

DATABANK TO WORK REMOTELY THROUGH DIGITAL CHANNELS

Accra – December 21, 2022. Please note that **effective tomorrow December 22, all Databank staff will be working from home until January 10, 2023.**

Why this decision

We are in the midst of a macro-economic crisis, which is adversely affecting our industry and therefore Databank. Due to the crisis, many fund managers had difficulty selling their Government of Ghana securities. This inability to sell meant fund managers could not get the necessary cash to pay withdrawal requests. In instances where bonds were sold, it was often done at a discount because the market value of bonds had fallen significantly. This situation worsened after the launch of the Debt Exchange Program on December 5, 2022. Following the launch, **activity on the secondary market has virtually come to a halt, making it impossible for us to access liquidity.** This is because fund managers are expected to exchange all their existing bonds for the new ones being issued by the Government. However, if we are unable to trade the bonds we have, we are unable to access any cash to pay withdrawal requests. Therefore, our original two-week estimate for withdrawal requests has now been impacted.

Discussions with the Regulator

We are currently engaging with the Ministry of Finance, our Regulator (The Securities and Exchange Commission (SEC)) and the Ghana Securities Industry Association regarding the impact of the debt exchange on Databank's mutual funds as well as other Collective Investment Schemes. As part of these discussions, the SEC issued a notice to Market Operators (SEC/CIR/005/12/22) on December 9, 2022, indicating its intent to support the market with much-needed liquidity relief, including access to the Financial Stability Fund as a last resort. Therefore, **we are hopeful that once the Debt Exchange Program has been concluded (expected settlement date: January 6, 2023), we will be able to access the necessary funds to once again pay withdrawal requests.** We are totally reliant on the Government of Ghana to pay us, so we can in turn pay clients.

Why we are working remotely

Many of our clients have tried to be patient with us as we wait for the Government to provide liquidity. For this, we are extremely grateful. However, there are several clients who have felt the need to abuse our staff physically and verbally, and also threaten their lives as well as their families. As such, we have no choice but to move to a work-from-home option.

While our offices will be physically closed, **we will continue to serve you and process transactions remotely, and all our digital channels will remain open** just as we did during Covid. However, we cannot endanger the lives of staff by opening the office without any available liquidity.

We are fully aware the current crisis in our industry is very concerning, and we continue to ask for your patience during these difficult times. We are very hopeful the Financial Stability Fund or any other Fund that the Government may provide in the interim will provide much-needed relief for you and other investors.

We will provide another update once we have a clearer view of the situation.

Thank you.

Working hours for the holiday season

Please note we will close from December 28 to 30, 2022 for the Holidays. We will re-open for business on January 3, 2023.