



Ministry of Finance

Republic of Ghana
Investor Presentation

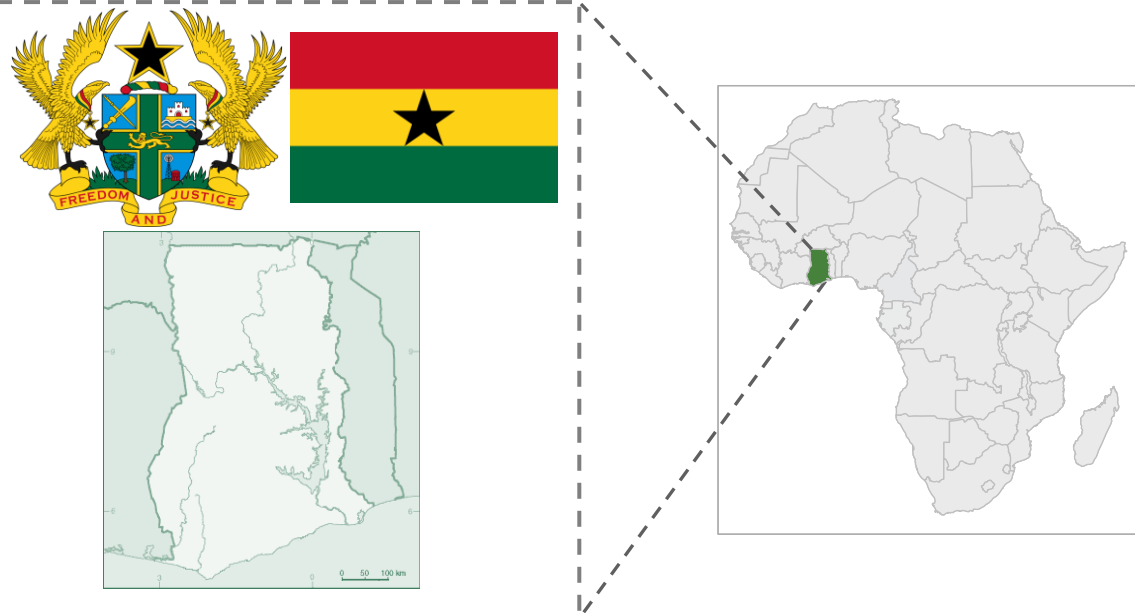
Update on Recent Economic Developments

25th of October 2024



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Introduction - Ghana's Investor Presentation Leaders



Territory & Capital	238,537 sq. Km; Accra
Population (2023)	>32.8 million
Nominal GDP (2023)	US\$76bn
Real GDP Growth (2023)	2.95%
GDP Per Capita (2023)	USD 2,436
Sovereign Credit Ratings	Moody's: 'Caa2'/S&P: 'SD' / Fitch: 'RD'
Currency	Ghanaian Cedi (GHS)
Closing Exchange Rate (mid)	USD/GHS = 15.9000 (15/10/24)
System of Government	Multi-party democracy since 1992 32 years of uninterrupted democracy
Borders	Côte D'Ivoire (West), Togo (East), Burkina Faso (North)

Investor Presentation Leaders



Minister for Finance
Hon. Dr. Mohammed Amin Adam



Governor, Bank of Ghana
Dr. Ernest Addison



Minister of State for Finance
Hon. Abena Osei Asare



Deputy Governor, Bank of Ghana
Dr. Maxwell Opoku-Afari

The presenting Team is supported by Senior Technical
Officials from the Ministry of Finance & Bank of Ghana



- A. Executive Summary
- B. Ghana's Restructuring Journey is coming to an End
- C. Ghana is on Track with its Recovery with Growth Rebounding
- D. Positive Developments in the Monetary and External Sectors
- E. Fiscal Consolidation is on Track
- F. Update on the IMF Programme
- G. Conclusion and Next Steps



A. Executive Summary

Executive Summary – Key Takeaways



Restructuring done in record time

- Ghana's restructuring journey is coming to an end with c. **93%** of public debt eligible now restructured. This was achieved in a record time.
- The US\$13.1bn Eurobonds debt exchange is now completed after having received support from more than 98% of bondholders.
- About **7%** of the external debt stock remains to be restructured.

Significant progress in fiscal consolidation

- **Fiscal consolidation efforts** are in line with the IMF objectives, supported by **reforms** aimed at improving revenue mobilization and fiscal policy efficiency.
- The **Medium-Term Revenue Strategy** aims at increasing the tax-to-GDP ratio to 18-20% by 2027.
- **No slippage** witnessed since the beginning of the year on the expenditure side.

Delivering on IMF programme structural reforms

- The **Staff-Level Agreement on the third programme review** of the IMF showed that Ghana met all quantitative performance criteria at end-June 2024.
- Ghana is also delivering on **Structural Benchmarks**, including on the monetary and fiscal sides.

Looking ahead, rebound gaining momentum

- The Government is fully committed to achieving its fiscal targets under the IMF programme. **Central to this commitment is the strengthening to our Fiscal Responsibility Act.**
- Economic activity is robust, and, on the rise, while inflation is decreasing, and international reserves are building up.
- Ghana is looking forward to the next phase of its economic recovery programme with renewed investors' confidence for the country's economic fundamentals.

Ghana's Economy Demonstrates a Strong Economic Outlook in a Post-bond Exchange Context



Robust Growth Trajectory



Stronger-than-expected economic growth
5.8% of GDP (H1-2024)

Prudent Monetary Policies



Declining inflation expectations
21.5% (Sept. 2024)

Buildup of External Reserves



Strong growth in gold exports
3.4 import cover (Aug. '24)

Proactive Debt Management



Successfully completed 93% of debt restructuring
Upgrade in credit ratings

Ongoing Fiscal Consolidation



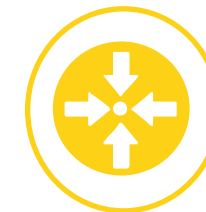
Fiscal discipline on track and no slippage witnessed since Jan. 2024

Commitment to the IMF Programme



Delivering on the IMF programme. SLA: Ghana met all QPCs at end-June 2024 for 3rd Review

Sustaining Structural Reforms



Strengthening of Ghana's Fiscal Responsibility Act



**B. Ghana's Restructuring Journey is
coming to an End**

Ghana's Debt Restructuring almost completed...



Domestic Creditors¹

- Involved Debt Exchange Programme and governing law perimeter
- 1st restructured with approx. a cedi equivalent of US\$20.3 bn¹ (31st Dec. 2022 exchange rate)
- Domestic restructuring was fully completed in September 2023
- This covered **49%** of the debt in the restructuring perimeter
- Achieved in 1-yr while preserving financial, banking, social & economic stability

Bilateral Creditors

- Using the Common Framework Architecture for Ghana's external debt restructuring.
- Covering US\$5.1 billion external debt
- Combined with the domestic creditors this covered **62%** of the restructuring perimeter
- MoU with the OCC agreed upon in June 2024

Eurobonds

- Conducted through a Debt Exchange Offer
- Covering US\$13.1 billion of outstanding stock of debt
- Settlement occurred on 9th October 2024
- Together with the Domestic and Bilateral creditors, this covered **93%** of the restructuring perimeter

Commercial Creditors

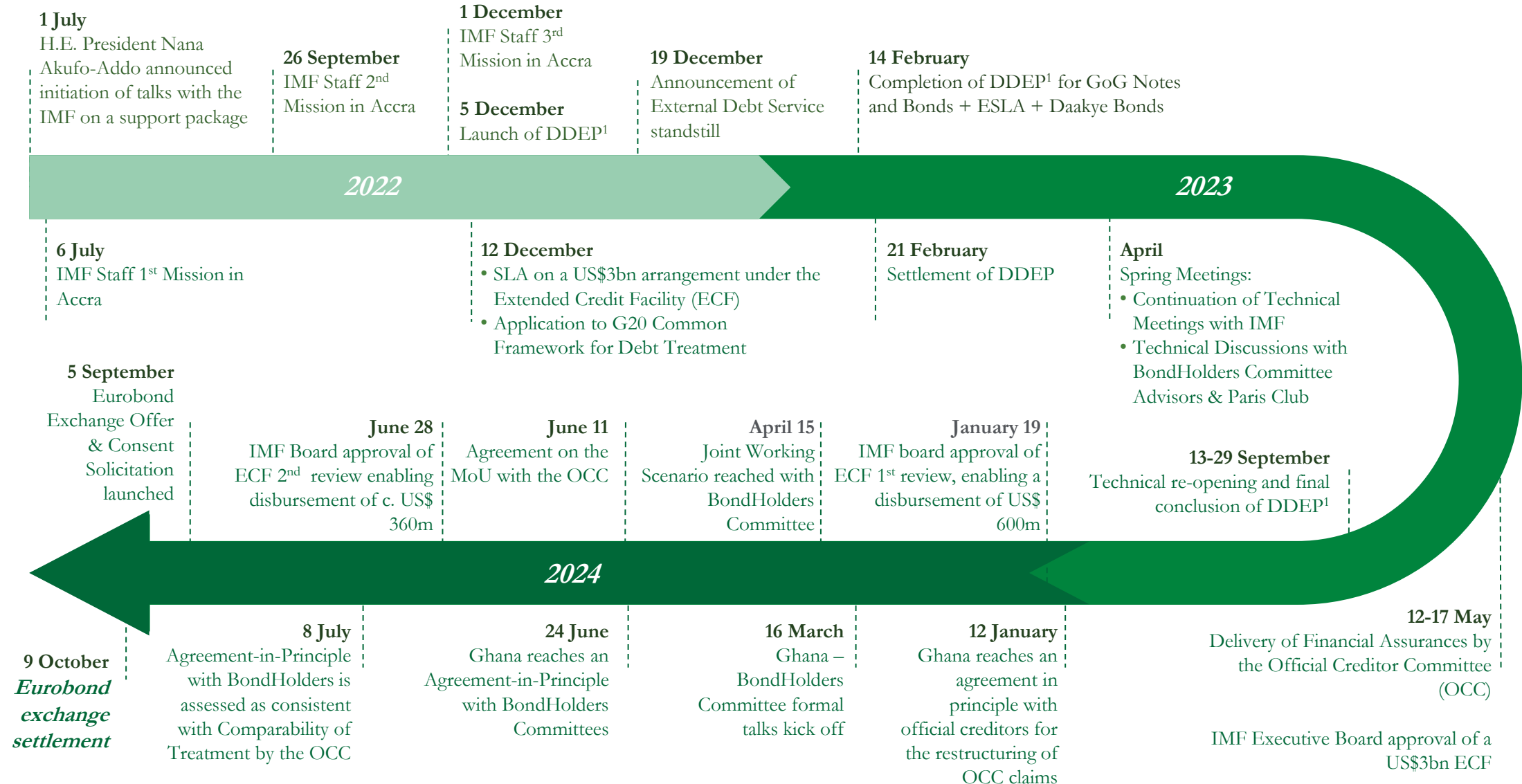
- Amounting to approximately US\$2.7 billion
- Consists of **7%** of the remaining debt to be restructured
- Restructuring of these claims is on-going

Note: (1) Domestic debt instruments, including in the restructuring perimeter, on a governing law basis ; (2) Amounts based on outstanding stock at the time of the Debt Moratorium announced on December 19th, 2022



... and has been conducted in Record Time

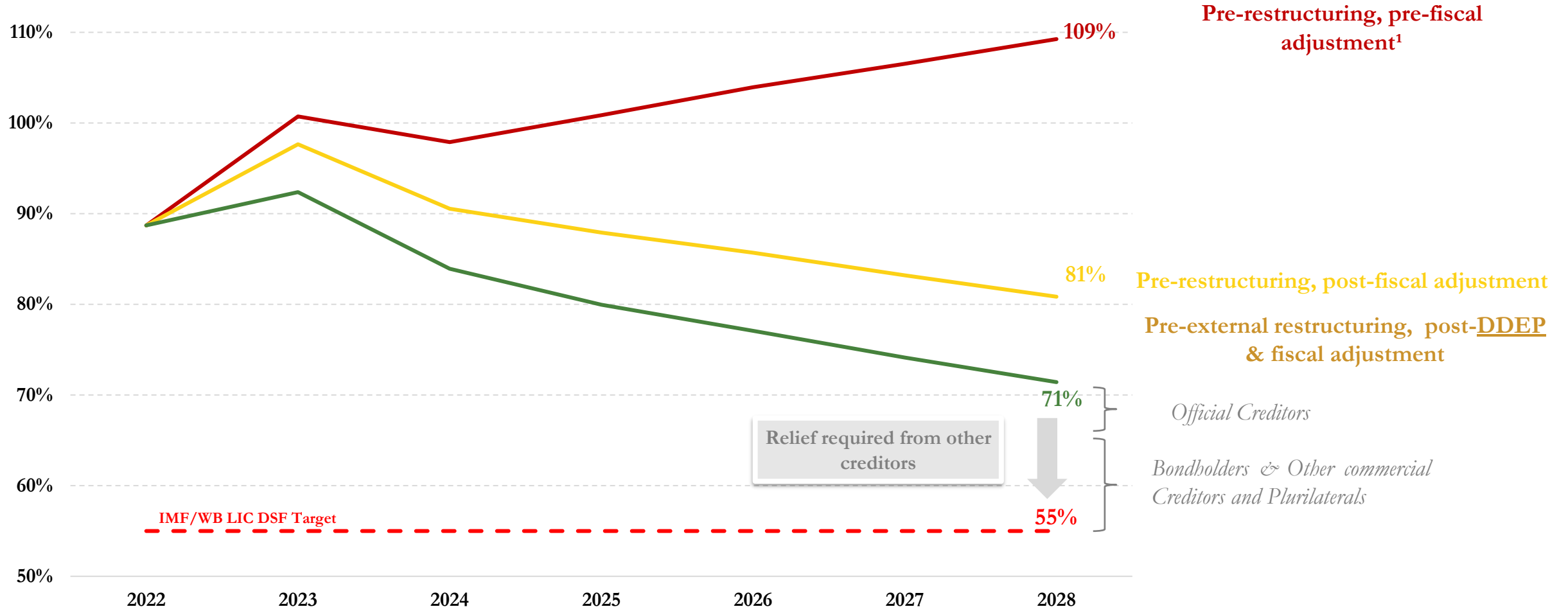
Actions achieved since 2022



Ghana's Debt Restructuring Journey is a Symbol of Fair Burden Sharing



Present value of overall PPG debt-to-GDP trajectory



Note: (1) Assuming a constant primary balance at its 2022 level, i.e. at (3.6%) of GDP. Based on IMF's Board Approval for the ECF.

Ghana's DDEP was Completed in 2023, Paving the Way for the External Debt Restructuring



All exchanges of domestic marketable debt planned as part of the DDEP are completed and no further exchanges of domestic marketable debt are being considered

		Old bonds	New bonds	Participation rates ⁽¹⁾	Perimeter
DDEP First Leg	Coupon	19.1%	9.1% <i>n.w. only 5% paid in cash in 2023 and 2024</i>	91%	Bonds, ESLA Bonds, Daakye Bonds <i>excl. holdings by Pension Funds</i>
	Average maturity	3.8 years	8.3 years		
Pension Funds	Coupon	20%	20%	95%	Treasury Bonds, ESLA Bonds, Daakye Bonds holdings by Pension Funds
	Average maturity	4 years	4 years <i>Significantly reduced 2023-24 financing needs</i>		
US\$ local bonds	Coupon	5.3%	3%	92%	US\$-denominated local bonds
	Average maturity	1.5 years	4.5 years		
Cocobills	Coupon	<i>Not applicable</i>	13%	97%	Cocobills
	Average maturity	0.7 month	4.4 years		
Bank of Ghana non-marketable debt	Coupon	<i>Not applicable</i>	10%	100%	Non-Marketable Debt hold by Bank of Ghana <i>excl. SDR on-lending</i>
	Average maturity	<i>Not applicable</i>	15 years		

Principal Haircut 50%

Overall GH¢203bn were exchanged⁽²⁾, which has resulted in debt service savings of c. GH¢61bn over 2023⁽³⁾

Note: (1) With regards to the 1st leg of the DDEP, participation ratio is calculated as the sum of the principal amount exchanged over the 2 exchanges, divided by the outstanding eligible amount as of February 13th

(2) Exchange rate used as of September 30th, 2023: 1 US\$ = 11.1 GHS (3) Based on preliminary estimates.

Main Terms of the agreed treatment

- ❑ All debt service (principal and interest) falling due between 20th December 2022 and 31st December 2026 is rescheduled.
- ❑ Rescheduled amounts will be repaid in two installments, respectively 16 and 17 years after.
- ❑ Interest will accrue on the rescheduled amounts at a rate which depends on the contractual interest rate of the underlying facility.
- ❑ Entails that Ghana seek comparable debt treatments, as assessed by the OCC, with external private creditors (except the IMF and Multilateral Development Banks that provide net positive cashflows over the programme period).

Parties to the MoU agreed on June 11th, 2024



Ghana obtained a debt treatment from its Official Creditors that delivers **significant debt service relief of around US\$ 2.8bn during the Fund-supported programme period**



...and Preceded an Historic Agreement with Eurobond Holders

Bondholders were offered two options to accommodate heterogeneous preferences:

Principal of Existing Notes exchanged

c. \$11.9 bn

c. \$1.2 bn

DISCO OPTION

PAR OPTION

RECEIVED UNDER BOTH OPTIONS

		DISCO OPTION	
Notes		Short-Term Disco	Long-Term Disco
Amount (for US\$ 1,000 Original Face Value)		\$ 242	\$ 348
Interest rate ²		5.0% until July 2028 6.0% afterwards	
Terms of the instrument	Maturity	July 2029	July 2035 ¹
	First instalment	Jan. 2026	Jan. 2030 ¹

PAR OPTION	
Long-Term Par	
\$ 960	
1.5%	
Jan. 2037	
Jan. 2036	

RECEIVED UNDER BOTH OPTIONS	
Down Payment	PDI
\$ 40	\$630 per \$1,000 of Accrued Interest up to 31/12/2023
0%	
Jul. 2026	Jan. 2030
Issue Date	Issue Date

>98% positive consent rate

Notes: (1) First 10 semi-annual instalments representing c. 7.8% of principal, and last 2 instalments representing c. 11.0% of principal. (2) Interest on new bonds is paid in January and July, and contractual interest accrues from 1-Jan-24 onwards. The first semi-annual coupon covering the period 1-Jan-24 to 30-Jun-24 has been paid at settlement in the form of a compensation payment. The interests accruing from 1-Jul-24 to 31-Dec-24 will be paid in full on 1-Jan-25 (through a compensation payment for the period between 1-Jul-24 and settlement).

The Eurobond Exchange Provided Ghana with Significant Debt Relief



1

~\$5bn¹ / 7% of GDP
Reduction in Ghana's debt

2

~\$4.3bn²
Debt service savings during
the IMF programme period
(2023-2026)

3

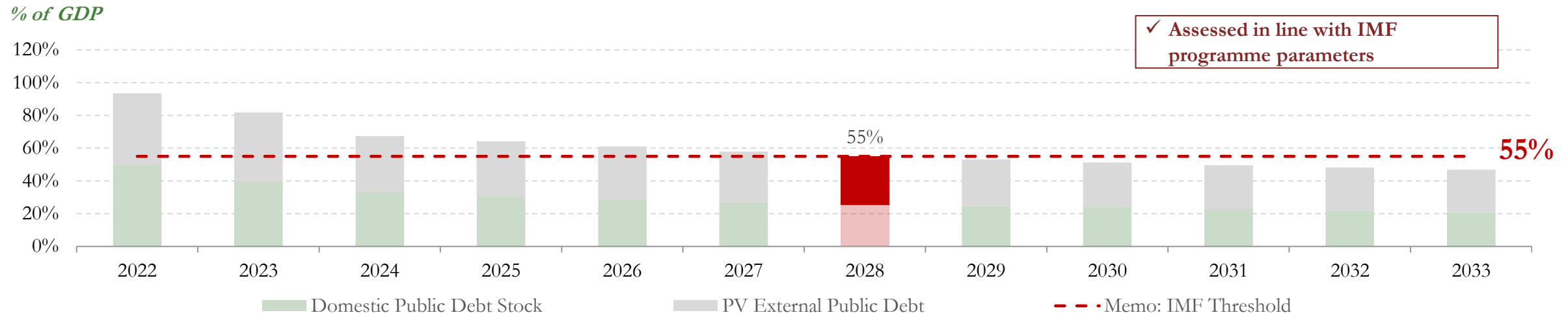
from ~8% to ~4%³
Weighted average interest
reduction on Eurobonds

Notes: (1) Include Post-Default Interests accrued until 31/12/2024; (2) Including Consent Fee; (3) Taking into account Long-Term Disco Notes, Short-Term Disco Notes, Long-Term Par Notes, Down Payment Notes, PDI Notes

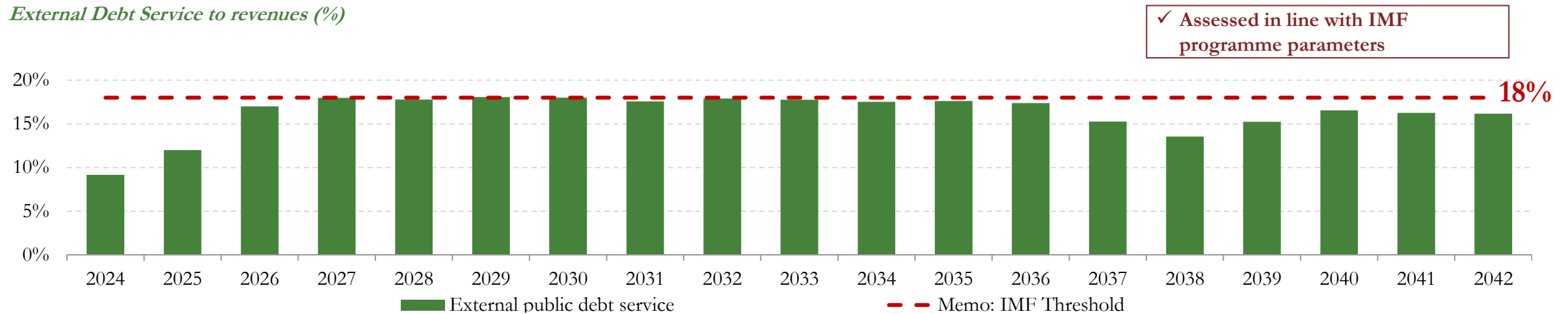
The Comprehensive Debt Restructuring Exercise has Contributed to Restoring Debt Sustainability



PV of total debt-to-GDP after the Eurobonds Debt Exchange under the IMF's Second Review Framework ⁽¹⁾



External debt service to revenues after Debt Exchange under the IMF's Second Review Framework ⁽¹⁾

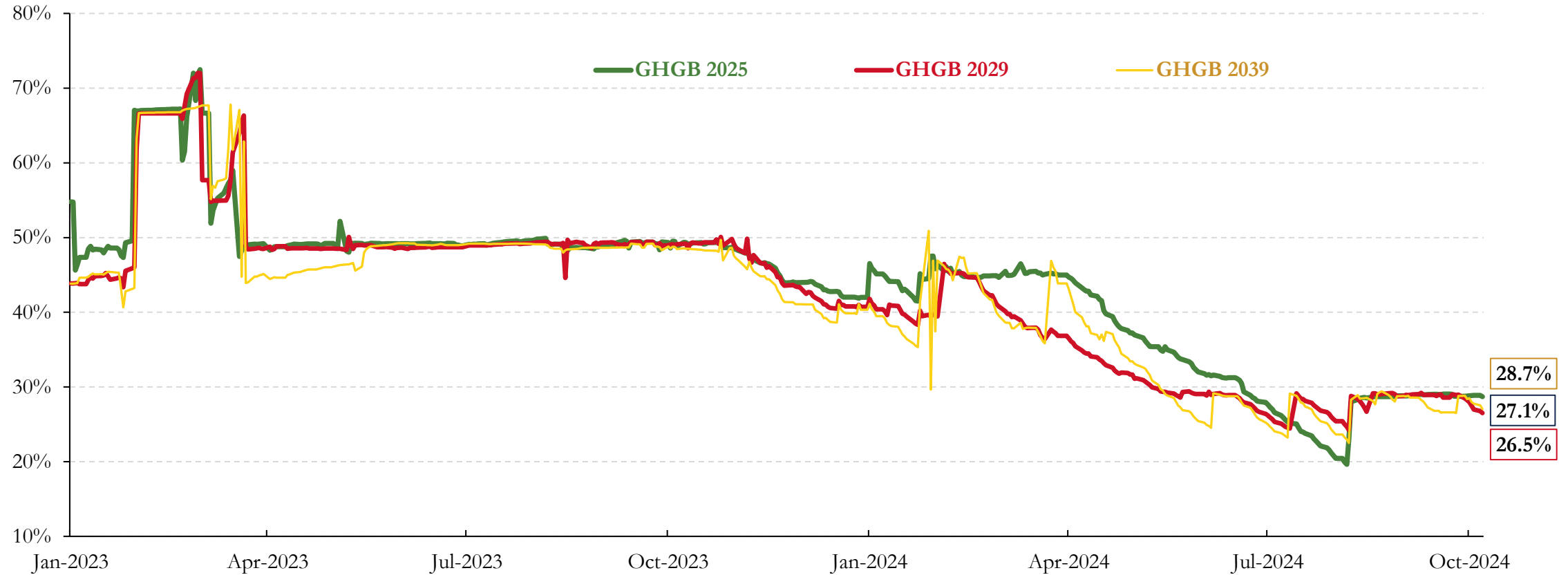


Note: (1) Takes into account the financial terms of the MoU with official creditors, Eurobond debt exchange and already assumes a comparable debt treatment for other non-bonded commercial creditors

One Year after the DDEP Completion, Local Debt Markets are Normalizing



Selected domestic debt instrument yields on the secondary market (since 2023)



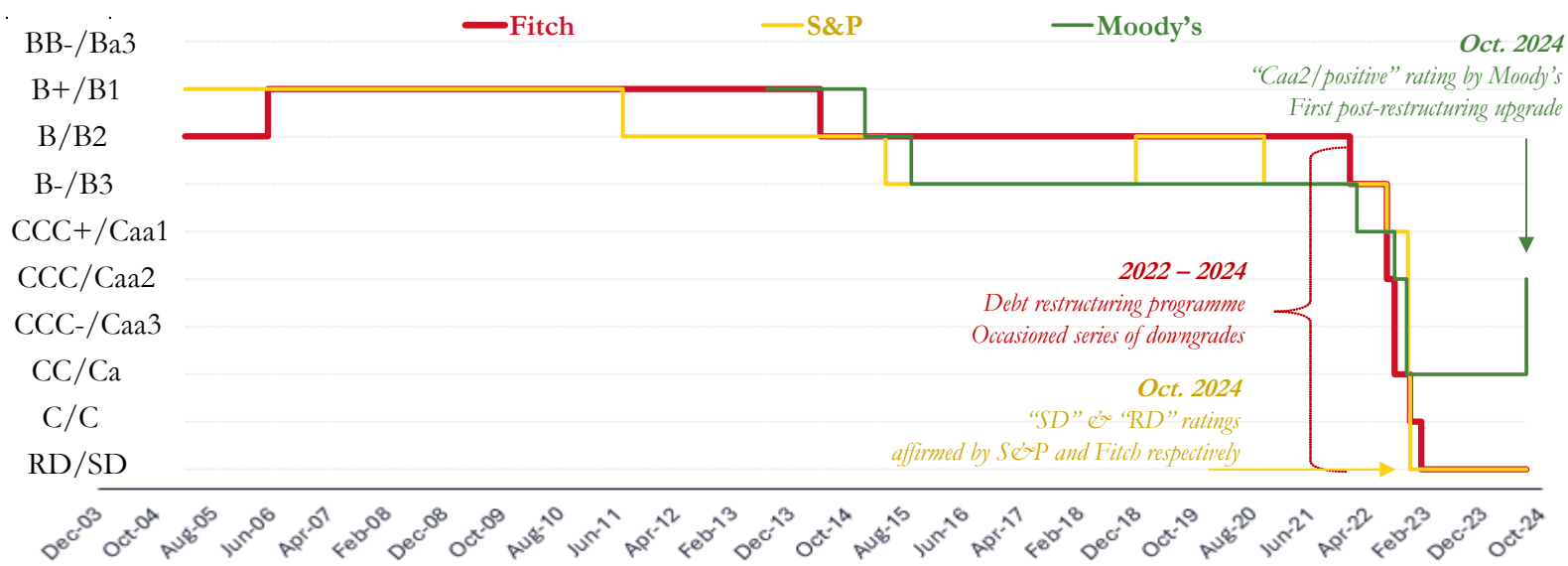
Over the course of 2024, the YTM on Ghana's sovereign debt instruments on domestic markets went down from c. 40% to [25%-30%]

Source: Bloomberg, as of 08/10/2024

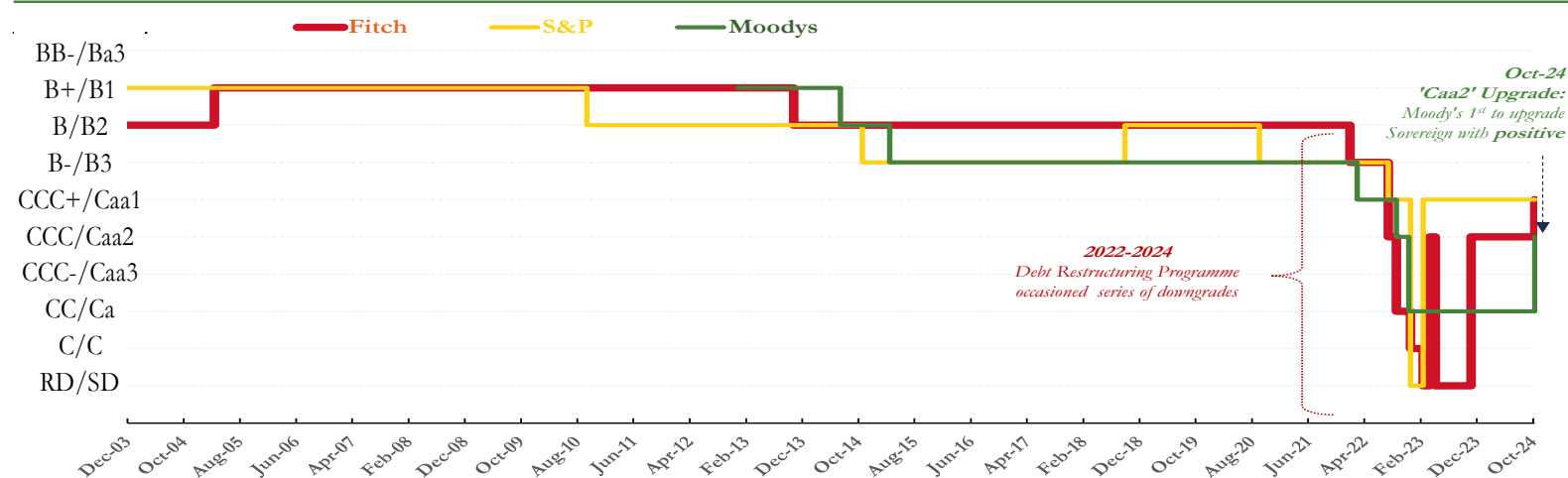


Ghana has also recently received Credit Rating upgrades from Moody's

Evolution of Ghana's Foreign Currency Rating



Evolution of Ghana's Local Currency Credit Rating



Source: S&P ; Moody's ; Fitch

Moody's:

- Upgrades both Ghana's Long Term Foreign & Local Currency Issuer Ratings to **'Caa2'** from **'Ca'** & **'Caa3'** with a **Positive Outlook**

S&P & Fitch

- Affirms Ghana's Long Term Local Currency Issuer Ratings at **'CCC+'**
- Rates New Eurobond **'CCC+'**
- S&P & Fitch Long Term Foreign Currency Rating at **'SD'** and **'RD'** respectively



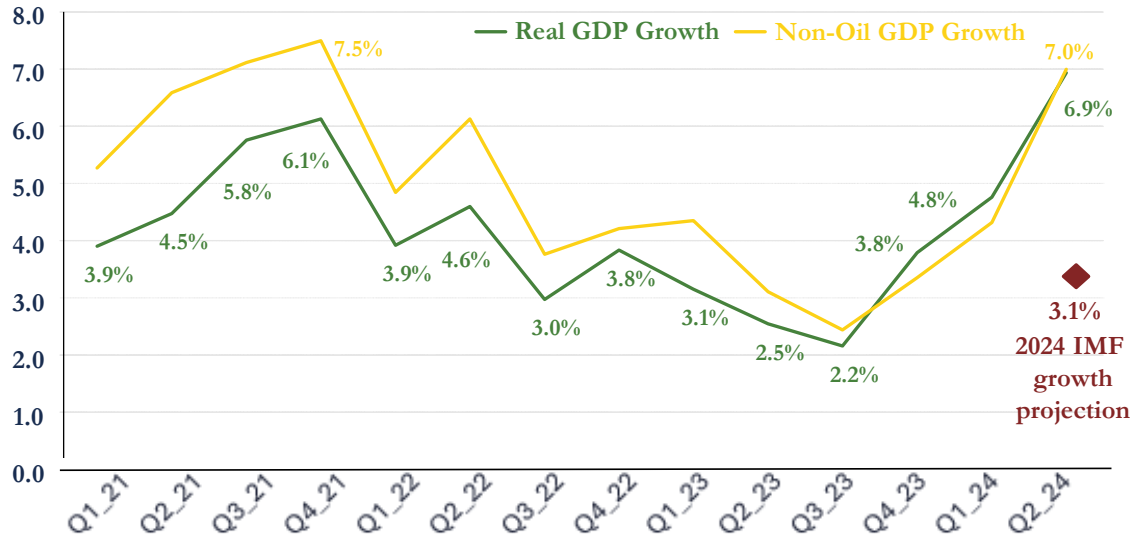
**C. Ghana is on Track with its Recovery
with Growth Rebounding**



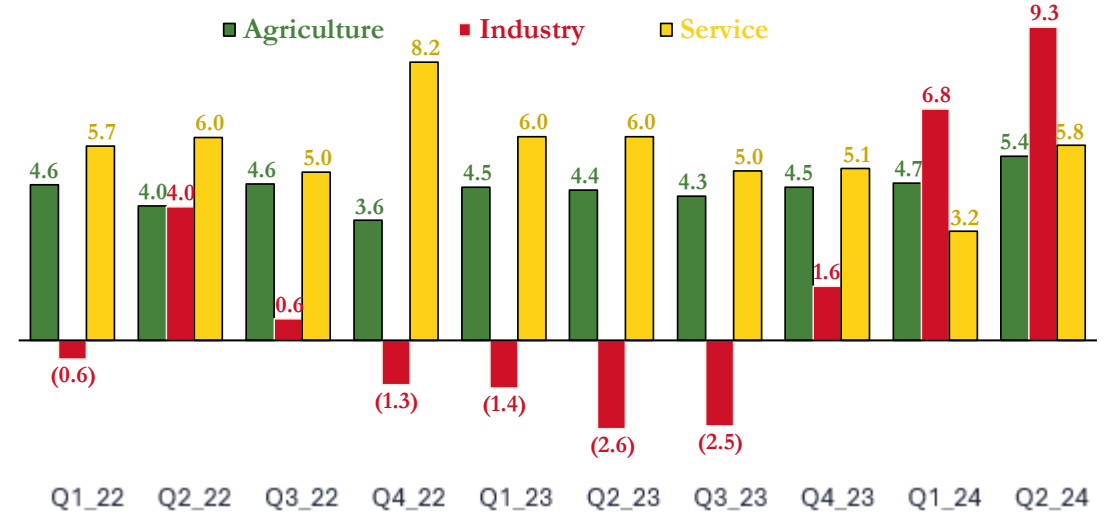
Ghana's Economic Activity is Rebounding Faster than Anticipated

After progressive decline in 2023, the GDP growth rate features promising prospects in 2024, reaching its highest level (Q2-24) since 2021. Growth has been broad based

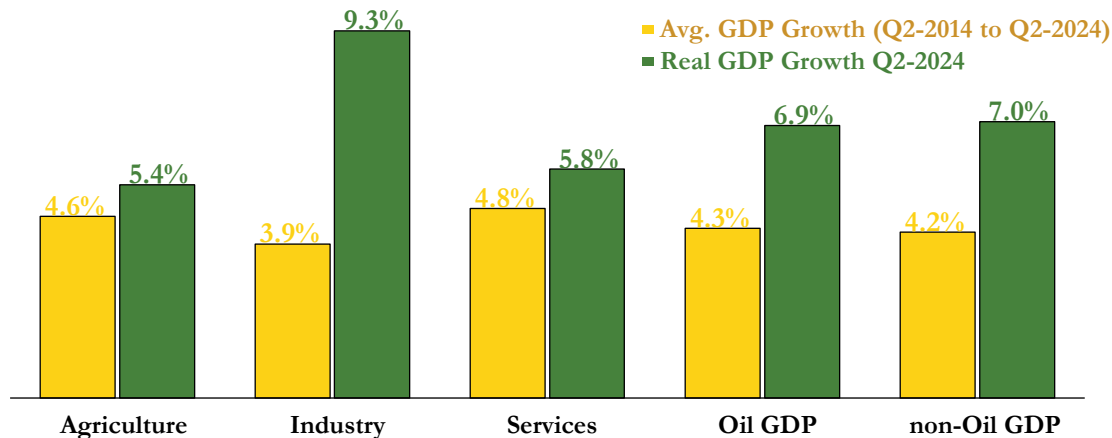
GDP YoY quarterly growth rate (since 2021) - %



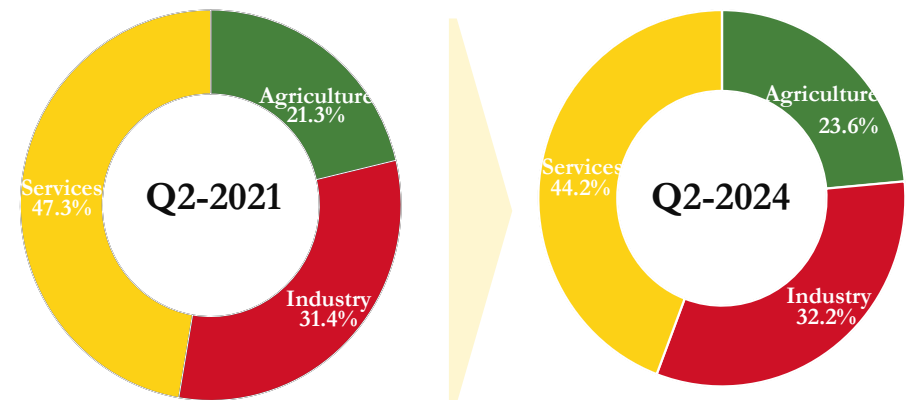
Quarterly economic growth, by sector (%)



Avg. quarterly GDP growth rate (2014-24) compared with Q2-24 (%)



Sectoral Evolution of Ghana's Economy (%)



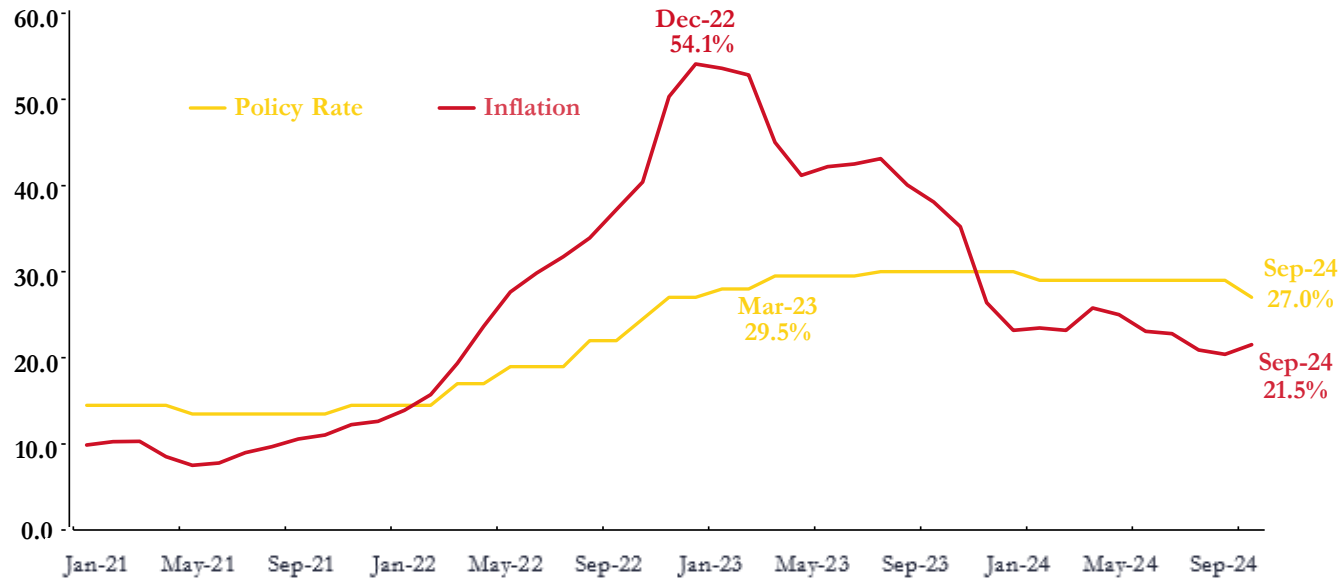


D. Positive Developments in the Monetary and External Sectors



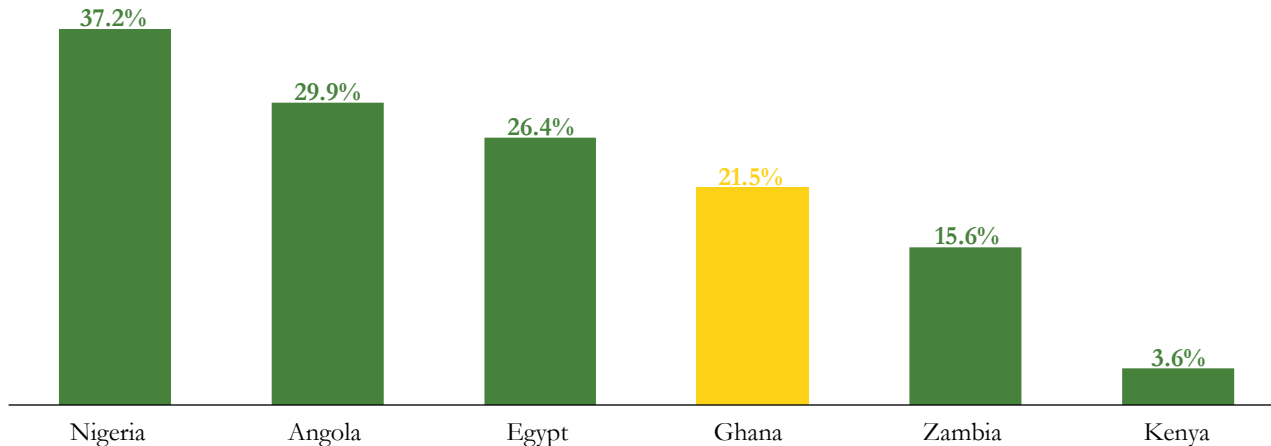
Tight Monetary Policy is Effectively Containing Inflation

CPI growth & BoG policy rate since 2021 (%)



- Disinflation is starting to materialize
- 2024 CPI growth reached its lowest level since March 2022 due to the BoG’s tight monetary policy stance and easing food inflation
- Sept-24: MPR reduced by 200bps to 27.0% given the generally improved macroeconomic conditions and fairly balanced risks to inflation outlook
- Ongoing efforts to strengthen the Cedi to maintain stability and resilience

Ghana’s Inflation vs. Peers September 2024 (%)



Source: Bloomberg (as of 08/10/2024); Bank of Ghana; IMF

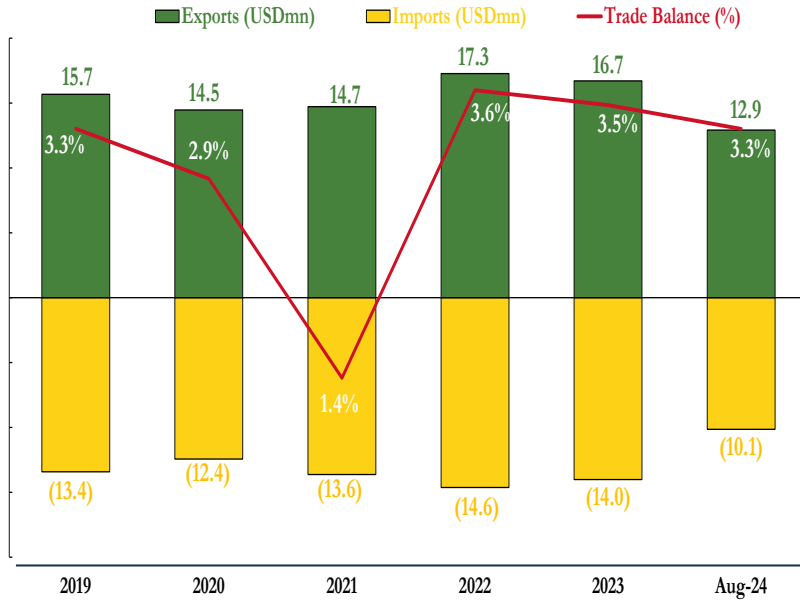
Evolution of the exchange rate since 2021 (USD/GHS)



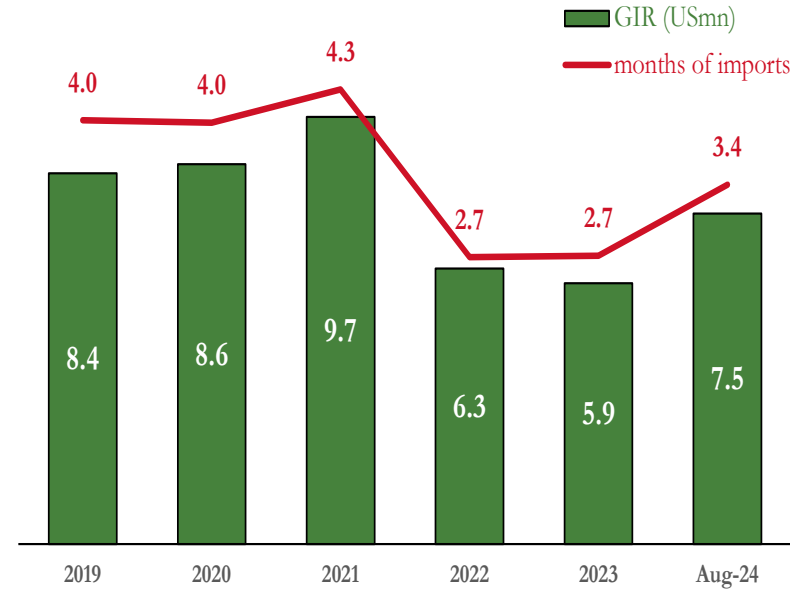


Robust external position, with a strong buildup in international reserves

Evolution of Annual Trade Balance

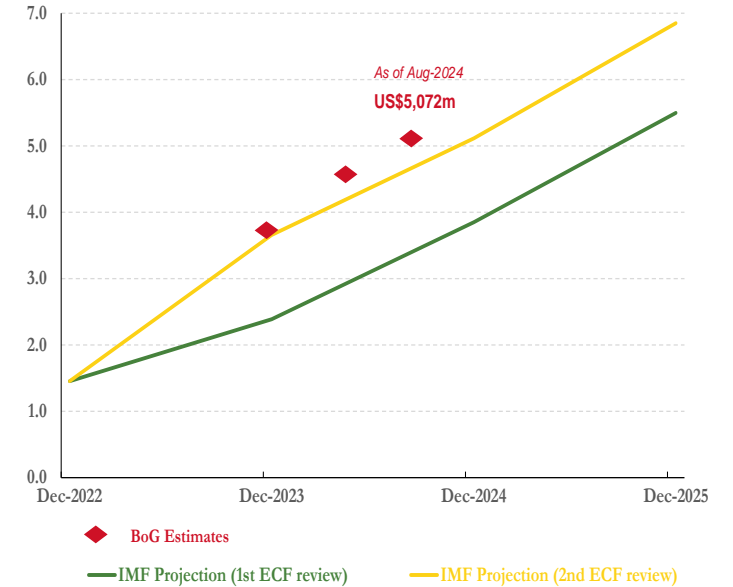


Gross International Reserves & months of imports



Gross International Reserves excl. oil funds encumbered assets and pledged assets¹

USD Billion



- Significant improvement in trade surplus is first eight months mainly driven by (i) growth in gold exports – both volume and prices ; (ii) Improvement in crude oil exports due to higher volumes ; offsetting lower cocoa exports
- This development helped reserves accumulate faster than initially envisaged by the IMF (2nd ECF review). During this review, the IMF had already improved its reserve projections compared with the 1st review in Oct. 2023
- GIR increased to US\$7.5mn at the end of Aug. 2024 from US\$5.9 mn end Dec. 2023 due to strong growth in gold exports and remittances.
- The cocoa sector recovery will further support external outlook

Sources: Bank of Ghana, IMF Second Review under the Extended Credit Facility (July 2024)

Note: (1) Excl. oil funds encumbered assets and pledged assets

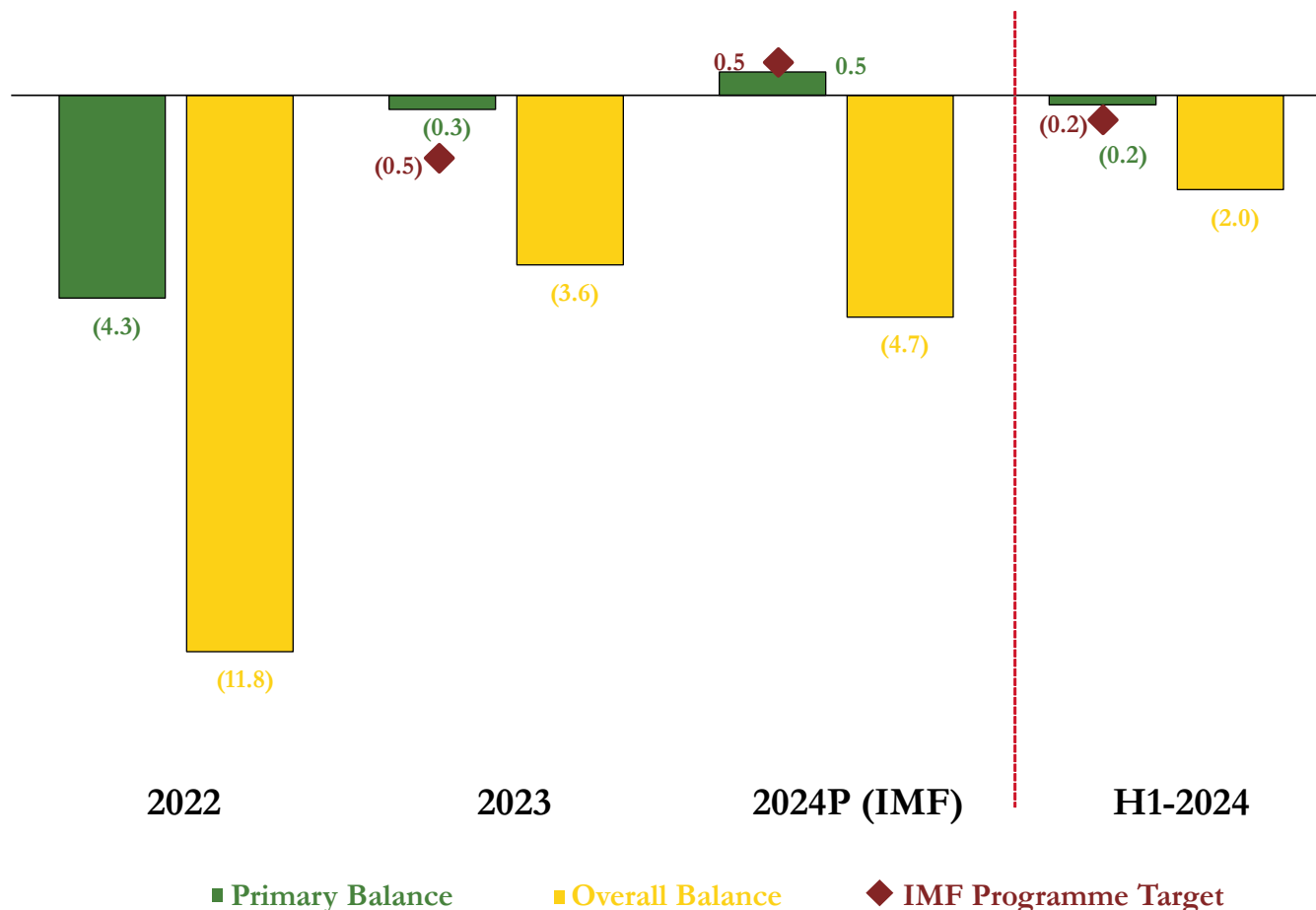


E. Fiscal Consolidation is on Track

Fiscal Consolidation Efforts in Line with the IMF Objectives & Supported by Reforms



Fiscal Performance (Commitment Basis) – % of GDP



Despite below target revenues, due to lower receipts from taxes on oil, budget execution for H1-2024 remained aligned with IMF programme targets due to expenditure rationalization efforts

Main Ongoing Fiscal Reforms & Initiatives

- Fiscal Consolidation:** Ghana has made significant strides in fiscal consolidation notably. Moved from a deficit of 4.3% of GDP (2022) to a deficit of 0.3% (2023). This is a better performance than anticipated by the IMF under the 1st ECF Review.
- Revenue Mobilization:** As part of its Medium-Term Revenue Strategy (MTRS), Ghana is focusing on increasing non-oil revenue by eliminating selected VAT exemptions, deploying e-VAT, and improving tax administration.
- Expenditure Control and PFM Reforms:** Ghana has strengthened PFM systems. This includes the rollout of GIFMIS to MDAs to ensure stricter control over public finances.
- Fiscal Responsibility Reform:** Government is amending the Fiscal Responsibility Act (2018) to include debt limits as well as legislate the Fiscal Council to make is more operationally independent.

Sources: IMF Second Review under the Extended Credit Facility (July 2024)



F. Update on the IMF Programme

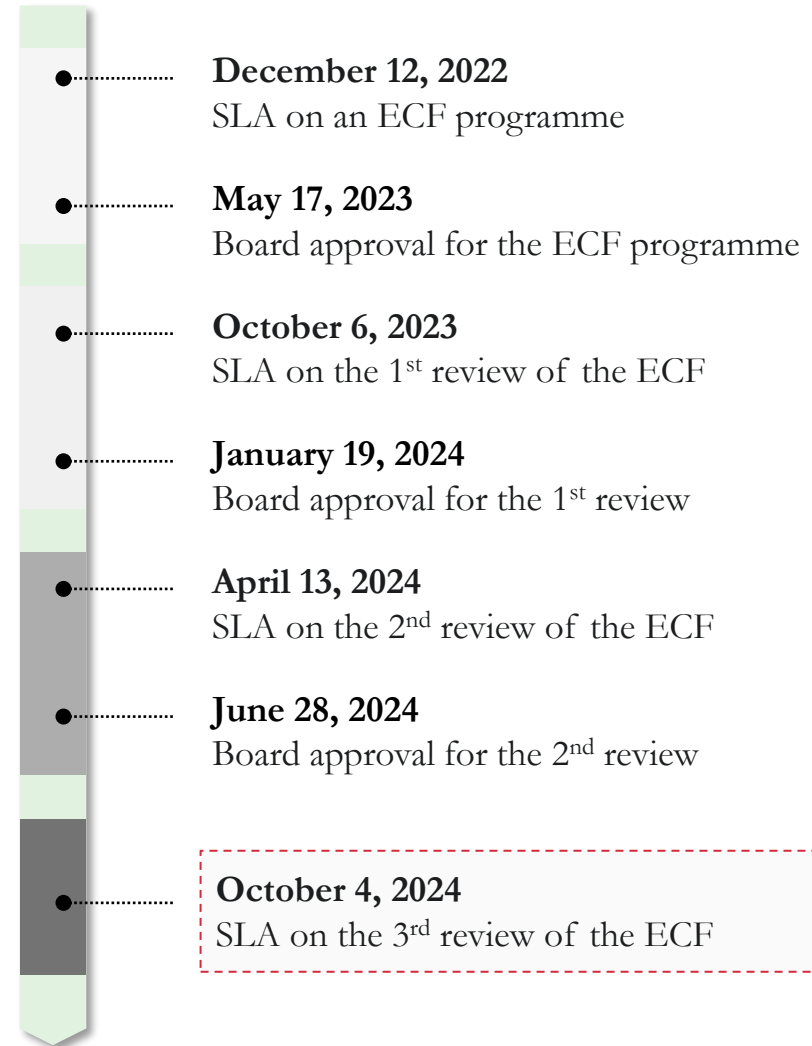
Steadfast Commitment to the IMF Programme



Ghana demonstrates strong programme performance, reaching an SLA under the 3rd review in October 2024

All quantitative performance criteria were met at end-June 2024

	Target	Status
Net international reserves of the BoG	463.8	Met
BoG claims on the central gov. and public entities	0	Met
PV of newly contracted or guaranteed external debt by the central gov. and public entities	231.5	Met
Primary fiscal balance of the central government	-2,379.0	Met
Non-accumulation of external debt payments arrears by the central gov. and the BoG	0	Met
Newly contracted collateralized debt by the central gov. and public entities	0	Met



Sources: IMF Second Review under the Extended Credit Facility (July 2024)



Ghana Green Finance Taxonomy



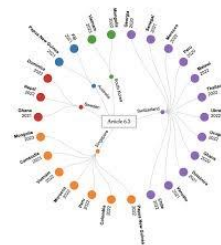
- Published on October 9, it establishes a **detailed classification system** for **sustainable** economic activities
- Its purpose is to guide **capital towards projects reducing CO2 emissions and protecting ecosystems in Ghana**

Sustainable Financing framework



- It focuses on **solar, wind, and hydrogen technologies** while reducing oil and gas consumption by 2060
- The **ESG Disclosures Manual** standardizes **ESG data reporting** for enhanced transparency

Early mover in the Paris Agreement Article 6.2 implementation



- Ghana has implemented one of the first **credit carbon bilateral transfer** under Article 6.2 framework with **Switzerland**
- This initiative is expected to reduce over 1 million tons of CO2 equivalent emissions by 2030

Ghana has highlighted its global climate advocacy by concluding its historic tenure as Chair of the Climate Vulnerable Forum and Vulnerable Twenty Group of Finance Ministers in September 2024

Sources: Ministry of Finance



G. Conclusion and Next Steps



- ❑ Ghana completed its debt restructuring in a record time thanks to the support of its bilateral, multilateral and private sector partners
- ❑ Ghana is determined to rebuild the full confidence of international investors and hence remains fully committed to fiscal responsibility & prudent debt management
- ❑ Ghana stands at a pivotal moment in its economic history. The general public has experienced firsthand the repercussions of economic turbulences and has recognized the government's decisive efforts to restore economic and financial stability
- ❑ With the return of confidence from investors, Ghana will be ideally placed to sustain its economic recovery

End of Presentation



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