

The Government of the Republic of Ghana and representatives of Bondholders held constructive private discussions between 16th March and 12th April 2024

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ACCRA, Ghana, April 15, 2024 /PRNewswire/ -- The Government of the Republic of Ghana (the "**Government**"), advised by Lazard Frères and Hogan Lovells, acting respectively as financial and legal advisors, held private discussions with the members of the Steering Committee (the "**International Steering Committee**") of the Ad Hoc Creditor Committee of International Bondholders (the "**International Committee**"), advised by Rothschild & Cie and Orrick, Herrington & Sutcliffe LLP and with members of the Steering Committee (the "**Regional Steering Committee**") of the Creditor Committee of Regional Bondholders (the "**Regional Steering Committee**"), advised by Renaissance Capital Africa between 16th March and 12th April, 2024, regarding the potential treatment of the Republic of Ghana's Eurobonds (the "Bonds")¹. The members of the International Committee currently own or control approximately 40% of the outstanding Bonds. The members of the Regional Steering Committee and all the members of the Regional Committee currently jointly own or control approximately 15% of the outstanding Bonds.

During those private discussions, the Government, the Regional Steering Committee and the International Steering Committee discussed a joint working debt treatment scenario ("**Joint Working Scenario**") that could form the basis of a mutual understanding on financial terms (financial terms are detailed in Annex A).

The Regional Steering Committee is in agreement with the broad structure of the Joint Working Scenario but expressed reservations on certain of its parameters, and rejected the financial parameters of the PAR option as it currently stands. The Government has consulted with the International Monetary Fund ("IMF") to assess whether this Joint Working Scenario would be compatible with IMF program parameters. The IMF Staff has indicated to the Government that the Joint Working Scenario – taken together with debt treatment assumptions for other commercial creditors – would lead to breaches to the Debt Sustainability Thresholds under the framework of the past First Review of the Program.

As part of the ongoing process for the IMF's Second Review, including the assessment in the IMF Staff Level Agreement² of Ghana's strong program performance and improving growth outlook, the Government is actively working on solutions that it believes would be consistent with IMF program parameters under the set of policies currently being discussed, with the objective of reaching a mutual agreement acceptable to all parties.

During the private discussions, the Government and representatives of the International Steering Committee and the Regional Steering Committee also discussed non-financial provisions that the respective Committee members indicated that they consider to be an integral part of an envisioned restructuring. These provisions include a debt incurrence clause, a most favored creditor clause, a loss reinstatement clause, a debt disclosure clause, and two additional clauses that the International Steering Committee indicated are necessary to provide legal safeguards in the event of legal and judicial challenges to the new bonds, a clause limiting the legal challenge rights of the Republic and a clause providing for liquidated damages in the event of a Ghana Supreme Court ruling of invalidity of the new bonds under Ghanaian law.

The Government expresses its gratitude to all representatives from the two Steering Committees for their constructive engagements over the past three weeks.

This announcement is made by the Government of the Republic of Ghana and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (16 April 2014).

Annex A. Financial terms of the Joint Working Scenario.

All holders have the choice between the PAR and DISCO option, up to a limit of US\$ 1,600m for the PAR option. In case a consenting holder chooses the DISCO option, such consenting holder would receive 3 new instruments (Bond Short, Bond Medium, Bond Long). Otherwise, such consenting holder would receive a Par Bond.

In addition to that, any consenting holder (under both options) would receive a PDI bond and a consent fee.

Joint Working Scenario

EXTERNAL RESTRUCTURING PARAMETERS

	Disco Option			or Par Option		
Cap	No Cap			US\$ 1,600m		
Consent fee <i>(for US\$ 1,000 original face value)</i>	\$10					
	Bond short	Bond medium	Bond long	or Bond Par	PDI Bond	
Amount <i>(for US\$1,000 original face value)</i>	\$283	\$320	\$67	\$1,000	<i>Accrued amount until 31/12/2023 33% nominal haircut</i>	
<i>Interest rate</i>	5.00% accruing from 01/01/2024 until 1/07/2027 6.50% afterwards			1.50 %	0 %	
Terms of the "exit instrument"	<i>Maturity</i>	July 2030	July 2035	July 2038	Jan. 2043	Jan. 2030
	<i>First instalment</i>	Jan. 2026	Jan. 2031	Jan. 2036	July 2034	July 2024
Effective nominal haircut	33.0 %			0.0 %	33.0 %	

(1) For the ISIN XS2325742166 (GHANA 04/2025 0.00%) the recognized face value for the ISIN XS2325742166 (GHANA 04/2025 0.00%) ("**2025s Face Value**") is equal to the initial proceeds at issuance date plus the accrued interests at the implicit yield at issuance of 6.309% until [31/12/2023]

(2) For ISIN XS1297557412 (GHANA 10/2030 10.75%), the World Bank Partially Guaranteed Bond will be subject to the same terms as any other Eurobonds. The remaining guarantee will be dealt with in line with the provision outlined in the bond documentation.

Annex B. List of ISINs

Table 1. List of ISINs

ISIN	Name
XS0956935398	GHANA Aug-23 7.88%
XS2325742166	GHANA Apr-25 0.00%
XS1108847531	GHANA Jan-26 8.13%
XS2115122538	GHANA Feb-27 6.38%
XS1968714110	GHANA Mar-27 7.88%
XS2325748106	GHANA Apr-29 7.75%
XS1821416234	GHANA May-29 7.63%
XS1297557412	GHANA Oct-30 10.75%
XS1968714540	GHANA Mar-32 8.13%
XS2325747397	GHANA Apr-34 8.63%
XS2115141751	GHANA Feb-35 7.88%
XS2325747637	GHANA May-42 8.88%
XS1821416408	GHANA Jun-49 8.63%
XS1968714623	GHANA Mar-51 8.95%
XS2115147287	GHANA Mar-61 8.75%

This press release does not constitute an offer of securities for sale in the United States, and the securities (if issued) will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and they may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. This press release does not constitute an offer of securities for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale (if made) would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.

This announcement is directed only to beneficial owners of the Government's bonds who are (A) "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act or (B) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, that may lawfully participate in the Restructuring in compliance with applicable laws of applicable jurisdictions.

No offer of any kind is being made to any beneficial owner of bonds who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the offer would not be permitted by law.

Forward-Looking Statements

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions and factors over which the Government has no control. The Government assumes no obligation to update these forward-looking statements and does not intend to do so, unless otherwise required by law.

Notice to Investors in the European Economic Area and the United Kingdom

Notice to EEA retail investors. The announcement contained in this press release is not being directed to any retail investors in the European Economic Area ("EEA"). As a result, no "offer" of new securities is being made to retail investors in the EEA.

This announcement is only directed to beneficial owners of Bonds who are within a Member State of the European Economic Area or the United Kingdom (each, a "Relevant State") if they are "qualified investors" as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation").

The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in a Relevant State. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling securities or otherwise making them available to retail investors in a Relevant State has been prepared and therefore offering or selling securities or otherwise making them available to any retail investor in a Relevant State may be unlawful under the PRIIPs Regulation.



References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

United Kingdom

For the purposes of section 21 of the Financial Services and Markets Act 2000, to the extent that this announcement constitutes an invitation or inducement to engage in investment activity, such communication falls within Article 34 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), being a non-real time communication communicated by and relating only to controlled investments issued, or to be issued, by the Republic of Ghana.

Other than with respect to distributions by the Republic of Ghana, this announcement is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

¹ The Bonds are those certain bonds respectively due in August 2023, April 2025, January 2026, February 2027, March 2027, April 2029, May 2029, October 2030, March 2032, April 2034, February 2035, May 2042, June 2049, March 2051, March 2061 with the following ISIN numbers: detailed in Annex B.

² <https://www.imf.org/en/News/Articles/2024/04/13/pr-24117-imf-reaches-staff-level-agreement-on-the-second-review-of-the-ecf-with-ghana>

SOURCE Republic of Ghana