



Ghana Association Of Bankers

GHANA ASSOCIATION OF BANKERS

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MEDIA RELEASE

FOR IMMEDIATE RELEASE

Ghana Association of Bankers (GAB) rolls out additional interventions to mitigate the financial impact of Covid-19 on the general public.

As operators in the financial services industry, GAB will continue to monitor the impact of the virus on global health systems, supply chains and our general way of life and in particular; the strain on health systems in Ghana. GAB recognizes that unusual circumstances call for response in unusual manner and therefore fully associate and urge compliance with the guidelines issued by the World Health Organization, the Ghana Health Service and His Excellency, the President of the Republic of Ghana to stem the spread trajectory of the virus.

Additional Interventions offered by Banks

1. Banks vote GHS10 million as donation to support fight against the virus

Banks, working through the GAB, have set up GHS10 million Covid-19 response fund. This donation will go directly towards the procurement of equipment for managing the virus, support to frontline medical staff in residence, and to ease the burden and practical difficulties some of our vulnerable citizens have to endure during this period of restriction in movement.

2. Banks cut interest rate by 200 basis points

Banks agree to a general 200 basis points interest rate cut on all existing local currency denominated loans and for all new loans to be sanctioned by member banks. This rate cut shall cover not only the period of the pandemic but Banks recognise that it will take businesses and individuals sometime after the end of the pandemic to retool and restock to achieve the semblance of normalcy – the rate cut will therefore cover the remaining tenor of the facility.

3. Banks to hold bi-lateral discussions on further reprieve to customers operating in worst affected industries.

We recognise with concern the challenges some of our clients have had to go through during the pendency of the pandemic; to mention a few, we note real challenges facing the airlines and general transportation businesses; hotels and other tourism related businesses; importers/exporters and our clients who are staff of these worst affected businesses. Given the sanctity of customer/data privacy issues, Banks have agreed to hold bi-lateral discussions with customers who have loan exposures with respective banks so a more tailor-made solution can be agreed with their bankers. We advise customers to exercise restraint during this exercise as delays may be expected as banks will be using existing lean staff on roll to begin individual discussions on loan extensions, restructuring or other solutions respective banks will proffer to lessen the impact the virus may have caused.

4. Banks have already either reduced or removed completely charges on digital banking platforms

As we entreat customers during this period to switch to available digital banking platforms to enable banking halls of banks to handle limited banking services, we have decided to make the switch less painful and financially advantageous. Most fees on digital and other alternate banking channels have either been scrapped during this period or significantly reduced so customers do not have to make financial decisions on whether to switch to an alternate platform or not.

5. Special loans to manufacturers of pharmaceutical products during pandemic

GAB is in final stages of discussions with our regulator (the Bank of Ghana), the Finance Ministry and member banks to set up gross loans on preferential terms (details to be announced later) of up to GHS3 billion to pharmaceutical companies that decide to switch production lines to enable them focus attention on critical medical equipment or to enhance capacity of existing plants. The finer details shall be announced in due course when discussions are complete.

6. Banks demonstrate resilience during pandemic by kicking in Disaster Resolution protocols and Business Continuity Plans.

As announced by his Excellency the President of the Republic, as an essential service provider, Banks view this call to duty as a service to country in times of need. As has been witnessed elsewhere, sustained contraction should be avoided to lessen the pain of any consequential economic downturn and we are ready to play our part in that regard.

During this period of medical crises with significant economic implications, the Ghana Association of Bankers will do whatever it takes to make the transition as less painful as possible. We will continue monitoring news updates from official sources and will update you should the financial implication mitigation plans change.

We encourage you to pick up the phone and speak to your bank for a more tailored response from your bank.

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About the Ghana Association of Bankers

The Ghana Association of Bankers is the country's leading mouthpiece for the universal banking sector, currently representing the interests of 23 member banks. At its inception on 29th May 1980, there were seven universal banks in Ghana against the current figure of 23. GAB supports and promotes policies and initiatives that balance both the interest of banks, and the wider public benefit. In consonance with similar global bodies, GAB's work is underpinned by three core priorities: Helping customers - both households and businesses; Promoting growth, including supporting Ghana as the financial gateway to West Africa; Carrying out research, analysis and dissemination of information on issues affecting the banking industry's performance and growth and to participate and contribute meaningfully to the programmes and activities of the West African Bankers' Association and the proposed West African Monetary Agency.