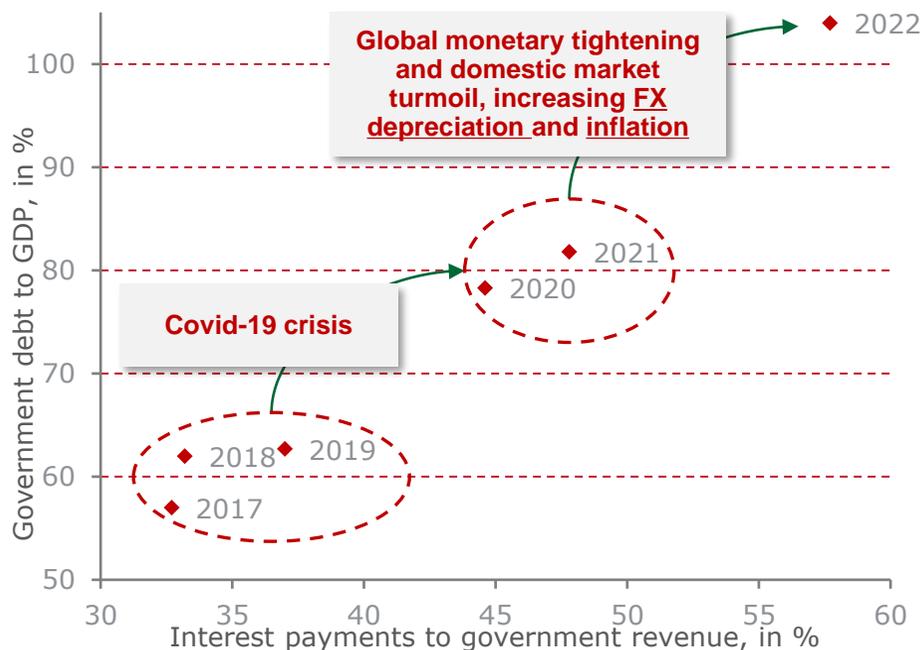
Despite the resilience of the economy...

Ghana Real GDP growth



...Ghana's public debt metrics have been severely affected by the global shocks

Government debt (% GDP) and interest payments (% revenues)



This has put our debt on an unsustainable path as determined by the Debt Sustainability Analysis

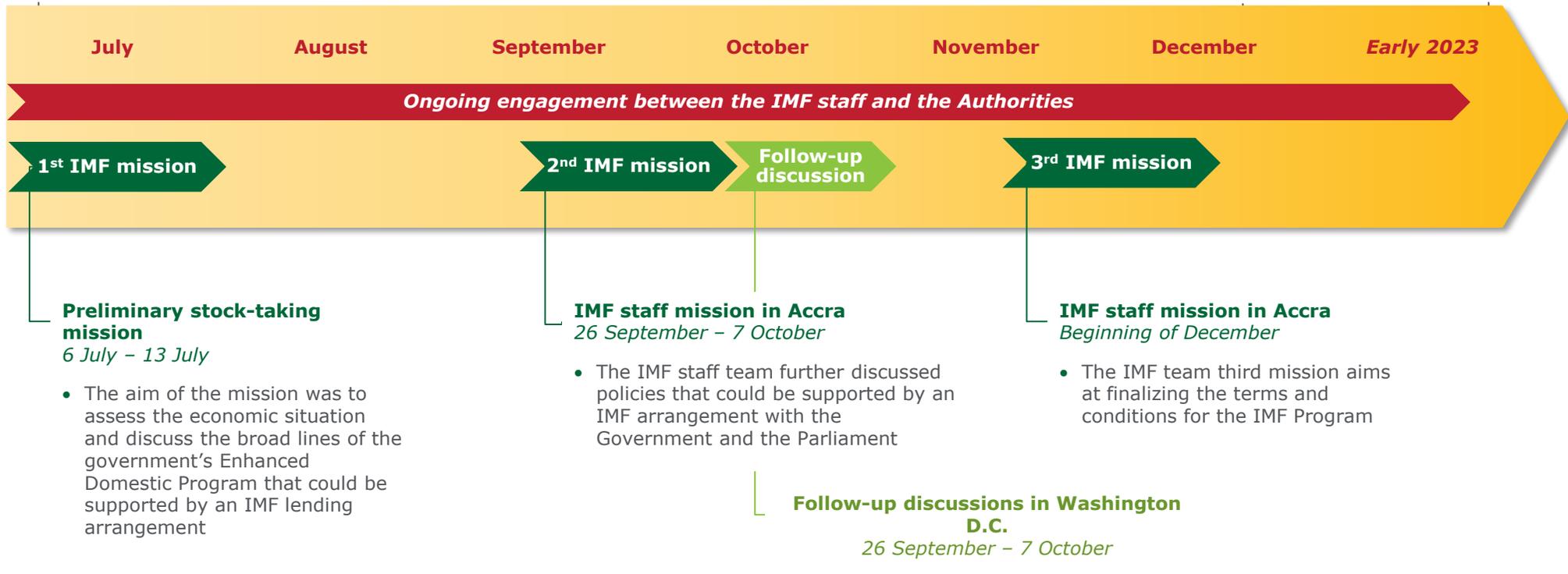
In this context, Ghana has requested financial assistance from the IMF

We have formally requested the IMF support for the implementation of a multi-year program aiming at restoring macroeconomic stability, investors confidence and debt sustainability while preserving financial stability, protecting the most vulnerable and implementing structural and fiscal reforms

Formal request for assistance from the IMF
The Minister of Finance commenced formal engagements with the IMF, requesting a funded Program

Staff-Level Agreement
Tentative date for an IMF SLA

Board Approval
Tentative date for the IMF Executive Board



Securing IMF financial assistance requires restoring public debt sustainability

The IMF cannot lend to a country whose public debt is deemed unsustainable, unless it receives strong assurances that the country is implementing a credible strategy to restore debt sustainability, including through debt restructuring

Ghana Debt Sustainability is assessed with regards to the IMF’s Low-Income Country thresholds applicable to countries with “medium-debt carrying capacity” – with a key constraint of public debt below 55% of GDP in NPV terms

Debt Carrying Capacity	Overall Solvency indicator	External Solvency indicators		External Liquidity indicators	
	PV of Total PPG Debt as a % of	PV of PPG External Debt as a % of		PPG External Debt Service as a % of	
	GDP	GDP	Exports	Export	Revenue
Weak	35%	30%	140%	10%	14%
Medium	55%	40%	180%	15%	18%
Strong	70%	55%	240%	21%	23%

These Debt Sustainability thresholds have to be reached by 2028

“To restore and sustain debt sustainability, **we plan to reduce our total public debt to GDP ratio to some fifty-five percent (55%) in present value terms by 2028**, with the servicing of our external debt pegged at not more than eighteen percent (18%) of our annual revenue also by 2028.”

PRESIDENT NANA AKUFO-ADDO ADDRESS TO THE NATION ON THE ECONOMY, 30 OCTOBER 2022

To ensure debt sustainability is restored (notably the target of 55% of GDP), and IMF funding is quickly received, the Government calls upon all domestic debt holders to participate to the debt exchange announced today. The Government is also working towards a restructuring of our external debt, which we will announce in due course

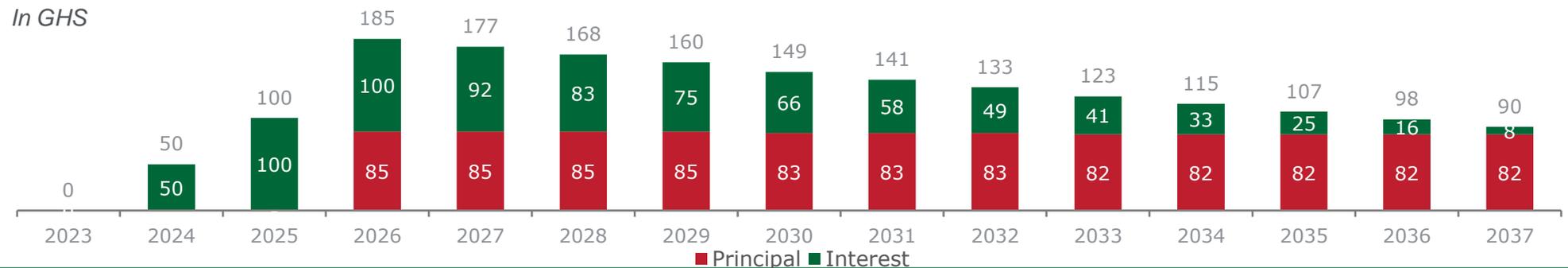
A domestic debt treatment is necessary – but not sufficient – to restore debt sustainability

The government has set the necessary contribution required from domestic creditors, taking into account the need to preserve financial stability

Package of 4 new bonds offered to domestic debt holders in exchange of their outstanding claims (against GoG, ESLA and Daakye), will have the following terms:

	Short bond	Intermediate bond	Medium term bond	Long term bond
Maturity	2027	2029	2032	2037
Amortization profile	2 equal instalments	2 equal instalments	3 equal instalments	5 equal instalments
Interest structure <i>(Applicable to all 4 new instruments)</i>	0% in 2023; 5% in 2024; 10% from 2025 onwards			
Allocation per new bonds <i>(% of the face value of old bond)</i>	17%	17%	25%	41%
Principal <i>(exchanged at par)</i>	No Haircut	No Haircut	No Haircut	No Haircut

Implied debt service schedule for an indicative GHS 1,000 exchanged, reflecting the smooth, extended repayment profile implied by new bonds



5 Note: The Bank of Ghana is expected to contribute more than private sector domestic creditors by taking up a 25% nominal haircut

Significant compensatory measures will be undertaken by the Government to mitigate the social, economic and financial impacts



**Regulatory
measures to
mitigate the
impact on banks
participating to
the exchange**



**Financial Sector
Stability Fund to
ensure that banks
can meet their
payment at any
time**



**Social measures
to protect the
poor and
vulnerable**

How can you participate to the exchange offer?

Procedures to Participate are Simple:



Eligible holders that are not direct participants at the CSD, asset managers and funds should reach out to their broker/custodian/CSD direct participant and should use the customary methods for securities instructions to instruct their CSD direct participant to participate.



For CSD direct participants, once an Offer or Exchange Instruction is received by a CSD Direct Participant (a Depository Participant) from a holder of Eligible Bonds, such CSD Direct Participant is required to collate the information in such Offer or Exchange Instruction in the form and file format provided to them by CSD.

The Government calls for the Full Participation of all Eligible Holders, as participation is required for the success of the operation

For further details, please refer to the Q&A published on the Ministry of Finance website.

The CSD may be contacted for assistance and with regard to matters related to the Invitation to Exchange processing, repurchase agreements, or matters related to the submission of Offers at:

CSD Contact Centre

Phone: +233302755200

Email address: dde@csd.com.gh

Website: www.csd.com.gh/dde

For information and announcements relating to the Invitation to Exchange please see the website of the Ministry of Finance (<https://mofep.gov.gh/news-and-events/debt-operations>), or the website of the Information and Coordination Agent Morrow Sodali Limited (Invitation Website: <https://projects.morrowsodali.com/ghanadde>)

- **This investor presentation is for informational purposes only and is not an invitation to exchange to any holders of Eligible Bonds. The invitation to exchange to Eligible Holders is only being made pursuant to the Invitation to Exchange. Holders of Eligible Bonds should read the Exchange Memorandum carefully prior to making any decision with respect to tendering their Eligible Bonds because it contains important information.**
- **Any questions regarding the terms of the Invitation to Exchange should be directed to the Information and Coordination Agent at the contact information published on the Invitation Website. If you have any questions about how to tender your Eligible Bonds in the Invitation, you should contact the CSD at the CSD Contact Centre. Copies of the Exchange Memorandum and any other related documents, including any updates, may be accessed via the Invitation Website.**