

URGENT CLIENT INFORMATION

CLARIFICATION ON PAYMENTS TO FUND MANAGERS WITH FUNDS UNDER RECEIVERSHIP

August 10, 2020 – Accra: IGS Financial Services Limited (IGS-FSL), wishes to clarify that 99.46% of the Company's total funds with the Receiver is being paid by the Receiver in bonds and not in cash.

Citing press statements by the Receiver, IGS-FSL wishes to clarify that Fund Managers (including IGS-FSL) are being paid only a capped cash amount of GHS 170,000. Any remaining funds, in excess of the capped amount, are being paid in bonds. The net effect of having a greater chunk of the pay-out in bonds is that, approximately 0.54% of funds under receivership will be paid in the form of cash whilst the remaining 99.46% will be paid in bonds.

This notice/clarification comes on the heels of media reports on July 14, 2020, which quotes the Receiver, Eric Nana Nipah, as having said "I am on course to fully pay 98% of all depositor claims by way of cash. The two per cent that remains are being paid through a combination of cash and commercial paper, which we commonly refer to as bonds." On August 05, 2020, the President of the Republic of Ghana, H.E. Nana Addo Dankwa Akufo-Addo, is also quoted as having said that 98% of all depositors, whose monies were locked up in some defunct specialised deposit-taking institutions during the banking sector reforms, have been paid. However, to avoid confusion, it would have been appropriate if the President's statement to the general public had been clarified with an indication of the percentage of payments made in cash and the percentage made in bonds. Prior to these reports, H.E. Nana Addo Dankwa Akufo-Addo indicated in his Christmas message to the Nation and the State of the Nation address, that he had directed the Ministry of Finance to work with Bank of Ghana to guarantee the payment of 100% of deposits, of customers of savings and loans, finance houses, and microfinance companies, whose licenses were revoked, just as they did in the case of deposits of customers of the failed universal banks.

Despite the afore-mentioned assurances from the President, the Receiver unfortunately contradicted the President in a press release, stating that Government had made available, a combination of cash and bonds totalling GHS 5billion to fully settle outstanding depositor claims. He further indicated that, GHS 1billion of the stated amount of GHS 5billion would be paid in cash while the remaining GHS 4billion would be paid in the form of bonds. This translates into 20% cash and 80% in bonds. The bonds are 5-year zero-coupon bonds, payable in 10 equal semi-annual repayments, commencing March 31, 2021 with the last payment on September 30, 2025.

IGS-FSL has petitioned the relevant authorities on the issue of payment in bonds, which is very selective, discriminatory, unfair and contrary to the President's earlier public declaration. The issuance of 5-yr zero-coupon bonds is indeed not the case of payments made to customers of the failed banks nor payments made to Bank of Ghana regulated entities, who also had funds with the defunct savings & loans, finance houses, and microfinance companies. In some instances, Bank of Ghana regulated entities have been paid at least 80% of their funds under receivership in cash and the remaining 20% in the form of 5-yr zero-coupon bonds.

We wish to state, for the avoidance of doubt, that IGS-FSL has not been paid 98% of its funds under receivership in the form of cash. Only 0.54% of the payment is in cash, with the remaining 99.46% in the form of bonds. These facts can be verified with the Receiver and Consolidated Bank Ghana Limited. We are however hopeful that the Ministry of Finance will follow through with its recent promise to increase the cash component of the pay-out to Fund Managers to 20% very soon. We shall inform all clients when the total expected cash component is received.

Furthermore, we wish to express our gratitude to you, our clients, for your patience and loyalty throughout the on-going processes. We assure you that we are going to every extent possible to seek your interest.

For more information, call +233 302 260367, email info@igsghana.com or visit our website www.igsghana.com.
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IGS Financial Services Ltd.

Head Office: Plot # 48, Block G, Hospital Road, Near the Community Centre, Kwawrekwano, Tarkwa.

PMB Tarkwa, Western Region • Tel: 031 232 2178 | 026 422 2668 • Email: info@igsghana.com

Branches: Obuasi - 032 254 3196 | 020 925 3392 Tema - 030 298 2990 | 020 957 1888

Accra - 030 226 3070 | 050 152 4552 Takoradi - 031 202 3147 | 050 140 2372 Kumasi - 032 239 7687 | 050 140 2369

Directors: James M. Kulley | Kofi A. Asare

Moses A. Nikoi | Raymond A. Gogo

Bankers: Ecobank Ghana Limited

Access Bank Ghana Limited | Ghana Commercial Bank

Regulators: Licensed & regulated by both SEC & NPRA