



BANK OF GHANA

NOTICE NO. BG/GOV/SEC/2020/03

NOTICE TO BANKS AND SPECIALISED DEPOSIT-TAKING INSTITUTIONS

SUSPENSION OF DISTRIBUTION OF DIVIDENDS FOR THE FINANCIAL YEARS 2019 AND 2020

Reference is made to the Bank of Ghana's Monetary Policy release dated 18th March 2020 on measures to contain the impact of the COVID-19 pandemic and to the Bank's subsequent Notice No: BG/GOV/SEC/2020/01 on the permitted utilisation by banks and Specialised Deposit-Taking Institutions (SDIs) of various capital and liquidity reliefs provided by the Bank of Ghana.

In the said Notice No: BG/GOV/SEC/2020/01, the Bank of Ghana directed banks and SDIs to desist from declaring or paying dividends and from making other distributions to shareholders for the financial years 2019 and 2020, unless the Bank of Ghana was satisfied, that such institutions met the regular prudential requirements and were not relying on the additional liquidity released by the regulatory reliefs provided by the Bank of Ghana. The Bank of Ghana indicated that it would continue to monitor the evolving impact of the pandemic on banks and SDIs and on their customers, and would issue further directives as required.

In furtherance of the above, and to further ensure that banks and SDIs are better able to support their customers throughout the COVID-19 pandemic, to absorb any potential operational losses for banks and SDIs from the COVID-19 pandemic, the Bank of Ghana now directs that all banks and SDIs desist from declaring or paying any dividends or distributing reserves to shareholders, and from making any irrevocable commitments regarding the declaration or payment of dividends to shareholders, until further notice. For the avoidance of doubt, shareholders in this context means holders of Common Equity Shares (CET1) and Additional Tier I (AT1) capital instruments of banks and SDIs.

All Banks and SDIs are to take note of the above directive for immediate compliance.

(SGD.)
SANDRA THOMPSON (MS)
THE SECRETARY

20th April 2020