

SSNIT responds to Ms. Sophia Akuffo's comments on sale of hotels

The attention of the Management of Social Security and National Insurance Trust (SSNIT) has been drawn to comments made by the former Chief Justice, Ms. Sophia Akuffo, on TV3's Ghana Tonight's programme on Thursday, 25th July 2024.

The Management of SSNIT wishes to respond as follows:

- 1** That the former Chief Justice's claim that the SSNIT hotels were ran down deliberately in order to devalue the assets and distribute them among "themselves" is a serious accusation and rather unfortunate.
- 2** We wish to emphasise that the allegations of deliberate mismanagement of SSNIT hotels are false and undermines the integrity and confidence in the Pension Scheme.
- 3** Allegations of this nature, without substantiated evidence, create unnecessary tension among stakeholders and potentially detract the public from the constructive dialogue needed to address genuine issues.
- 4** Contrary to the allegations, SSNIT put in various measures over the years to improve the performance of its hotel investments before deciding to sell part of its shares to a strategic investor.
- 5** SSNIT restructured the ownership of the hotels, brought in private hotel management companies, made changes in management and the Board where necessary, provided financial support, including the funding of maintenance and capital expenditure to make the hotels more competitive.
- 6** As we have previously noted, although we have seen some improvement in the performance of the hotels, this has been far below what we require to finance growth and capital expenditure. Returns had been low or negative, and most of them had been making persistent losses and not paying dividends. Hence, the steps to bring in a strategic investor, which we have now terminated.

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- 7 The decision to divest was aimed at enhancing the performance of SSNIT's investment portfolio and the overall sustainability of the Scheme.
- 8 Contrary to the allegations, SSNIT undertook a transparent and competitive process, in line with all procurement laws to select an Independent Transaction Advisor to guide the process. An International Competitive Tender process was used to select the Strategic Investor. Both processes sought to maximise the value that could be obtained from the sale of our majority stakes in each of the hotels.
- 9 The allegations therefore are false and misleading.
- 10 SSNIT looks forward to engaging its stakeholders to advance the course of the Pension Scheme.
- 11 We wish to assure pensioners, contributors, and the public of our commitment to managing the assets of the Trust in a manner that will ensure the long-term sustainability of the Scheme.

Issued by Management