

## GHANA HOME LOANS PLC

(Incorporated in Ghana as a public company with limited liability with registration number CA-86,370)

### LISTING OF GHS 380,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME ON THE GHANA ALTERNATIVE MARKET OF THE GHANA STOCK EXCHANGE

Arranger and Sole Sponsoring Broker



Trustee, Calculation Agent  
and Paying Agent



Collateral Agent



Reporting Accountant



Legal Advisor



Transfer Agent



This Document is dated: 15 March 2016



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# GHANA HOME LOANS PLC

*(Incorporated in Ghana as a public company with limited liability with registration number CA-86,370)*

## GHS 380,000,000 Domestic Medium Term Note Programme

Ghana Home Loans PLC (“GHL” or the “Company”) duly incorporated under the Companies Act, 1963 (Act 179) to operate the business of mortgage financing in accordance with the financial institutions (Non-Banking) Law 1993, (PNDCL 328), has established a Domestic Medium Term Note Programme (the “Programme”) described in this Prospectus (the “**Programme Memorandum**” or the “**Document**”). Pursuant to the Programme, GHL may from time to time issue notes (“Notes”) up to the maximum aggregate Principal Amount of GHS 380,000,000 or the equivalent of USD 100,000,000 throughout the duration of the programme.

Under this Programme, the Issuer (as defined herein) may from time to time issue notes (the Notes), which expression shall include Senior Secured and Unsecured Notes (each as defined herein) denominated in Ghanaian Cedis (“GHS”) or United States Dollar (“USD”) as agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all Applicable Laws and, in the case of Notes listed on the Ghana Alternative Market of the Ghana Stock Exchange (the “GAX of the GSE”) (as defined herein) or such other Financial Exchange (as defined herein) as may be determined by the Issuer and the relevant authority, the debt listings requirements of the GAX, that are subject to the terms and conditions (the “Terms and Conditions”) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the “**Applicable Pricing Supplement**”).

Capitalised terms used in this Programme Memorandum are defined in Part 10 of this Programme Memorandum headed “Terms and Conditions of the Notes”, unless separately defined, and/or in relation to a Tranche or Series of Notes, in the Applicable Pricing Supplement. Each Pricing Supplement shall be subject to the approval of the Securities and Exchange Commission (the “SEC”). As at the Programme Date (as defined herein), the Programme Amount is GHS 380,000,000 or the equivalent of USD 100,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed GHS 380,000,000 or the equivalent of USD 100,000,000 during the duration of the programme unless such amount is increased by the Issuer pursuant to Part 2 of this Programme Memorandum headed “General Description of the Programme”.

The Notes are constituted by, have the benefit of and are in all respects subject to a trust deed dated 30<sup>th</sup> November, 2015 (the “**Trust Deed**”) between GHL and Fidelity Bank Ghana Limited (the “**Trustee**” and “**Paying Agent**”, which expression shall include all persons appointed for the time being as trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “Note holders”). The Notes also have the benefit of an agency agreement dated 15<sup>th</sup> November, 2015 (the “**Agency Agreement**”) between the GHL, Fidelity Bank Ghana Limited, and Central Securities Depository as principal Transfer Agent. The Secured Notes also have the benefit of a Collateral Agent Agreement dated 15<sup>th</sup> November, 2015 (the “**Collateral Agent Agreement**”) and an Amended and Restated Collateral Agent Agreement (the “**Amended and Restated Collateral Agent Agreement**”) between the GHL, Fidelity Bank Ghana Limited, and CAL Bank Ghana, Accra Branch as principal collateral agent (the “**Collateral Agent**”).

**A copy of this Programme Memorandum has been delivered to the Registrar of Companies, Ghana (“Registrar General”), for filing. The Registrar General has not checked and will not check the accuracy of any statements made and accepts no responsibility therefore for the financial soundness of the Issuer or the value of the securities concerned.**

Application has been made for the Notes to be admitted to listing and trading on the GAX of the GSE. **Provisional approval has been obtained from the GSE for permission to deal in and for quotation of all notes of the Issuer already issued as well as those which are the subject of this issue. Such approval is granted subject to the Issuer being admitted on the GAX of the GSE upon the Issuer fulfilling all the listing requirements.**

**This Programme Memorandum has been reviewed and approved by the Securities and Exchange Commission in accordance with section 9 of the Securities Industry Act, 1993 (PNDCL 333) (as amended) and the Securities and Exchange Commission Regulations, 2003 (LI 1728). In its review, the SEC examined the contents of this Programme Memorandum to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the Notes, prospective investors are advised to consult a dealer, investment advisor or other professional duly authorised under the Securities Industry Act.**

**THIS PROGRAMME MEMORANDUM CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES. INVESTORS CONTEMPLATING PURCHASING NOTES SHOULD CAREFULLY READ THIS DOCUMENT TOGETHER WITH THE APPLICABLE PRICING SUPPLEMENT BEFORE MAKING ANY INVESTMENT DECISION, AND SHOULD CONSULT THEIR PROFESSIONAL ADVISORS IF THEY HAVE ANY QUESTIONS ABOUT THEIR INVESTMENT DECISION.**

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Programme Memorandum has been seen and approved by us the Directors of the Ghana Home Loans PLC and we collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable inquiries and to the best of our knowledge and belief, there are no facts the omission of which would make any statement in the Document referred to above misleading.

No person has been authorised to give any information or to make any information or representation not contained in this Document or otherwise provided by GHL or IC Securities pursuant to a duly executed Confidentiality Undertaking. Neither the delivery of this Document nor any sale here under shall under any circumstances create any impression that there has been no change in the affairs of GHL since the date hereof or that the information contained herein is correct as of anytime subsequent to this date.

This Document is intended solely for public use by investors to whom it is transmitted by GHL or IC Securities in connection with the contemplated issuance under the Note Programme. This Document may not be reproduced in whole or in part, nor may it be used for any purpose other than that for which it has been issued, without the prior written consent of the GHL. This is not an offer or invitation to the public to subscribe for or purchase Notes in the Issuer and nothing contained herein shall constitute this as such.

This Document does not constitute an offer or solicitation to any person to whom or who is in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons interested in acquiring Notes should inform themselves as to (i) foreign exchange restrictions or exchange control requirements, which they might encounter on the acquisition of Notes; and (ii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Notes. If the Recipient is in any doubt about the contents of this Document, the Recipient should consult his/her stockbroker, the Issuer's manager, solicitor, accountant or other financial advisor.

IC Securities is acting as the Arranger and Sponsoring Broker to GHL for this Transaction. IC Securities is independent of the GHL. IC Securities has relied on information provided by GHL and its advisors and accordingly, IC Securities does not provide any assurance of the accuracy of the information contained in this Document. IC Securities does however confirm that to the best of its knowledge, this Document constitutes a full and fair disclosure of all material facts about GHL and the Transaction.

The Programme is not rated but may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. A Tranche or Series of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national or international scale basis. Unrated Tranches or Series of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement. Prospective investors should have regard to the factors described under the section with the heading "Risk Factors" in this Programme Memorandum.

The final Issue Price, aggregate Principal Amount and interest payable, in respect of the Notes and any other terms and conditions not contained in the Terms and Conditions which are applicable to any Series or Tranche (as defined in the Terms and Conditions) will be agreed between the Issuer, the Arranger and the relevant Dealer(s) at the time of issuance in accordance with prevailing market conditions and will be set forth in the Applicable Pricing Supplement issued in respect of the Series or Tranche.

Notes in each Series may be issued in one or more Tranches each with different Issue Dates, Issue Price, Interest Commencement Dates and amount of first Interest Payment, with, however, the Notes in each Tranche having identical terms in all respects. Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement and shall be subject to the approval from the SEC.

The Noteholders are bound by, subject to, and are deemed to have notice of, all the provisions of this Programme Memorandum, the Applicable Pricing Supplement, the Trust Deed, the Agency Agreement, and the Collateral Agent Agreement. In certain circumstances, the Trustee can (subject to it being indemnified and/or secured to its satisfaction) be required by Noteholders holding at least one fifth of the Principal Amount of the Notes outstanding or by an Extraordinary Resolution of the Noteholders to exercise its powers under the Trust Deed. Copies of the Trust Deed will be available for inspection during usual business hours at the offices of the Trustee, for the time being, at Ridge Tower, West Ridge, Accra, Ghana and the Agency Agreement and Collateral Agent Agreement will be available for inspection during usual business hours at the specified office of GHL in Accra.



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## PART 1 - IMPORTANT NOTICES OF THE NOTE PROGRAMME

### 1.1 Background to the Transaction

IC Securities is acting as the Arranger and Sole Sponsoring Broker for Notes issued under the Programme and shall circulate this Programme Memorandum and all Applicable Pricing Supplements. GHIL may appoint and authorize other parties, under written agreement (a “Dealer Agreement”), as dealers (the “Dealers”) to circulate this Programme Memorandum and Applicable Pricing Supplement, in respect of a specific Series or Tranche of Notes. The Dealers appointed in respect of a Series or Tranche of Notes shall be identified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis by the Issuer. Notes may be placed by a Dealer appointed from time to time, whose appointment may be for a specific issue or on an ongoing basis.

Neither this Programme Memorandum, the Applicable Pricing Supplement nor any other information supplied in connection with the Programme or any Notes:

- (i) is intended to provide the basis of any credit or other evaluation; or
- (ii) should be considered as a recommendation by the Issuer, the Arranger, the Dealers, Transfer Agent, Trustee, Legal Advisor, Collateral Agent, Reporting Accountant, or any of their respective directors, affiliates, advisors or agents, that any Recipient of this Programme Memorandum should purchase any Notes.

None of the Arranger, the Dealers, Transfer Agent, Trustee, Legal Advisor, Collateral Agent, Reporting Accountant, or any of their respective directors, affiliates, advisors or agents, have independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Arranger, the Dealers, Transfer Agent, Trustee, Legal Advisor, Collateral Agent, Reporting Accountant, or any of their respective directors, affiliates, advisors or agents, with respect to the accuracy or completeness of such information at any time, of this Programme Memorandum or any Applicable Pricing Supplement hereto. Nothing contained in this Programme Memorandum, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger, the Dealers, Transfer Agent, Trustee, Legal Advisor, Collateral Agent, Reporting Accountant, or any of their respective directors, affiliates, advisors or agents, in any respect. Furthermore, none of the Arranger, the Dealers, Transfer Agent, Trustee, Collateral Agent, Reporting Accountant, or the Legal Advisor makes any representation or warranty or assumes any responsibility, liability or obligation in respect of the legality, validity or enforceability of any Notes, or the performance and observance by the Issuer of its obligations in respect of any Notes, or the recoverability of any sums due or to become due from the Issuer under any Notes.

The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the offering, sale and delivery of Notes is restricted to the Republic of Ghana and by public offer. Persons into whose possession this Programme Memorandum and any Applicable Pricing Supplement are required by the Issuer, the Arranger and any Dealer to inform themselves about and observe such restrictions.

This Programme Memorandum is to be read in conjunction with all documents specifically stated to be incorporated herein or referred to herein and should be read and understood on the basis that such other documents are incorporated in and form part of this Programme Memorandum. Nothing herein or in any other related document shall be construed as being an invitation to the public to acquire the Notes or any interest in them.

### 1.2 Key Notices of Note Programme

#### 1.2.1 Caution

Prospective investors should carefully consider the matters set forth under the caption “Risk Factors” in Part 9 of this Programme Memorandum. Please consult your investment advisor, stockbroker/dealer, lawyer or tax advisor before making any investment decision in relation to the Notes to be issued under the Programme Memorandum.

#### 1.2.2 Presentation of Financial and other Information

Unless otherwise indicated, the financial information regarding GHIL set forth in this Programme Memorandum has been derived from its audited consolidated Income Statement, Balance Sheet, Statements of Cash Flows and Statements of Changes In Equity as at and for the years ended 31 December 2011, 2012, 2013, 2014 and 2015 included in Part 8 in this Programme Memorandum. The GHIL's financial statements, which were also audited by KPMG in Ghana, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Ghana Cedis, the reporting currency of GHIL.

### **1.2.3 Rounding**

Some numerical figures included in this Programme Memorandum may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that preceded them.

### **1.2.4 Forward-Looking Statements**

This Programme Memorandum includes “forward-looking statements”. All statements other than statements of historical facts included in this Programme Memorandum, including, without limitation, those regarding GHL's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Programme Memorandum. GHL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. A prospective purchaser of Notes should not place undue reliance on any forward-looking statements, and are cautioned that any forward-looking statements are not guarantees of future results, performance or achievements of the Issuer.

GHL undertakes no obligation to revise or update any forward-looking statements contained within this Document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

### **1.2.5 Terms of the Bond Issuance**

The issue of the GHL Note pursuant to this Programme shall be subject to the terms of the Trust Deed, the Collateral Agent Agreement, the Amended and Restated Collateral Agent Agreement and the Agency Agreement. The issue of GHL Notes and subsequent transfers thereof may only be made subject to the Applicable Laws and the approval of an Applicable Pricing Supplement.

### **1.2.6 Market Share and Industry Data**

GHL leads the mortgage finance industry with the highest value of mortgages written to date. Generally, information as to the market and competitive position data included in the Programme Memorandum has been obtained from published financial information and surveys or studies conducted by third-party sources that are believed to be reliable. No assurance can be given, however, as to the accuracy and completeness of such information, and such market and position data has not been independently verified; Ghana Home Loans PLC accepts responsibility only for the correct reproduction of this information.

## **1.3 Legal Basis**

The Transaction received board approval through a GHL Board resolution document dated 3<sup>rd</sup> September, 2015 at a Board of Directors meeting held on the 4<sup>th</sup> of August, 2015. A shareholders approval was also received through a shareholders resolution document dated 3<sup>rd</sup> September 2015.

## **1.4 Responsibility Statement**

GHL accepts full responsibility for the information contained in this Programme Memorandum and all documents incorporated by reference (see the section of this Programme Memorandum headed “Documents Incorporated by Reference”). The Issuer shall publish any supplementary or amendment information on the Programme Memorandum with the approval of the SEC. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Programme Memorandum is in accordance with the facts and does not omit any fact which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made.

GHL, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no





other facts, the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions misleading in any material respect. Some of the Issuer's directors have direct interest in the Issuer. However they will not be participating in the Programme.

This Document is to be read and construed with any amendment or supplement thereto and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed “Documents Incorporated by Reference”) and, in relation to any Tranche or Series (as defined herein) of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Arranger, the Dealer(s), the Trustee or any of their respective subsidiaries or holding companies or a subsidiary of their holding company (“Affiliates”), other professional advisors named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the Trustee nor any of their Affiliates or other professional advisors as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealer(s), the Trustee and other professional advisors do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof, or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealer(s), the Trustee and other professional advisors expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the most recent financial statements, if any, of the Issuer, when deciding whether or not to subscribe for, or purchase, any Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger, the Dealer(s), the Trustee and other professional advisors to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering materially relating to the Notes, see the section headed “Subscription and Sale”.

None of the Issuer, the Arranger, the Dealer(s), the Trustee nor other professional advisors represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealer(s), the Trustee or other professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Dealer(s) has represented that all offers and sales by it will be made on the same terms.

The price/yield and amount of a Tranche or Series of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.


In the event that this Document is delivered to or comes into the possession of any person (the “Recipient”) at any time after the date hereof, it is the responsibility of the Recipient to ascertain whether any supplement to or amendment of the information herein contained is available and reliance on the Document at any time subsequent to the date hereof shall be at the Recipient's risk.

## **1.5 Directors Responsibility Statement**

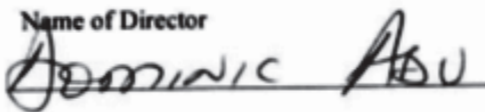
GHL and its directors accept responsibility for the information contained in this Programme Memorandum. This Programme Memorandum has been seen and approved by the directors of the GHL, who collectively and individually accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any

statement in the document referred to above misleading. Some of the GHL's directors have direct interest in the Issuer. No Director of GHL has been involved in any of the following events: (a) a petition under bankruptcy laws in any jurisdiction filed against such person or any partnership in which s/he was a partner or any corporation of which s/he was a director or chief executive officer; (b) such person has been convicted of fraud, misappropriation or breach of trust or any other similar offence; (c) such person was the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body enjoining him from acting as an investment adviser, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

Signature 

Name of Director  


Signature 

Name of Director  


## **GHANA HOME LOANS PLC – COMPANY INFORMATION**

<b>Directors</b>	Jacob Kholi	-	Chairman
	Dominic Adu	-	Chief Executive Officer
	Kojo Addo-Kufuor	-	Executive Director
	Ellis Atekpe	-	Executive Director
	Christopher Nordeen	-	Non-Executive Director
	Isaac Owusu-Ansah	-	Non-Executive Director
<b>Company Secretary</b>	Accra Nominees Limited 2nd Floor of Cedar House No. 13 Samora Machel Road Asylum Down, Accra		
<b>Registered Office</b>	1 Aviation Road Airport Residential Area Accra, Ghana		
<b>Auditors</b>	<b>KPMG</b> 13 Yiyiwa Drive Abelenkpe P.O. Box GP 242 Accra, Ghana		
<b>Bankers</b>	CAL Bank Limited Stanbic Bank Limited Ghana International Bank		

## ADVISORS TO THE TRANSACTION

<b>Issuer</b>	<b>Ghana Home Loans PLC</b> 1 Aviation Road, Airport Residential P.O. Box PMB CT 470 <b>Tel:</b> +233 (0) 302 770 522 <b>Fax:</b> +233 (0) 302 770 499 <b>Contact:</b> Dominic Adu Kojo Addo-Kufuor <b>Email:</b> <a href="mailto:dominic.adu@ghanahomeloans.com">dominic.adu@ghanahomeloans.com</a> <a href="mailto:kojo.addo-kufuor@ghanahomeloans.com">kojo.addo-kufuor@ghanahomeloans.com</a>
<b>Financial Arranger and Sponsoring Broker</b>	<b>IC Securities (Ghana) Limited</b> No. 2, 2nd Ridge Link, North Ridge PMB GP 104, Accra <b>Tel:</b> +233 (0) 302 252 621 <b>Fax:</b> +233 (0) 302 252 517 <b>Contact:</b> Kwabena Osei-Boateng Eric Appiah Mildred Dan-Braimah <b>Email:</b> <a href="mailto:kwabena.osei-boateng@icsecurities.com">kwabena.osei-boateng@icsecurities.com</a> <a href="mailto:eric.appiah@icsecurities.com">eric.appiah@icsecurities.com</a> <a href="mailto:mildred.dan-braimah@icsecurities.com">mildred.dan-braimah@icsecurities.com</a>
<b>Legal Advisor</b>	<b>AB &amp; David</b> Head Office 8 Dr. Isert Road, Accra North Ridge P.O. Box TF 330 Accra, Ghana <b>Tel:</b> +233 (0) 302 253 073 <b>Fax:</b> +233 (0) 302 253 075 <b>Contact:</b> David Ofosu-Dorte Isabel Boaten Wilhelmina Quist-Therson <b>Email:</b> <a href="mailto:david@abdavid.com">david@abdavid.com</a> <a href="mailto:isabel@abdavid.com">isabel@abdavid.com</a> <a href="mailto:mina@abdavid.com">mina@abdavid.com</a>
<b>Reporting Accountant</b>	<b>Ernst &amp; Young</b> 15 White Avenue Airport Residential Area P.O. Box 16009, Airport Accra – Ghana <b>Tel:</b> +233 (0) 302 767 831 <b>Contact:</b> Victor Gborglah Aso Wusu-Asante <b>Email:</b> <a href="mailto:victor.gborglah@gh.ey.com">victor.gborglah@gh.ey.com</a> <a href="mailto:aso.wusu-asante@gh.ey.com">aso.wusu-asante@gh.ey.com</a>
<b>Trustee, Calculation Agent and Paying Agent</b>	<b>Fidelity Bank Ghana Limited</b> Ridge Tower-Ridge Accra – Ghana <b>Tel:</b> +233 (0) 302 214 490 <b>Contact:</b> John Taricone <b>Email:</b> <a href="mailto:jtaroncone@myfidelitybank.net">jtaroncone@myfidelitybank.net</a>
<b>Collateral Agent</b>	<b>CAL Bank</b> 23 Independence Avenue Accra, Ghana <b>Tel:</b> +233 (0) 302 798 334 <b>Contact:</b> Gabriel Nortey <b>Email:</b> <a href="mailto:gnortey@calbank.net">gnortey@calbank.net</a>
<b>Transfer Agent</b>	<b>Central Securities Depository (Gh) Limited</b> 4 <sup>th</sup> Floor, Cedi House Accra-Ghana <b>Tel:</b> + 233 (0) 302 689 313/ 689 314 <b>Contact:</b> Kwame Addai Boa-Amponsem <b>Email:</b> <a href="mailto:kwame.boa-amponsem@csd.com.gh">kwame.boa-amponsem@csd.com.gh</a>



## PART 2 - SUMMARY OF THE PROGRAMME

*This description of the Programme must be read as an introduction to this Programme Memorandum, and any decision to invest in the Notes should be based on a consideration of the Programme Memorandum as a whole, including all documents incorporated by reference. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in*

<b>Issuer</b>	Ghana Home Loans PLC is a limited liability company incorporated according to the laws of Ghana and is a Non-Bank Financial Institution (NBFI) supervised by the Bank of Ghana. GHL is a Ghanaian owned mortgage finance house that was established in 2006 and is currently the leading mortgage finance house in Ghana.
<b>Description of Programme</b>	Ghana Home Loans Plc GHS 380,000,000 or the equivalent of USD 100,000,000 Domestic Medium Term Note Programme
<b>Arranger</b>	IC Securities (Ghana) Limited
<b>Dealers</b>	IC Securities (Ghana) Limited and any other Dealer appointed from time to time by GHL either generally in respect of the Programme or in relation to a particular Tranche or Series of Notes
<b>Trustee</b>	Fidelity Bank Ghana Limited, a public limited liability company incorporated under the laws of Ghana and whose registered office is at Ridge Tower, West Ridge, Accra or such other entity appointed by GHL as Trustee, in which event that other entity will act as Trustee with prior approval from the Noteholders and SEC, as specified in the Applicable Pricing Supplement
<b>Paying Agent</b>	Fidelity Bank Ghana Limited, or such other entity appointed by GHL as Paying Agent, in which event that other entity will act as Paying Agent with prior approval from the Noteholders and SEC, as specified in the Applicable Pricing Supplement
<b>Paying Bank</b>	Fidelity Bank Ghana Limited, or such other entity appointed by GHL as Paying Bank in which event that other entity will act as Paying Bank with prior approval from the Noteholders and SEC, as specified in the Applicable Pricing Supplement
<b>Collateral Agent</b>	CAL Bank, Head Office, or such other entity appointed as Collateral Agent by GHL from time to time
<b>Transfer Agent</b>	Central Securities Depository (Ghana) Limited, a company incorporated under the laws of Ghana and licensed by the SEC as a securities depository and whose registered office is at the 4 <sup>th</sup> Floor, Cedi House, Liberia Road, Accra, ("CSD"), or such other entity appointed by GHL as Transfer Agent, in which event that other entity will act as Transfer Agent with prior approval from the SEC, as specified in the Applicable Pricing Supplement
<b>Calculation Agent</b>	Fidelity Bank Ghana Limited, or such other entity appointed by GHL as Calculation Agent, in which event that other entity will act as Calculation Agent with prior approval from the Noteholders and SEC, as specified in the Applicable Pricing Supplement

### General

<b>Collateral Pool</b>	The pool of designated mortgages by GHL for the benefit of the Noteholders. The Senior Secured Notes will be secured by the Collateral Pool
<b>Collateral Profile Test</b>	GHL will generally be required to satisfy certain requirements under the Collateral Agreement:



### Asset Cover Ratio

GHL shall procure that at all times the sum of:

- a) the value of the designated mortgages forming part of the Issuer's Collateral Pool shall not fall below one hundred and ten percent (110%) of the outstanding amount of notes; and
- b) the Charged Cash will not be less than the outstanding amount of the notes.

### Portfolio Interest Cover Ratio

Being the Net Annual Income received by GHL, as the case may be, in respect of:

- a) the Mortgage Loans forming part of the Issuer's Collateral Pool; and
- b) the Charged Cash, will not be less than one hundred and five percent (105%) of the amount of interest which is payable by the Issuer in respect of the outstanding amount of Notes; and

### Quality of Assets:

GHL shall procure at all times:

- a) the designated mortgages forming part of the Issuer's Collateral Pool shall be classified as current.

If any designated mortgage in the Collateral Pool fails to meet the Quality of Assets requirement under the Collateral Pool Test, the Issuer shall remove such mortgage if the failure to meet the Quality of Assets requirement under the Collateral Pool Test is not remedied within sixty (60) days and replace it with another that meets the Collateral Pool Test.

<b>Current</b>	The Collateral Pool unimpaired with a total value of one hundred and ten percent (110%) of the outstanding amount of the notes
<b>Denomination</b>	Notes will be issued in such denominations as may be agreed by GHL and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement
<b>Distribution</b>	Notes may be distributed by way of private placement, auction or book build or any other means permitted under Ghanaian law, and in each case on a syndicated or non-syndicated basis as may be determined by the GHL and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement
<b>Events of Default</b>	in respect of the Notes include, but are not limited to, non-payment of the principal and interest of the Notes when due; a breach under the Terms and Conditions of the Notes, or the Trust Deed; failure to pay any Financial Indebtedness (of the Issuer) (as defined in the Terms and Conditions) and any substantial change in the principal nature of the business of the Issuer
<b>Form of Notes</b>	Notes will be issued in the form of Registered Notes as described in this Programme Memorandum under the section "Form of the Notes". Each Tranche or Series of Notes listed on the GAX of the GSE and each Tranche or Series of unlisted Notes will be issued in uncertificated form, and will be held in the CSD (see the section of this Programme Memorandum headed "Form of the Notes")
<b>Governing Law</b>	The Notes, the Agency Agreement, the Collateral Agent Agreement, the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes, the Agency Agreement, the Collateral Agent Agreement and the Trust Deed are governed by, and construed in accordance with the Ghanaian Law
<b>Interest</b>	Notes will be interest-bearing and interest will accrue at a fixed rate or a floating rate or other variable rate as set forth in the Applicable Pricing Supplement
<b>Interest Period(s) or Interest Payment Date(s)</b>	Such period(s) or date(s) as are specified in the Applicable Pricing Supplement



<b>Issuance in Series</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the Issue Date, Issue Price and the amount of the first payment of Interest may be different in respect of different Tranches
<b>Issue Price</b>	Notes will be issued on a fully paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement. The price and amount to be issued under any Tranche or Series will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions
<b>Issue and Transfer Taxes</b>	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed “ <i>Taxation in Ghana</i> ”). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders
<b>Listing and Trading</b>	Application has been made for Notes to be admitted to listing on the GAX of the GSE and to trading on the Regulated Market of the GAX of the GSE. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing as may be agreed with the Issuer. The Applicable Pricing Supplement will specify whether or not a Tranche or Series of Notes will be listed
<b>Maturity</b>	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity
<b>Negative Pledge</b>	The undertaking of GHL provided to Noteholders of Unsecured Notes that so long as any Unsecured Notes remain Outstanding, it shall not create or permit to exist any mortgage, charge, lien, pledge or other security interest upon or with respect to any of its undertakings, assets or revenues to secure any Financial Indebtedness unless the Unsecured Notes are secured equally and ratably with such other Financial Indebtedness or are otherwise given the benefit of such other arrangements as shall be approved by an Extraordinary Resolution of the Noteholders. The terms of the Secured Notes will contain no negative pledge
<b>Notes</b>	Each Note will be a Senior Secured Note or an Unsecured Note, as indicated in the Applicable Pricing Supplement. Senior Secured Note or an Unsecured Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and specified in the Applicable Pricing Supplement
<b>Noteholder(s)</b>	The holders of Notes which are recorded as the registered Noteholders of those Notes of each Tranche or Series of Notes which is held in the CSD
<b>Optional Redemption</b>	Notes may be redeemed before their stated maturity at the option of GHL (either in whole or in part)
<b>Rating</b>	Notes issued under the Programme may be rated or unrated. A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, or withdrawal at any time
<b>Register</b>	The Register will be maintained electronically on a book-entry system in the Central Securities Depository and a single Global Note Certificate will be issued to the Trustee in respect of each Tranche or Series of Notes. The Register of Notes in issue will be held and updated by the CSD, which shall record each Tranche or Series of Notes, the number of Notes in each Tranche or Series held by each Noteholder and the names, addresses and bank account details of each Noteholder
<b>Risk Factors</b>	The principal risk factors that may affect the ability of the Issuer to fulfil their respective obligations under the Notes are discussed under "Risk Factors" in Part 9 of this this Programme Memorandum

<b>Sales Jurisdiction</b>	Notes will be sold within the Republic of Ghana only
<b>Size of Programme</b>	Up to GHS 380,000,000, or the equivalent of USD 100,000,000, aggregate Principal Amount of Notes outstanding at any time. Subject to all Applicable Laws, the Programme Agreement, the requirements of GSE on which the Notes may be listed, GHIL may, without the consent of Noteholders, increase the Programme Amount by delivering a notice to Noteholders (in accordance with the Terms and Conditions) and the GSE on which the Notes may be listed. GHIL may increase the Programme Amount, subject to SEC approval in the manner set out in the section of this Programme Memorandum headed “General Description of the Programme”. The Programme Amount at the time of the issue of any Tranche or Series of Notes will be set out in the Applicable Pricing Supplement
<b>Specified Currency Conversion Rate</b>	means the rate at which a Specified Currency can be converted to another currency or as may otherwise be described in the Applicable Pricing Supplement
<b>Specified Currency</b>	Ghana Cedis (“GHS”) or any successor currency, subject to all Applicable Laws and, in the case of Notes listed on the GAX of the GSE, the rules of GAX, or in such other currency as is specified in the Applicable Pricing Supplement
<b>Term and Condition</b>	The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed “ <i>Terms and Conditions of the Notes</i> ”. The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche or Series of Notes issued
<b>Type of Note</b>	<p>Each Note will be a Senior Secured Note or an Unsecured Note, as indicated in the Applicable Pricing Supplement. Senior Secured Note or an Unsecured Note</p> <p>Notes may comprise:</p> <p><b>Fixed Rate Notes</b></p> <p>Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).</p> <p><b>Floating Rate Notes</b></p> <p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on the basis of the prevailing 182 day Government of Ghana treasury bill rate plus or minus; or (iv) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement.</p> <p>The Margin (if any) relating to such Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes, as indicated in the Applicable Pricing Supplement.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the Applicable Pricing Supplement.</p> <p>The Interest Period for Floating Rate Notes may be 6 (six) months, 1 (one) or 2 (two) years or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.</p>



**Other Notes:**

Terms applicable to any other type of Notes as agreed between the Issuer and the relevant Dealer(s) in respect of the listed Notes, will be set out in the Applicable Pricing Supplement may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and specified in the Applicable Pricing Supplement

**Taxation**

GHL is a Ghanaian resident for tax purposes. A summary of the applicable tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed “*Taxation in Ghana*”. The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes

**Used of Proceeds**

GHL will use the issue proceeds of the Notes for writing new mortgages currently valued at USD 100 million, refinancing existing mortgages or as may otherwise be described in the Applicable Pricing Supplement

**Withholding Taxes**

As at the Programme Date, all payments of principal and interest in respect of the Notes will be made after the deduction of withholding or on account of taxes levied in Ghana and will be subject to certain exceptions as provided in Condition 10.13 (Taxation). Currently, GHL is required by the Internal Revenue Act, 2000 (Act 592) (as amended), to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law

## Cost and Expenses of the Transaction

### Exhibit 1: Transaction Cost and Expenses

Details	GHS
Proposed Offer size	380,000,000

Details	GHS	% of Offer
<b>Advisory Fees</b>	<b>3,914,000</b>	<b>1.03%</b>
<i>Legal Advisors</i>	<i>114,000.00</i>	<i>0.03%</i>
<i>Reporting Accountant</i>	<i>114,000.00</i>	<i>0.03%</i>
<i>Financial Advisors</i>	<i>3,686,000.00</i>	<i>0.97%</i>
Trustee Fees	2,620,527.28	0.69%
Regulatory Fees (SEC)	190,000.00	0.05%
Regulatory Fees (GAX of the GSE)	152,000.00	0.04%
Central Securities Depository Fees	76,000.00	0.02%
Printing, Publicity and Other Cost	532,000.00	0.14%
<b>Total Fees</b>	<b>7,484,527.28</b>	<b>1.97%</b>

### Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by GHL from time to time;
- (b) as at the Programme Date, the published audited annual financial statements, and Notes thereto, of GHL for the five (5) financial years ended 31st December, 2011, 2012, 2013, 2014 and 2015 and in respect of any issue of Notes after the Programme Date, the published audited annual financial statements, and Notes thereto, of the Issuer in respect of further financial years, as and when such published audited financial statements become available;
- (c) the Financial Report as prepared by Messrs' Ernst and Young dated 11th December, 2015;
- (d) the Trust Deed, as amended and/or supplemented, entered into between GHL and Fidelity Bank Ghana Limited as Trustee dated 30th November, 2015;
- (e) the Agency Agreement, as amended and/or supplemented, entered into between the GHL, Fidelity Bank Ghana Limited as Calculation Agent, Paying Agent and Paying Bank, and the Central Securities Depository (Gh) Limited as Registrar and Transfer Agent dated 15th December, 2015;
- (f) the Collateral Agent Agreement, as amended and/or supplemented, entered into between GHL, Fidelity Bank Ghana Limited and the Cal Bank Ghana Limited as collateral agent dated 15th December, 2015;
- (g) the Amended and Restated Collateral Agent Agreement;
- (h) the Escrow Account Agreement; and
- (i) each Applicable Pricing Supplement relating to any Tranche or Series of Notes issued under the Programme

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

GHL will, for as long as any Note remains Outstanding, provide at its registered office as set out at the end of this Programme Memorandum, without charge, to any person, upon request of such person, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or



superseding documentation will be provided. Requests for such documents should be directed to the GHL at its registered office as set out at the end of this Programme Memorandum.

GHL will, subject to the approval of the SEC and for so long as any Note remains Outstanding, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (a) a change in the condition (financial or otherwise) of the Issuer has occurred which is material in the context of the Notes so listed and the Issuer's payment obligations thereunder; or
- (b) an event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or,

provided that, in the circumstances set out in paragraph (c) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of GHL's audited annual financial statements if such audited annual financial statements are incorporated by reference into this Programme Memorandum, and such annual financial statements are published, as required by the Companies Act, and submitted to the GSE within six months after the financial year end of GHL.

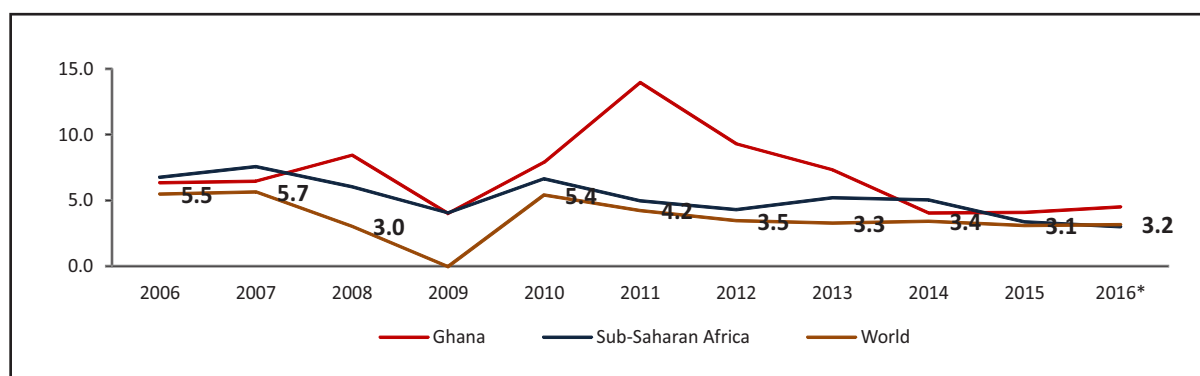
## PART 3 - THE ECONOMY OF GHANA

### 3.1 Overview of the Ghanaian Economy

The Ghanaian economy has experienced some challenges over the last few years characterised by slow economic growth, high inflation, rising debt, wider fiscal deficits and an energy crisis. The country moved from being the fastest growing economy in Sub-Saharan Africa (and one of the fastest in the world) with a real GDP growth rate of 14.4% in 2011 to recording growth rates of 4.0%, inflation of 17.0% and a full year currency depreciation of 30.0% in 2014. Notwithstanding the relatively lower economic growth, Ghana recorded a GDP growth of 4.1% in 2015, higher than the forecasted 3.5% and the 3.8% Sub-Saharan Africa average GDP growth rate. This was amid a challenging global economy characterised by falling commodity prices, the slowdown in the Chinese economy, and the strengthening of the US Dollar due the Federal Reserve rate hike.

Despite the economic challenges, the medium-term prospect for Ghana is high with an estimated average growth rate of 7.0% between 2016 and 2018, according to the IMF. The economy is projected to recover, on the back of higher oil and gas production, increased power supply as well as increased private sector and public infrastructure investments.

**Exhibit 2: Ghana, Sub-Saharan Africa and World GDP Growth Rate**



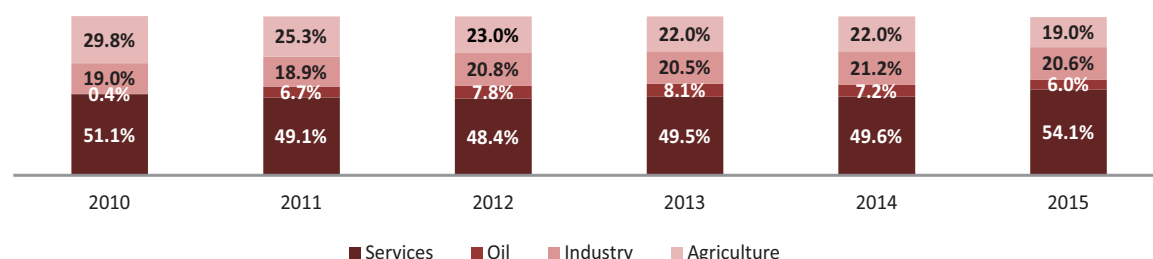
Source: International Monetary Fund, World Economic Outlook April 2016

### 3.2 Political Background

Ghana is a unitary state governed by the Constitution of 1992. The President and Members of Parliament are elected by universal adult suffrage. The President serves a maximum of two four-year terms. The governance system also includes a well-structured local government system purposely set up to ensure decentralisation of governance and allocation of resources. As a result of a robust democratic system built over two decades, Ghana held its sixth consecutive democratic election under the Fourth Republic in 2012, which resulted in the retention of the incumbent government. Following a challenge of the election results by the main opposition party, the Supreme Court confirmed the election results in September 2013, ending an eight-month period of political uncertainty. The nation is preparing for another election in November, 2016 to be supervised by a new Electoral Commissioner, the second in the Fourth Republic.

### 3.3 Historical Economic Performance

Ghana's economy has recorded an average annual real GDP growth rate of 7.7% over the last five (5) years. This growth peaked at 14.4% in 2011, driven by the commencement of crude oil production. The country has since been recording declining growth rates; 9.3% in 2012, 7.3% in 2013, 4.0% in 2014 and 4.1% in 2015. The Services sector is the largest contributor to GDP, accounting for 54.1% of Ghana's GDP in 2015. Two (2) subsectors – Construction and Public Administration, Defence & Social Security – recorded growth rates above 20.0%. The Agricultural sector recorded zero growth in the same period. The Industry sector's contribution to GDP has risen steadily from 19.0% in 2010 to 21.2% in 2014 on account of significant growths in the oil sector. The Ghana Cedi has stabilised from a long run of depreciation since late September 2015 on the back of a tight monetary and fiscal policy stance by government, inflows from donors, pre-export finance facility for cocoa and proceeds from a Eurobond issue. In 2015, the Government of Ghana signed an IMF bailout programme to help manage the declining economic performance.

**Exhibit 3: Contribution to GDP by the various sectors of the economy**

### IMF Programme

The Executive Board of the International Monetary Fund (IMF) approved a three-year arrangement under the Extended Credit Facility (ECF) for Ghana to the tune of USD 918 million in support of Ghana's medium-term economic reform programme in April, 2015. Ghana has since received a total of USD 343.7 million, representing three of the eight tranches to be disbursed under the programme. The IMF is advocating for a more ambitious and front loaded fiscal consolidation to help place public debt on a sustainable path, and to allow monetary policy to be more effective in bringing down inflation by strictly limiting budget financing from the Bank of Ghana. Current efforts that have been made so far include the total removal of subsidies on petroleum products, mitigation of payroll irregularities, enhancement of public finance management & transparency and deregulation of the oil distribution sector. 2016 has also seen a raft of new taxes aimed at ensuring that gains from fiscal consolidation will be sustained over the medium term as well as strengthen state-owned enterprises in the utilities sector to avoid additional pressures on the budget.

### 3.4 Ghana's Real Estate & Mortgage Industry

Real estate in Ghana which comprises land, residential, commercial, industrial and hospitality is a subsector of the Services sector in the Ghanaian economy. The Services sector is the largest contributor to GDP in 2014 at 49.6% of GDP with real estate contributing 7% to total services. The residential real estate market is estimated to be the largest and fastest growing sector within the country's real estate bracket. It is made up of the high-end, middle-income and low-income bracket. A report by the Ghana Investment Promotion Centre stated that there are more than 85,000 transactions per year in luxury real estate alone, with an estimated value of USD 1.7 billion. With approximately 30,000 new expatriates expected over the next 10 to 15 years, demand for luxury residential real estate is expected to increase, as more foreign nationals seek homes of international standards.

Local demand is also increasing rapidly and have been largely unmet. Ghana's population has grown at an annual cumulative rate of 2.6% over the past two decades, as well as a bottom-heavy demographic structure, with a median age of about 21.1 years. These dynamics have influenced the pace of urban expansion. Approximately 46.0% of the country's population resides in urban areas. This is expected to grow by 4.8 times per annum due to a combination of natural growth and internal migration. The total housing requirement of 70,000 to 90,000 units per year has been unmet by delivery of about 30,000 per year. Ghana's housing deficit is estimated to be in excess of ~1.7 million units as at December 2015, with an increase in annual demand for housing units of over 60,000 affordable housing units.

The housing stock in urban Ghana was 3.4 million dwelling units according to the 2010 census. According to the 2010 Population and Housing Census, there were 5,467,136 households in the country. The largest proportions of households were in Ashanti region (20.1%) and Greater Accra region (19.0%). The lowest were in Upper West region (2.0%) and Upper East region (3.2%).

Growth in the Housing sector and the lack of affordability has necessitated the increase in mortgage products. Mortgage debt to GDP remains insignificant compared to other developed economies. Recorded at 0.37% in 2007, it fell to 0.32% in 2008, 0.3% in 2009, and 0.25% in 2010, compared to an average of 13% across Africa between 2004 and 2009. In part, this was due to the global financial crisis and the prevalence of borrowers from the Diaspora in Ghana's mortgage book. The two key constraints to mortgage market growth are high interest rates and limited affordable housing supply. Despite these challenges, mortgage lending is relatively well established in Ghana.

Currently there are five major players within the Ghanaian mortgage market: Ghana Home Loans (GHL), HFC Bank, Fidelity Bank, Cal Bank (Cal Mortgage) and Stanbic Bank. These banks offer a variety of mortgage products, including mortgages for home purchase, improvement or completion, as well as home equity mortgages. GHL is

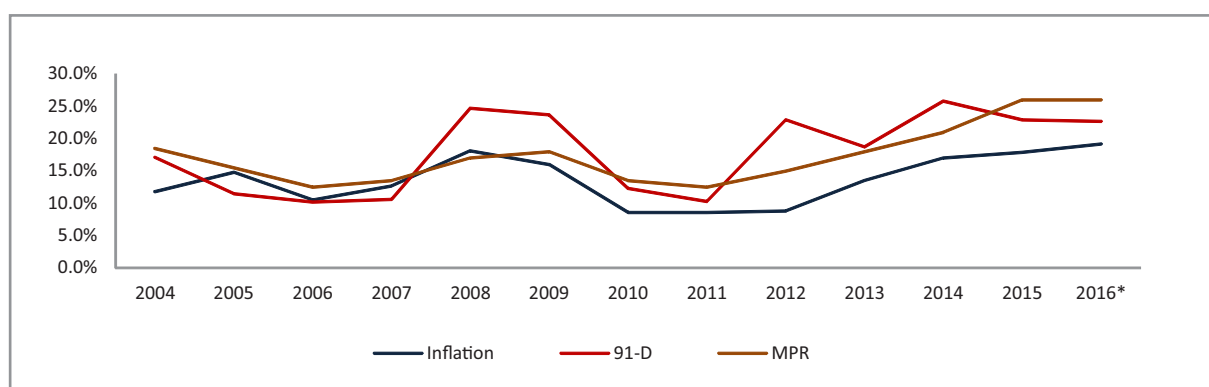
currently the dominant player and market leader in the industry providing exclusively mortgage financing to its clients. GHIL accounts for 75% of new mortgages and holds 50% of the existing market in Ghana.<sup>1</sup>

### 3.5 Monetary and Fiscal Policies

The Ghanaian government has been battling trade and fiscal deficits in recent times. Generally, the last five years have witnessed tighter fiscal policies from government aimed at stabilising the economy and managing inflation. Improved fiscal performance between 2009 and 2011 resulted in a decline in inflation rates from 19.3% in 2009 to single-digit levels of 8.7% in 2011. Inflation rates have however risen over the last few years from 8.7% recorded in 2011 to 17.7% at the end of 2015 due to fiscal pressures, currency depreciation as well as fuel and utility price hikes.

The nation's fiscal deficit to GDP for the periods of 2012 and 2013 rose beyond 10% on the back of a higher than usual increase in public expenditure. The country recorded a fiscal deficit above 10% of GDP for the third consecutive year in 2014. The significant increase in the expenditure was driven by a large wage bill, rising interest rates, high inflation and a slowdown in economic activity resulting from falling commodity prices, Ebola knock-on effect and energy supply shortages. The Government of Ghana through the IMF programme has streamlined government's expenditure, patched leakages in government's coffers and addressed payroll irregularities. Government's budgeting operations have improved in 2015 with an overall budget deficit of 7.1%, the lowest since 2012. The fiscal target for 2016 is 5.3%, a little lower than the IMF target of 5.6%. The measures put in place to achieve the fiscal target include weaning off some State Owned Enterprises (SOEs) like Driver and Vehicle Licensing Authority and the Environmental Protection Agency (EPA) from subventions and introduction of taxes and levies which are expected to boost revenue by 24.0%. The energy sector levy is projected to generate ~GHS 3.5 billion in 2016 to cover the debt of SOEs in the sector.

**Exhibit 3: Inflation, Monetary Policy rate (MPR) and 91-Day Treasury bill**



Source: IC Securities Research/BoG

The monetary policy rate has seen a gradual increase over the past five years, from 12.5% in November 2011 to 26.0% in December 2015. The policy rate was maintained in March 2016 to help manage the rising inflation and to drive up the value of the cedi. Rates on short-term bills have been on the decline since early 2015 whereas rates on medium-term securities were relatively stable in the first half of 2015 but rose marginally in the second half of the year. The trend of falling rates on short-term securities is reflective of government's strategy to roll short-term debt into longer dated maturities as part of its Medium-Term Debt Management Strategy (MTDS). Ghana's public debt stock stood at GHS97.2 billion representing 72.9% of GDP as at December 2015. The depreciation of the cedi aided in the rise in external debt which represents 59.4% of total debt stock. With the assistance of the IMF and the World Bank, the government has developed a MTDS to enhance debt sustainability as well as to support fiscal consolidation and a tight monetary policy.

<sup>1</sup>Report: Ghana 2013

### 3.6 Outlook

The Ghanaian economy is expected to recover and grow moderately in the foreseeable future. The IMF projects economic growth at 4.5% and 7.7% in 2016 and 2017. Also, GDP per capita is expected to increase consistently over the same period. Key contributors to this projected growth are banking, insurance, fast moving consumer goods and real estate. The Industry sector is expected to see significant improvement as the Services sector growth is expected to maintain its growth trajectory, spurred by a rising middle income class with an increased appetite for goods and services.

Ghana is making headway in infrastructural development and thus has acquired some power barges to help reduce the worsening power crisis. There are ongoing thermal and hydro power projects aimed at adding ~3,000 MW of power over the next 3 years. The Sankofa-Gye Nyame (SGN) gas project will produce 180 million standard cubic feet of gas daily, sufficient to generate approximately 1,100 MW of electricity. First gas from the SGN field is expected in February 2018, in addition to 30,000 barrels of oil daily, to be produced from August 2017.

Oil production has been estimated to increase to 283,700 boe/d in 2021 coming from Jubilee, Tweneboa Enyenra and Ntomme (TEN), SGN and other potential developments. Production at the TEN and SGN fields are expected to be 80,000 bpd and 40,000 bpd respectively in 2017. Estimated oil reserve in 2014 was 672.3 million barrels and this is expected to increase to 727.5 million barrels by 2018 with expected revenue receipts of USD 20 billion by 2030 according to the IMF.

Government is committed to fiscal reforms and consolidation to reduce the fiscal deficit to 3.0% by 2018. In order to improve revenue, government has integrated the various revenue collection agencies into the Ghana Revenue Authority as well as introduced a new tax act that has widened the tax net, largely capturing the informal sector. The government also intends to reduce borrowing and borrowing costs via the debt-management strategy: broadening the range of instruments offered in the domestic markets, extending the yield curve by issuing 7-year and 10-year fixed-rate bonds, restricting non-concessional loans to economically viable and self-financing projects. These, together with stronger real GDP growth and higher export levels backed by increased oil and gas production, are expected to contribute to a better Debt Sustainability Analysis baseline. The Bank of Ghana's readiness to intervene swiftly in the market, increased dollar reserves and expectations of a new Eurobond issue in 2016 has curbed the seasonal first quarter depreciation.

Although the macroeconomic environment remains healthy, pre-election political risks in 2016 is likely to weigh on growth, exchange rates and fiscal balances in 2016.



## PART 4 - THE GHANAIAN FINANCIAL SERVICES INDUSTRY

Over the past decade there have been rapid developments in Ghana's financial services sector. Ghana prides itself as being the gateway to West Africa and through the implementation of the Financial Sector Strategic Plan ("FINSSP"), the Government intends to develop a financial sector that is responsive to the needs of the 21st century.

### 4.1 History and Background of Ghana's Financial Services Industry

In 1988, the Government initiated the Financial Sector Adjustment Programme ("FINSAP") as part of the Economic Recovery Programme ("ERP"), where the banking industry had to be restructured and revitalised. In the 1990s, a wave of privatisation took place and the Government began to privatise the Ghana Commercial Bank and divested its interests in the Social Security Bank.

In 1989, the Banking Law was enacted, which enabled locally incorporated entities to apply for licenses to operate as a bank. Thus, an additional number of corporate entities were granted licenses to operate as banks. These included Meridian (BIAO) Trust Bank, CAL Merchant Bank, Metropolitan and Allied Bank and Ecobank. The Financial Institutions (Non-Banking) Law 1993 (PNDCL 328) made provision for licensing of non-banking financial institutions. This legislation makes provision for the licensing of non-banking financial institutions seeking to operate as, inter alia, discount companies, finance houses, building societies, or leasing and hire-purchase companies.

The institutional restructuring of the financial system, under the FINSAP introduced five new banks and twenty non-bank institutions. This encouraged competition in the financial sector. The country continues to implement reforms in the banking sector as part of the agreements it has with the World Bank and International Monetary Fund ("IMF") and to deepen and ensure continued growth and financial stability of the economy. Currently, there are 29 Deposit Money banks, 140 Rural and Community banks, 31 Finance Houses, 23 Savings and Loans companies, 2 Leasing Companies, 3 Credit Bureaux, 337 Microfinance Companies and 1 Mortgage Finance company.

### 4.2 Regulatory Environment

The main regulators of the financial industry are the BoG and the Ministry of Finance and Economic Planning ("MoFEP"). Within the last decade, a large number of reforms and new regulations have been introduced.

#### The Bank of Ghana

The BoG is the overall supervisory and regulatory authority over banking and non-banking financial institutions in Ghana.

Banks, non-bank financial institutions and forex bureaux operate under the following regulatory and legal framework:

- Bank of Ghana Act, 2002, (Act 612)
- Banking Act, 2004 (Act 673) as amended by Bank (Amendment) Act 2007 (Act 738)
- Non-Bank Financial Institutions Act, 2008 (Act 774)
- Companies Act, 1963 (Act 179)
- Bank of Ghana Notices/Directives/Circulars/Regulations
- Anti-Money Laundering Act, 2008 (Act 749) and Regulations
- Foreign Exchange Act, 2006 (Act 723)

The BoG is charged with the responsibility of ensuring that there is a stable financial system that facilitates the creation of wealth, economic growth and development.

The governing body of the BoG is the Board of Directors as stipulated in Act 612. The Board consists of the Governor, who is also the Chairman, two Deputy Governors and nine Non-Executive Directors. The current Governor of the BoG appointed on the 25th of April 2016 is Dr. Abdul-Nashiru Issahaku, an International Development Economist and former Second Deputy Governor of the Bank of Ghana.

### 4.3 The Non-Banking Institutions Industry

Non-Bank Financial Institutions ("NBFI") offer a range of services from leasing operations, money lending operations, money transfer services, mortgage finance operations, non-deposit taking microfinance services, credit union operations, and any other services or operations as the Bank of Ghana may from time to time by notice designate as such. According to the BoG, there are 62 non-bank financing institutions in Ghana.

The non-banking industry is one of the most competitive sectors of the economy. The non-banking sector continues to record steady growth in assets, deposits and borrowings. The balance sheet size of the sector has steadily increased in the last ten years. This has been supported by the growth in total deposit. NBFI increased from 14 in 2004 to 62 in 2015. The industry's asset base grew at a CAGR of 45.9% between 2005 and 2015. Total assets of NBFI grew to GHS 7.3 billion in 2015 from GHS 243 million in 2005. Additionally, the banking industry's deposits grew at a CAGR of 62.3% between 2005 and 2015.<sup>2</sup>

**Exhibit 4: Number of registered Non-Bank Financial Institutions in Ghana**

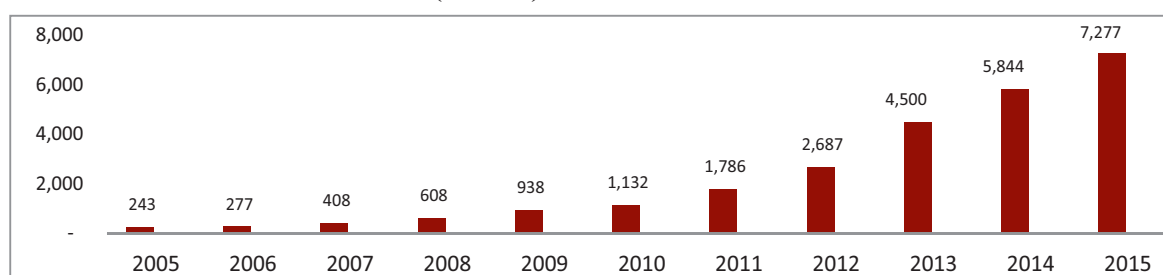
Nature of Business	Number
Finance House	23
Savings and Loans	31
Credit Reference Bureau	3
Leasing	2
Finance and Leasing	3
Mortgage Finance	1
Microfinance Companies	546
Money Lenders	24
FNGOs	2
<b>Total</b>	<b>635</b>

Source: Bank of Ghana

In 2008, the BoG introduced major reforms in the legal and regulatory financial services regime. Among these was the new regulatory regime for non-bank financial institutions. The Non-Bank Financial Institutions Act 2008, Act 774 (“NBFI Act”), is the main law that governs non-bank financial institutions and licensed money lenders in Ghana. The NBFI Act repealed the NBFI Law No. 328 of 1993 and the Money Lenders Ordinance (Cap. 176) of 1940. The Act will provide a more efficient regulatory environment for NBFIs, reduce the cost of compliance for non-deposit taking institutions, promote stronger and better capitalised institutions, and promote the stability of the financial sector.

In August 2013, the BoG announced new capital requirements for all regulated financial institutions. The minimum paid-capital for major banks have been revised from GHS 60 million to GHS 120 million. New NBFIs would also require GHS 15 million with existing ones expected to increase their capital base from GHS 7 million to GHS 15 million. Microfinance companies must also increase the minimum capital from GHS 100,000 to GHS 500,000 whilst that of the rural banks have been upped to GHS 300,000.

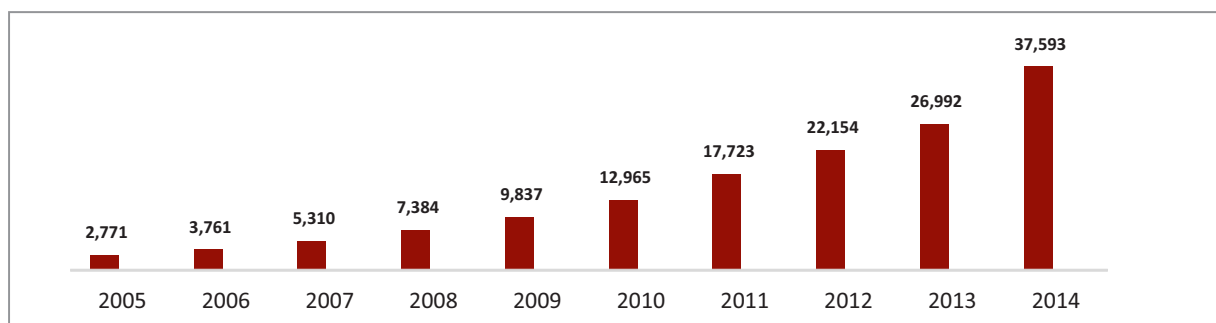
**Exhibit 5: Total NBFI Assets 2005 – 2015 (GHS mn)**



Source: Bank of Ghana

<sup>2</sup>The Bank of Ghana, Annual Report 2015, December 2015

**Exhibit 6: Total Deposits of Banks and NBFI from 2005 – 2014 (GHS mn)**



Source: Bank of Ghana

#### 4.4 The Non-Banking Industry Outlook

The Non-Banking industry has been growing steadily over the last five years mainly due to the prevailing strong macro-economic and regulatory environment. Competition in the sector is growing and is expected to continue to grow as NBFI increase their stated capital and mobilize deposits.

In supporting their view, NBFIs expect the recent oil and gas find and promulgation of local content legislation to help create opportunities for SMEs. In their view, the 14.4% growth in GDP in 2011, the recent achievement of lower-middle income status by the country, and the growing evidence of an emerging middle-income consumer class, all indicate that economic opportunities are expanding in the country.

NBFIs have realized that the informal sector including SMEs represent important links in the supplier and consumer distribution chains of larger corporates, and are relied on by these larger businesses for their own success. With the passage of the local content bill in the oil industry, we expect to see increased activity by Ghanaian-owned small and medium-sized businesses across the value chain.

The expected increase in Ghana's middle class and an expanding economy will present the opportunity for NBFIs to participate in services like mortgage lending, asset financing and medium-term loans. As housing deficit increases, consumer appetite for homes grows and disposable incomes of individuals and business owners expand, hence we expect the mortgage sector to increase the demand for mortgages in Ghana.

The increase in required capitalisation coupled with the increase in the number of regulated operatives is expected to increase the degree of competition and innovation in the industry, not only in product development and coverage, but also in accessing different sources of working capital.

Access to additional capital could improve operational efficiency through superior systems, controls and transparency in reporting. Continued guidance and reforms from BoG will increase the capability of the NBFIs to provide financial services to the MSMEs. The role of NBFIs in the development of Ghana will continue to deepen in the near.

## PART 5 - GHANA HOME LOANS PLC

### 5.1 History and Background

Ghana Home Loans PLC (“GHL” or “the Company”) is the parent company of Ghana Home Loans (Fund 1) Limited. GHL was established and executed by three Ghanaians with industry experience (Dominic Adu, Kojo Addo-Kufuor and Ellis Atekpe) in 2006. GHL is promoted by Ghanaians with experience in Private Equity, Mortgage and Investment Banking. The founding funders of Ghana Home Loans include FMO, Standard Bank South Africa and Broad Cove as well as IFC.

GHL is currently the only specialised residential mortgage finance institution in Ghana. The Company is a Non-Banking Financial Institution (NBFI) licensed under PNDCL 328 and supervised by the Bank of Ghana. It was granted a license to commence operations in June 2006 as the only focused mortgage finance institution in Ghana and subsequently commenced operations in September 2006. To date, it remains the only institution dedicated to mortgage financing in Ghana with very few of its nature across Africa. GHL started operations with a staff of 4 at the Regimanuel Gray Office, opposite La Palm Royal Beach Hotel in Accra in May 2006. The Company currently has 85 employees operating from its sole office at Airport in Accra to meet the growing demands of their clients. The first mortgage was written in October 2006 using its equity capital.

GHL is the second home finance institution established in Ghana after HFC Bank in 1990. Nonetheless, within 3 years of operations, during which time four other established Banks launched similar home loans products, GHL has become the market leader with gross loan disbursements and commitments of over USD 120 million. GHL is a full service mortgage finance house (i.e. originates funds and service loans and retains them on its balance sheet).

#### **Mission Statement**

To become the leader in world class provision of Home Loans through leveraging our people, technology and strong relationship with funding partners and service providers to deliver superior customer services to homeowners.

The Company focuses on lower to middle income bracket loans. The Company's loans and equity are provided by investors from 6 countries (South Africa, France, Germany, The Netherlands, Ghana and US) across 3 continents (Africa, Europe and US). The promoters' vision is to make significant social, developmental and economic impact in its geographic area of operations through the provision of mortgages.

Principal amongst these are:

- Contribute to solving the housing shortages in Ghana;
- Wealth creation through appreciating housing values;
- Employment in the construction industry (increase in housing supply due to existence of GHL) as well as the mortgage finance institution itself – GHL had directly created or supported over 60 jobs (including lawyers and valuers);
- Liquidity – enabling asset rich cash poor home owners to release equity from their properties to start or expand their business;
- Linkages with other sectors e.g. Insurance, Legal; and
- Contribute to better decisions by potential developers.

In November 2006, Stanbic Bank (Ghana) provided short term bridging facilities culminating in the signing of a USD 30 million loan agreement with OPIC in November 2006. By December 2006, the first USD 1 million loans had been written and in June 2007 the first disbursement on the USD 30 million loan was made. In the medium-term, GHL would also exploit its database of creditworthy borrowers to commercially provide them the following services:

1. Issue credit cards;
2. Investment products;
3. Sell insurance products; and
4. Mobilize deposits.

### 5.2 Takeover Offers or Bids

GHL has neither received any takeover offers from third parties nor made any takeover bid for other companies' shares during the last and current financial year.

### 5.3 Key Products and Services

GHL is primarily involved in providing mortgage finance services in Ghana. GHL offers an extensive range of

products and services to their existing and prospective clients.

GHL focuses exclusively on residential home finance thereby making it possible for it to offer their clients competitive pricing, innovative products, professional advice, and first class customer services. Currently, all GHL loans are in US Dollars due to lack of access to commercially viable long term Cedi facilities. The Company provides the following products:

#### Exhibit 7: GHL's Product Offering

Products and Types	Main Products
Purchase Mortgage- First Time Buyer & Buy to Let	The first time buyer's mortgage serves the needs of applicants looking to buy their first home. Buy to Let mortgages are offered to applicants who already own a home but wish to buy investment property for the sole purpose of renting it out to tenants.
Home Owners Mortgage-Home Equity Release & Home Improvement	Home equity release mortgage is a product for applicants who wish to borrow on a long term basis using their homes as collateral. Existing homeowners can apply for a mortgage facility to renovate or extend their property using a home improvement mortgage.
Construction Mortgage-Home Completion & Home Construction	The home completion mortgage facility is to help finance the completion of the homes of applicants. The home construction mortgage is a facility that help clients who have a plot of land and require financing to undertake the construction of their dream homes.
Land Purchase Mortgage	This mortgage allows applicants to acquire a plot of land with the support of GHL.

#### 5.4 Branch Network

GHL currently has one main office located in Ghana's capital, Accra. The head office is situated at the Airport Residential Area with a staff size of 85. The Company transacts business operations across the country from this office using a team of highly skilled personnel. GHL uses modern technology to achieve effective coverage across Ghana and beyond.

#### 5.5 Significant Shareholders

GHL is owned 100% by Harborough Limited. Harborough Limited is owned by Aureus Africa Fund Limited and Ghanaian Management Team who own 70% and 30% respectively.

#### Exhibit 8: Significant Shareholders of GHL

Name of shareholder	No. of shares	% of Issued Shares
Harborough Limited	333,333	100%

#### 5.6 Board of Directors

The Board is responsible for setting the Company's strategic direction, leading and controlling the growth and development of GHL. Board meetings are held quarterly and are supplemented with monthly executive management calls where intra-meeting issues are discussed. All Board decisions are by a majority though in most cases unanimous. GHL has a six (6) member Board of Directors consisting of the Non-Executive Chairman, two Non-Executive Directors and three Executive Directors.





**Exhibit 9: Board of Directors of GHL**

Name	Date of Appointment	Nationality	Position	Company	Other Directoship
<b>Jacob Kholi</b>	Nov, 2013	Ghanaian	Chairman	Aureos	Regimanuel Gray Limited HFC Bank (Ghana) Limited Bio Plastics Ghana Limited Ghana Aluminium Products Aureos Ghana Advisers Limited C&J Medicare Hospital Leasafric Ghana Limited Sam-Woode Limited Amponsah Efah Pharmaceuticals Teachers Fund Aviance Ghana Limited Aniniwah Medical Centre
<b>Isaac Owusu - Ansah</b>	Nov, 2013	Ghanaian	Director	Aureos	Regimanuel Gray Limited Aureos Ghana Advisers Limited C&J Medicare Limited Aniniwah Medical Centre
<b>Christopher Nordeen</b>	Nov, 2013	American	Independent Director	Independent	N/A
<b>Dominic Adu</b>	June, 2006	Ghanaian	Chief Executive Officer	GHL	Baker Hughes (Ghana) Limited Fidelity Capital Partners Limited Westlink Travels Limited Ghana Home Loans (Fund 1) Limited
<b>Kojo Addo - Kufuor</b>	June, 2006	Ghanaian	Executive Director	GHL	Recruitment and Assessment Services Gh. Ghana Home Loans (Fund 1) Limited
<b>Ellis Atekpe</b>	June, 2006	Ghanaian	Executive Director	GHL	ICK International Services Limited Butawu Rural Bank

**Expiration of Directorship**

The director does not have a date for expiration of directorship.

**Directors' Fees and Benefits**

Aggregate remuneration paid to the Directors of GHL was GHS 1,718,368 for the 2015 financial year (GHS 1,107,273 for the 2014 financial year).

The profiles of the Directors of GHL are presented below:

**Jacob Kholi, Board Chairman, 48 years**

Mr. Kholi is currently a Joint Partner of Aureos Africa Fund LLC – a USD 381 million Private Equity Fund with responsibility for West and North Africa. He is also a Fund Manager for the Africa Health Fund LLC, Aureos West Africa LLC and Managing Partner, Aureos Ghana Advisers Ltd (formerly Venture Fund Management Company). Prior to these engagements, Mr. Kholi also worked with Shell Ghana Limited and KPMG (formerly Peat Marwick Okoh & Co). Mr. Kholi serves as a Director of Regimanuel Gray Limited, Aureos Ghana Advisers Limited, C&J Medicare Hospital, Leasafric Ghana Limited and Teachers Fund, amongst others. He holds an EMBA degree from Paris Graduate School of Management, Paris and a BSc. Business Administration (Accounting) from the University of Ghana Business School, Legon. He is a Chartered Accountant by profession.

**Isaac Owusu-Ansah, Director, 47 years**

Mr. Owusu-Ansah is an investment analyst with Aureos Ghana Advisers Limited. Prior to Aureos, he worked with Sterling Financial Services as a financial controller for five (5) years. Isaac worked with Shell Ghana for over 5 years where he held the position of Acting Financial Controller. Mr. Owusu-Ansah holds an MBA from the Hull University Business School (UK) and a BSc. (Administration) Accounting Option from the University of Ghana Business School. He is a member of the Institute of Chartered Accountants (Ghana).

**Christopher Nordeen, Independent Director, 58 years**

Mr. Christopher Nordeen is a senior executive with extensive Mortgage Lending experience in senior management and business development. Mr. Nordeen has over 30 years of work experience with several prestigious firms working in a various leadership positions. Christopher was the President of International Business Group in 1998, where he hired and developed a 20-senior management team with an annual budget of USD 550 million. Prior to joining International Business Group, he worked as the Managing Director of Residential Funding Corporation (RFC), managing mortgage issuance and under-writing divisions within RFC domestically. He also sold a wide range of fixed income securities (primarily mortgage-backed securities) to savings and loans and mortgage bankers throughout South Central United States. Christopher did an Executive Masters Program in Business Leadership from the Georgetown University and a BSc, Business Administration from the Bowling Green State University.

**Dominic Adu, Managing Director, 51 years**

Dominic spent 10 years with Actis (a UK based emerging markets private equity investor), covering the West African sub-region. Prior to Actis, he was briefly a Finance Manager with Ashanti Goldfields (now AngloGold Ashanti), and before that an Accountant with Watson Wyatt (UK) and an Audit Senior with BDO Stoy Hayward (UK). Dominic is an economics graduate from the University of Manchester (BA Econs) and University of London (MSc. Econs) as well as a qualified Chartered Accountant (ACA England & Wales).

**Kojo Addo-Kufuor, Executive Director, 46 years**

Before co-founding GHL, Kojo previously worked as an Executive Director at SDC Brokerage Services, Accra. Prior to joining SDC, he was an investment banker with Citigroup - initially with Schroder Salomon Smith Barney's corporate finance team based in London and then with CitiBank Nigeria's Corporate Finance Group in Lagos. Before joining Citigroup, Kojo worked as a management consultant with KPMG Barents LLC in South East Asia and Australia, advising banks and other financial institutions in that region. Earlier in his career, Kojo worked with Dresdner Kleinwort Benson in New York, Product Finance in London, and also briefly with Merrill Lynch's Global Sovereign Risk Group in New York. Kojo holds a BSc. (Agricultural Engineering) from KNUST, an MSc. (Computing Science) from University of London, and an MBA from Columbia Business School, New York.

**Ellis Atekepe, Executive Director, 43 years**

Ellis is a co-founder of GHL. Prior to this he headed HFC Bank's Mortgage Operations Department. He also set up and managed HFC Realty Limited which specialized in Project, Facilities, Asset & Estate Management. Previously, Ellis worked as Manager, Investment Promotion & Client Advisory Services with Goldshield Contact Services, UK. He holds a BSc. (Hons) Economics from University of Buckingham, UK, and PGD in Corporate Management and Finance from Sorbonne University, Paris, France.

## 5.7 Board Committees

In line with good corporate governance and current best practices, the Board has established the Audit, Risk Management and Compensation Committees. GHL also has a Business Continuity and Disaster Recovery Plan as well as senior management succession plan in place. The committees have their Charters approved by the board which are held quarterly and minutes are reflected in the subsequent board meetings.

**Credit Risk and Asset Liability Committee (ALCO)**

A committee responsible for reviewing and recommending for approval the credit policies of the company as well as the credit profile of the company's mortgage portfolio and also mandated to review the asset and liability allocations of the GHL as well as ensuring acceptable risk and matching profile.

**HR and Remuneration Committee**

A subcommittee responsible for determining the remuneration and terms of conditions for senior staff as well as assisting in developing the human capital in GHL.

**Audit and Compliance Committee**

A subcommittee responsible for reviewing reports received from external reviews as well as ensuring that the company is complying with all regulatory, and lenders requirements.

**Exhibit 10: Credit Risk & Asset Liability Committee**

Credit Risk & Asset Liability Committee		
Committee Members	Title	Functions of Committee
Christopher Nordeen	Chairman	· Review and assess the integrity and adequacy of the risk management function
Jacob Kholi	Member	
Dominic Adu	Member	· Review and assess the Company's credit risk and operational risk including Information Technology
Kojo Addo -Kufuor	Member	
Ellis Atekpe	Member	· Review and assess the adequacy of the Company's liquidity and funding
Isaac Owusu -Ansah		

**Exhibit 11: HR & Remuneration Committee**

HR & Remuneration Committee		
Committee Members	Title	Functions of Committee
Jacob Kholi	· Chairman	· Review and make recommendations on board policy relating to the total remuneration paid to the board and senior management
Christopher Nordeen	· Member	
Kojo Addo-Kufuor	· Member	· Advise the board on any matters relating to remuneration or reward of the directors, senior management and Company staff

**Exhibit 12: Audit & Compliance Committee**

Audit & Compliance Committee		
Committee Members	Title	Functions of Committee
Isaac Owusu -Ansah	Chairman	· Evaluate the committee's and individual members performance
Jacob Kholi	Member	
Christopher Nordeen	Member	· Review the findings of any examinations by regulatory agencies, and any auditor observations
		· Consider the effectiveness of the company's internal control system

**5.8 Senior Management**

GHL is managed by a team of competent managers made up of professionals who have demonstrated outstanding achievements and experience in the fields of mortgage operations, management and finance. Details and profiles of GHL's senior management are below:

**Exhibit 13: Senior Management Details**

Name of Manager	Title	Experience	Years with GHL
Dominic Adu	Managing Director	25 yrs	8
Kojo Addo -Kufuor	Chief Operating Officer	23 yrs	8
Ellis Atekpe	Head of Mortgage Operations	22 yrs	8

**Dominic Adu, Managing Director** (See Board of Directors for profile)

**Kojo Addo-Kufuor, Executive Director** (See Board of Directors for profile)

**Ellis Atekpe, Executive Director** (See Board of Directors for profile)

**Susan Yawson, Chief Financial Officer**

Prior to Susan joining GHL, Susan worked in the UK for Man Group Plc for ten (10) years as an alternative investment manager where she gained expertise in product valuations and operations. As a valuations manager for both their structured products and fund of funds platform, she was responsible for managing AUM of EUR 45 billion to 75 billion and the performance of twenty (20) fully qualified accountants. Prior to that, she worked for AXA Investment Managers as a valuations accountant valuing their multibillion dollar pension fund and earlier in her career she also worked for Associated British Foods as their Pension Fund Accountant for 5 years. Susan completed the investment management programme from London Business School (LBS) in 2004; she is a fellow of the Association of Chartered Certified Accountants and holds a BA (Hons) degree in Accountancy and Finance from the University of Greenwich.

**Christopher Oppong, Finance Manager**

Before moving to GHL, Chris was Acting Head of Audit for Ghana International Airlines (GIA) where he joined as Revenue Accounting Manager but was later made Head of the Audit Department. Chris started his career with KPMG as Audit Senior where he rose to the position of Deputy Manager for Audit before joining Lincoln Community School as Business Manager. At Lincoln, he served on the Board of Directors in his capacity as an administrator. He was a teaching assistant at the University of Cape Coast before leaving for further studies in the UK. Chris briefly worked with Ernst and Young (Ghana). Chris holds a first class BA (Hons) in Economics, University of Cape Coast, Ghana and M Phil in Development Studies, Cambridge University (UK). He is a qualified Certified Chartered Accountant (ACCA).

**Christine Coleman Pinna, HR Manager**

Christine Pinna joined GHL in 2013. She is a business focused Human Resource professional with over 10 years of experience gained in international companies across various industries, leading organizational development and human resources initiatives. Prior to working with GHL, she worked as the Regional Head of HR Services for Yara, a leading multinational fertilizer company with presence in over sixty (60) countries and had responsibility for 4 African countries for the development and implementation of HR strategy and providing Human Resource interventions. Christine also worked with Wenco Ghana for 5 years. She holds a BSc. Degree in Business Administration from GIMPA and a MSc. in Human Resource Development and Performance Management from University of Leicester.

## 5.9 Employee Headcount

The table shows the breakdown of the average number of persons employed by GHL from 2012 to 2013.

**Exhibit 14: GHL's Employee Headcount**

Year	Month	Total Permanent and Ancillary Staff
2014	December	85
2013	December	61
2012	December	54

Employees of GHL do not intend to partake in this Note Programme.

## 5.10 Disclosure of Interests by Directors and Related Party Transactions

As at December 2015, Directors of GHIL held the following interests in GHIL via Harborough Limited

### Exhibit15: Directors' Interest

Director	Percentage of Ordinary shares held
Dominic Adu	12.3%
Kojo Addo-Kufuor	11.9%
Ellis Atekpe	5.8%
<b>Total</b>	<b>30.0%</b>

- Directors of GHIL do not intend to partake in this Note Programme
- Directors, employees or affiliates of GHIL do not have any contracts outside their current role as Directors, employees or affiliates with GHIL

## 5.11 Disclosure of Interests by Advisors

As at the date of this Document:

- IC Securities holds no Ghana Home Loans PLC shares. No employee or principal of IC Securities holds any interest in any Ghana Home Loans PLC shares;
- EY (Ghana) Limited holds no GHIL shares. No employee or partner of EY (Ghana) Limited holds any interest in any GHIL shares; and
- AB & David holds no Ghana Home Loans Plc shares. No employee or partner of AB & David holds any interest in Ghana Home Loans Plc shares.

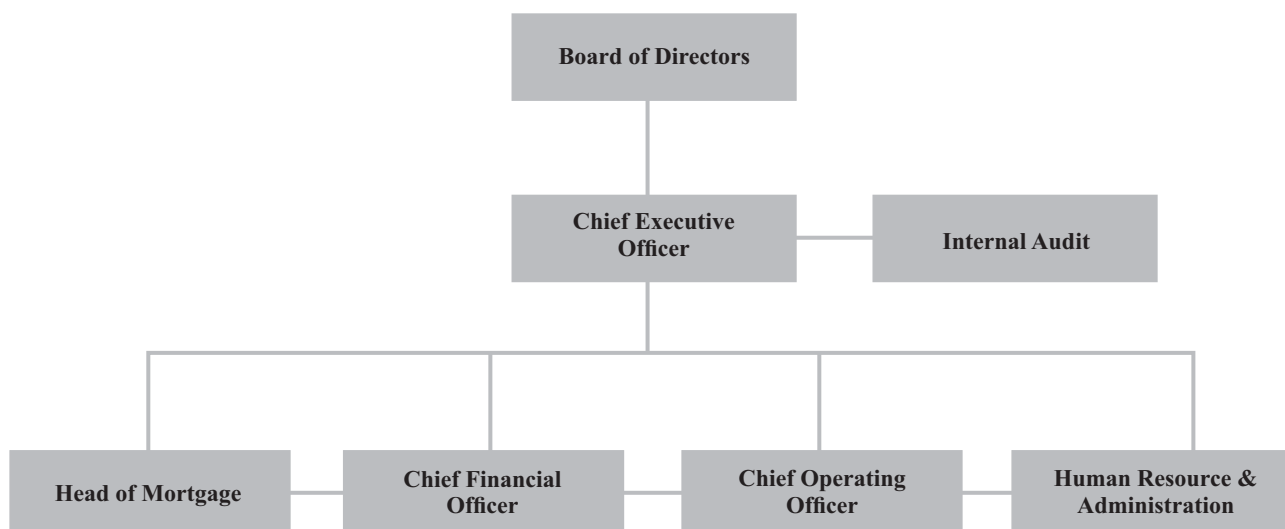
## 5.12 Other Disclosures

- **Relationships among Directors** - There are no family relationships among the Directors
- **The Bankruptcy Petitions** - None of the Directors have filed any petitions under the Bankruptcy law, or any partners or company associated with the Directors
- **Criminal Proceedings or Convictions for Fraud or Dishonesty** - None of the Directors have been adjudged bankrupt, convicted of an offence involving fraud or dishonesty, denied a licence as a dealer, dealer's representative, investment adviser or investment representative or had a licence issued under the Law to them suspended or revoked, named subject of any pending criminal proceeding relating to fraud or denied a licence under the Law or had any licence issued under this Law suspended or revoked
- **Prohibition against Financial Advisory or Capacity to Hold Office** - None of the Directors, or persons who have been nominated to be Directors have been subject of any judgement or ruling of any court of competent jurisdiction, tribunal or permanent body permanently or temporarily restraining him from acting as an investment advisor, dealer in securities, Director, employee of a corporate body or engaging in any type of business practice or activity or profession
- **Materiality of Management Interest in GHIL's Business Affairs** - No member of management or any other person related to them have any material business interests in GHIL either directly or indirectly
- **Directors Powers to Borrow and Charge GHIL's Assets** - The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge the property and undertaking or any part thereof, and to issue debentures. Such powers can be varied by amending the company's Regulations

## 5.13 Corporate Governance and Board Practices

The roles and responsibilities of GHIL's Directors and senior management are defined by a strong governance and organization framework. The Board ensures the maintenance of good internal control procedures, strict adherence to rules and regulations, compliance with legal requirements through scheduled meetings of the Board and other subcommittees of the Board.

## Exhibit 16: GHL's Organisational Chart



### 5.14 Awards, Achievements & CSR Projects

GHL over the last eight (8) years has grown to become the leading mortgage financing house in Ghana. Despite its massive success, the Company continues to grow aggressively by working hand in hand with the communities that it operates in. Some notable achievements and give-back include:

- GHL organizes annual Estate Developers' seminar at African Regent Hotel
- GHL undertakes Mortgage Education – recently launched a Mortgage Borrower Education Video
- 2011- No. 5, Ghana Club 100
- 2011- Property Finance Organization of the Year; Ghana Property Awards
- Ghana Institute of Surveyors Sponsorship Award - Bronze
- 2012 - Lakeside Estate; Award for Providing Finance
- 2012 - No. 43, Ghana Club 100
- Computer Laboratory Project, St. Joseph's Anglican School, Prampram
- Sponsor of University of Ghana Medical School's annual medical screening for communities
- UT Pledge Pink Ball Sponsor
- Sponsor of Children's Heart Foundation
- Sponsor of Run for a cure breast cancer
- Donation to the Weep not Child Orphanage, Nsawam

### 5.15 Subsidiaries and Associated Companies

GHL is licensed by BoG to originate mortgages. GHL wholly owns GHL (Fund 1) which is an entity that purchases the loans originated by GHL. Ghana Home Loans (Fund 1) Limited, incorporated in Ghana to borrow for the purpose of purchasing loans from its parent company (Ghana Home Loans PLC)



### 5.16 Aggregate Indebtedness

As at 31 December 2015, GHIL's aggregate long-term indebtedness was USD 70,692,408. This amount will not be listed.

Creditors	Notional Amount (USD)
OPIC	33,420,827
FMO	5,267,136
IFC	8,142,420
Shelter Afrique	3,743,132
DEG	8,029,208
Proparco	5,307,739
GHIB	6,781,946
<b>Total</b>	<b>70,692,408</b>

### 5.17 Details of PPE

As at the date of this Document, GHIL has a lease contract on the Head Office building:

Branch Name	Start Date	End Date
Head Office	2012	2022

## **PART 6 - USE OF FOUNDS**

### **6.1 Background**

Ghana's stable socio-political environment and strong macro-economic conditions, coupled with the reforms that have been introduced in the non-banking sector has increased the level of competition in the industry and created a lot of opportunities for growth. The mortgage financing industry in Ghana is in its infant stages and a lot of opportunities are available for players in the industry. The country's mortgage potential is projected to be around USD 2 billion.

GHL has received a number of medium to long-term debt facilities to finance new mortgages. The Company has raised over USD 120 million in long-term funding to provide residential mortgages to the Ghanaian market, and believes in the long-term efficiency of financing its balance sheet with additional funding through medium to long-term liabilities.

### **6.2 Corporate Strategy and Business Outlook**

In the medium-term, GHL will exploit its database of creditworthy borrowers to commercially provide them with the following services:

- Deposit products
- Investment products
- Credit cards
- Insurance products

In the long-term, GHL will consider selectively replicating the business model in other African countries where suitable opportunities exist.

### **6.3 Rationale for the Note Issuance**

The Note Programme is to diversify GHL's funding strategy to include capital market instruments. Since 2006, GHL have funded mortgage origination with credit facilities from Development Financial Institutions (“DFIs”). This entry into the capital markets is possible because of the demonstrable track record the DFI funds have enabled the Company to develop.

### **6.4 Use of Proceeds**

GHL will use the issue proceeds of the Notes for writing new mortgages currently valued at USD 100 million, refinancing existing Mortgages or as may otherwise be described in the Applicable Pricing Supplement.



## PART 7 - FINANCIAL OVERVIEW

The financial statements that follow have been extracted without change from the Group's audited financials. Further information on the Group's financial affairs, including its accounting policies, notes to its financial statements and the independent auditor's reports can be obtained by referring to its annual reports for the reported years.

### Statement of Comprehensive Income from 2011 – 2015

Statement of Comprehensive Income for the year ended 31 December					
All amounts ( GHS '000)	2011 A	2012 A	2013 A	2014 A	2015 A
Interest income	11,218	17,075	22,151	35,567	44,578
Interest expense	(5,332)	(8,017)	(9,254)	(13,959)	(16,689)
<b>Net income</b>	<b>5,886</b>	<b>9,058</b>	<b>12,896</b>	<b>21,608</b>	<b>27,889</b>
Fees income	432	792	1,293	2,716	4,455
Fees expense	(484)	(557)	(591)	(694)	(993)
<b>Net fee income/(expense)</b>	<b>(52)</b>	<b>235</b>	<b>702</b>	<b>2,022</b>	<b>3,463</b>
Rental lease income	-	65	79	69	-
Other operating income	134	227	263	293	631
Net revaluation gains	1,154	1,059	2,238	8,353	6,435
<b>Operating income</b>	<b>1,288</b>	<b>1,352</b>	<b>2,581</b>	<b>8,715</b>	<b>7,066</b>
<b>Total income</b>	<b>7,122</b>	<b>10,645</b>	<b>16,179</b>	<b>32,345</b>	<b>38,417</b>
Personnel expenses	1,607	4,166	5,172	6,621	10,103
Rental lease expense	184	266	350	372	323
Depreciation and amortization	104	216	438	809	452
Other expenses	1,115	-	-	-	-
Impairment loss	198	109	529	670	923
<b>Total expenses</b>	<b>3,209</b>	<b>4,758</b>	<b>6,490</b>	<b>8,471</b>	<b>11,801</b>
<b>Profit before tax</b>	<b>3,913</b>	<b>5,888</b>	<b>9,689</b>	<b>23,873</b>	<b>26,617</b>
Corporation tax	(580)	(1,388)	(1,667)	(3,711)	(4,965)
National fiscal stabilisation levy	(76)	-	266	(738)	(978)
<b>Profit for the year</b>	<b>3,258</b>	<b>4,499</b>	<b>7,756</b>	<b>19,424</b>	<b>20,674</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>3,258</b>	<b>4,499</b>	<b>7,756</b>	<b>19,424</b>	<b>20,674</b>

## Statement of Financial Position from 2011 – 2015

Statement of Financial Position for the year ended 31 December					
All amounts (GHS ‘000)	2011 A	2012 A	2013 A	2014 A	2015 A
Cash and cash equivalents	3,820	9,041	14,226	11,427	14,148
Mortgage finance receivable	107,119	141,458	209,492	290,326	363,637
Debtors and other assets	313	1,276	2,944	3,088	4,548
Deferred expenditure	1,657	2,092	2,206	2,717	-
Related company balance	-	-	-	-	-
Other investments	-	-	-	-	7,881
Property, plant and equipment	360	1,134	1,437	3,077	3,596
Intangible assets	425	-	-	-	-
Deferred tax assets	25	-	177	351	701
Current tax asset	-	-	-	-	131
<b>Total assets</b>	<b>113,720</b>	<b>155,001</b>	<b>230,482</b>	<b>310,986</b>	<b>394,643</b>
Short -term facilities	22,449	21,360	32,438	13,279	30,295
Trade payables	3,121	-	-	-	-
Customer deposits	-	3,642	5,339	10,049	19,112
Related company loans	-	-	-	-	-
Long -term borrowings	73,518	107,509	158,975	231,760	270,045
Other liabilities	2,990	4,380	6,773	5,658	8,723
Current tax liabilities	1,105	1,518	15	157	-
Deferred tax liabilities	-	108	-	11	-
<b>Total liabilities</b>	<b>103,183</b>	<b>138,517</b>	<b>203,541</b>	<b>260,914</b>	<b>328,176</b>
<b>Shareholders' fund</b>					
Stated capital	5,566	5,566	7,002	5,566	12,288
Deposit for shares	-	1,436	3,236	6,722	-
Retained earnings	126	1,600	5,731	12,637	21,501
Credit risk reserve	2,267	3,055	4,981	13,525	20,673
Statutory reserve	2,578	4,828	5,991	8,905	12,006
Currency translation reserve	-	-	-	-	-
<b>Total equity</b>	<b>10,537</b>	<b>16,484</b>	<b>26,941</b>	<b>47,354</b>	<b>66,468</b>
<b>Total equity and liabilities</b>	<b>113,720</b>	<b>155,001</b>	<b>243,584</b>	<b>308,268</b>	<b>394,643</b>

## Statement of Cash Flow from 2011 – 2015

Statement of Cash Flow for the year ended 31 December					
All amounts (GHS ‘000)	2011 A	2012 A	2013 A	2014 A	2015 A
<b>Particulars</b>					
Operating profit before tax	3,913.1	5,664.8	7,756	19,424	20,674
Adjustments for:					
Depreciation and amortization	104.2	216.3	438	809	452
Net interest income	(5,886)	(9,058)	(12,896)	(21,608)	(27,889)
Tax expense			1,933	4,449	5,943
Effect to unrealized exchange differences	-	-	(2,839)	(11,032)	-
Profit on disposal of property, plant and equipment	-	(2.8)	-	-	-
	<b>(1,869)</b>	<b>(3,180)</b>	<b>(5,608)</b>	<b>(7,958)</b>	<b>(820)</b>
Changes in:					
Mortgage finance receivable	(32,476)	(34,204)	(34,619)	(80,834)	(73,311)
Debtors and other assets	(85)	(875)	(1,668)	(554)	(1,460)
Deferred expenditure	(221)	(435)	(113)	-	-
Due to related parties	-	-	-	-	-
Short -term facilities	12,408	(1,089)	11,078	(19,160)	17,016
Customer deposits	1,584	520	1,698	4,710	9,063
Other liabilities	1,051	379	2,394	(1,116)	3,065
	(32,016)	(38,883)	(57,415)	(93,880)	(46,447)
Interest received	11,219	17,075	22,151	35,567	44,578
Interest paid	(5,332)	(8,017)	(9,254)	(13,959)	(16,689)
Taxes paid	(308)	-	(3,722)	(4,470)	(6,593)
<b>Net cash flow used in operating activities</b>	<b>(26,437)</b>	<b>(29,825)</b>	<b>(48,240)</b>	<b>(76,742)</b>	<b>(25,151)</b>
Cash flow from investing activities					
Purchase of property and equipment	(238)	(567)	(742)	(2,448)	(971)
Proceeds from disposal of property and equipment	-	5	-	-	(7,881)
Acquisition of intangible assets	(317)	-	-	-	-
<b>Net cash flow used in investing activities</b>	<b>(555)</b>	<b>(562)</b>	<b>(742)</b>	<b>(2,448)</b>	<b>(8,853)</b>
Cash flow from financing activities					
Short term facilities	12,408	-	-	-	-
Short term facilities drawdown	-	-	44,081	13,524	-
Short term facilities repaid	-	-	(38,129)	(44,367)	-
Long term loans drawdown	23,519	59,414	36,665	156,822	202,077
Long term loans repaid	(8,332)	(24,413)	(11,880)	(81,421)	(163,792)
Proceed from issue of shares	-	-	-	-	-
Deposits for shares	-	1,436	3,236	2,050	-
Receipts for software development	80	12	-	-	-

Dividend paid	-	-	(535)	(1,060)	(1,560)
<b>Net cash flows from financing activities</b>	<b>27,675</b>	<b>36,449</b>	<b>33,437</b>	<b>76,390</b>	<b>36,725</b>
Net increase in cash and cash equivalents	682	6,062	3,098	(2,800)	2,721
Cash and cash equivalent at 1 January	3,138	3,820	9,041	14,226	11,427
Effect of exchange rate fluctuations on cash and cash equivalent	-	-	2,046	5,509	-
<b>Net cash and cash equivalent at 31 December</b>	<b>3,820</b>	<b>9,882</b>	<b>14,226</b>	<b>11,426</b>	<b>14,148</b>
Comprising of:					
Cash and cash equivalent at 31 December	3,820	9,042	14,226	11,426	14,148
Short -term facilities	-	-	-	-	-
<b>Net cash and cash equivalent at 31 December</b>	<b>3,820</b>	<b>9,042</b>	<b>14,226</b>	<b>11,426</b>	<b>14,148</b>





## PART 8 - FINANCIAL PROJECTIONS

## Projected Consolidated Income Statement from 2016 – 2019

5-year Forecast Income Statement for the year ended 31 December				
All amounts (GHS ‘000)	2016	2017	2018	2019
Interest income	69,850	94,358	126,958	170,554
Interest expense	(29,448)	(39,963)	(53,956)	(72,677)
<b>Net income</b>	<b>40,402</b>	<b>54,395</b>	<b>73,002</b>	<b>97,877</b>
Total fee income	6,493	8,621	11,323	14,796
Total fee expenses	(2,350)	(3,053)	(3,808)	(4,290)
Net fee income	4,143	5,568	7,515	10,506
<b>Operating income</b>	<b>44,545</b>	<b>59,963</b>	<b>80,517</b>	<b>108,383</b>
Personnel expenses	(7,479)	(8,190)	(8,975)	(9,843)
Depreciation and amortization	(1,537)	(1,748)	(2,037)	1,548
Other operating expenses	(5,290)	(6,051)	(6,922)	(7,918)
<b>Total operating expenses</b>	<b>(14,305)</b>	<b>(15,989)</b>	<b>(17,934)</b>	<b>(19,309)</b>
Impairment loss	(2,251)	(2,575)	(2,946)	(3,370)
Bonus accrual	(775)	(847)	(924)	(1,009)
<b>Profit before tax</b>	<b>27,213</b>	<b>40,552</b>	<b>58,712</b>	<b>84,694</b>
Tax charge	(7,348)	(10,949)	(15,852)	(22,867)
<b>Profit after tax</b>	<b>19,866</b>	<b>29,603</b>	<b>42,860</b>	<b>61,827</b>

## Projected Consolidated Statement of Financial Position from 2016 – 2019

5-year Forecast Balance Sheet for the year ended 31 December				
All amounts (GHS ‘000)	2016	2017	2018	2019
<b>Assets</b>				
Fixed assets	4,540	3,573	2,555	2,044
Deferred expenditure	3,160	3,064	2,956	2,835
Mortgage loans	614,958	867,071	1,189,548	1,602,961
Deferred tax assets	463	482	501	521
Cash	17,530	26,162	41,262	65,924
Debtors & other assets	70,528	123,115	194,915	292,427
<b>Total assets</b>	<b>711,180</b>	<b>1,023,467</b>	<b>1,431,738</b>	<b>1,966,713</b>
<b>Liabilities</b>				
Long-term debt	480,144	668,329	906,611	1,209,439
Short-term debt	90,713	153,370	236,242	345,450
Trade payables	27,315	36,626	47,342	59,408
Other liabilities	23,354	36,277	53,915	77,875
Taxation	4,567	11,265	22,956	41,946
<b>Total liabilities</b>	<b>626,093</b>	<b>905,867</b>	<b>1,267,066</b>	<b>1,734,118</b>
<b>Equity</b>				
Stated capital	12,288	12,288	12,288	12,288
Retained earnings	37,192	68,282	113,873	180,254
Credit risk reserve	22,947	23,865	24,820	25,812
Statutory reserve	12,660	13,166	13,693	14,240
<b>Total equity</b>	<b>85,086</b>	<b>117,600</b>	<b>164,673</b>	<b>232,595</b>
<b>Total equity and liabilities</b>	<b>711,180</b>	<b>1,023,467</b>	<b>1,431,738</b>	<b>1,966,713</b>

Projected Consolidated Cash Flow Statement from 2016 – 2019

5-year Forecast Cash Flow Sheet for the year ended 31 December				
All amounts (GHS '000)	2016	2017	2018	2019
Cash generated from operations	27,213	40,552	58,712	84,694
Depreciation	1,537	1,748	2,037	1,548
Net interest income	(40,402)	(54,395)	(73,002)	(97,877)
Effect to unrealised exchange differences	(16,631)	(23,619)	(23,838)	60,995
<b>Cash from operations</b>	<b>(23,283)</b>	<b>(35,714)</b>	<b>(36,091)</b>	<b>49,360</b>
Movement in:				
Mortgage assets	(182,192)	(252,113)	(322,477)	(413,413)
Debtors and deposits for facilities	(39,932)	(52,586)	(71,801)	(97,512)
Deferred expenditure	(93)	95	108	122
Short -term facilities	46,468	62,657	82,872	109,208
Customer deposits	9,136	9,311	10,716	12,066
Other liabilities	10,154	12,923	17,638	23,960
	<b>(156,460)</b>	<b>(219,713)</b>	<b>(282,944)</b>	<b>(365,570)</b>
Interest received	69,850	94,358	126,958	170,553
Interest paid	(29,448)	(39,963)	(53,956)	(72,677)
Tax paid	(10,566)	(17,647)	(27,544)	(41,857)
<b>Cash used in operating activities</b>	<b>29,836</b>	<b>36,749</b>	<b>45,458</b>	<b>56,020</b>
Net increase/(decrease) in fixed assets	(1,366)	(780)	(1,019)	(1,037)
<b>Cash used in investing activities</b>	<b>(1,366)</b>	<b>(780)</b>	<b>(1,019)</b>	<b>(1,037)</b>
Net increase/(decrease) in funding	132,832	188,185	238,282	302,829
<b>Cash used in financing activities</b>	<b>132,832</b>	<b>188,185</b>	<b>238,282</b>	<b>302,829</b>
Net increase/(decrease) in cash	(23,442)	(31,273)	(36,314)	41,601
<b>Opening cash and cash equivalent</b>	<b>13,133</b>	<b>17,530</b>	<b>26,162</b>	<b>41,263</b>
Effects of exchange rate movement	27,839	39,906	51,414	(16,940)
<b>Closing cash and cash equivalent</b>	<b>17,530</b>	<b>26,162</b>	<b>41,263</b>	<b>65,924</b>

## PART 9 – RISK FACTORS

This section presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. An investment in GHL entails certain risks, thus prospective investors considering a purchase of GHL's Notes, should carefully consider the following potential risks including any relevant information contained in this Document. The Company has exposure to the following risks from its day-to-day operations.

**Interest Rate Risk:** Changes in the market interest rates affect the interest income or expenses of variable financial instruments that GHL contracts. There is the risk that variable interest rate mortgages would rise to levels where local borrowers cannot service their loans any longer. Currently all fixed rate mortgages have been matched to fixed rate funding lines similarly; variable rate mortgages are written using variable rate funding lines. The Company's interest rate risk management process manages and controls interest rate exposure in order to optimise return on risk while maintaining a market profile consistent with the entity's mission.

**Foreign Exchange Risk:** It is the risk that movement in foreign exchange rates will reduce GHL's income or capital. If the exchange rate for major currencies moves drastically against the GHS, cedi earning borrowers will be unable to earn enough GHS to meet their obligations. GHL has some borrowings in foreign currencies and is exposed to exchange risk arising from various currency exposures particularly USD. Consequently, the Company is exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates. The Company manages foreign exchange risk by monitoring the sensitivity of future earnings and capital to varying foreign exchange rates.

**Credit Risk:** This is the risk that GHL shall itself default on its debt obligations because its borrowers are unable or unwilling to service their mortgage obligations. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to the particular client. All mortgages written by GHL are loans that are fully secured by real estate. Clients that default are taken through the foreclosure process and their repossessed properties are sold to recover any outstanding obligation etc.

**Market Risk:** Market risk comes in two forms. Variable rate loans are structured such that the borrowers' rate could be adjusted to reflect the interest rate differentials that may have arisen between commitment and actual disbursement. This provides some mitigation. Fixed rate loans are locked in at a rate well before the disbursement occurs. Ghana Homes Loans mitigates this risk by revising the rates after a year. GHL disburses a loan at a fixed rate and places it in a bridging facility but waits to build up a large loan portfolio before it draws down long term funds at which time the pricing of those funds are determined. This risk is mitigated by reducing the period that the loans stay in the warehouse facility.

**IT & Data Risk:** GHL regularly backs up all operating data on and offsite. The Company has an offshore backup facility in the US where copies of data are regularly transmitted. GHL regularly tests these systems to ensure recoverability of the data.

## Independent Accountants Financial Report - Historical



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### INDEPENDENT AUDITORS REVIEW REPORT TO THE BOARD OF DIRECTORS OF GHANA HOME LOANS LIMITED

We have reviewed the audited financial statements of Ghana Home Loans Limited that comprise the statement of financial position as at 31 December 2010, 2011, 2012 and 2013 and 2014, the statement of income and cash flows for the years then ended and a summary of significant accounting policies and other explanatory notes as set out in the financial statements.

KPMG, Chartered Accountants of Accra have acted as auditors of Ghana Home Loans Limited throughout the period covered by our review (2010 to 2014). The auditors issued an unqualified opinion on the financial statements of Ghana Home Loans Limited from 2010 to 2014.

The financial information from 2010 to 2014 set out in the following sections have been prepared from the audited financial statements of Ghana Home Loans Limited after making such adjustments as we considered necessary.

#### Directors' Responsibility

The company's directors are responsible for the preparation and fair presentation of the financial statement in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1963 (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the audited financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.



## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ghana Home Loans Limited as at 31 December 2010, 2011, 2012, 2013 and 2014 and of its financial performance and cash flows for the years then ended, in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1963 (Act 179).

This report is intended for the sole use of Ghana Home Loans Limited in support of its corporate bond issue. No responsibility to any third party is accepted. The report should not be disclosed to any third party without our prior written consent.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Victor Gborglah', is written over a faint, circular stamp.

Signed by Victor Gborglah (ICAG\P\1151)  
For and on behalf of Ernst & Young (ICAG\F2015\126)  
Chartered Accountants  
Accra, Ghana

Date: 11 December 2015

## Independent Accountants Financial Report – Forecasts And Projections



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11 December 2015

The Managing Director  
Ghana Home Loans Limited  
Accra

Dear Sir,

### REPORTING ACCOUNTANTS' REPORT ON FINANCIAL FORECAST AND PROJECTIONS

We have examined the accounting policies and calculations for the prospective financial information for the years ending 31 December 2015 to 2019 as set out on pages 08 to 11 of this document in accordance with International Standard on Assurance Engagement (ISAE) 3400, The Examination of Prospective Financial Information, and in a manner required by L.I. 1728 of the Securities and Exchange Commission (SEC), as applicable to the examination of prospective financial information. The Directors are responsible for the prospective financial information and the assumptions on which it is based.

The forecast and projections have been prepared for inclusion in this Circular for the purpose of the corporate bond issue of Ghana Home Loans Limited. These forecasts and projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that these assumptions may not be appropriate for purposes other than those described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecast and projections. In our opinion, the prospective financial information, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors of Ghana Home Loans Limited and are presented on a basis consistent with the accounting policies normally adopted by the Company.

We do not express an opinion as to whether the actual results for the prospective period will approximate the forecast and projected figures, because events and circumstances do not frequently occur as expected, and those differences may be material.

Yours faithfully,

Signed by Victor Gborglah (ICAG\P\1151)  
For and on behalf of Ernst & Young (ICAG\F2014\126)  
Chartered Accountants  
Accra, Ghana

Date: 11 December 2015

A member firm of Ernst & Young Global Limited  
Partners: Ferdinand A. Gunn, Wilfred Okine,  
Kwadwo Mpeani Brantuo, Victor C. Gborglah,  
Pamela Des-Bordes, Isaac N Sarpong



## **Taxation in Ghana**

Capitalised terms used in this section headed “Taxation in Ghana” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The comments below are intended as a general guide to the relevant tax laws of Ghana as at the Programme Date. The contents of this section headed “Taxation in Ghana” do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

GHL is required by the Internal Revenue Act, 2000 (Act 592) (as amended) currently, to withhold tax at the rate of 8% on all interest payments to Noteholders except where the Noteholders are exempted under Applicable Law.

Legal Opinion By AB & David

# AB & David

Lawyers for Business and Projects in Africa

December 23, 2015

The Director-General  
Securities and Exchange Commission  
30 3<sup>rd</sup> Circular Road  
Cantonments  
Accra

The Managing Director  
The Ghana Stock Exchange  
5th Floor, Cedi House  
Liberia Road  
Accra-Ghana

Dear Sirs,

## GHANA HOME LOANS LIMITED: ESTABLISHMENT OF GH¢380 MILLION DOMESTIC MEDIUM TERM NOTE PROGRAMME AND LISTING OF NOTE PROGRAMME ON THE GHANA STOCK EXCHANGE

### 1 Introduction

#### 1.1 Basis of instructions

We have acted as legal advisors to Ghana Home Loans Limited (GHL) in connection with the establishment of a GH¢380 Million Domestic Medium Term Note Programme or the equivalent of USD 100,000,000 ("the Programme") and the proposed listing of the notes issued on the Ghana Stock Exchange ("the GSE Listing").

#### 1.2 Documents Reviewed

1.2.1 For the purpose of giving this opinion we have examined originals or certified copies of the following documents (the Documents and each a Document):

- a) A copy of the Certificate of Incorporation of GHL dated 11<sup>th</sup> November, 2003.
- b) A copy of the Certificate to Commence Business of GHL dated 26<sup>th</sup> November, 2003.

**Accra:**  
8 Dr. Isert Road, North Ridge  
P.O. Box TF330,  
Accra, Ghana  
Tel: (233) 030.2253073/4  
(233) 030.7012129

**Kumasi:**  
3rd Floor, Chelsea House  
Harper Road, Adum  
P.O. Box KS 9064  
Kumasi, Ghana  
Tel: (233) 032.2022494

**Takoradi:**  
Suite 207  
SSNIT Office Complex  
Takoradi, Ghana  
Tel: (233) 031.2023998  
(233) 031.2024526

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- c) The Regulations of GHL adopted by special resolution of the members on conversion from a private limited liability company to a public company dated 11<sup>th</sup> May, 2015 (**"the Regulations"**)
- d) A copy of a licence to operate a Non-Bank Financial Institution issued to GHL by the Bank of Ghana commencing on 28<sup>th</sup> June, 2006.
- e) The Resolution of the Board of Directors of GHL dated 3<sup>rd</sup> September, 2015 approving the Programme and GSE Listing (the **"Board Approval"**)
- f) The Resolution of the Shareholder of GHL dated 3<sup>rd</sup> September, 2015 approving the Programme and the GSE Listing (the **"Shareholders' Approval"**)
- g) A letter from the Bank of Ghana dated 11<sup>th</sup> May, 2015 approving the GSE Listing
- h) The trust deed entered into between GHL and Fidelity Bank Ghana Limited as the Trustee and Paying Agent dated 30<sup>th</sup> November, 2015 (the **"Trust Deed"**)
- i) The collateral agent agreement entered into between GHL, Fidelity Bank Ghana Limited and Cal Bank Limited dated 15<sup>th</sup> December, 2015 (the **"the Collateral Agent Agreement"**)
- j) The agency agreement entered into between GHL, Fidelity Bank Ghana Limited and the Central Securities Depository (Gh) Limited dated 15<sup>th</sup> December, 2015 (the **"Agency Agreement"**)
- k) The prospectus to be issued by GHL in connection with the Programme and the GSE Listing (the **"Prospectus"**)

(The Trust Deed, the Collateral Agent Agreement and the Agency Agreement together referred to as the **"Programme Documents"**)

In addition, we have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

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## 1.3 Scope and purpose of the opinion

This opinion is limited to matters of the law of Ghana as in force and applied at the date of this opinion.

## 1.4 Assumptions

In giving this opinion, we have assumed, and this opinion is given on the basis that:

- 1) All original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
- 2) The person or persons who signed the relevant Documents were authorised to do so;
- 3) The authorising resolutions of GHL were duly passed at properly convened meetings of GHL's shareholders and board of directors (each with a duly qualified quorum) voted in favour of approving the resolutions;
- 4) All disclosures made to us by GHL and its officers as reflected in the Prospectus are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

## 2 OPINION

We are of the opinion that under the laws of Ghana as at the date of this opinion:

### 2.1 Incorporation and Capacity

- 2.1.1 GHL is a public limited liability company duly established and validly existing under the laws of Ghana;

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2.1.2 No steps have been or are being taken to wind up or dissolve GHIL, appoint a trustee, any administrator, receiver, liquidator or analogous person or body over, or to wind up GHIL;

2.1.3 GHIL has the capacity to sue and be sued in its own name and to carry on its business as currently conducted including the establishment of the Programme, the performance of the Programme Documents and the issue of the notes thereunder.

## 2.2 Authorisation to do business as a Non-Bank Financial Institution

GHIL is duly licensed as a Non-Bank Financial Institution by the Bank of Ghana and has substantially complied with all regulatory requirements necessary or advisable for the conduct of its business.

## 2.3 Corporate Authorisations

GHIL has obtained all the necessary corporate authorisations from the Board of Directors and shareholder necessary or advisable in connection with the Programme and GSE Listing;

GHIL has full corporate power authority to enter into the Programme Documents and perform its obligations under them and has taken all necessary corporate action to authorise its execution, delivery and performance;

GHIL has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Programme Documents.

## 2.4 Approvals and consents

GHIL has obtained all the necessary regulatory and statutory approvals, consents, or authorisations of any regulatory body, governmental or other authority that are necessary for Programme and GSE Listing.

## 2.5 The Prospectus

2.5.1 The Prospectus complies with all statutory or regulatory requirements;

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2.5.2 We have not been asked to comment on and we express no comment or belief as to, the financial statement, financial date, supporting schedules, and statistical data included in the Prospectus.

## 2.6 Material Contracts

All the material contracts of GHL necessary for the conduct of its business are in proper legal form for the particular matters to which they are related and are enforceable under the laws of Ghana and do not in any way inhibit the Programme and the GSE Listing.

## 2.7 The Regulations

2.7.1 The Regulations comply with all legal requirements on the contents of the regulations of a public company;

2.7.2 The proposed Programme and GSE Listing comply with all legal requirements for listing on the GSE and do not contravene any provision of the Regulations of GHL.

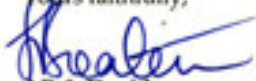
## 2.8 Contractual obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing GHL from undertaking the Programme and GSE Listing.

## 2.9 Registrations and filings

All the statutory or regulatory registration or filing requirements necessary or advisable in relation to or in connection with the Programme and GSE Listing have been complied with.

Yours faithfully,

  
AB & David

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## PART 10 - TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by GHL under the Programme. The Applicable Pricing Supplement in relation to any Series or Tranche of Notes may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions replace or modify the following Terms and Conditions for the purpose of such Series or Tranche of Notes. The Terms and Conditions as replaced or modified by the Applicable Pricing Supplement will be incorporated by reference in each Note. The Notes are issued subject to the Trust Deed entered into between the Issuer and the Trustee on 30th November, 2015 and the Collateral Agent Agreement entered into between the Issuer, Trustee and the Collateral Agent. Copies of the Trust Deed are available for inspection by the Noteholders upon request, at the registered office of the Trustee, being at the date hereof Ridge Tower, West Ridge, Accra and for so long as any Notes remain outstanding.

### 10.1 Interpretation

In these Terms and Conditions and the Applicable Pricing Supplement, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the meaning ascribed to them hereunder:

<b>Additional Amounts</b>	means additional amounts payable as a result of any change in the laws, regulations or treaties of the Republic of Ghana, or any political subdivision or any authority in or of the Republic of Ghana, having power to tax, or in the application or official interpretation of such laws, regulations or treaties (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of the Programme Memorandum
<b>Affiliates</b>	in relation to a corporate body, means any other corporate body over which that corporate body has Control
<b>Applicable Laws</b>	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which govern the Programme, these Terms and Conditions and the Notes issued thereunder in accordance with which the same are to be construed
<b>Applicable Pricing Supplement</b>	means the Pricing Supplement issued in relation to each Series or Tranche of Notes, substantially in the form set out in Appendix I to this Programme Memorandum, as a supplement to this Programme Memorandum, giving details of that particular Series or Tranche of Notes and the Terms and Conditions applicable to each Note in that Series or Tranche of Notes in so far as such terms and conditions are different from these Terms and Conditions
<b>Applicable Procedures</b>	means the rules and operating procedures for the time being of the CSD, the Participants and the debt listings requirements of the GAX of the GSE and/or any other Financial Exchange
<b>Arranger</b>	means IC Securities (Ghana) Limited
<b>Auditor</b>	means KPMG, the statutory auditors of GHL for the financial year ending December 2014
<b>Bank of Ghana (“BoG”)</b>	means the Central Bank of the Republic of Ghana currently governed by the Bank of Ghana Act, 2002 (Act 612)
<b>Banking Act</b>	means the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738) and any future amendment
<b>Benchmark</b>	means the benchmark rate of interest agreed between the Issuer, Arranger and Dealers as the basis to calculate a rate of interest in respect of a Floating Rate Note as set forth in the Applicable Pricing Supplement
<b>Beneficial Interest</b>	in relation to a Tranche or Series of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche or Series in relation to any number of Notes in that Tranche or Series, is determined by reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate

	outstanding Nominal Amount of all of the Notes in that Tranche or Series
<b>Books Closed Period</b>	in relation to a Tranche or Series of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive principal and/or interest
<b>Broken Amount</b>	means the amount of any initial or final interest amount which does not correspond to the Fixed Coupon Amount and the Interest Payment Dates to which they relate, calculated in respect of a Fixed Rate Note as provided for by the Applicable Pricing Supplement
<b>Business Day</b>	a day (other than a Saturday or Sunday or public holiday) on which commercial banks settle GHS payments in Accra, save further that if the Applicable Pricing Supplement so provides, “Business Day” shall include a Saturday
<b>Business Day Convention</b>	means each of the Floating Rate Business Day Convention, the Following Business Day Convention, the Modified Following Business Day Convention and the Preceding Business Day Convention which may be applicable to the calculation of interest
<b>Call Option</b>	means the call option on the Notes which may be provided to the Issuer in respect of Notes and as set forth in the Applicable Pricing Supplement
<b>Central Securities</b>	means the Central Securities Depository (Gh) Limited, a limited Depository or “CSD” liability company duly incorporated under the laws of Ghana, or its nominee, operating as a central securities depository where Noteholders will be credited with the Note, or any additional or alternate depository approved by GHL, the SEC and GSE
<b>Charged Cash</b>	means, at any time, the aggregate of all amounts (whether representing proceeds of disposal or other monies) standing to the credit of the Collateral Pool
<b>Class of Noteholders</b>	the holders of a Series or Tranche of Notes or, where appropriate, the holders of different Series or Tranche of Notes
<b>Concurrent Claims</b>	means all secured or unsecured claims of creditors of the Issuer
<b>Control</b>	means, in relation to an undertaking, the ability of a person to ensure that the activities and business of that undertaking are conducted in accordance with the wishes of that person and a person shall be deemed to have Control of an undertaking if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights or which has the right to nominate a majority of directors in that undertaking or the right to receive the majority of the income of that undertaking on any distribution by it of all of its income of the majority of its assets on a winding up
<b>Currency</b>	means Ghana Cedi, USD or any successor currency or a currency other than GHS or USD in the case of a Tranche or Series denominated in a currency other than Ghana Cedi or USD
<b>Day</b>	a Gregorian calendar day unless qualified by the word “Business”
<b>Day Count Fraction</b>	in relation to a Tranche or Series of Notes (where applicable) and the calculation of an amount for any period of time (the Interest Period), the Day Count Fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement  (See 10.7.3 for Terms and conditions on Day Count Fraction calculation)
<b>Dealer</b>	means IC Securities (Ghana) Limited and/or any other entity appointed as a Dealer by GHL with prior approval from the SEC, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement
<b>Default Rate</b>	in relation to a Tranche or Series of Notes, the default rate specified as such in the Applicable Pricing Supplement
<b>Designated Mortgages</b>	means the total number of mortgages written with the Notes



<b>Determination Date</b>	in relation to a Tranche or Series of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement
<b>Determination Period</b>	in relation to a Tranche or Series of Notes, the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date)
<b>Directors</b>	means the directors of GHIL from time to time and for the time being
<b>Early Redemption</b>	means the early redemption of a Note prior to its due date
<b>Early Redemption Amount</b>	means the amount payable upon the Early Redemption of a Note
<b>Encumbrance</b>	means any mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security and any other security agreement or other arrangement, howsoever described, having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien)
<b>Event of Default</b>	means an event as contemplated in Conditions 10.18 (Events of Default) of the Terms and Conditions
<b>Exercise Notice</b>	means the formal notification by the Issuer of the exercise of an option for Early Redemption
<b>Extraordinary Resolution</b>	means an extraordinary resolution of the Noteholders or Noteholders of a Series or Tranche of Notes and as further defined in the Trust Deed
<b>Face Value</b>	means the nominal amount of a Note
<b>Final Redemption</b>	means the Final Redemption of a Note on the Maturity Date
<b>Final Redemption Amount</b>	the Face Value of a Note payable in respect of each Note, upon Final Redemption thereof
<b>Fixed Coupon Amount</b>	means the amount of Interest payable in respect of a Fixed Rate Note, as set forth in the Applicable Pricing Supplement
<b>Fixed Interest Period</b>	means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date
<b>Fixed Rate Notes</b>	means Notes entitled to a fixed rate of Interest as set forth in the Applicable Pricing Supplement
<b>Floating Rate Notes</b>	means Notes entitled to a floating rate of Interest as set forth in the Application Pricing supplement
<b>Global Registered Certificate Note</b>	means a single Global Registered Note Certificate (in the form set out in Appendix III) issued to the Trustee (in respect of each Tranche of Notes or each Series) who will hold all the Notes as nominee for the Noteholders
<b>Higher Redemption Amount</b>	in relation to a Tranche or Series of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement
<b>IFRS</b>	the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or reissued from time to time)

<b>Implied Yield</b>	in relation to a Tranche or Series of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the Applicable Pricing Supplement
<b>Indebtedness</b>	in respect of the Issuer, any indebtedness in respect of monies borrowed from any third party lender and (without double counting) guarantees (other than those given in the ordinary course of business) given, whether present or future, actual or contingent
<b>Interest</b>	means the Interest payable on a Note as set forth in the Applicable Pricing Supplement
<b>Interest Accrual Period</b>	means any period set forth in the Applicable Pricing Supplement for the calculation of Interest in respect of any Tranche or Series of Floating Rate Notes
<b>Interest Commencement Date</b>	means the date that Interest shall commence to be calculated as set forth in the Applicable Pricing Supplement
<b>Interest Determination Date</b>	means the date upon which Interest is calculated for a specified Interest Period and as set forth in the Applicable Pricing Supplement
<b>Interest Period</b>	as set forth in the Applicable Pricing Supplement
<b>Interest Payment Date</b>	as set forth in the Applicable Pricing Supplement
<b>Interest Rate</b>	as set forth in the Applicable Pricing Supplement
<b>Issue Date</b>	as set forth in the Applicable Pricing Supplement
<b>Issue Price</b>	as set forth in the Applicable Pricing Supplement; means the price at which the Notes may be issued, either on a fully or partly paid basis as specified in the Applicable Pricing Supplement. The price and amount to be issued under any Series or Tranche of Notes will be determined by the Issuer and the relevant Dealer(s) and the Placing Agent at the time of issue in accordance with prevailing market conditions
<b>Issuer or GHIL</b>	means Ghana Home Loans PLC, a company registered in the Republic of Ghana with company registration number CA-86,370 and licensed as a non-bank financial institution under the Banking Act, 2004 (Act 673) (as amended)
<b>Last Day to Register</b>	means 17:00h on the last Business Day before the first day of a Books Closed Period
<b>Margin</b>	means the margin agreed to by the Issuer, Arranger and Dealer, if any, by which the Benchmark or Reference Rate will be increased or decreased to calculate and arrive at an Interest Rate in a Floating Rate Note and set forth in the Applicable Pricing Supplement
<b>Material Group Company</b>	a) the Issuer; and (b) any company of which the Issuer is a member and which: (i) represents more than 15% (fifteen percent) of the assets of the Issuer or more than 15% (fifteen percent) of the EBITDA of the Issuer as published in the Issuer's latest audited financial statements; or (ii) is a wholly owned subsidiary of the Issuer
<b>Maturity Date</b>	means in respect of a Series or Tranche of Notes the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer and as set forth in the Applicable Pricing Supplement
<b>Maximum Interest Rate</b>	means the maximum rate of the interest that may be payable on a Floating Rate Note as agreed by the Issuer, Arranger and Dealer if any and as set forth in the Applicable Pricing Supplement
<b>Minimum Interest Rate</b>	means the minimum rate of the interest that may be payable on a Floating Rate Note as agreed by the Issuer, Arranger and Dealer if any and as set forth in the Applicable Pricing Supplement
<b>Negative Pledge</b>	means the undertaking of the Issuer provided to Noteholders of Unsecured Notes that so long



as any Unsecured Notes remain outstanding, it shall not create or permit to exist any mortgage, charge, lien, pledge or other security interest upon or with respect to any of its undertakings, assets or revenues to secure any Financial Indebtedness unless the Unsecured Notes are secured equally and ratably with such other Financial Indebtedness or are otherwise given the benefit of such other arrangements as shall be approved by an Extraordinary Resolution of the Noteholders. The terms of the Secured Notes will contain no negative pledge

<b>Net Annual Income</b>	means in relation to any Charged Property, an amount representing all income accruing from such Charged Property before charging VAT and any other taxes
<b>Nominal Amount</b>	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note
<b>Notes</b>	Secured or Unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum
<b>Noteholder</b>	means a holder of a Note from time to time and recorded as such in the Register
<b>Optional Redemption Amount</b>	means the amount payable upon exercise of the Call Option, as specified in the Applicable Pricing Supplement
<b>Optional Redemption Date</b>	means the date for redemption of Notes, specified in the Exercise Notice
<b>Outstanding</b>	in relation to the Notes, all the Notes issued under the Programme other than: <ul style="list-style-type: none"> <li>(a) those which have been redeemed in full;</li> <li>(b) those which have been purchased and cancelled as provided in Condition 10.10 (Redemption, Purchase &amp; Calculation);</li> <li>(c) those which have become prescribed under Condition 10.17 (Prescription); provided that for each of the following purposes:               <ul style="list-style-type: none"> <li>(i) the right to attend and vote at any meeting of the Noteholders; and</li> <li>(ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 10.21 (Meetings of Noteholders, Amendment, Modification, Waiver and Substitution)</li> </ul> </li> <li>(d) all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any Person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held), be deemed not to be Outstanding).</li> </ul>
<b>Participants</b>	means a person accepted by the Central Securities Depository as a participant in terms of the Securities Services Act, and who is approved as a settlement agent to perform electronic settlement of funds and scrip
<b>Payment Day</b>	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes
<b>Permitted Encumbrance</b>	shall have the meaning set out in clause 10.6.3 of the Terms and Conditions
<b>Person</b>	means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality
<b>Placing Agent</b>	means unless otherwise set out in an Applicable Pricing Supplement, any person who may be appointed as a placing agent by the Issuer in relation to any Series or Tranche of the Notes
<b>Primary Source</b>	means the source for a Benchmark or Reference Rate, the calculation of a Floating Rate Interest as stipulated in the Applicable Pricing Supplement
<b>Principal Amount</b>	means the Face Value of the Notes
<b>Programme</b>	the GHS 380,000,000 Note Programme (or the equivalent of USD 100,000,000) as amended from time to time, under which the Issuer may from time to time issue Notes denominated in



	the currency and having such maturity as may be set forth in the Applicable Pricing Supplement
<b>Programme Date</b>	the date of this Programme Memorandum being 15th March, 2016
<b>Programme Memorandum</b>	means this Programme Memorandum issued by GHL on 15th March, 2016 as supplemented, amended, restated or updated from time to time
<b>Property</b>	means all estates or interests of the Issuer in any freehold, heritable or leasehold property whatsoever situate now or in future belonging to it and all buildings, fixtures, fittings and fixed plant and machinery from time to time thereon (and Properties shall be construed accordingly)
<b>Rate Multiplier</b>	means a multiplier of the Benchmark or Reference Rate agreed by the Issuer, Arranger and Dealer if any, to be utilised in calculating the Interest Rate for Floating Rate Notes and set forth in the Applicable Pricing Supplement
<b>Recipient</b>	means a person to whom this Programme Memorandum has been sent by a Dealer or Placing Agent on behalf of the Issuer
<b>Redemption</b>	means Final or Early Redemption as the case may be
<b>Redemption Amount</b>	means the amount payable on the Redemption of a Note on the Redemption Date as set forth in the Applicable Pricing Supplement
<b>Redemption Date</b>	means the date upon which a Series or Tranche of Notes is redeemed by the Issuer as set forth in the Applicable Pricing Supplement
<b>Reference Banks</b>	means any bank in Ghana specified as a reference bank in an Applicable Pricing Supplement
<b>Reference Rate</b>	means the benchmark interest rate so specified in the Applicable Pricing Supplement for each Tranche or Series of Floating Rate Notes to be issued under the Programme
<b>Register</b>	the register maintained by the Transfer Agent as agent of the Issuer
<b>Registered Notes</b>	means Uncertificated Notes recorded in the Register
<b>Regulatory Event</b>	means an event pursuant to which the Issuer is no longer permitted under the Applicable Regulations or an official application or interpretation of those Applicable Regulations including a decision of any court or tribunal at any time whilst any Subordinated Notes are outstanding to treat the aggregate Principal Amount of such Subordinated Notes as its own funds for the purposes of the determination of its solvency margin or capital adequacy ratios
<b>Relevant Rate</b>	means the rate of interest as agreed by the Issuer and Arranger to be used as the basis for calculation of the Interest on a Note as specified in the Applicable Pricing Supplement
<b>Relevant Time</b>	is the time on the Interest Determination Date, if any, specified in the Applicable Pricing Supplement for calculating the Interest Rate and Interest Payable on a Note
<b>Representative</b>	a person duly authorised to act on behalf of a Noteholder, the Trustee, the Transfer Agent, the Calculation Agent or the Paying Agent, as the case may be, who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the Trustee, the Transfer Agent, the Calculation Agent and the Paying Agent
<b>Series</b>	means a Series of Notes in which the Notes shall have the same maturity date and identical terms as to interest and redemption (except that amongst Series, the Issue Dates, Interest Commencement Dates, Interest Payment Dates and amounts of the first interest payment and related matters may differ)
<b>Secured Notes</b>	means unless otherwise set out in an Applicable Pricing Supplement, the series or Tranche secured by the Collateral Pool





<b>Taxes</b>	has the meaning provided for in Condition 10.13 below
<b>Tier II Capital</b>	is capital of the Issuer which qualifies as Tier II Capital as defined by the Bank of Ghana pursuant to the rules of the Basel II Convention as applied by it in Ghana
<b>Terms and Conditions</b>	means the terms and conditions recorded herein and in accordance with which Notes shall be issued in terms of the Programme, which terms and conditions may be amended by a supplementary Programme Memorandum and an Applicable Pricing Supplement
<b>Tranche</b>	means a tranche of Notes which are identical in all respects
<b>Transaction Account</b>	means the accounts of the Issuer set up with the Paying Agent and other banks in respect of the Notes and the Collateral Pool
<b>Transfer Agent</b>	means Central Securities Depository
<b>Trust Deed</b>	means the trust deed which appoints the Trustee for the Noteholders, entered into between the Issuer and the Trustee dated 30th November, 2015
<b>Trustee</b>	means Fidelity Bank Ghana Limited and/or any other entity appointed as a Trustee by GHIL in accordance with the Trust Deed
<b>Unsecured Notes</b>	means a Series or Tranche of Notes not secured by the Collateral Pool
<b>Written Resolution</b>	means a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed, whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders

## 10.2 Issue

GHIL may, at any time and from time to time (without the consent of any Noteholder) issue one or more Tranche(s) or Series of Notes pursuant to the Programme; provided that the aggregate Outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount of GHS 380,000,000 or the equivalent of USD 100,000,000. GHIL may issue Notes in USD as part of the Principal Amount and will be payable at maturity in USD.

Notes will be issued in individual Tranches or Series. A Tranche or Series of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche or Series of Notes. The Applicable Terms and Conditions of a Tranche or Series of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche or Series of Notes set out in the Applicable Pricing Supplement relating to that Tranche or Series of Notes.

GHIL may allot and issue Notes to such Recipients and on such dates as the Issuer deem fit. The Issuer reserves the right, in its sole discretion, to refuse any application in whole or in part, or to accept some applications for the Notes in full and others in part, or to refuse all applications for the Notes on any basis determined by it.

The Noteholders are, by virtue of their subscription for or the purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Trust Deed.

## 10.3 Form and Denomination

Notes will be issued in the form of Registered Notes.

Each Note may be a Fixed Rate Note, a Floating Rate Note, or such combination of any of the foregoing or such other type of Note as may be determined by GHIL and specified in the relevant Applicable Pricing Supplement.

Each Note will be issued in the Specified Denomination indicated in the Applicable Pricing Supplement and all payments in relation to the Notes will be made in Specified Denominations and Specified Currency.

Each Note may be a Secured Note or an Unsecured Note, in each case as indicated in the Applicable Pricing Supplement.

Listed or Unlisted Notes may be issued under the Programme.

### **Registered Notes**

Registered Notes will be issued in uncertificated form. Each Tranche or Series of Notes which is listed on the GAX of the GSE issued in uncertificated form, will be held in the Central Securities Depository. A Tranche or Series of unlisted Notes may also be held in the Central Securities Depository.

### **Notes issued in uncertificated form**

A Tranche or Series of Notes which is listed on the GAX of the GSE may be issued in uncertificated form. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

### **Beneficial Interests in Notes held in the Central Securities Depository**

A Tranche or Series of Notes which is listed on the GAX of the GSE will be issued in uncertificated form and held in the Central Securities Depository. A Tranche or Series of Unlisted Notes may also be held in the Central Securities Depository.

The Central Securities Depository will hold each Tranche or Series of Notes subject to the Applicable Procedures.

All amounts to be paid and all rights to be exercised in respect of Notes held in the Central Securities Depository will be paid to and may be exercised only by the holders of Beneficial Interests in such Notes.

## **10.4 Title**

### **10.4.1 Notes issued in uncertificated form**

The CSD's Nominee will be named in the Register as the registered holder of each Tranche or Series of Notes which is issued in uncertificated form.

### **10.4.2 Beneficial Interests in Notes held in the CSD**

#### **Beneficial Interest for Participants**

Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

#### **Beneficial Interest for Noteholders**

Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

#### **Proof of Beneficial interest**

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The registered holder of such Notes named in the Register will be treated by the Issuer, the Trustee, the Transfer Agent and the relevant Participant as the holder of that aggregate Principal Amount of such Notes for all purposes.

#### **Transfer of Beneficial interest**

Subject to the Applicable Laws, title to Beneficial Interests held by Participants directly through the CSD will be freely transferable and will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Subject to the Applicable Laws, title to Beneficial Interests held by clients of Participants indirectly through such Participants will be freely transferable and will pass on transfer thereof by electronic book entry in the security accounts maintained by such Participants for such clients.



Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant.

## 10.5 Status of the Secured Notes

### 10.5.1 Status of Secured Notes

The Senior Secured Notes are direct obligations of the Issuer, secured in the manner set out in Condition 10.5.2 (Security), and will at all times rank *pari passu* without preference or priority amongst themselves and at least *pari passu* in right of payment with all other present and future senior secured obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of Applicable Law.

### 10.5.2 Security

GHL's obligations in respect of the Secured Notes are secured (subject to provisions in these Terms and Conditions and the Trust Deed) pursuant to the Trust Deed in favour of the Trustee for the benefit of itself, the Noteholders, and the Collateral Agent as follows:

- (a) by an assignment by way of security of the GHL's rights, title and interest arising under the Collateral Agreement and the Trust Deed, in each case to the extent they relate to the Notes;
- (b) by a charge by way of first fixed charge over all moneys and/or securities from time to time standing to the credit of the Transaction Accounts and all debts represented thereby; and
- (c) by a charge by way of first fixed charge over all sums held from time to time by the Paying Agent for the payment of principal or interest in respect of the Notes.

The property charged and assigned pursuant to the Trust Deed listed in (a) to (c) above, together with any other property or assets held by and/or assigned to the Trustee and/or any deed or document supplemental thereto, is referred to herein as the **Issuer Charged Property** and the security created thereby, the **Issuer Security**.

#### Collateral Profile Test

GHL will generally be required to satisfy certain requirements under the Collateral Agreement:

#### Asset Cover Ratio

The Issuer shall procure that at all times the sum of:

- (a) the value of the designated mortgages forming part of the Issuer's Collateral Pool shall not fall below one hundred and ten percent (110%) of the outstanding amount of notes; and
- (b) the charged cash shall not be less than the outstanding amount of the notes;

#### Portfolio Interest Cover Ratio

Being the Net Annual Income received by the Issuer, as the case may be, in respect of:

- a) the Mortgage Loans forming part of the Issuer's Collateral Pool; and
- b) the Charged Cash, will not be less than 105% of the amount of interest which is payable by the Issuer in respect of the outstanding amount of Notes

#### Quality of Assets

The Issuer shall procure that at all times:

- a) the designated mortgages forming part of the Issuer's Collateral Pool shall be classified as current. If any designated mortgage in the Collateral Pool fails to meet the Quality of Assets requirement under the Collateral Pool Test, the Issuer shall remove the mortgage if the failure to meet the Quality of Assets requirement under the Collateral Pool Test is not remedied within sixty (60) days and replace it with another that meets the Collateral Pool Test

## 10.6 Status of the Unsecured Notes

The Unsecured Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* and ratably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

- 10.6.1 Unless otherwise set out in the Applicable Pricing Supplement, for so long as any Tranche or Series of the Unsecured Notes remains Outstanding, the Issuer undertakes that they shall not, and shall procure that no other Material Group Company, create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Financial Indebtedness (save for those which have been accorded a preference by law) without at the same time securing all Unsecured Notes equally and ratably with such Indebtedness or providing such other security or arrangement as may be approved by Extraordinary Resolution of the Unsecured Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Unsecured Noteholders.
- 10.6.1.1 For the purposes of this Condition 10.6.1: “Financial Indebtedness” means any obligation of the Issuer or any person (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of (i) Indebtedness for Borrowed Money (as defined below) or (ii) bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts; and
- 10.6.1.2 “Indebtedness for Borrowed Money” means any indebtedness of any person for or in respect of:
- (i) monies borrowed; (ii) amounts raised by acceptance under any credit facility; (iii) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments; (iv) amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable; (v) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases; (vi) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service and (vii) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a “with recourse” basis) having the commercial effect of a borrowing
- 10.6.2 The Issuer shall appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.
- 10.6.3 Permitted Encumbrance
- (a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or
  - (b) any Encumbrance with regard to receivables of the Issuer or a Material Group Company or if such Encumbrance is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness secured by such Encumbrance is limited to the value of such receivables (on or about the date of creation of such Encumbrance); or
  - (c) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary or between any Subsidiaries; or
  - (d) any Encumbrance created over any asset acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the bona fide arms' length market value (on or about the date of the creation of such Encumbrance) of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two; or
  - (e) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or
  - (f) any Encumbrance created in the ordinary course of business, which includes, stock-in-trade, inventories, accounts receivable or deposit accounts; or
  - (g) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in sub-clauses (a) to (f) above).
- 10.6.4 payments to Noteholders of Unsecured Notes will, in the case of insolvency and winding up or dissolution of the Issuer with respect to the Issuer, only be made after all payment obligations of the Issuer ranking senior to such Unsecured Notes have been satisfied.

## 10.7 Interest and Other Calculations

### 10.7.1 Interest on Fixed Rate Notes

Each Fixed Rate Note will bear interest on its outstanding Principal Amount from the Interest Commencement Date to the Maturity Date at the rate(s) per annum equal to the Fixed Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year up to the Maturity Date. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.

Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount.

If a Fixed Coupon Amount or a Broken Amount is specified in an Applicable Pricing Supplement, the amount of Interest payable on each Interest Payment Date in respect of the Fixed Interest Period will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the particular Interest Payment Date(s) specified hereon.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest subunit, half such subunit being rounded upwards or otherwise in accordance with applicable market convention.

### 10.7.2 Interest on Floating Rate Notes

#### Interest Payment Dates

Each Floating Rate Note bears interest on its Nominal Amount which is Outstanding from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

#### Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the Applicable Pricing Supplement.

#### Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

#### Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent, in the case of Floating Rate Notes will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer, the Noteholders, the Paying Agent, and the Transfer Agent of the Rate of Interest and the interest amount payable for the relevant Interest Period and the relevant Interest Payment Date as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

#### Interest Determination, Screen Rate Determination including Fall-back Provisions

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph, **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined



by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- c) the relevant Reset Date, as specified in the Applicable Pricing Supplement.

For the purposes of the above subparagraph **Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to the provisions below, be either:

- a)
  - i. if the Relevant Screen Page is available,
  - ii. the offered quotation (if only one quotation appears on the screen page); or
  - the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 1100h (or as otherwise specified in the Applicable Pricing Supplement) (Accra time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

- b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 1100h (Accra time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 1100h (Accra time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Tranche or Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Accra inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Tranche or Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 1100h (Accra time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

#### Notification of Rate of Interest and Interest Amount

Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Noteholders, the Paying Agent, and the Transfer Agent in accordance with Condition 10.22 (Notices).

#### Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 10.7.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer, the Paying Agent, the Transfer Agent, and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions

### 10.7.3 Day Count Fraction

"Day Count Fraction" means, in respect of the calculation of the Interest Amount for any Interest Period:

- a) if **Actual/365** or **Act/365** is so specified, means the actual number of Days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of Days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of Days in that portion of the Interest Period falling in a non-leap year divided by 365);
- b) if **Actual/Actual (ICMA)** is so specified, means:
  1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of Days in the Calculation Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
  2. where the calculation Period is longer than one Regular Period, the sum of:
    - i. the actual number of Days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
    - ii. the actual number of Days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods normally ending in any year.
- c) if **Actual/Actual** or **Actual/Actual (ISDA)** is so specified, means the actual number of Days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (a) the actual number of Days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of Days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- d) if **Actual/365 (Fixed)** is so specified, means the actual number of Days in the Calculation Period divided by 365;
- e) if **Actual/360** is so specified, means the actual number of Days in the Calculation Period divided by 360;
- f) if **30/360**, **360/360** or **Bond Basis** is so specified, means the number of Days in the Calculation period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =



where:

**Y1** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y2** is the year, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**M1** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M2** is the calendar month, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**D1** is the first Day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

**D2** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- g) if **30E/360** or **Eurobond Basis** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

**Y1** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y2** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M1** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M2** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D1** is the first Day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D1 will be 30; and

**D2** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31, in which case D2 will be 30;

- h) if **30/360 (ISDA)** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

**Y1** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y2** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M1** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M2** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D1** is the first Day, expressed as a number, of the Calculation Period unless (i) that Day is the last Day of February or (ii) such number would be 31, in which case D1 will be 30; and

**D2** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless (i) that Day is the last Day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

#### 10.7.4 Zero Coupon Notes

Zero Coupon Notes will be issued at a discount to its Nominal Amount, with the Nominal Amount paid on the Maturity Date and will not bear interest.

#### 10.7.5 Accrual of Interest

Each Note will cease to bear interest from the date of its redemption unless payment of principal is improperly

withheld or refused. In such an event, interest will continue to accrue (before as well as after judgment) at the Interest

Rate in the manner provided in this Condition 10.7 until whichever is the earlier of:

- a) the date on which all amounts due in respect of such Note have been paid; and
- b) the date on which the full amount of the monies payable has been received by the Paying Agent.

#### 10.7.6 Business Day Convention

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the **"Floating Rate Business Day Convention"**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the **"Following Business Day Convention"**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the **"Modified Following Business Day Convention"**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the **"Preceding Business Day Convention"**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

#### 10.7.7 Rounding

For the purposes of any calculation of Interest required pursuant to these Terms and Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) any Currency amount that falls due and payable shall be rounded to the nearest unit of the Currency (with halves being rounded up). For these purposes "unit" means the lowest amount of the Currency.

### 10.8 Special Provisions Relating To Foreign Currency Indexed or Denominated Notes

#### General

Unless indicated otherwise in the applicable pricing supplement and subject to the Bank of Ghana regulations on Foreign Currency Exchange, the Issuer will denominate the notes in a Specified Currency, the Issuer will make payments of principal, premium, if any and interest on the notes in the Ghana Cedi equivalent of the Specified Currency at the Daily Interbank FX Offer Rate published by the Bank of Ghana on the fourth Business Day preceding the applicable payment date. Noteholders must pay the purchase price of the notes in Ghana Cedi of the Specified Currency at the Specified Rate in the Pricing supplement. If Bank of Ghana Regulations permit, notes ("foreign currency notes") to be denominated or payable in a currency or basket of currencies other than Ghana Cedis, the following provisions will apply.

#### Currencies

The Issuer may offer foreign currency notes denominated and/or payable in a Specified Currency or Specified Currencies. Unless indicated otherwise in the applicable pricing supplement, the Noteholders are required to pay for foreign currency notes in the Specified Currency.

### Payment of Principal and Interest

The principal of, premium, if any, and/or interest on foreign currency indexed notes is payable by the Issuer in the Specified Currency. Unless indicated otherwise in the applicable pricing supplement or alternative arrangements are made, the Issuer will pay principal of, premium, if any, and/or interest on foreign currency indexed notes in the Specified Currency. If the Specified Currency is unavailable due to the imposition of exchange controls or other circumstances beyond the Issuer's control including the unavailability of the Specified Currency, the Issuer will be entitled to satisfy their obligations to holders of foreign currency notes by making the payment in Ghana Cedis on the basis outlined below;

### Payment Currency

The Calculation Agent will base the Specified Currency amounts that are due to holders of foreign currency notes on the highest bid quotation received at the close of business, on the fourth Business Day preceding the applicable payment date. The Calculation Agent will obtain that highest quote by asking three recognized foreign exchange dealers approved by the Issuer (one of whom may be the Paying Agent) for their bid quotations for the purchase of the Specified Currency in exchange for Ghana Cedis for settlement on the relevant payment date, in the aggregate amount of the Specified Currency payable to all holders of foreign currency notes scheduled to receive the Specified Currency, and at which the applicable dealer commits to execute a contract. If three such bid quotations are not available, we will make payments in the Ghana Cedi of the Specified Currency at the Daily Interbank FX Offer Rate published by the Bank of Ghana on the fourth Business Day preceding the applicable payment date. If the foregoing is impracticable a Specified rate would be determined by us in good faith. All currency exchange costs will be borne by the holders of foreign currency notes by deductions from such payments. Any payment made under such circumstances in Ghana Cedi where the required payment is in a Specified Currency will not constitute a default under the Trust Deed with respect to the notes.

All determinations referred to above made by the Calculation Agent will be at its sole discretion and will, in the absence of clear error, be conclusive for all purposes and binding on the holders of the foreign currency notes.

### Currency Risk

As indicated above, if Noteholders invest in foreign currency notes or currency indexed notes, the investment will be subject to substantial risks, the extent and nature of which change continuously. As with any investment that is made in a security, financial and legal advisors should be consulted as to the risks entailed in an investment in foreign currency notes or currency indexed notes. Such notes are not an appropriate investment for Noteholders who are unsophisticated with respect to foreign currency matters.

## 10.9 Payments

### General

Payments of principal and/or interest shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement).

#### 10.9.1 Method of Payment

- a) Payments will be made in the Specified Currency by credit or transfer, by means of electronic settlement, to the Noteholder;
- b) Payments of interest and/or principal amounts shall be made by the Issuer via electronic funds transfer to the account designated for the purpose by the Trustee (the “**Trustee Account**”) by 9:00am on the fourth (4th) working day before the relevant Payment Day or Interest Payment Date. Such payment into the Trustee Account by the Issuer shall be a valid discharge by the Issuer of its obligation to pay interest or principal amounts due on the Notes, as the case may be;
- c) On receipt of funds in the Trustee Account, the Trustee shall make payment to the Noteholders via electronic funds transfer to the Noteholder on the relevant Payment Day or Interest Payment Date. In the event that, for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 10.9. In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register;

- d) The Trustee shall make payment by cheque to Noteholders who request for payments in respect of the Notes to be made by cheque. Payment by cheque, in the case of joint Noteholders, shall be made to the first one of them named in the Register. Payment of cheques shall be a valid discharge by the Trustee of the obligation upon it to pay interest or principal amounts, as the case may be. Cheques will be dated with the Payment Day. Cheques should be posted by registered post to the address of the Noteholder in the Register, upon Noteholder's request, (in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register) provided that neither the Issuer nor its agents shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted. The cheque will be mailed 1 Business day before the Payment Day;
- e) Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.13 (Taxation); and
- f) If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked “*not transferable*” (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by the fifth (5th) working day before the relevant Payment Day or Interest Payment Date by registered post to the address of the Trustee

### Payment Day

If the date for payment of any amount in respect of any Note is not a Business Day, subject to the applicable Business Day Convention, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

## 10.9.2 Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable

- a) any additional amounts which may be payable with respect to principal under Condition 10.13 (Taxation);
- b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- c) the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes; and
- d) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.13 (*Taxation*).

- 10.9.3 If at any time a partial payment of Principal Amount and/or Interest is made in respect of any Note, the Transfer Agent shall endorse the Register with a statement indicating the amount and date of such payment.

## 10.10 Redemption, Purchase and Cancellation

### 10.10.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

### 10.10.2 Early Redemption Amounts

The Early Redemption Amount payable in respect of any Note shall be the Final Redemption Amount unless otherwise specified in the Applicable Pricing Supplement.

### **10.10.3 Redemption at the Option of the Issuer**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 Business Days' but no more than 60 Business Days' notice to the Transfer Agent, the Paying Agent, the Calculation Agent, the Trustee, the Collateral Agent, and the Noteholders (which notice shall be irrevocable), at the Principal Amount, together with Interest accrued to the Redemption Date, if, immediately before giving such notice, the Issuer satisfies the Trustee that the Issuer has or will become obliged to pay any Additional Amount. Prior to the publication of any notice of redemption pursuant to this Condition 10.10.3, the Issuer shall deliver or procure delivery to the Trustee (1) a certificate signed by two directors of the Issuer stating that the obligation to pay an Additional Amount has occurred or will occur (irrespective of whether the obligation is then effective) and (2) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing, to whom the Trustee shall have no reasonable objection, to the effect that the Issuer (i) has or will become obliged to pay any Additional Amounts or (ii) has or will become obliged to make any additional withholding or deduction as a result of such change or amendment (irrespective of whether the obligation is then effective). The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above. Upon expiry of any such notice as referred to in this Condition 10.10.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.10.3.

In exercising a Call Option, the Issuer may, subject to any Applicable Laws and on giving not less than 30 Business Days' but no more than 60 Business Days' irrevocable notice to the Transfer Agent, the Paying Agent, the Calculation Agent, the Trustee, the Collateral Agent, and the Noteholders, redeem all, or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with Interest accrued to the Optional Redemption Date.

All Notes in respect of which an Exercise Notice is served shall be redeemed, on the date specified in such notice in accordance with this Condition 10.10.

In the case of a partial redemption pursuant to a Call Option, the notice to the Transfer Agent, the Paying Agent, the Calculation Agent, the Trustee, the Collateral Agent, and the Noteholders shall also contain the applicable Notes to be redeemed. In the case of partial redemption each Note in a Series or a Tranche shall be redeemed in the same percentage of its Principal Amount outstanding. In the case of partial redemption of all Notes, each Series or Tranche shall be redeemed in that percentage of the funds available for payment in redemption as the aggregate Principal Amount outstanding in that Series or Tranche bears to the aggregate Principal Amount of all Notes outstanding and each Note in the Series or Tranche shall be redeemed in the same percentage of Principal Amount outstanding, subject to compliance with any Applicable Laws.

### **10.11 Purchases**

The Issuer may at any time purchase or procure others to purchase for its account the Notes at any price in the open market or by tender or by private treaty. Notes so purchased may be held or resold or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Affiliates, shall not entitle the Noteholder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders. Where the Issuer or any Affiliate purchases notes and such purchase results in the Issuer or Affiliate, as the case may be, holding in aggregate more than 35% (thirty five percent) of the Nominal Amount of Notes issued in a particular Tranche or Series, the Issuer undertakes to immediately notify all remaining Noteholders of such purchase in accordance with Condition 10.20 (Notices).

### **10.12 Cancellation**

Notes purchased by or on behalf of the Issuer, or any Affiliates may be cancelled and if so, together with all Notes redeemed by the Issuer, may not be reissued or resold and the obligations of the Issuer in respect of any cancelled Notes shall be discharged. Notes that have been cancelled shall be notified to the CSD.

### **10.13 Taxation**

Subject to the Issuer's obligations under the Internal Revenue Act 2000 (Act 592), all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by, or on behalf of, the Republic of Ghana, or any political subdivision of, or any authority in, or of, the Republic of Ghana having power to tax, unless such withholding or deduction of Taxes is required by law.





## 10.14 Exchange of Beneficial Interests

### Death and sequestration or liquidation of Noteholder

Any Person becoming entitled to Notes as a consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Transfer Agent that he holds the position in respect of which he proposes to act under this Condition 10.14, or of his title as the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, may transfer such Notes. The Trustee shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or until such time such Notes are duly transferred.

## 10.15 Register

### 10.15.1 The Register of Noteholders:

shall be kept at the Specified Office of the Transfer Agent and a copy thereof shall be made available for inspection at the registered office of the Transfer Agent or such other Person as may be appointed for the time being by the Issuer to maintain the Register:

- a) shall contain the names, addresses and bank account numbers of the registered Noteholders;
- b) shall show the total Nominal Amount of the Notes held by Noteholders;
- c) shall show the dates upon which each of the Noteholders was registered as such;
- d) shall show the serial numbers of notes issued and the dates of issue and the dates of issue of each note thereof; and
- e) shall be closed during the books closed period. Noteholders entitled to participate in a distribution of Interest, or a Redemption Amount shall be those registered as such on the Last Day to Register.

10.15.2 The CSD shall through the Participants alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

10.15.3 The CSD shall make information on Noteholders contained in the Register available to any Noteholder or any person authorised in writing by the Noteholder as they may reasonably request.

10.15.4 Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer, Trustee, and Transfer Agent will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

10.15.5 Except as provided for in these Terms and Conditions or as required by law, the Trustee shall not be bound to request in writing the Transfer Agent to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which the Notes may be subject.

## 10.16 Transfer of Notes

### 10.16.1. Transfer of Beneficial Interests in Notes held in the CSD

Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.

Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.

In the event of a partial redemption of Notes under Condition 10.10.3 (Redemption at the Option of the Issuer), the Transfer Agent shall not be required in terms of Condition 10.10.3 (Redemption at the Option of the Issuer), to register the transfer of any Notes during the period beginning on the tenth Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

## 10.17 Prescription

Claims against the Issuer for payment of Principal Amounts or Interest in respect of the Notes, shall be prescribed and become void unless made within six years from the date on which such payment first becomes due. Annual report on all unclaimed principal and interest payments shall be presented to the SEC by the Paying Agent.

## 10.18 Events of Default

The Trustee at its discretion may, and if so requested in writing by the Noteholders of not less than one-fifth in Principal Amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured to its satisfaction) shall, give notice to the Issuer specifying any affected Notes and that such Notes are immediately due and repayable at the Principal Amount together with accrued interest if, in the case of Secured and Unsecured Notes, any of the following Events of Default occur:

### 10.18.1 Non-Payment

The Issuer fails to pay the Principal Amount of any of the Notes when the same becomes due and payable either at the Maturity Date, upon Redemption, by declaration or otherwise, or the Issuer is in default with respect to the payment of Interest or Additional Amounts on any of such Notes and such default in respect of Principal, Interest or Additional Amounts continues for a period of 10 Business Days; or

### 10.18.2 Breach of Other Obligations

The Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement under the Notes or this Deed (other than a default or breach elsewhere specifically dealt with in this Condition 10.18 and such default or breach (if capable of remedy) is not remedied within 30 Business Days (or such longer period as the Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the Trustee; or

### 10.18.3 Cross-default

(i) any Financial Indebtedness of the Issuer, (a) becomes due and payable prior to the due date for payment thereof by reason of any default by the Issuer or breach of any material covenants thereunder (b) is not repaid at maturity as extended by the grace period, if any, applicable thereto or (ii) any guarantee given by the Issuer in respect of Financial Indebtedness of any other person is not honoured when due and called, provided that the aggregate Principal Amount of such Financial Indebtedness referred to in (i) or (ii) exceeds USD 5,000,000; or

### 10.18.4 Bankruptcy

(i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, manager, administrator, liquidator or rehabilitation manager in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all or substantially all of their respective assets and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstated for a period of 60 business days; or (ii) the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into rehabilitation, adjudicated a bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, administrator, liquidator, rehabilitation manager or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness, which event in any such case is (in the sole opinion of the Trustee), materially prejudicial to the interests of the Noteholders; or

### 10.18.5 Maintenance of Business

The Issuer fails to take any action as is required of it under the Applicable Laws or otherwise to maintain in effect its corporate existence or fails to take any action to maintain any material rights, privileges, titles to property, franchises and the like which adversely affect 10% or more of the Issuer's total assets and which is (in the sole opinion of the Trustee) materially prejudicial to the interests of the Noteholders and such failure (if capable of remedy) is not remedied within 30 Business Days (or such longer period as the Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer; or

### 10.18.6 Material Compliance with Applicable Laws

The Issuer fails to comply in any material respect with any Applicable Laws for any purpose to enable it lawfully to exercise its rights or perform or comply with its obligations under the Notes or this Deed or to ensure that those obligations are legally binding and enforceable or that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect; or



**10.18.7 Invalidity or Unenforceability**

The Trustee is of the opinion determined in its sole discretion that the any of following occurrences in this Condition 10.18.7 is materially prejudicial to the interests of the Noteholders: (i) the validity of the Notes or this Deed is contested by the Issuer; (ii) it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or this Deed; or (iii) the Issuer shall deny all or any of its obligations set out in the Notes or this Deed (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or

**10.18.8 Government Intervention**

(i) all or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets, revenues and, following the occurrence of any of the events specified in this Condition 10.18.8, the Trustee is of the opinion determined in its sole discretion that such occurrence is materially prejudicial to the interests of the Noteholders.

**10.19 Unsecured Notes (Additional Events of Default)**

In addition to the events of default set out in clause 10.18 above, the following shall also be events of default in respect of the Unsecured Notes.

**10.19.1 Substantial Change in Business**

Without consent from the Trustee, the Issuer makes or threatens to make any substantial change in the principal nature of its business as presently conducted which is (in the sole opinion of the Trustee) materially prejudicial to the interests of the Noteholders; or

10.19.2 Otherwise than for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer. If such an Event of Default occurs, the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Unsecured Notes are, and they shall accordingly thereby forthwith become immediately due and repayable at their Redemption Amount, plus accrued Interest as provided in the Applicable Pricing Supplement.

**10.20 Unsecured Notes (Consequences of Default)**

10.20.1 Default is made in the payment of Principal Amount due, or Interest which is due in respect of the Unsecured Notes and such default continues for a period of 10 business days, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in the Republic of Ghana (but not elsewhere) for the winding up of the Issuer provided that the Issuer shall not be in default if, during the 10 business days' grace period, it satisfies the Trustee that the amounts not paid were not paid (i) in order to comply with any Applicable Laws or order of any court or competent jurisdiction, in each case applicable to such payment, the Issuer, the relevant Trustee or the Noteholder of any Unsecured Note or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or acceptability given at any time during the said 10 business days grace period by independent legal advisers acceptable to the Trustee.

10.20.2 In the case of Unsecured Notes, without prejudice to Condition 10.20.1, if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to such Unsecured Notes binding on it under these Terms and Conditions (other than any obligation of the Issuer for the payment of any Principal Amount or Interest in respect of the Unsecured Notes) the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of such Unsecured Notes sooner than the same would otherwise have been payable by it.

10.20.3 In the case of Unsecured Notes, the remedy provided for in Condition 10.20.1 and Condition 10.20.3 above or submitting a claim in the winding up of the Issuer will be available to the Trustee or the Noteholders

**10.21 Transfer Agent**

Any third party appointed by the Issuer as Transfer Agent or otherwise shall act solely as the agents of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts.

## 10.22 Notices

Notices to Noteholders will be deemed to be validly given if (i) sent by first class mail (airmail if overseas) to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register; or (ii) published in a newspaper of circulation approved by the Trustee. Each such notice shall be deemed to have been validly given on the tenth Business Day after the date of the mailing thereof pursuant to clause (I) above.

Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at its principal place of business and clearly marked on their exterior "Urgent – Attention GHIL DMTN: Managing Director" (or at such other address and for such other attention as may have been notified to the holders in accordance with Condition 10.22(Notices)). Such Notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Issuer's principal office is open for business.

Notices to the Trustee, Central Securities Depository, Calculation Agent, Transfer Agent, Paying Agent, and Collateral Agent will be deemed to have been validly given if delivered to the registered office of the Trustee, Central Securities Depository, Calculation Agent, Transfer Agent, Paying Agent, and Collateral Agent.

## 10.23 Meetings of Noteholders, Amendment, Modification, Waiver and Substitution

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification, by Extraordinary Resolution, of these Terms and Conditions and the Trust Deed. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee if so requested in writing by the Noteholders of not less than one-fifth in Principal Amount of the Notes then outstanding. The quorum at any such meeting for passing an Extraordinary Resolution shall be as stated in the Trust Deed. A decision (i) to amend the dates of maturity or redemption of any of the Notes, any date for payment of Interest on the Notes, (ii) to reduce or cancel the nominal amount of; or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of Interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest in respect of the Notes, (iv) if a Minimum and/or a Maximum Interest Rate is shown hereon, to reduce any such Minimum and/or Maximum; (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount (vi) to vary the currency or currencies of payment of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Extraordinary Resolution, or (viii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any provision of the Trust Deed or the Notes (including these Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error in the opinion of the Trustee; (ii) any other modification and any waiver or authorisation of any breach or proposed breach, of any provision of these Terms and Conditions or the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders provided, however, that no such modification shall be permitted unless an opinion of counsel is delivered to the Trustee to the effect that the Noteholders will be subject to Ghana tax on the same amount and in the same manner and at the same times as would have been the case if such modification had not occurred. Moreover, the Trustee shall be entitled to take into account, amongst other things, any confirmation from the rating agencies that the then current ratings of the relevant Notes would not be adversely affected in considering whether any such modification, waiver or authorisation would be materially prejudicial to the interests of the Noteholders. Any such modification, waiver or authorisation may be given or made on such terms and subject to such conditions as the Trustee may in its sole discretion determine and shall be binding on the Noteholders and, if the Trustee so requires, will be notified to the Noteholders as soon as practicable thereafter provided that the Trustee shall not exercise any powers conferred upon it by this Condition 10.23 in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the Noteholders of not less than one-fifth in aggregate Principal Amount of the affected Notes then outstanding (provided that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

The Trustee may, without the consent of the Noteholders, agree on such terms as it may specify to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Trust Deed and certain specified Notes.

**10.24 Further Issues (within a tranche)**

The Issuer may from time to time without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Notes in all respects (except for Interest, issue date and the first interest payment date) and so that such further issues shall be consolidated and form a single series with the outstanding Notes. References in these Terms and Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition.

**10.25 Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of this Deed and the Notes), but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in Principal Amount of the Notes outstanding and (b) it shall have been indemnified to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**10.26 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee is not responsible for the validity, sufficiency or enforceability of the Trust Deed or the Notes or obliged to take any action unless indemnified and/or secured to its satisfaction. The Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Noteholders.

In the exercise of its powers and discretion under these Terms and Conditions and the Trust Deed (including but not limited to those referred to in this Condition), the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence of such exercise for individual Noteholders of Notes as a result of such Noteholders being connected in any way with a particular territory or otherwise, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

**10.27 Governing Law and Jurisdiction**

The provisions of the Programme Memorandum and, unless otherwise specified in the Applicable Pricing Supplement, the Notes and the Applicable Terms and Conditions, are governed by, and shall be construed in accordance with, the laws of the Republic of Ghana in force from time to time.

- 10.27.1 The parties agree that the courts of Ghana shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with the Notes or the Applicable Terms and Conditions (the “Proceedings”) and that any judgment or order of a Ghanaian court in connection with the Notes or the Applicable Terms and Conditions is conclusive and binding on them and may be enforced against them in the courts of any other jurisdiction.
- 10.27.2 Notwithstanding clause 10.27.1, it is agreed that any dispute arising out of or in connection with the Notes or the Applicable Terms and Conditions, including any question regarding its existence, validity or termination, may be referred to and finally resolved by arbitration. Disputes submitted to arbitration shall be resolved in accordance with the Alternate Dispute Resolution Act, 2010 (Act 798). The tribunal shall consist of one arbitrator who shall, in the absence of agreement of the parties, be appointed by the Ghana Arbitration Centre. The place of arbitration shall be Accra, Ghana. The language of the arbitration shall be English and the rules of the Ghana Arbitration Centre shall apply.

## PART 11 - FORM OF THE NOTES

*Capitalised terms used in this section headed “Form of Notes” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

1. Notes will be issued in the form of registered notes. Listed and/or Unlisted Notes will be issued under the Programme
2. The Notes shall be held electronically on the Central Securities Depository. The Issuer shall issue a single Global Note Certificate to the Trustee (in respect of each Series or Tranche of Notes) who will hold all the Notes as nominee for the Noteholders
3. All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon allotment
4. All payments for the Notes will be made in the specified denomination set forth in the Applicable Pricing Supplement
5. The CSD shall maintain a Register which shows a record of Noteholders' respective electronic book entries on the CSD, the particulars of Noteholders and their respective holdings
6. The Register will be maintained electronically on a book-entry system on the Central Securities Depository and no certificates will be issued to individual Noteholders
7. Entry on the Register shall represent proof of ownership of the rights of a Noteholder in respect of the Notes held, and the Issuer shall regard the Register as the conclusive evidence of title to the Notes
8. If Notes are transferred subsequent to issue, title to Notes and rights of ownership shall pass upon entry in the Register in accordance with the prevailing guidelines and rules of the CSD on transfer of securities and in the manner stated under Condition 10.16 of the Terms and Conditions 11.1



## **PART 12 - SETTLEMENT AND CLEARING AND TRANSFER OF NOTES**

### **Payment for the Notes and Delivery**

Payment for the Notes is to be made in full to the Issuer in immediately available funds by the date specified in the Applicable Pricing Supplement. The Notes will be credited electronically to the purchaser's account on the CSD.

All application monies collected will be deposited into an Escrow Account opened at Fidelity Bank, Ridge Branch. A copy of the Escrow Account Agreement will be lodged with the SEC and is available for inspection at the office of IC Securities.

### **Settlement Procedure**

Payment of the subscription price for the Notes may be made:

- a) either by banker's cheque drawn in favour of the Ghana Home Loan Programme, such cheque to reach the Dealer no later than 15:00 hours (GMT) 2 (two) working days before the closing date against delivery of a deposit slip; or
- b) by bank transfer/remittance, to be made on the instructions of the successful applicant to his bank for the funds to be credited to the Issuer's Note Programme GHS Account number as detailed below:

#### **Ghana Home Loans Programme – GHS Collection Account**

Fidelity Bank, Ridge Branch

Branch sort code 240101

GHS Collection Account No. – 100 003 165 2514

**SWIFT: FBLIGHAC**

#### **Ghana Home Loans Programme – USD Collection Account**

Fidelity Bank, Ridge Branch

Branch sort code 240101

USD Collection Account No. – 130 103 165 2511

**SWIFT: FBLIGHAC**

## **PART 13 - SUBSCRIPTION AND SALE**

### **13.1 Dealer and Placing Arrangements**

In terms of (and subject to) the Programme Agreement, **IC Securities (Ghana) Limited** has been appointed as Dealers on an ongoing basis for the duration of the Programme. The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more Dealers for a specific issue of one or more Tranches or Series of Notes or on an ongoing basis.

In terms of (and subject to) the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches or Series of Notes by entering into an appropriate agreement substantially in the form of the agreement set out in the Programme Agreement (“Agreement”).

On the Issue Date, delivery of the Notes in a Tranche or Series of Notes which is listed on the GAX of the GSE and/or held in the Central Securities Depository to the subscribers of such Notes will, in accordance with the relevant Agreement (as read with the Programme Agreement), be effected by the Issuer's Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The Dealer(s) may procure sale and purchase transactions in respect of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date. If the relevant Agreement is terminated before the Issue Date, the transactions in such Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination.

### **13.2 Application Procedure**

Application forms (as set out in Appendix II) for the Notes may be obtained from the head offices of IC Securities (Ghana) limited or any appointed Placing Agent. Applications must be submitted to IC Securities via its website [www.ICSecurities.com](http://www.ICSecurities.com) or at its head office marked for the attention of the "Executive Director - GHL DMTN" or any appointed Placing Agent, so as to arrive no later than 1700 hours GMT on the date specified in the Applicable Pricing Supplement. Successful Applicants will be notified by the Issuer or the Placing Agent of the amount of Notes allotted to them immediately after the allotment date specified in the Applicable Pricing Supplement.

### **13.3 Selling Restrictions**

#### **Republic of Ghana**

The Notes being issued under this Programme Memorandum and the Applicable Pricing Supplement are restricted to distribution only within the Republic of Ghana and not for distribution in any other jurisdiction.

### **13.4 General**

The Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in relation to any sale or distribution of the Notes and it will not distribute this Programme Memorandum, any Applicable Pricing Supplement or any related offering material outside the Republic of Ghana.

### **13.5 Supplementary or Modified Selling Restrictions**

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the Applicable Pricing Supplement (in the case of a supplement or modification only relevant to a particular Series or Tranche of Notes) or in a supplement to this Programme Memorandum.





## **PART 14 - GENERAL INFORMATION**

*Words when used in this section headed "General Information" shall bear the same meanings as when used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **14.1 Authorisation**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of Ghana have been given for the establishment of the Programme and the issue of Notes and for the Issuer, the Trustee, the Arranger and any Placing Agent to undertake and perform their respective obligations under the Programme.

### **14.2 Material Contracts**

Other than in the ordinary course of business, the Issuer has not entered into any contract containing provisions under which the Issuer has an obligation or entitlement, which is, or may be, material to the ability of the Issuer to meet its obligation in respect of the Notes.

### **14.3 Litigation**

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had during the 12 months prior to the date of this Programme Memorandum, a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

### **14.4 Conflicts Of Interest**

At the date of this Programme Memorandum, there are no potential conflicts of interest between any duties to the Issuer of the members of its administrative, management or supervising bodies and their private interests or other duties. However, it cannot generally be ruled out that such persons have such interests at the time of the offer or issue of Notes. Whether this is the case will depend on the facts at the time of the offer or issue. A description of any potential conflicting interest that are of importance to an offer or issue of Notes will be included in the Applicable Pricing Supplement, specifying the persons included and types of interests.

### **14.5 Auditors**

KPMG is the auditor for GHL.

### **14.6 Material Change**

Save as disclosed in this Programme Memorandum, there has been no material adverse change in the prospects, nor any significant change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements.

### **14.7 Listing**

This Programme Memorandum and Notes issued from time to time under this programme will be listed on the GAX of the GSE. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed.

### **14.8 Exchange Controls**

Currently there is no exchange control restriction in Ghana preventing foreign residents from freely subscribing to the Notes. Foreign investors can freely subscribe for or purchase Notes. The proceeds of Redemption or the sale of Notes, due to a foreign investor are freely remitted out of Ghana through an authorised dealer bank.

#### **14.9 Documents Available For Inspection**

As long as any Notes are outstanding, the following documents will be available for inspection, on request, at the principal place of business of the Issuer, and the offices of the legal advisors to the Arranger during normal business hours (Saturdays, Sundays and public holidays excepted):

- a) certified copies of the Regulations and other constitutional documents of the Issuer;
- b) a copy of the Issuer's Non-Banking Financial Institution License;
- c) certified copies of board and shareholder resolutions of the Issuer approving the Programme and the issue of the Notes;
- d) this Programme Memorandum;
- e) the Trust Deed in respect of the Notes;
- f) the Agency Agreement entered into between the Issuer and the Transfer Agent in respect of the Notes;
- g) the Collateral Agent Agreement entered into between the Issuer and the Collateral Agent in respect of the Notes;
- h) the audited annual consolidated financial statements of the Issuer for the years ended 2011 to 2014;
- I) the latest publicly available audited consolidated annual and audited interim financial statements (if any) of the Issuer prepared in accordance with International Financial Reporting Standards;
- j) legal opinion of AB & David as to compliance of the Programme with Ghanaian law requirements; and
- k) any future supplements to the Programme Memorandum and any other documents incorporated herein or therein by.



## APPENDIX I: PRO FORMA APPLICABLE PRICING SUPPLEMENT



## GHANA HOME LOANS PLC

(Incorporated in Ghana as a public company with limited liability with registration number CA-86,370)

**Issue of [Aggregate Nominal Amount of Tranche/Series] [Title of Notes] Under its  
GHS 380,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

## PARTIES

- |    |                   |                              |
|----|-------------------|------------------------------|
| 1. | Issuer            | Ghana Home Loans PLC.        |
| 2. | Dealer            | IC Securities (Ghana)Limited |
| 3. | Managers          | [*]                          |
| 4. | Debt Sponsor      | [*]                          |
| 5. | Paying Agent      | [*]                          |
|    | Specified Address | [*]                          |
| 6. | Calculation Agent | [*]                          |
|    | Specified Address | [*]                          |
| 7. | Transfer Agent    | [*]                          |
|    | Specified Address | [*]                          |
| 8. | Collateral Agent  | [*]                          |
|    | Specified Address | [*]                          |
| 9. | Trustee           | [*]                          |
|    | Specified Address |                              |

## PROVISIONS RELATING TO THE NOTES

- |     |   |  |
|-----|---|--|
| 10. | Status of the Notes   | [Senior] [Secured/Unsecured]   |
| 11. | Series Number   | [*]  |
| 12. | Tranche Number  |  |
| 13. | Aggregate Nominal Amount  |  |
| a.  | Series  | [*]  |
| b.  | Tranche   | [*]  |
| 14. | Interest  | [Interest-bearing/Non-interest-bearing]  |
| 15. | Interest Payment Basis  | [Fixed Rate/Floating Rate/<br>Zero Coupon/other]                                 |
| 16. | Automatic/Optional Conversion from one Interest/<br>Redemption/Payment Basis to another | [Insert details including date for conversion]                                   |
| 17. | Form of Notes: The Notes in this Tranche or Series are                                  | [Listed/Unlisted] Notes, issued in an<br>uncertificated form and held by the CSD |
| 18. | Issue Date  | [*]  |
| 19. | Nominal Amount per Note   | [*]  |
| 20. | Specified Denomination  | [*]  |
| 21. | Specified Currency  | [*]  |
| 22. | Specified Currency Conversion Rate  | : Bank of Ghana interbank conversion rate  |
| 23. | Issue Price   | [*]  |
| 24. | Interest Commencement Date  | [*]  |

25. Maturity Date [\*]
26. Applicable Business Convention [\*]
27. Final Redemption Amount [\*]
28. Last Day to Register [\*]
29. Books Closed Period(s): The Register will be closed from [.....] to [.....] and from [.....] to [.....] (all date inclusive) in each year until the Maturity Date

#### FIXED RATE NOTES

- a. Fixed Rate Interest [\*] percent per annum [payable[annually/semi-annually/quarterly] in arrear]
- b. Fixed Interest Payment Date(s) [\*] in each year up to and including the Maturity Date/other
- c. Fixed Coupon Amounts(s) [\*] per [\*] in Nominal Amount
- d. Initial Broken Amount [\*]
- e. Final Broken Amount [\*]
- f. Interest Determination Date(s) [\*] in each year
- g. Day Count Fraction [\*]
- h. Any other terms relating to the particular method of calculating interest [\*]

#### FLOATING RATE NOTES

- Floating Interest Payment Date(s) [\*]
- a. Interest Period [\*]
- b. Definition of Business Day [\*]
- c. Minimum Interest Rate [\*]
- d. Maximum Interest Rate [\*]
- e. Other terms relating to the method of calculating (e.g.: Day Count Fraction, rounding up provision)
30. Manner in which the Rate of Interest is to be determined
31. [Screen Rate Determination/Other – Insert details]
32. Margin [basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
33. IF Screen Rate Determination
  - a. Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) [\*]
  - b. Interest Rate Determination Date(s) [\*]
  - c. Relevant Screen Page and Reference Code [\*]
34. Fx If Rate of Interest to be calculated other than by Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions [\*]
35. Calculation Agent responsible for calculating amount of principal and interest [\*]

#### ZERO COUPON NOTES

36. Implied Yield [\*]
  - a. Reference Price Percent [\*]
  - b. Any other formula or basis for determining amount(s) payable [\*]

#### OTHER NOTES

37. Floating Interest Payment Date(s). If the Notes are not Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes. [\*]

#### PROVISIONS REGARDING REDEMPTION/MATURITY

38. Redemption at the Option of the Issuer [\*]
  - If Yes
    - a. Optional Redemption Date(s) [\*]
    - b. Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [\*]
    - c. Minimum period of notice (if different from Condition 10.10.3 (Redemption at the Option of the Issuer) [\*]

- d. If redeemable in Part:
  - Minimum Redemption Amount(s) [\*]
  - Higher Redemption Amount(s) [\*]
- e. Other terms Applicable on the redemption [\*]
- f. Attach *pro forma* Put notice(s) [\*]

39. Issuer's Early Redemption [Yes/No]

- a) Amount payable; or If Yes [\*]
- b) Method, if any, of calculation of amount payable [\*]

## GENERAL

- 40. Financial Exchange [\*] Additional selling Restrictions [\*]
- 41. ISIN No. [\*]
- 42. Stock Code [\*]
- 43. Method of distribution [Auction/Book Build/Private Placement] Settlement Procedures and Settlement
- 44. Instructions[\*]
- 45. Details of bank account(s) to which payments [\*] are to be made in respect of the Notes Settlement Procedures and Settlement Instructions
- 46. Credit Rating [\*]
- 47. Applicable Rating Agency [\*]
- 48. Tax: Interest earned on the Notes is subject to .....% withholding tax (Attach copy of certificate of exemption where applicable).
- 49. Governing Law: Republic of Ghana
- 50. Other Provisions [\*]

## SUBSCRIPTION DATES AND OTHER TIMELINES

- 51. Offer Opens [\*]
- 52. Offer Closes [\*]
- 53. Offices before [\*]
- 54. Allotment Date [\*]
- 55. Payment Date for Successful Applicants [\*]
- 56. Issue Date [\*]
- 57. Delivery Date of Securities [\*]

### Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and this Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the GAX of the GSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement, except as otherwise stated therein.

Application [is hereby]/[will not be] made to list this issue of Notes [on .....].

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20.....

For and on behalf of  
**Ghana Home Loans PLC**

\_\_\_\_\_  
Name:  
Capacity: Director

Who warrants her/his authority hereto

\_\_\_\_\_  
Name:  
Capacity: Director

Who warrants her/his authority hereto

Set out above is the form of Applicable Pricing Supplement that will be completed for each Tranche or Series of Notes issued under the Ghana Home Loans PLC Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 13th November 2015, prepared by Ghana Home Loans PLC in connection with the Ghana Home Loans PLC Ghana Cedi GHS 380,000,000 Domestic Medium Term Note Programme as amended and/or supplemented from time to time (the Programme Memorandum). Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “Terms and Conditions of the Notes”.





**GHANA HOME LOANS PLC**

(Incorporated in Ghana as a public company with limited liability with registration number CA-86,370)

**Domestic Medium Term Note Programme**


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**Issue of [Aggregate Nominal Amount of Tranche/Series] (Tranche/Series Number) [Title of Notes] Under the GHS 380 million Note Programme**

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Applicants must complete all sections of the application form. Please read the notes overleaf before completing this form. Application lists will close at 1700 GMT on **[TBU]**.

This completed form should be forwarded by hand to the Issuer or to the Dealer at the following addresses:

**Ghana Home Loans PLC**

1 Aviation Road, Airport Residential ,

Accra, Ghana

P.O. Box PMB CT 470

Tel: +233 302 770 522

Fax: +233 302 770 499

Email : info@ghanahomeloans.com

**IC Securities (Ghana) Limited**

No.2, 2nd Ridge Link, North Ridge

Accra, Ghana

Tel : +233 (0) 302 252 621

Fax : +233 (0) 302 252 517

Email : icsecurities@icsecurities.com

URL: www.icsecurities.com

**Section A**

Name of Applicant	
Postal Address (Preferably P O Box or Private Bag)	
Name of contact person	
Telephone number (include all relevant codes)	
Facsimile number (include all relevant codes)	
E-mail address	
Tax status	
Central Securities Depository Account Number:	

**Section B**

[To be amended to reflect the terms of Each Tranche or Series of Notes as set in the Applicable Pricing Supplement]

	<u><b>COLUMN A</b></u> Nominal Value (GHS)	<u><b>COLUMN B</b></u> Issue Price (%)	<u><b>COLUMN C</b></u> Total Consideration (C = A x B)
Amount applied for			

## Section C

To: The Board of Directors of Ghana Home Loans Company PLC
I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant stated in Section A overleaf ("the Applicant"), and on behalf of the Applicant irrevocably and unconditionally apply for and agree to take up the nominal value of the Notes stated in Column "A" in Section B overleaf at the price stated in Column B in Section B overleaf, or any lesser nominal value of the Notes that may be allotted to the applicant in terms of the Trust Deed dated 30th November, 2015. Where a lesser nominal value of the Notes is allotted to the Applicant, I agree that the relevant amount payable by the Applicant in terms of Column "C" in Section B overleaf will be reduced pro rata to the lesser nominal value so allotted. I/We acknowledge that the Applicant will be unconditionally liable for payment in respect of the Notes allotted and that such payment will be made in full accordance with the payment procedures set out under page "Subscriptions and Sale " of the Programme Memorandum by <b>1300hrs</b> on <b>TBU</b> .
Full Name:
Capacity:
Signature:
Date:

## Section D

<b>Interest Instructions</b>	
Interest payments and the principal repayment in respect of the Notes and refunds, if any, that are due in respect of bids where payments have been made at the time of application are to be made:	
(a) By cheque and sent to (postal address)	
_____	
(b) or to Bank Account	
Account Name:	
Name of Bank:	Branch:
Account Number:	
Branch Sort Code (if applicable):	Swift Code:
Please complete only (a) or (b). If both are completed, effect will be given to (b)	



**Notes:**

**1. Completing this form**

- All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by the applicants
- Under no circumstances whatsoever may the name of the applicant be changed
- If this is done then the application form will be invalid
- All Applicants must open and maintain a Central Securities Depository account for the entire duration of the Notes to allow Notes to be credited
- Applications are made subject to the provisions of the Programme Memorandum to which this form is attached
- Photocopies or other copies of an application form shall not be accepted.
- Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer

**2. Allotment Procedure**

The right is reserved to accept or reject any application in whole or in part. The Issuer will notify successful applicants or the relevant Placing Agent of amounts allotted to them by no later than 1700h GMT on [Allotment Date].

**3. Acceptance**

By signing an application form the applicant undertakes to pay the Issuer 'on the Issue Date in same-day funds the purchase price for the Notes allotted in accordance with the provisions of the Applicable Pricing Supplement.

**4. Settlement Procedure**

Payment of the subscription price for the Notes may be made:

- either by banker's cheque drawn in favour of the Ghana Home Loans Note Programme, such cheque to reach the Dealer no later than 1500h (GMT) on [---- ] against delivery of a deposit slip; or
- by bank transfer/ remittance, to be made on the instructions of the successful applicant to his bank for the funds to be credited to the Issuer's Note Programme GHS Account number as detailed below:

**Ghana Home Loans Plc Programme – GHS Collection Account**

Fidelity Bank, Ridge Branch

Branch sort code 240101

**GHS Collection Account No. – 100 003 165 2514**

**SWIFT: FBLIGHAC**

**Ghana Home Loans Plc Programme – USD Collection Account**

Fidelity Bank, Ridge Branch

Branch sort code 240101

**USD Collection Account No. – 130 103 165 2511**

**SWIFT: FBLIGHAC**

**5. Delivery of Notes**

The Notes will be credited to each successful applicant's Central Securities Depository account against cleared funds within 2 days of the Issue Date.

**6. General**

The Programme Memorandum and any contracts resulting from an acceptance of an application for the Notes shall be governed and construed in accordance with Ghanaian Law.

APPENDIX III: FORM OF GLOBAL NOTE CERTIFICATE



**GHANA HOME LOANS PLC**

*(Incorporated in Ghana as a public company with limited liability with registration number CA-86,370)*

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**GHS 380,000,000 Note Programme**  
**ISSUE OF [SENIOR] [FLOATING OR FIXED] RATE NOTES DUE [     ]**

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This Note Certificate certifies that  
**Fidelity Bank Ghana Limited**  
**Ridge Towers**  
**Ridge, Accra**

holds this certificate on behalf of Noteholders specified in the Register FOR Tranche/Series[INSERT DESCRIPTION], registered as the holder of [principal amount] of [Senior] [Floating/Fixed] Rate Notes referred to above (the “**Notes**”) of Ghana Home Loans PLC (the “**Issuer**”). The Notes are subject to the terms and conditions (the “**Terms and Conditions**”) in the Programme Memorandum dated 13th November, 2015. Expressions defined in the Terms and Conditions have the same meanings in this Note Certificate.

The Issuer, for value received, promises in accordance with the Terms and Conditions to pay to the Noteholders as the Registered holder hereof on the Redemption Date (or such earlier date as the amount payable upon prepayment in accordance with the Terms and Conditions), the Principal Amount of:

---

[amount in figures]     (amount in words)

(or so much thereof as may then be outstanding) and to pay interest on such Principal Amount from the Issue Date in arrears at the rates, in the amounts and on the dates for payment provided for in the Terms and Conditions and the Applicable Pricing Supplement together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions and the Applicable Pricing Supplement.

For the purposes of this Note Certificate, (a) the holder of the Note(s) represented by this Note Certificate is bound by the provisions of the Programme Memorandum, the Trust Deed, the Agency Agreement, the Collateral Agent Agreement, and the Applicable Pricing Supplement, (b) the Issuer certifies that the Noteholder is, at the date hereof, entered in the Register as the holder of the Note(s) represented by this Note Certificate, (c) this Note Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Note Certificate passes only on due registration on the Register, and (e) only the duly registered holder of the Note(s) represented by this Note Certificate is entitled to payments in respect of the Note(s) represented by this Note Certificate.

This Note Certificate shall not become valid for any purpose until authenticated by or on behalf of the Central Securities Depository.

This Note shall be governed by, and constructed in accordance with, the laws of Ghana.

IN WITNESS whereof the Issuer has caused this Note Certificate to be executed on its behalf.



**Ghana Home Loans PLC**

By: -----

**Dated:** [                      ]

Authorized Signatory

**CERTIFICATE OF AUTHENTICATION**

This Note is duly authenticated by or on behalf of  
(without recourse, warranty or liability)

**Central Securities Depository as Registrar**

By: -----

**Dated:** [                      ]

Authorized Signatory









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