



AFB (GHANA) PLC

(Incorporated in the Republic of Ghana as a public limited liability in the Republic of Ghana under registration number CA-63,573)

Listing of GHS 100,000,000 Note Programme Including Listing by Introduction of GHS 26,725,101 Notes

AFB (GHANA) PLC (the "**Issuer**"), a public company with limited liability duly incorporated under the Companies Act, 1963 (Act 179) and licensed as a Finance House under the Banking Act, 2004 (Act 673) (as amended), has established a Domestic Medium Term Note Programme (the "**Programme**") described in this Base Prospectus. Pursuant to the Programme, the Issuer may from time to time issue notes ("**Notes**") up to the maximum aggregate principal amount of GHS 100,000,000. Approval has been given by the Bank of Ghana ("**BoG**") for the Issuer to issue a principal amount of up to GHS 60,000,000 in addition to its existing Notes of GHS 26,725,101. Any additional Notes issued above GHS 86,725,101 will be subject to approval from the BoG and SEC.

Under this Programme the Issuer may from time to time issue notes, denominated in Ghana Cedis ("**GHS**") (as shall be set out in a pricing supplement) as agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to the terms and conditions of the Notes contained in this Programme Memorandum (the "**Terms and Conditions**"), all Applicable Laws and, the debt listing requirements of the Ghana Stock Exchange ("**GSE**"). 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 the Terms and Conditions, unless separately defined, and/or in relation to a Tranche or Series of Notes, in the Applicable Pricing Supplement. As at the Programme Date (as defined herein), the Programme Amount is GHS 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 100,000,000 (or its equivalent in USD) (including Notes issued under the Programme pursuant to the previous Programme Memorandum dated June 12, 2012) unless such amount is increased by the Issuer pursuant to the section of this Programme Memorandum headed "General Description of the Programme".

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Each Applicable Pricing Supplement shall be subject to the approval of the Securities and Exchange Commission (the "**SEC**"). Notes will be issued in Tranches or Series. A Tranche or Series of Notes will be issued on, and subject to, 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.

Application has been made for the Notes to be admitted to listing and trading on the Ghana Alternative Market ("**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 Information Memorandum ("Programme Memorandum") has been reviewed and approved by the Securities and Exchange Commission in accordance with section 9 of the Securities Industry Act, 1993 (Act 333) (as amended) and the Securities and Exchange Commission Regulations, 2003 (LI 1728). In its review, the SEC examined the contents of this Programme Information 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.

Neither the GSE nor the SEC assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Programme Memorandum. Neither the GSE nor the SEC has verified the accuracy and truth of the contents of this Programme Memorandum or any other documents submitted to it, and the SEC and GSE will not be liable for any claim of any kind whatsoever. Approval of the issue and/or listing of the Notes by the GSE or the SEC is not to be taken as an indication of the merits of the Issuer or of any issue of the Notes.

Prospective investors should have regard to the factors described under the section with the heading "Risk Factors" in this Programme Information Memorandum.

THIS PROGRAMME MEMORANDUM CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES. INVESTORS CONTEMPLATING PURCHASING NOTES SHOULD CAREFULLY READ THIS DOCUMENT BEFORE MAKING AN INVESTMENT DECISION, AND SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IF THEY HAVE QUESTIONS ABOUT THEIR INVESTMENT DECISION.

Arranger and Sponsoring Broker



Legal Advisor



Reporting Accountant



Transfer Agent



Trustee, Calculation Agent, Paying Bank, Paying Agent



ISSUER

AFB (GHANA) PLC
4th Floor
L'Aine Office Complex
Plot 38
Adama Road (off Kojo Thompson Road)
Adabraka

Contact: Mr. Arnold Parker

Email: arnold.parker@afb.com.gh

TRUSTEE

Fidelity Bank Ghana Limited
Ridge Tower-Ridge,
Accra.

Tel: +233 (0) 302 214 490

Contact: John Taricone

Email: jtaroncone@myfidelitybank.net

ARRANGER AND DEALER

IC Securities (Ghana) Limited
2, 2nd Ridge Link, North Ridge
PMB GP 104, Accra

Tel: +233 (0) 302 252-621

Fax: +233 (0) 302 252-517

Contact: Eric Appiah
Kwabena Osei-Boateng
George Sermador Sognon

Email: eric.appiah@icsecurities.com
kwabena.osei-boateng@icsecurities.com
george.sognon@icsecurities.com

PAYING BANK AND PAYING AGENT

Fidelity Bank Ghana Limited
Ridge Tower-Ridge,
Accra.

Tel: +233 (0) 302 214 490

Contact:
John Taricone

Email: jtaroncone@myfidelitybank.net

**CSD
TRANSFER AGENT**

Central Securities Depository (Gh) Limited
4th Floor, Cedi House
Accra

Tel: + 233 (0) 302 689313/ 689314

Contact: Kwame Addai Boa-Amponsem

Email: kwame.boa-amponsem@csd.com.gh

CALCULATION AGENT

Fidelity Bank Ghana Limited
Ridge Tower-Ridge,
Accra.

Tel: +233 (0) 302 214 490

Contact: John Taricone

Email: jtaroncone@myfidelitybank.net

LEGAL ADVISERS TO THE ISSUER

Bentsi-Enchill, Letsa & Ankomah
4 Momotse Avenue,
Adabraka
Accra

Tel: + 233 (0) 30 2221171/2224612/2227187/2229396

Fax: + 233 (0) 30 2226129

Contact: Seth Asante

Email: seth.asante@belonline.org

REPORTING ACCOUNTANT TO THE ISSUER

EY
15 White Avenue
Airport Residential Area
P.O. Box 16009, Airport
Accra – Ghana

Tel: +233 (0) 302 767 831

Contact: Victor Gborglah
Aso Wusu-Asante

Email: victor.gborglah@gh.ey.com
aso.wusu-asante@gh.ey.com

GENERAL

Capitalised terms used in this section headed "General" 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 Issuer 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*"). 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.

The Issuer, 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. None of the Issuer's directors has any direct interest in the Issuer and will not participate in the Programme.

To the best of the Arranger's knowledge and belief, the Programme Memorandum constitutes full and fair disclosure of all material facts about the Programme and the Issuer. None of the Arranger, Dealer, Trustee, Legal Advisor, Registrar or any of their directors, affiliates, advisors or agents, has independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Arranger, Dealer, Trustee, Legal Advisor, Registrar or any of their directors, affiliates, advisors or agents, with respect to the accuracy or completeness of such information at any time, of this Programme Memorandum or any 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, Dealer, Trustee, Legal Advisor, Registrar or any of their directors, affiliates, advisors or agents, in any respect. Furthermore, none of the Arranger, Dealer, Trustee, Legal Advisor or Registrar 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.

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 advisers 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 advisers 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 advisers 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.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as

having been authorised by the Issuer, the Arranger, the Dealer(s), the Trustee or other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger, the Dealer(s), the Trustee and other professional advisers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, or any of the Dealers to any person to subscribe for or to purchase any Notes.

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 advisers 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 advisers 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 material 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 advisers 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 advisers 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.

CAUTION

Prospective investors should carefully consider the matters set forth under the section headed "*Investor Considerations*". Please consult your investment adviser, stockbroker/dealer, legal adviser or tax adviser before making any investment decision in relation to the Notes to be issued under the Programme Memorandum.

A copy of this prospectus 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.

In the event that this Programme Memorandum is delivered to or comes into the possession of any person (the "**Recipient**") at any time after the date hereof, it is for and the responsibility of the Recipient to ascertain whether any supplement or amendment of the information herein contained has been made or issued, or whether updated information is available and reliance on this Programme Memorandum at any time subsequent to the date hereof shall be at the Recipient's risk.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information regarding the Issuer set forth in this Programme Memorandum has been derived from:

- a) its audited Income Statement, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Equity for the period ending 31 December 2013 and 31 December 2014, included elsewhere in this Programme Memorandum. The Issuer's financial statements, which were audited by Messrs' Deloitte & Touche in Ghana, has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and is presented in GHS, the reporting currency of the Issuer; and/or
- b) the Financial Report prepared by Messrs' Ernst and Young in Ghana as the Independent Accountants to the Programme, which reviewed the Issuer's historical financial statements for the period from 29 February 2012 and ending 31 December 2013.

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.

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 the Issuer'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. The Issuer 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.

MARKET SHARE AND INDUSTRY INFORMATION

Industry and market information on the Ghanaian financial market included in this Programme Memorandum has been provided by the Issuer or has been obtained from 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.

DIRECTORS RESPONSIBILITY STATEMENT

The Issuer 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 Issuer, 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. None of the Issuer's directors has any direct interest in the Issuer. No Director of the Issuer 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.

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE.....	9
GENERAL DESCRIPTION OF THE PROGRAMME.....	11
SUMMARY OF THE PROGRAMME	12
FORM OF THE NOTES.....	17
TERMS AND CONDITIONS OF THE NOTES.....	18
DESCRIPTION OF AFB (GHANA) PLC.....	46
INDEPENDENT ACCOUNTANTS FINANCIAL REPORT.....	58
BRIEF OVERVIEW OF THE NON-BANK FINANCIAL INSTITUTIONS SECTOR.....	68
INVESTOR CONSIDERATIONS.....	71
SUBSCRIPTION AND SALE	75
SETTLEMENT, CLEARING AND TRANSFER OF NOTES.....	76
LEGAL OPINION BY BENTSI-ENCHILL, LETSA & ANKOMAH.....	77
TAXATION IN GHANA.....	83
GENERAL INFORMATION.....	84
APPENDIX I: PRO FORMA APPLICABLE PRICING SUPPLEMENT.....	85
APPENDIX II: APPLICATION FORM.....	90
APPENDIX III: FORM OF GLOBAL NOTE CERTIFICATE.....	94

DOCUMENTS INCORPORATED BY REFERENCE

Capitalised terms used in this section headed "Documents Incorporated by Reference" 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 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 the Issuer from time to time;
- (b) as at the Programme Date, the published audited annual financial statements, and Notes thereto, of the Issuer for the four financial years ended 31st August, 2010, 28th February, 2011, 28th February 2012, 31st December, 2012, 31st December, 2013 and 31st December, 2014 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 October 2, 2014;
- (d) the Trust Deed, as amended and/or supplemented, entered into between the Issuer and Fidelity Bank Ghana Limited as Trustee dated May 19, 2015;
- (e) the Agency Agreement, as amended and/or supplemented, entered into between the Issuer, 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 May 28, 2015;
- (f) the Escrow Account Agreement dated May 20, 2015; and

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).

The Issuer 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 Issuer at its registered office as set out at the end of this Programme Memorandum.

The Issuer 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 out-dated 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 the Issuer's audited annual financial statements if such audited annual financial statements are incorporated by reference into this Programme Memorandum.

GENERAL DESCRIPTION OF THE PROGRAMME

Capitalised terms used in this section headed “General Description of the Programme” 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 Issuer may from time to time issue one or more Tranches or Series of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Nominal Amount of all of the Notes issued and Outstanding under the Programme from time to time does not exceed the Programme Amount. This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which does not exceed GHS100,000,000 over five (5) years.

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 will be agreed between the Issuer, the Arranger and, if applicable, 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. Each Applicable Pricing Supplement will be submitted for approval by the SEC.

Notes will be issued under the Programme in Tranches or Series. Details applicable to each Tranche or Series will be specified in the Applicable Pricing Supplement. The Notes shall constitute unsecured Notes and shall be Floating Rate or Fixed Rate.

The Issuer has entered into a Trust Deed with Fidelity Bank Ghana Limited as Trustee (the “**Trust Deed**”) for the protection and enforcement of the rights of Noteholders. The Issuer has also entered into an Agency Agreement with Fidelity Bank Ghana Limited as Calculation Agent, Paying Agent and Paying Bank, and the Central Securities Depository (Gh) Limited as registrar and Transfer Agent (the “**Agency Agreement**”). The Noteholders are bound by, subject to, and are deemed to have knowledge of all the provisions of this Programme Memorandum, the Applicable Pricing Supplement, the Trust Deed and the Agency Agreement. 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.

This Programme Memorandum will only apply to existing Notes and new Notes issued under the Programme.

A copy of the Applicable Pricing Supplement relating to a Tranche or Series of Notes will be delivered to the GSE, before the Issue Date, and the Notes in that Tranche or Series may be traded by or through members of the GSE from the date specified in the Applicable Pricing Supplement, in accordance with the applicable procedures of the GSE. The settlement of trades on the GAX of the GSE will take place in accordance with the electronic settlement procedures of the GSE and the CSD for all trades done through the GSE.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealer(s) specified under the section headed “*Summary of the Programme*” and any additional Dealer(s) appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an on-going basis. References in this Programme Memorandum to the “relevant Dealer” shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche or Series of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.

PARTIES

Issuer	AFB (GHANA) PLC (with company registration number CA-63,573), a public limited liability company duly incorporated under the laws of Ghana and licensed as a non-bank financial institution under the Banking Act, 2004 (Act 673) (as amended).
Arranger	IC Securities (Ghana) Limited ("IC Securities"), a private limited liability company incorporated under the laws of Ghana and whose registered office is at No. 2, 2 nd Ridge Link, North Ridge, Accra, and any other Arranger appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche or Series of Notes.
Dealer(s)	IC Securities and any additional Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an on-going basis
Trustee	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 the Issuer as Trustee, in which event that other entity will act as Trustee with prior approval from the SEC, as specified in the Applicable Pricing Supplement
Transfer Agent	Central Securities Depository (Gh) Limited, a company incorporated under the laws of Ghana and licensed by the Securities and Exchange Commission as a securities depository and whose registered office is at the 4 th Floor, Cedi House, Liberia Road, Accra, (CSD), or such other entity appointed by the Issuer 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.
Paying Agent	Fidelity Bank Ghana Limited, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent with prior approval from the SEC, as specified in the Applicable Pricing Supplement.
Paying Bank	Fidelity Bank Ghana Limited, or such other entity appointed by the Issuer as Paying Bank in which event that other entity will act as Paying Bank with prior approval from the SEC, as specified in the Applicable Pricing Supplement.
Calculation Agent	Fidelity Bank Ghana Limited, or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation Agent with prior approval from the SEC, as specified in the Applicable Pricing Supplement.

GENERAL

Costs of Programme	The total cost and expense of the Programme is not anticipated to exceed 5% (five percent) of the Programme size. The Issuer will bear all costs relating to the Programme. The cost of the Programme excluding taxes is summarised below:
---------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Item	Amount in GHS	% of Total Size
Advisory Fees	871,287	0.87%
Legal due diligence	104,000	0.10%
Accounting due diligence	100,000	0.10%
Financial advisory	667,287	0.67%
Trustee Fees	247,000	0.25%
Regulatory Fees (SEC)	50,000	0.05%
Regulatory Fees (GSE)	40,000	0.04%
Central Securities Depository Fees	22,400	0.02%
Printing, Publicity and Other Cost	130,000	0.13%
Total Costs	1,360,687	
% of Note Programme		1.36%

Cross-Default	The terms of the Notes will contain a cross-default provision relating to indebtedness for money borrowed having an aggregate Outstanding amount which equals the lesser of GHS5,000,000 or 10% (ten percent) of the total assets of the Issuer set out in the Issuer's latest published audited financial statements (or its equivalent in any other currency) from time to time, or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 14.1.4(<i>Cross Default</i>).
Currency of Notes	Ghana Cedis or any successor currency.
Denomination	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
Description of Programme	AFB (GHANA) PLC GHS100,000,000 Note Programme.
Distribution	Notes will be distributed by way of public offering 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 Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Form of Notes	Notes will be issued in the form of registered notes as described in this Programme Memorandum under the section headed " <i>Form of the Notes</i> ". Each Tranche or Series of Notes will be listed on the GAX of the GSE and will be issued in uncertificated form. Notes will be held electronically on the CSD. (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing Law	The Notes, the Trust Deed and the Agency Agreement will be governed by and construed in accordance with the laws of Ghana in force from time to time.
Interest	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.
Interest Period(s)/Interest Payment Date(s)	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche or Series of Notes will be specified in the Applicable Pricing Supplement.
Issue and Transfer Taxes	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 “*Taxation in Ghana*”). 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.

Issue Price	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.						
Listing	Application has been made for existing and new Notes to be admitted to listing and trading on the GAX of the GSE. Trading in listed Notes is subject to the listing rules of the GSE and Notes will be settled in accordance with the applicable GSE settlement procedures.						
Maturities of Notes	Such maturity(ies) as specified in the Applicable Pricing Supplement. Notes are subject to a minimum of 1 year and maximum of 7 years.						
Negative Pledge	The Notes will have the benefit of a negative pledge as described in Condition 6 (<i>Negative Pledge</i>) of the Terms and Conditions.						
Notes	Notes may comprise: <table><tr><td>Fixed Rate Notes</td><td>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).</td></tr><tr><td>Floating Rate Notes</td><td><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></td></tr><tr><td>Other Notes</td><td>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.</td></tr></table>	Fixed Rate Notes	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).	Floating Rate Notes	<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.
Fixed Rate Notes	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).						
Floating Rate Notes	<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.						

Noteholders	The holders of Notes which are recorded as the registered Noteholders of those Notes in the Register maintained by the CSD.
Programme Expiry	The Programme will expire five (5) years after the date of this Programme Memorandum. All Notes issued prior to the expiry of the Programme will be valid and remain the contractual obligation of the Issuer.
Rating	On 12 May 2015, the Programme was rated by the Global Credit Rating Co., an international credit rating agency. The GHS 30 million senior unsecured notes was rated "BBB (GH)" with a stable outlook. 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.
Redemption	<p>A Tranche or Series of Notes will, subject to the Applicable Pricing Supplement, be redeemed on the Maturity Date, as set out in Condition 9.1 (<i>Redemption at Maturity</i>).</p> <p>If so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Tranche or Series at any time prior to the Maturity Date following the occurrence of a change in law and/or for tax reasons, as set out in Condition 9.2 (<i>Redemption for Tax Reasons</i>), or unless otherwise set out in the Applicable Pricing Supplement.</p> <p>If "<i>Early Redemption at the Option of the Issuer</i>" is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 9.3 (<i>Redemption at the Option of the Issuer</i>), the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 15 (<i>Notices</i>), redeem the Tranche or Series of Notes on any Optional Redemption Date(s), or unless otherwise set out in the Applicable Pricing Supplement.</p>
Sale	Notes will be sold within the Republic of Ghana only.
Register	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.
Settlement and Clearing	Each Tranche or Series of Notes which is held in the CSD will be cleared and settled in accordance with the applicable GSE settlement procedures. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the GSE. Each Tranche or Series of Notes which is held in the CSD will be cleared by participants who will follow the electronic settlement procedures prescribed by the GSE and the CSD.
Selling Restrictions	For a description of the restrictions on offers, sales and deliveries of the Notes and on distribution of offering material in the Republic of Ghana see the section headed " <i>Subscription and Sale</i> ".
Size of the Programme	As at the Programme Date, the Programme Amount is GHS100,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount, subject to SEC approval in the manner set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ". 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.

Status of Notes

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari-passu* and rateably without any preference among themselves (subject to Condition 6 (*Negative Pledge*) and, save for certain debts required to be preferred by law), equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time Outstanding.

Taxation

The Issuer is a Ghana 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.

Terms and Conditions

The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". 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.

Use of Proceeds

The Issuer will use the proceeds from the issuance of the Notes to:

- a. write new loans as part of the Issuer's strategy to expand its loan portfolio;
- b. refinance existing debts;
- c. fund working capital and liquidity management activities; and
- d. expand into new loan products 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(*Taxation*). Currently, the Issuer 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.

FORM OF THE NOTES

Capitalised terms used in this section headed "Form of the 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. Only listed Notes will be issued under the Programme. Each Note will be unsecured. Existing notes already in issue will be listed by introduction on the GAX of the GSE.
2. The Notes shall be held electronically on the Central Securities Depository.
3. 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. 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.

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 12 of the Terms and Conditions.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche or Series of Notes will be issued on, and subject to, the below 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.

Before the Issuer issues any Tranche or Series of Notes, the Issuer shall complete and sign and deliver a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes.

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

AFB (Ghana) Group	The Issuer and any other company or entity whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
Applicable Laws	in relation to any person, all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that person;
Applicable Pricing Supplement	in relation to a Tranche or Series of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche or Series of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche or Series of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in Appendix I;
Arranger	IC Securities (Ghana) Limited;
Auditors	Deloitte & Touche, the statutory auditors of the Issuer;
Books Closed Period	in relation to a Tranche or Series of Notes, the period of five (5) Business Days commencing after the Last Day to Register and before the Payment Day, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide, subject to the prior approval of the SEC, in order to determine those Noteholders entitled to receive principal and/or interest;
Business Day	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, " <i>Business Day</i> " shall include a Saturday;
Business Day Convention	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;
Calculation Agent	Fidelity Bank Ghana Limited, or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation

	Agent with prior approval from the SEC, as specified in the Applicable Pricing Supplement;
Central Securities Depository or “CSD”	the Central Securities Depository (Gh) Limited, a limited 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 the Issuer;
Class of Noteholders	The holders of a Tranche or Series of Notes or, where appropriate, the holders of different Tranches or Series of Notes;
Day	A Gregorian calendar day unless qualified by the word “ <i>Business</i> ”;
Day Count Fraction	in relation to a Tranche or Series of Notes (where applicable) and the calculation of an amount for any period of time (the Calculation Period), the Day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:

- (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:
 - a. 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

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; and

- (h) if **30E/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:

	<p>Y₁ is the year, expressed as a number, in which the first Day of the Calculation Period falls;</p> <p>Y₂ is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;</p> <p>M₁ is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;</p> <p>M₂ is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;</p> <p>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</p> <p>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;</p>
Dealers	IC Securities (Ghana) Limited and/or any other entity appointed as a Dealer by the Issuer with prior approval from the SEC, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement;
Default Rate	In relation to a Tranche or Series of Notes, the default rate specified as such in the Applicable Pricing Supplement;
Determination Date	In relation to a Tranche or Series of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
Determination Period	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);
Early Redemption Amount	in relation to a Tranche or Series of Notes, the amount, as set out in Condition 9.4 (<i>Early Redemption Amounts</i>), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Conditions 9.2 (<i>Redemption for Tax Reasons</i>), 9.3 (<i>Redemption at the Option of the Issuer</i>) and/or Condition 14 (<i>Events of Default</i>);
Encumbrances	any mortgage, lien, pledge, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law. AFB has no existing encumbrance as at December 05, 2014;
Event of Default	In relation to a Tranche or Series of Notes, any of the events described in Condition 14 (<i>Events of Default</i>);
Final Redemption Amount	in relation to a Tranche or Series of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche or Series of Notes upon the Maturity Date;
Fixed Coupon Amount	In relation to a Tranche or Series of Fixed Rate Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;

Fixed Interest Payment Date	In relation to a Tranche or Series of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
Fixed Interest Period	In relation to a Tranche or Series of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement;
Fixed Rate Notes	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
Fixed Rate of Interest	In relation to a Tranche or Series of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;
Floating Rate Notes	Notes which will bear interest at a Floating Rate Interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 7.2 (<i>Floating Rate Notes</i>);
Floating Rate	In relation to a Tranche or Series of Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement;
Ghana	The Republic of Ghana;
GHS	The lawful currency of Ghana, being Ghana Cedis, or any successor currency;
Global Note Certificate	a certificate to be issued by the Issuer to the Trustee as nominee for Noteholders and evidencing title to issued Notes under the Programme;
Higher Redemption Amount	In relation to a Tranche or Series of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
IFRS	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 re-issued from time to time);
Indebtedness	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;
Interest Commencement Date	In relation to a Tranche or Series of Notes (where applicable) the first date from which interest on the Notes, will accrue, as specified in the Applicable Pricing Supplement;
Interest Determination Date	In relation to a Tranche or Series of Notes, the date specified as such in the Applicable Pricing Supplement;
Interest Payment Date	in relation to a Tranche or Series of Notes, the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last Day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
Interest Period	In relation to a Tranche or Series of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
Interest Rate and Rate of Interest	In relation to a Tranche or Series of Notes, the rate or rates of interest applicable to Notes as indicated in the Applicable Pricing Supplement;
ISDA	the International Swaps and Derivatives Association Inc.;
ISDA Definitions	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;

Issue Date	in relation to a Tranche or Series of Notes, the date specified as such in the Applicable Pricing Supplement;
Issue Price	in relation to a Tranche or Series of Notes, the price specified as such in the Applicable Pricing Supplement;
Issuer	AFB (GHANA) PLC, a public limited liability company incorporated under the laws of Ghana with company registration number CA-63,573 and licensed as a non-bank financial institution under the Banking Act, 2004 (Act 673) (as amended);
Last Day to Register	with respect to a particular Tranche or Series of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will record the transfer of Notes in the Register for that particular Tranche or Series of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;
Margin	in relation to a Tranche or Series of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
Material Indebtedness	any Indebtedness amounting in aggregate to an amount which equals or exceeds the greater of (i) GHS5,000,000 or (ii) 10% (ten percent) of the total assets of the Issuer as published in the latest audited financial statements of the Issuer (or its equivalent in other currencies at the time of the occurrence of an Event of Default);
Material Subsidiary	any subsidiary (i) of which the Issuer owns more than 50% (fifty percent) of the ordinary shares and (ii) which represents at least 15% (fifteen percent) of the total assets of the Issuer as published in the Issuer's latest audited financial statements;
Maturity Date	in relation to a Tranche or Series of Notes, the date specified as such in the Applicable Pricing Supplement;
Minimum Redemption Amount	in relation to a Tranche or Series of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
NACA	nominal annual compounded annually;
NACM	nominal annual compounded monthly;
NACQ	nominal annual compounded quarterly;
NACS	nominal annual compounded semi-annually;
Nominal Amount	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;
Noteholders	the registered holders of the Notes as recorded in the Register;
Notes	Unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
Outstanding	in relation to the Notes, all the Notes issued under the Programme other than: <ul style="list-style-type: none"> (a) those which have been redeemed in full; (c) those which have been purchased and cancelled as provided in Condition 9 (<i>Redemption and Purchase</i>); (d) those which have become prescribed under Condition 13 (<i>Prescription</i>); <p>provided that for each of the following purposes:</p>

	<ul style="list-style-type: none"> (i) the right to attend and vote at any meeting of the Noteholders; and (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 16 (<i>Amendment of these Conditions</i>) and 17 (<i>Meetings of Noteholders</i>), <p>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;</p>
Optional Redemption Amount	in relation to a Tranche or Series of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;
Optional Redemption Date	the date for redemption of Notes, as specified in the notice of redemption issued to Noteholders in accordance with Condition 9.3;
Paying Agent	Fidelity Bank Ghana Limited, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent with prior approval from the SEC, as specified in the Applicable Pricing Supplement;
Payment Day	Any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
Permitted Encumbrance	<ul style="list-style-type: none"> (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 Subsidiary or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness is limited to the value of such receivables; 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 owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the <i>bona fide</i> market value 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, 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; <p>(save that any Encumbrance referred to in (a) to (g) above, should be equal or less than (i) GHS5,000,000 or (ii) 10% (ten percent) of the</p>

total assets of the Issuer as published in the Issuer's latest audited financial statements, at the time the Encumbrance is established;

Programme	AFB (GHANA) PLC GHS100,000,000 Note Programme under which the Issuer may from time to time issue Notes;
Programme Amount	the maximum aggregate Nominal Amount of all of the Notes that may be issued and Outstanding under the Programme at any one point in time, being GHS100,000,000 or such increased amount as is determined by the Issuer from time to time and subject to the approval of the SEC, BoG and all Applicable Laws as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ". Approval has been given by BoG for the Issuer to issue a principal amount of up to GHS 60,000,000 in addition to its existing Notes of GHS 26,725,101. Any additional Notes issued above GHS 86,725,101 will be subject to approval from the BoG;
Programme Date	the date of this Programme Memorandum being May 27, 2015;
Redemption Date	in relation to a Tranche or Series of Notes, the date upon which the Notes are redeemed by the Issuer, in accordance with Condition 9 (<i>Redemption and Purchase</i>);
Reference Banks	any of the banks in the Ghanaian inter-bank market selected by the Calculation Agent;
Reference Rate	in relation to a Tranche or Series of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
Reference Price	in relation to a Tranche or Series of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
Register	The electronic register of Noteholders maintained by the CSD in terms of Condition 11 (<i>Register</i>),
Regular Period	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the Day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the Day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
Relevant Date	in respect of any payment relating to the Notes, the date on which such payment first becomes due as specified in the Applicable Pricing Supplement;
Relevant Screen Page	in relation to a Tranche or Series of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may

	replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
Representative	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;
Series	A Series of Notes which are Identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
Special Resolution	a resolution passed at a meeting (duly convened) of the Noteholders or a Class of Noteholders, as the case may be, by a majority consisting of not less than three quarters (i.e. seventy five percent) of the votes cast;
Specified Denomination	in relation to each Note in a Tranche or Series of Notes, the amount specified as such in the Applicable Pricing Supplement;
Specified Office	the office of the Trustee, the Transfer Agent, the Paying Agent and/or the Calculation Agent as specified in the Applicable Pricing Supplement;
Sub-unit	with respect to GHS, the lowest amount of such currency that is available as legal tender in the country of such currency;
Terms and Conditions	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” in accordance with which the Notes will be issued, which terms and conditions may be amended by an Applicable Pricing Supplement;
Tranche	in relation to any particular Tranche, all Notes which are identical in all respects (including as to listing);
Transfer Agent	Central Securities Depository, or any additional or alternate depository approved by the Issuer and GSE;
Trust Deed	the Trust Deed dated May 19, 2015 and entered into between the Issuer and the Trustee, as amended, restated and/or supplemented from time to time; and
Trustee	Fidelity Bank Ghana Limited and/or any other entity appointed as a Trustee by the Issuer with prior approval from the SEC in accordance with the Trust Deed.

2. ISSUE

- 2.1. The Issuer 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 and the Trust Deed, provided that the aggregate Nominal Amount of all of the Notes issued and Outstanding under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in Tranches or Series. A Tranche or Series of Notes will be issued on, and subject to, the applicable 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.
- 2.3. The directors of the Issuer may issue Notes to such persons on such dates as the directors 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.

- 2.4. The value of each Note and any additional amounts payable in respect of each Note issued by the directors of the Issuer shall be as recorded in the Applicable Pricing Supplement.
- 2.5. The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, entitled to the benefit of and are subject to all the provisions of the Trust Deed.

3. FORM AND DENOMINATION

- 3.1 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 the Issuer and specified in the relevant Applicable Pricing Supplement.
- 3.2 All payments in relation to the Notes will be made in GHS. Each Note will be issued in the Specified Denomination indicated in the Applicable Pricing Supplement.
- 3.3 All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon allotment.
- 3.4 Notes will be electronically maintained on the CSD with an identifying number that will be recorded in the Register.

4. TITLE

- 4.1 Each holder of Notes will be named in the Register as the registered holder of each Tranche or Series of Notes issued.
- 4.2 Title to the Notes shall pass by registration in the Register, unless Applicable Laws provide otherwise or provide for additional formalities for transfer of title. In so far as Applicable Law requires notification to the investor for a valid transfer of title to the Notes, the registration of the transfer in the Register shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder as reflected in the Register, shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder.
- 4.3 The Issuer shall issue a single Global Note Certificate to the Trustee in respect of each series or tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings.
- 4.4 The Issuer, the Trustee, the Calculation Agent, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound 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 any Note may be subject.

5. STATUS OF NOTES

The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably 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.

6. NEGATIVE PLEDGE

- 6.1 For so long as any Tranche or Series of the Notes remains Outstanding, the Issuer undertakes that it shall not, and shall procure that no other Material Subsidiary, 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 Indebtedness (save for those which have been accorded a preference by law) without at the same time securing all Notes equally and rateably with such Indebtedness or providing such other security or arrangement as may be approved by Special Resolution of the Noteholders, unless the provision of any such security is waived by a Special Resolution of the Noteholders.
- 6.2 The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or 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.

7. INTEREST

7.1 Fixed Rate Notes

- 7.1.1 Each Fixed Rate Note bears interest on its Nominal Amount which is Outstanding from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.
- 7.1.2 The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.
- 7.1.3 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.
- 7.1.4 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 Sub-unit, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

7.2 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 Fallback 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 sub-paragraph, **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

the relevant Reset Date, as specified in the Applicable Pricing Supplement.

For the purposes of the above sub-paragraph **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) if the Relevant Screen Page is available,
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) 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 11h00 (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 11h00 (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 11h00 (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 11h00 (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 15 (*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 subparagraph 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.

7.3 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid.

7.4 **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 that 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.

8. **PAYMENTS**

8.1 **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).

Method of Payment

- a) Payments will be made in GHS 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 8. 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 (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 (*Taxation*).
- 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.

8.2 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:

- 8.2.1 any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*);
- 8.2.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- 8.2.3 the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes; and

- 8.2.4 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 (*Taxation*).

9. REDEMPTION AND PURCHASE

9.1 Redemption at Maturity

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

9.2 Redemption for Tax Reasons

Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes having an Interest Rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice to the Noteholders prior to such redemption, in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

9.2.1 as a result of any change in, or amendment to, the laws or regulations of Ghana or any political sub-division of, or any authority in, or of, Ghana having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 10 (*Taxation*); and

9.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) Days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 9.2 in whole or in part.

A redemption in part may be effected by the Issuer:

9.2.2.1 notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 10 (*Taxation*); and

9.2.2.2 *mutatis mutandis* in the manner described in Condition 9.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount (both as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.

Notes redeemed for tax reasons pursuant to this Condition 9.2 will be redeemed at their Early Redemption Amount referred to in Condition 9.4 (*Early Redemption Amounts*), together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

9.3 Redemption at the Option of the Issuer

- 9.3.1 If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*) or unless

otherwise specified in the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). The Issuer may exercise the right to optional redemption when its cost of borrowing is lower than the interest rate on the Notes, or if the Issuer decides to restructure its balance sheet.

- 9.3.2 Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.
- 9.3.3 In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) shall be selected not more than 30 (thirty) Days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).
- 9.3.4 In the case of Redeemed Notes, a list of the serial numbers of such Redeemed Notes will be included in the notices to the Noteholders given in accordance with Condition 15 (*Notices*). 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.

9.4 **Early Redemption Amounts**

For the purpose of Conditions 9.2 (*Redemption for Tax Reasons*), and/or Condition 14 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- 9.4.1 in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 9.4.2 in the case of Notes with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- 9.4.3 Such other amount or method of calculation of the amount payable as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual Days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

9.5 **Purchases**

The Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, subject to Applicable Law, be held, resold, or, at the option of the Issuer, cancelled.

9.6 **Cancellation**

Notes purchased by or on behalf of the Issuer, or by any subsidiaries 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. The CSD shall be notified of the cancellation of any Notes.

10. **TAXATION**

The Issuer 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.

11. **REGISTER**

11.1 The Register of Noteholders:

- (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 the Notes issued and the dates of issue of each Note thereof; and
- (e) shall be closed during the Books Closed Period.

11.2 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.

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

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

11.5 Except as provided for in these Terms and Conditions or as required by law, the CSD shall not be bound 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).

12. **TRANSFER OF NOTES**

Transfer of Notes

The transfer of Notes shall be effected in accordance with the prevailing guidelines and procedures of the CSD relating to the transfer of securities as may be implemented from time to time.

- 12.1.1 Notes may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 12.1.2 Subject to this Condition 12.1 the Transfer Agent will, upon being notified of a transfer of Notes, record the transfer of Notes (or the relevant portion of such Notes) in the Register.
- 12.1.3 The transferor of any Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 12.1.4 Before any transfer of Notes is registered in the Register, all relevant transfer taxes (if any) and charges by the CSD and brokers must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 12.1.5 No transfer of Notes will be registered whilst the Register is closed as contemplated in Condition 11(*Register*).

In the event of a partial redemption of Notes under Condition 9.3 (*Redemption at the Option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 9.3 (*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).

13. PRESCRIPTION

Annual report on all unclaimed principal and interest outstanding for one year or more after payment became due, shall be made to the SEC.

14. EVENTS OF DEFAULT

- 14.1 If, for any particular Tranche or Series of Notes, one or more of the following events or unless otherwise set out in the Applicable Pricing Supplement (**Events of Default**) shall have occurred and be continuing:

14.1.1 **Non-Payment**

the Issuer fails to pay any principal or interest due under the Notes on its due date for payment thereof and any such failure continues for a period of 5 (five) Business Days, after receiving written notice from any of the Noteholders and the Trustee demanding such payment; or in accordance to 7.3 on accrual of interest

14.1.2 **Negative Pledge**

the Issuer or any other Material Subsidiary, as the case may be, fails to remedy a breach of Condition 6 (*Negative Pledge*) within 30 (Thirty) Business Days of receiving written notice from the Noteholders and the Trustee demanding such remedy; or

14.1.3 **Breach of Material Obligations**

the Issuer fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this clause 14) under or in respect of any of the Notes and such failure continues for a period of 15 (fifteen) Days after receipt by the Issuer of a notice from the Noteholders and the Trustee (in accordance with Condition 15 (*Notices*)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

14.1.4 Cross Default

the Issuer or any Material Subsidiary, as the case may be, defaults on the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by the Issuer, or any Material Subsidiary, as the case may be, when and as the same shall become due and payable and where notice has been given to the Issuer or any Material Subsidiary, as the case may be, of the default and if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or waived, or if any such obligations in respect of any Material Indebtedness of, or assumed or guaranteed by, the Issuer or any Material Subsidiary, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any Event of Default thereunder; or

14.1.5 Authorisation and Consents

any action, condition or thing, including obtaining any consent, licence, approval or authorisation now or in future necessary to enable the Issuer to comply with its obligations under the Notes is not fulfilled or in place, or any such consent, licence, approval or authorisation is revoked, modified, withdrawn or withheld or ceases to be in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes and the Issuer fails to take reasonable steps to remedy such circumstances within 7 (seven) Business Days of receiving written notice from the Noteholders and the Trustee demanding such remedy; or

14.1.6 Insolvency etc.

an order by any court of competent jurisdiction or authority for the winding-up, dissolution, corporate rescue proceedings or placement under supervision and commencement of business rescue proceedings of the Issuer or any Material Subsidiary, as the case may be, is made whether provisionally (and not dismissed or withdrawn within 30 (thirty) Days thereof) or finally, or the Issuer or any Material Subsidiary, as the case may be, is placed under voluntary liquidation or curatorship or a meeting is convened to consider the passing of a resolution, or a resolution is passed, to authorise the implementation of any business rescue proceedings in respect of the Issuer or any Material Subsidiary, provided that no liquidation, curatorship, winding-up, dissolution or business rescue proceedings shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the AFB (Ghana) Group with any third party; or (ii) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or business rescue proceedings; or

14.1.7 Winding-up etc.

the Issuer or any Material Subsidiary, as the case may be, initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up, business rescue or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer or any Material Subsidiary, as the case may be, to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors), save for any such initiation, consent, attempt or convening of a meeting which relates to the Issuer or any of its Material Subsidiary and is for the purposes of an internal reconstruction or reorganisation within the AFB (Ghana) Group; or

14.1.8 Enforcement Proceedings

if a person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or any Material Subsidiary, as the case may be, or an execution or

attachment or other process is validly levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of any of them in both instances following a judgement against the Issuer or any Material Subsidiary, as the case may be, by a court of competent jurisdiction and such is not discharged within 30 (thirty) Days; or

14.1.9 **Other**

Any other Event of Default provided for such Tranche or Series of Notes, as specified in the Applicable Pricing Supplement, then the Trustee at its discretion, or if requested in writing by the Noteholders of not less than one-fourth in principal amount of the Notes then outstanding or if so directed by a Special Resolution (subject in each case to being indemnified and/or secured to its satisfaction), shall give written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Notes held by the Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 9.4 (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a holder of Notes and the Trustee if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of Ghana or to comply with any order of a court of competent jurisdiction.

14.2 **Notification of Event of Default**

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forth with notify the Trustee and all Noteholders in accordance with Condition 15 (*Notices*).

15. **NOTICES**

15.1 Notices to Noteholders shall be valid if:

- (i) mailed to their registered addresses appearing in the Register or any such notice shall be deemed to have been given on the tenth Day after the Day on which it is mailed; or
- (ii) published, not earlier than 4 (four) Days after the date of posting of such notice in terms of this clause in an English language daily newspaper of National circulation in Ghana approved by the Trustee.

15.2 Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the tenth Day after the Day on which it is sent. The Issuer may change its registered office upon prior written notice to the Trustee and Noteholders specifying such new registered office.

15.3 Notices to the Trustee or Transfer Agent will be deemed to have been validly given if delivered to the Specified Office of the Trustee or Transfer Agent, as the case may be.

16. **AMENDMENT OF THESE CONDITIONS**

16.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to further provisions of this Condition no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless the amendments have been reduced to writing and signed by or on behalf of the Issuer and the Trustee subject to the approval of the SEC.

16.2 The Trustee may agree, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is established, provided that such modification is not prejudicial to the interests of the Noteholders.

Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be communicated to the relevant Class of Noteholders in accordance with Condition 15 (*Notices*) as soon as is practicable thereafter.

- 16.3 The Issuer may with the prior sanction of a Special Resolution of Noteholders or with the prior written consent of Noteholders holding not less than three quarters (i.e. seventy five percent) in Nominal Amount of the Notes Outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 15 (*Notices*).
- 16.4 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 where the substitution of the Issuer is as a result of a merger, an acquisition, or other form of business combination involving the Issuer.
- 16.5 Subject to obtaining the prior consent of the Noteholders, the Trustee may agree on such terms as it may specify to the substitution of the Issuer where the Issuer is substituted with its Affiliate in its place as issuer under the Trust Deed and the Notes.
- 16.6 The Trustee may agree to any modification to these Terms and Conditions or the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the rights of Noteholders.

17. MEETINGS OF NOTEHOLDERS

17.1 Convening of meetings

- 17.1.1 The Issuer or Trustee may at any time convene a meeting of Noteholders (a **Meeting or the Meeting**). The Issuer or Trustee (subject to it being indemnified to its satisfaction) shall convene a Meeting upon the requisition in writing of the holders of at least 20% (twenty percent) of the aggregate Nominal Amount which is Outstanding of the Notes (**Requisition Notice**).
- 17.1.2 Whenever the Issuer or Trustee wishes or is required to convene a meeting, it shall forthwith give notice in writing to the Trustee or Issuer, the agents, and Noteholders of the place, Day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- 17.1.3 All meetings of Noteholders shall be held at such place as may be determined by the Issuer or Trustee.
- 17.1.4 Any director or duly authorised representative of the agents, Issuer or Trustee, and any other person authorised in writing by the Issuer or Trustee, may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy (as defined below) or duly authorised representative of a Noteholder.

17.2 Requisition

- 17.2.1 A Requisition Notice shall state the nature of the business for which the Meeting is to be held and shall be deposited at the registered office of the Issuer.
- 17.2.2 A Requisition Notice may consist of several documents in like form, each signed by one or more requisitionists.

17.3 Convening of Meetings by requisitionists

If the Issuer does not proceed to cause a Meeting to be held within 10 (ten) Days of the deposit with the company secretary of the Issuer of a Requisition Notice, requisitionists who together hold not less than 20% (twenty percent) of the aggregate Nominal Amount which is Outstanding of the Notes for the time being, may instruct the Trustee to convene the Meeting

(subject to it being indemnified to its satisfaction), but the Meeting so convened shall be held within 30 (thirty) Days from the date of such deposit.

17.4 Notice of Meeting

- 17.4.1 Unless the holders of at least 75% (seventy-five percent) of the aggregate Nominal Amount which is Outstanding of the Notes agree in writing to a shorter period, at least 21 (twenty one) Days written notice specifying the place, Day and time of the meeting and the nature of the business for which the meeting is to be held shall be given by the Issuer or Trustee to the Issuer or Trustee, the agents, and Noteholders. Such notice is required to be given in accordance with Condition 15 (*Notices*).
- 17.4.2 The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text.
- 17.4.3 The accidental omission to give such notice to the agents or Issuer or Trustee or any Noteholder or the non-receipt of any such notice, shall not invalidate the proceedings at a Meeting.

17.5 Quorum

A quorum at a Meeting shall for the purposes of considering:

- 17.5.1.1 an ordinary resolution generally, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Nominal Amount outstanding of the Notes;
- 17.5.1.2 a Special Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than 75% (seventy five percent) of the aggregate Nominal Amount which is Outstanding of the Notes.
- 17.5.2 No business shall be transacted at a meeting of the Noteholders unless a quorum is present at the time when the Meeting proceeds to business.

17.6 Chairman

- 17.6.1 The chairman of the Meeting shall be appointed by the Trustee.
- 17.6.2 An individual (who may, but need not, be a Noteholder) nominated in writing by the Trustee or Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 (fifteen) minutes after the time fixed for the meeting, those present shall elect one of themselves to take the chair failing which, the Issuer or Trustee may appoint a Chairman.
- 17.6.3 The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

17.7 Adjournment

- 17.7.1 Subject to the provisions of this Condition 17 (*Meetings of Noteholders*) the Chairman may, with the consent (which consent shall not be unreasonably withheld and/or delayed) of, and shall on the direction of the Issuer and Trustee, adjourn the Meeting from time to time and from place to place.
- 17.7.2 No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

17.7.3 At least 14 (fourteen) Days written notice of the place, Day and time of an adjourned Meeting shall be given by the Trustee or Issuer to the Trustee or Issuer, the agents and each Noteholder. In the case of a Meeting adjourned in terms of Condition 17.8, the notice shall state that the Noteholders present in person or by proxy at the adjourned Meeting will constitute a quorum.

17.8 Adjournment for Want of Quorum:

If within 30 (thirty) minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty two days) and to such place as the Chairman determines (with the approval of the Issuer or Trustee); provided that:
 - (i) The Meeting shall be dissolved if the Issuer and the Trustee so decide; and
 - (ii) no meeting may be adjourned more than once for want of a quorum.

If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including a Special Resolution.

17.9 Participation:

The following may attend and speak at a Meeting:

- (a) Noteholders or the proxies or representatives of the Noteholders;
- (b) representatives of the Issuer, the Trustee and the CSD;
- (c) the financial advisers of the Issuer and the Trustee;
- (d) the legal counsel to the Issuer, the Trustee, the CSD and such advisers; and
- (e) any other person approved by the Meeting or the Issuer or the Trustee.

17.10 How questions are decided

17.10.1 At a Meeting, a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the Chairman, the Trustee, the Issuer, or by any one of the Noteholders present in person or by proxy.

17.10.2 Unless a poll is demanded, a declaration by the Chairman that on a show of hands a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

17.10.3 A poll demanded on the election of a chairman or on the question of the adjournment of a meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the Meeting directs and the result of such poll shall be deemed to be the resolution of the Meeting.

17.10.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

17.11 Votes

On a show of hands every Noteholder present in person or by proxy shall have one vote. On a poll every Noteholder, present in person or by proxy, shall have one vote for each value of the minimum denomination i.e. one vote for each GHS 1 of Notes held (as stated in the Applicable Pricing Supplement) [of the Nominal Amount which is Outstanding of the Notes held by him. The joint holders of Notes shall have only one vote on a show of hands and one vote on a poll for each value of the minimum denomination i.e. one vote for each GHS 1 of Notes held (as stated in the Applicable Pricing Supplement)] of the Nominal Amount which is Outstanding of the Notes of which they are the registered holder and the vote may be exercised only by that holder present whose name appears first on the Register in the event that more than one of such joint holders is present in person or by proxy at the Meeting.

17.12 Proxies and representatives

17.12.1 Noteholders may:

- (a) Present in person; or
- (b) through any appointed person (a **Proxy**), by an instrument in writing (a **Form of Proxy**), signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation,

vote on a poll or on a show of hands.

17.12.2 A person appointed to act as proxy need not be a Noteholder.

17.12.3 The Form of Proxy shall be deposited at the registered office of the Issuer or at the office where the Register is kept or at such other office as the Issuer may determine not less than 24 (twenty four) hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such form of proxy proposes to vote, and in default, the Proxy shall be invalid.

17.12.4 No Form of Proxy shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.

17.12.5 A Proxy shall have the right to demand or join in demanding a poll.

17.12.6 Notwithstanding Condition 17.12.4 the Form of Proxy shall be valid for any adjourned Meeting, unless the contrary is stated thereon.

17.12.7 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the Form of Proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Agent more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the Meeting or adjourned Meeting at which the proxy is to be used.

17.12.8 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative in connection with any Meeting or proposed meeting of Noteholders. Any reference in this Condition 17 (*Meetings of Noteholders*) to a Noteholder present in person includes such a duly authorised representative of a Noteholder.

17.13 Powers:

17.13.1 Subject to the Terms and Conditions and the provisions of the Trust Deed, a Meeting shall have power (exercisable by Special Resolution), without prejudice to any other powers conferred on it or any other person:

- a) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of the Trust Deed or the Terms and Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- b) to approve the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other Person or body corporate formed or to be formed;
- c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Trust Deed, the Notes or the Agency Agreement; or any act or omission which might otherwise constitute an Event of Default;
- d) to remove any Trustee;
- e) to approve the appointment of a new Trustee;
- f) to authorise the Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to a Special Resolution;
- g) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- h) to give any other authorisation or approval which, under the Trust Deed or the Notes, is required to be given by Special Resolution; and
- i) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Special Resolution.

17.13.2 A decision to:

- a) amend the Maturity Dates or redemption of any of the Notes, any Interest Payment Date on the Notes;
- b) reduce or cancel the principal amount of, or any premium payable on Redemption of, the Notes;
- c) reduce the Interest Rate/s in respect of the Notes or to vary the method or basis of calculating the amount of Interest, Interest Rate/s or the basis for calculating any Interest in respect of the Notes;
- d) if a minimum Interest Rate and/or a maximum Interest Rate is specified, reduce any such minimum and/or maximum;
- e) vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;
- f) vary the currency or currencies of payment of the Notes; or
- g) 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 Special Resolution,

may only be taken following approval by a Special Resolution.

17.13.3 Any Special Resolution duly passed shall be binding on Noteholders (whether or not they were present at the Meeting at which such resolution was passed).

17.14. Resolution binds all Noteholders:

Subject to clause 17.15 (*Written Resolution*), a resolution of the Noteholders shall be binding upon the Noteholders whether or not present at such Meeting, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on a resolution shall be given to the Noteholders (with a copy to the Issuer when the meeting is convened by the Trustee or where the relevant Meeting was convened by the Issuer, the Trustee) within 14 (fourteen) days of the conclusion of the Meeting.

17.15. Written Resolution

A written resolution signed by the holders of at least three quarters of the aggregate Nominal Amount outstanding of the Notes taken together shall take effect as if it were a Special Resolution.

17.16. Minutes

17.16.1 The Issuer shall cause minutes of all resolutions and proceedings of Meetings to be duly entered in the minute books of the Issuer.

17.16.2 Any such minutes as aforesaid, if purporting to be signed by the Chairman of the Meeting at which such resolutions were passed or proceedings held or by the Chairman of the next succeeding Meeting, shall be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

17.17 *Mutatis mutandis* application

The provisions of this Condition 17 (*Meetings of Noteholders*) shall apply *mutatis mutandis* to the calling and conduct of Meetings on an individual Tranche, Series or Class of Noteholders, as the case may be.

17.18 FURTHER ISSUES

Subject to the approval of the SEC, the Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes in accordance with the Trust Deed having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

18. ENFORCEMENT

18.1 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 the Trust Deed and the Notes, but it need not take any such proceedings unless:

- (a) it shall have been so directed by a Special Resolution; and
- (b) it shall have been indemnified to its satisfaction by the Noteholders.

- 18.2 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.

19. INDEMNIFICATION OF THE TRUSTEE

- 19.1 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances. Subject to the fiduciary obligations of the Trustee to the Noteholders, the Trustee may 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, nor is the Trustee 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.
- 19.2 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 19), 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.

20. GOVERNING LAW

These Terms and Conditions, all rights and obligations to the Notes and the Trust Deed are governed by, and shall be construed in accordance with, the laws of Ghana in force from time to time.

DESCRIPTION OF AFB (GHANA) PLC

Overview

AFB (GHANA) PLC (“**AFB**” or the “**Company**”) is a leading consumer finance company in Ghana’s Non-Bank Financial Institutions (“**NBFI’s**”) sector. The Company was established in 2009 under the name African Financial Services (Gh) Limited (“**AFS**”), a subsidiary of the AFB Group, which also has operations in Kenya, Tanzania and Zambia. In 2013, the Company undertook a rebranding exercise which saw a change in name from AFS to AFB. AFB currently has over 50,000 customers served by 135 staff and 400 sales agents through its 24 branches across Ghana. The Company’s business model is based on payroll lending targeted at government workers and a reward card service (which includes life insurance and medical support services). In May 2015, AFB Ghana secured BBB rating from the Global Credit Rating on the back of robust asset base and good performance outlook for the Programme. This is indicative of the degree of financial strength and credibility of AFB.

AFB Group’s operations span across the East African region with 4 core business divisions: mobile, cards, loans and insurance. AFB Group’s business is the first intelligent, data-driven consumer finance player in Africa focusing on voluntary repayment credit and insurance products. With the strongest consumer finance team in Africa, AFB Group has a staff base of about 1,500.

Some of the main uses of AFB loans are:

- (a) to support the individual during times of emergency;
- (b) to allow the development of family entrepreneurial activities;
- (c) to support children in education;
- (d) to purchase life-enhancing assets; and
- (e) to finance unforeseen medical emergencies.

AFB’s mission is to “Transform the consumer banking landscape in Africa, using technology to create valuable choices for people and small businesses”. The Company’s business model is based on the payroll lending model targeted at government workers which is widely recognized as the lowest risk model within the unsecured consumer loan industry. Repayments of deployed AFB loans are made directly from the employer at a payroll level and borrower ability to repay is continually monitored. Affordability is determined based on proven income and a proprietary methodology is used to set lending levels together with the individual borrower and the employer. The primary lending model is based on a responsible and robust tripartite relationship between employer, borrower and AFB. The company prides itself in prudent lending, swiftness and efficiency. This means that in general, cash advances are made immediately to borrowers who meet the appropriate criteria.

The founders and management team of AFB have many years of experience gained across Africa in the delivery of credit for the benefit of African working people, and have long-standing relationships with clients, communities and other partners across the continent. AFB’s core philosophy is that there are high levels of demand from consumers for credit which should be provided while consistently maintaining responsible lending practices, superior risk management and operational excellence.

Hence AFB’ strategic focus is:

- (a) to be the leading responsible lender of choice for the targeted client base;
- (b) to serve consumers with valuable product offering through its nationwide branch network;
- (c) to increase its core market share with a steady and profitable approach; and
- (d) to maintain the highest standards of risk management in the Industry.

AFB intends on expanding operations in other key Sub-Saharan countries and expanding the product set to include other credit and insurance products.

Takeover Offers or Bids

AFB 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.

Key Strengths

1. Experienced Board of Directors;
2. Strong Parent Company;
3. Proprietary systems used in risk and data management; and
4. Excellent customer service.

Service Offering

The Company's main service offerings to its existing and prospective clients include:

Consumer Loans

Loan provision is the core business of AFB. The Company has a wide spectrum of loans intended to cater to a variety of client financial needs. Loans are disbursed with little to no default risk as monthly deductions are made from borrowers' salaries. AFB's loans are targeted toward individuals and SMEs who seek funds to finance small projects or supplement their disposable incomes. Currently, AFB offers innovative payroll solutions to the staff of the Ghana Armed Forces, the Ghana Police Service and all Government employees. The Company also has contractual agreements with major reputable organizations like the Volta River Authority and AngloGold Ashanti to offer loan products to their employees.

The payroll product tenor ranges from 3 to 36 months with an average monthly rate of 5%.

Reward Cards

In order to further deepen presence in the market and relationship with customers, AFB has introduced the Reward Gold card to customers. Currently, the Company has rolled out 16,000 reward cards to customers. AFB Reward Gold cards give all customers immediate discounts at Melcom stores for purchases above GHS 50. They also provide free life insurance cover of GHS 2,000 in the tragic event of a card holder's death. The Reward Gold card has the "Hello Doctor" platform which gives free medical consultation to customers. AFB has plans to introduce more benefits in the near future to the benefit of customers.

Insurance

AFB, in partnership with Enterprise Life Assurance Company (ELAC) introduced a bancassurance product to its customers in March 2014. The credit life product covers all loans the Company grants to its clients and protects the clients and their families from unexpected death and permanent disabilities.

Merchant /Smartcash Loans

Smartcash is an unsecured loan product that funds working capital for market traders. The primary use of proceeds is stock purchases. This product was first rolled out in April 2013 and now covers 5 branches in Nkawkaw, Nsawam, Akim Oda, Bantama and Koforidua markets with over 4,500 customers. This loan product with following attractive features:

- (a) highly profitable for the customer;

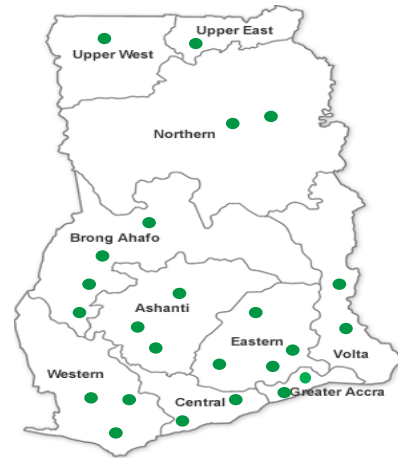
- (b) returns 75% PAT, per annum, per GHS advanced in steady state;
- (c) attractive average collection rates at 90%;
- (d) 21,700 discrete loans have been advanced since inception;
- (e) average loan size of GHS 350; and
- (f) customer repeat rate of approximately 75%

The Smartcash loan book as at end of May 2014 stood at GHS 1.2m. Given the early stage nature of this product, there is no contribution from this business to the financials presented in this Information Memorandum.

Branch Network

The Company has an extensive network of 24 branches which are located across the country.

Region	Branch Presence
Ashanti	3
Brong-Ahafo	4
Central	2
Eastern	4
Greater Accra	2
Northern	2
Upper East	1
Upper West	1
Volta	2
Western	3
TOTAL	24



Human Resource Management

AFB is directed by a 6-member Board of Directors and a 5-member Management Team.

The Board of Directors

Clifford Mpare, Non-Executive Chairman, 57 years

Clifford has over 25 years of private and public equity investment management experience in the U.S, Canada and Africa. Most recently, Clifford served as Senior VP and Director of Research at Piedmont Investment Advisors, responsible for directing the overall investment research on the firm's \$2 Billion portfolio. He has an MBA from Dalhousie University in Canada.

Andrew Watkins-Ball, Non-Executive Director, 35 years

Andrew believes in revolutionizing the African Banking landscape, using technology to deliver innovative funding solutions to people and small businesses. He founded AFB in 2010 and served initially as Chief Executive Officer of AFB from September 2010 to August 2012 and then as Executive Chairman from August 2012 to January 2014. He started various businesses before joining Salomon Bros in London in 2000, where he spent 7 years. During that time, Andrew executed over \$25bn of Leveraged Finance deals in Europe, US, Asia and Africa. Since 2007, Andrew has been active building businesses in the Financial Services, Technology and Telecommunications sectors.

Chris Watkins-Ball, Non-Executive Director, 75 years

Chris Watkins-Ball is a leading banking figure in South Africa. A lawyer and an economist, he has extensive experience in financial services in South Africa, the United Kingdom, Europe and America. He was a General Manager of Barclays Bank in the United Kingdom, and Group CEO of First National Bank in South Africa, and until recently was Senior Independent Director of Nedbank. He has been President of the Institute of Bankers in South Africa. He is a member of the advisory board of the Nelson Mandela Children's Fund.

Karl Westvig, Non-Executive Director, 43 years

Karl co-founded the well-known consumer finance business RCS Group in 1999, where he served as a CEO until December 2008. Under his guidance, the RCS Group grew to 800 staff; 600,000 customers, and a product suite including direct personal loans, general-purpose cards, home loans, vehicle finance, Insurance and private label cards. RCS Group is now the leading provider of independent credit services to retailers in South Africa, including Botswana and Namibia, with a total book under management of R2.6bn. Karl graduated from UCT in 1992 with an Honours degree in Business Science (Statistics and Operations Research). Karl is the CEO of the AFB Group.

Bruce Sneddon, Non-Executive Director, 46 years

Bruce Sneddon is a CA (SA) and has extensive financial services, retail and consumer finance experience, having worked at Norwich Limited, Appleton Limited, Truworths Limited, Integer Home Loans and most recently Alliance Group Capital. He completed his articles with Deloitte in Cape Town. Bruce is the Group CFO of the AFB Group

Arnold Parker, Executive Director, 37 years

Arnold joined AFB from Access Bank Ghana, where he was the Head of Commercial Banking supervising the activities of several marketing units. Prior to this, he was the Head of Treasury Sales and Product Development for the past Intercontinental Bank Ghana before its takeover by Access Bank in 2012. Arnold spent several years at the United Bank for Africa (UBA), Ghana, where he occupied a number of key positions. He was at one time, Head of Intra Africa Trade. In this role he pioneered a payments and collections framework for export and import trade within Africa. He also served as the Head of Transaction Banking where he managed the remittances, e-banking products sales and payments and collection solution units. He joined UBA (then Standard Trust Bank) as a Foreign Exchange dealer with the Treasury division when the Bank started its operations in Ghana. Before joining UBA, he was a Market Risk Analyst for the Global Markets division of Standard Chartered Bank, Ghana.

Name of Director	Date of Appointment	Position	Period served	Other Directorships
Clifford Mpare	21 August 2009	Non-Executive Director	6 years	Frontline Capital Advisors Ghana Infrastructure Fund
Chris Watkins-Ball	21 February 2012	Non-Executive Director	3 years	AFB Kenya/ Mauritius
Andrew Charles Watkins-Ball	21 February 2012	Non-Executive Director	3 years	AFB Kenya/ Mauritius
Karl Horneman Westig	29 January 2013	Non-Executive Director	2 years	AFB Kenya/ Mauritius
Darren Bruce Sneddon	29 January 2013	Non-Executive Director	2 years	AFB Kenya/ Mauritius
Arnold Parker	4 August 2014	Executive Director	1 year	N/A

Directors' Fees and Benefits

Aggregate remuneration of the Directors were GHS 321,940 for the 2014 financial year.

The Management Team

Arnold Parker, Managing Director (See Board profile above)

Peter Dadzie, Head of Sales and Marketing

Peter has over 12 years of Sales experience within the payroll lending industry in Ghana. He is a pioneer staff of afb who started as a Branch Manager and later became the Regional Operations Manager for the Southern Region. Prior to his appointment, he was the Sales Operations Manager with the responsibility of coordinating sales activities across our 23 branches nationwide. He was the Branch Manager for Bayport's flagship branch, the Kokomlemle Branch. He also worked at the Foreign Affairs Ministry as an Administrator. Peter is very experienced in the field of Sales Management, Administration and Credit administration.

Akyea Afari Gyasi, Head of Collections

Akyea has previously worked in various capacities at Barclays Bank and managed various projects during his time at Barclays Bank. Before he joined Barclays in 2006, he worked with Fraga Oil Ghana Limited. Akyea has been instrumental in building strong performance environments over the course of his career. Akyea has a BSc. Psychology (Accounting Option) from the University of Cape Coast and a Masters in Business Administration (Finance Option) from GIMPA. He has vast experience in collections, finance and risk management.

Ibrahim Obosu, Head of Finance

Ibrahim has several years of experience in financial controls, strategic finance, management accounting and business strategy. His experience spans several industries with stints in the hospitality and financial services industries. Prior to joining AFB, he was the Head of Finance at Midindi Hotels. Ibrahim holds a Bachelor's degree in Accounting and Applied Accounting from the University of Cape Coast and is a Masters in Communications candidate at the Pentecost University of Ghana. He is also a candidate for the Association of Chartered Certified Accountants certification.

Justice Sagoe, Head of Risk

Justice is a professional with experience in Credit and Compliance management, overall Business Operations and Business Administration. Prior to joining afb he was the Chief Operating Officer at Pak Microfinance Company Limited. He also spent some years at Liberty Trust Microfinance Ltd, where he served as the General Manager. Prior to that he worked with Dream Finance Limited, where he held the position of a zonal Manager and oversaw four branches within the zone. Justice also worked at DG Capital where he played a number of important roles. He was a credit officer at a point and later became the Regional Credit Manager. He also worked at Chrisline Financial Services and was promoted from the position of a Credit Officer to Branch Manager. He holds Bachelor in Arts, where he majored in Economics and a Masters Degree in Business Administration (Finance) both from the University of Ghana, Legon.

Directors' Interests and Disclosures

None of the Directors holds interest in AFB (Ghana) PLC as at the date of this Document.

Directors of AFB (Ghana) PLC do not intend to partake in this Note Programme.

Directors and affiliates of AFB (Ghana) PLC do not have any contracts outside their current role as Directors and affiliates with AFB.

Disclosure of Interests by Advisors

As at the date of this Document:

IC Securities holds no AFB (Ghana) PLC shares. No employee or principal of IC Securities holds any interest in any AFB (Ghana) PLC shares.

EY (Ghana) Limited holds no AFB (Ghana) PLC shares. No employee or partner of EY (Ghana) Limited holds any interest in any AFB (Ghana) PLC shares.

BELA holds no AFB (Ghana) PLC shares. No employee or partner of BELA holds any interest in any AFB (Ghana) PLC shares.

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 any criminal convictions or is a named subject of any pending criminal proceeding relating to fraud.

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 judgment 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 AFB's Business Affairs - No member of management or any other person related to them have any material business interests or contracts in or with AFB either directly or indirectly.

Directors Powers to Borrow and Charge AFB's Assets - The Directors may exercise all the powers of the Company to borrow money 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.

Organizational Structure

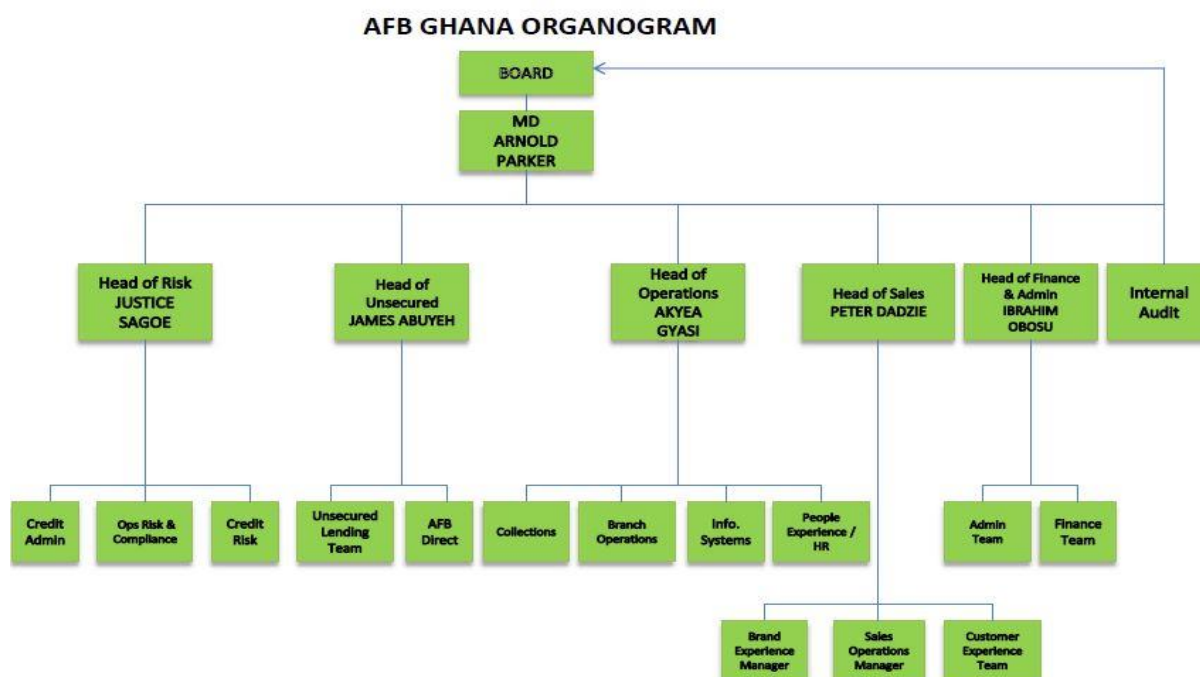


Figure 1: AFB's organizational structure

Board Committees

In line with good corporate governance and current best practices, the board of directors has established the Audit, Risk Management and Compliance Committee (ARC). The ARC is chaired by Mr. Chris Watkins-Ball and other members including Mr. Karl Horneman Westvig, Mr. Darren Bruce Sneddon and Mr. Arnold Parker as invitee. The ARC evaluates the adequacy and efficiency of the internal control systems, accounting practices, information systems, internal audit process, external audit processes, regulatory reporting process, compliance function, and risk management process (including credit risk), applied in the day-to-day management of the business. To achieve this, the ARC provides the following:

Function	Details
Internal Control	Monitor that management creates and maintains an effective internal control environment. Satisfy itself that appropriate policies are in place and are being adhered to
Financial Control	Monitor the adequacy and reliability of management information. Monitor the efficiency of management information systems. Satisfy itself that the expertise and resources of the finance function are appropriate. Review and approve financial statements and reports to be published, for proper disclosure and for compliance with IFRS. Confirm that accounting policies are appropriate. Review judgmental areas in the financial statements. Review capital expenditure control. Monitor tax management and compliance
Internal Audit	Monitor the staffing, skills, work plan and performance of the internal audit function. Receive regular reports from internal audit on its findings
External Audit	Recommend to the Board the appointment of the auditors, agree their work plan and monitor their performance. Discuss in closed session with the auditors – attitudes, relationships, tone
Regulatory Reporting	Review the regulatory reporting process
Compliance	Review the compliance processes, and receive reports on non-compliance with laws and regulations
Risk	Evaluate the risk management methodology that is applied. Review specific risks and the management of fraud, dishonesty and physical security risks
Credit risk	Approve credit policies and limits. Monitor that procedures are in place to price for, manage and control credit risk. Review credit risk management information and reporting to the Board. Review the adequacy of impairments

AFB 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.

Shareholders and their shareholding structure

AFB is wholly owned by AFB Mauritius Limited, the Mauritius Holding company of the AFB Group. AFB Mauritius also has 100% owned subsidiaries in Kenya, Zambia and Tanzania, namely:

1. AFB Kenya Limited
2. African Finance Business Zambia Limited
3. AFB Tanzania Limited

Shareholder	% Shareholding
AFB Mauritius Limited	100%

Figure 2: AFB's shareholding structure

Existing Ghana MTN Programme

As at 20 May 2015, AFB had existing Notes of GHS 26,725,101 which will be listed by introduction on the GAX of the GSE.

Debt	Notional Amount	Maturity Date
Existing MTN Programme	GHS 26,725,101	Varies from 1 September 2015 - 29 September 2017

Details of PPE

As at the date of this Document, AFB (Ghana) PLC has lease contracts at the following branch offices:

Branch Name	Start Date	End Date
HQ	1-Jun-15	Aug. 30, 2015
Accra Branch	Apr. 1, 2015	30-Jun-15
Kumasi Branch	1-Oct-13	30-Sep-15
Tamale Branch	1-Jul-13	1-Jul-15
Koforidua Branch	9-Feb-15	Feb. 09, 2020
Takoradi Branch	1-May-15	30-Apr-17
Cape Coast Branch	42,125	30-Apr-17
Bolga Branch	1-Mar-15	Sept. 28, 2020
Wa Branch	5-Jun-14	5-Jul-16
Sunyani Branch	Mar. 1, 2015	Feb. 28, 2018
Ho Branch	July 2013	July 2015
Yendi Branch	Nov. 1, 2013	Dec. 31, 2015
Hohoe Branch	Jul. 31, 2013	Jul. 31, 2015
Nkawkaw Branch	Aug. 1, 2013	1-Aug-15
Tarkwa Branch	Feb. 4, 2013	Jun 3, 2015
Techiman Branch	Aug. 1, 2013	July 31, 2015
Akim Oda Branch	Sept. 2013	Sept 2015
Agona Swedru Branch	Sept. 15, 2013	Sept. 14, 2015
Kintampo Branch	Jan. 1, 2015	Dec. 31, 2017
Goaso Branch	Dec. 2013	Nov. 2015
Obuasi Branch	Nov. 1, 2013	October 1, 2015
Nsawam Branch	Oct. 30, 2013	Oct. 30, 2015
Nsawam Branch - NEW	Jul. 2014	June 2017
Sefwi Wiawso Branch	Jul.31, 2014	August 1, 2017

Historical Income Statement of AFB

AFB's interest income grew at a 5-year CAGR of 126.6% from 2010 to 2014. The Company continued to grow its interest income to GHS 50.1 million from January to December, 2014. This growth is primarily attributed to the Company's efficient payroll business which is focused on high value and less risky Government employees who are on the single-spine salary structure and employees from other reputable companies. Going forward, we expect this trend to continue on the back of an

increase in the coverage of the single spine salary structure and more importantly an increase in current borrowers from a 2012 penetration rate of 30% to about 45% by end of 2014. The increase is as a result of the Company's responsible lending practices, superior risk management and operational excellence. However, growth in bottom line was not at par with top line growth due to foreign exchange losses and high management expenses from consultation fees paid to the Group. This resulted in a loss of GHS 7.8 million (normalised earnings of GHS 7.0 million) in 2014. The normalised earnings, excluding the forex losses and management charges, shown in the figure below, give a clearer picture of AFB's operational performance over the years. The intention of listing is to raise sufficient additional local borrowings so that the Company can repay all its USD exposure, thereby removing the exposure to mark to market forex losses which have dampened historical performance.

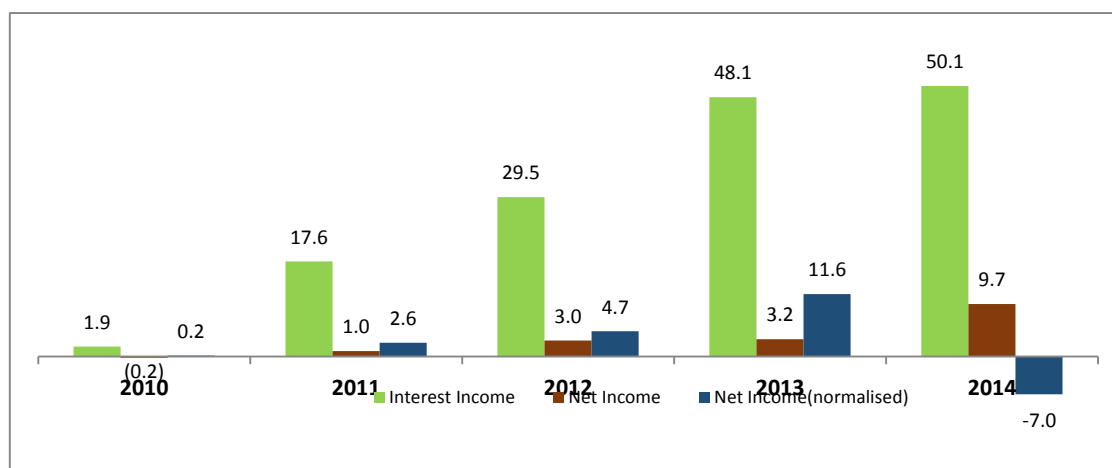


Figure 3: Income Statement Highlights (GHS in millions)

Income Statement (Based on Audited Results)

All figures in GHS ('000)	2010	2011	2012	2013	2014
Interest income	1,859	17,643	29,542	48,080	50,124
Interest expense	(12)	(6,670)	(11,262)	(15,370)	(15,462)
Net interest income	1,847	10,973	18,279	32,710	34,663
Impairment allowance	(120)	(2,343)	(4,390)	(9,314)	(12,907)
Income from lending activities	1,727	8,630	13,889	23,396	21,756
Non-interest revenue	257	1,330	-	-	-
Fees and recoveries	-	-	1,474	3,390	3,445
Operating Income	1,984	9,960	15,362	26,786	25,201
Total Operating expenses	(2,187)	(8,550)	(11,377)	(21,405)*	(33,590)**
Profit/(Loss) before income tax	(203)	1,410	3,986	5,381	(8,389)
Tax charge	(19)	(394)	(997)	(2,150)	630
Profit/(Loss) for the year	(222)	1,016	2,988	3,231	(7,759)

Figure 4: Historical Income Statement

Note:

2010 financial year stands for Sept 2009 to Feb 2011
2011 financial year stands for Mar 2011 to Feb 2012
2012 financial year stands for Mar 2012 to Dec 2012
2013 financial year stands for Jan 2013 to Dec 2013
2014 financial year stands for Jan 2014 to Dec 2014

*Includes forex losses of GHS 8.7million

** Includes forex loss of GHS 17.7 million

Income Statement (Based on Normalised Earnings)

All figures in GHS ('000)	2010	2011	2012	2013	2014
Interest income	1,859	17,643	29,542	48,080	50,124
Interest expense	(12)	(6,670)	(11,262)	(15,370)	(15,462)
Net interest income	1,847	10,973	18,279	32,710	34,663
Impairment allowance	(120)	(2,343)	(4,390)	(9,314)	(12,907)
Income from lending activities	1,727	8,630	13,889	23,396	21,756
Non-interest revenue	257	1,330	-	-	-
Fees and recoveries	-	-	1,474	3,390	3,445
Operating Income	1,984	9,960	15,362	26,786	25,201
Total Operating expenses	(2,187)	(8,550)	(11,377)	(21,405)	(33,590)**
Profit/(Loss) before income tax	(203)	1,410	3,986	5,381	(8,389)
Adjustments via reversals**	455	1,990	2,234	10,048	17,709
Adjusted Profit before Tax	251	3,401	6,220	15,429	9,320
Tax charge (25% assumed)	(63)	(394)	(997)	(3,857)	(2,330)
Profit/(Loss) for the year	188	2,551	4,665	11,572	6,990

** Earnings have been adjusted for reversal of management charges, FX losses excess and 2013 excess loan loss provisioning

Historical Balance Sheet of AFB

The Company's equity value decreased from GHS 6.7 million to GHS 6.3 million from 2011 to 2014. Total assets grew at a 5-year CAGR of 84.2% from GHS 7.6 million to GHS 88.3 million during that same period. The significant increase in total assets was on the back of loan book growth, from GHS 6.7 million to GHS 68.2 million during the same period. To keep this trend going, AFB has extended its credit facility to clients working in the private sector.

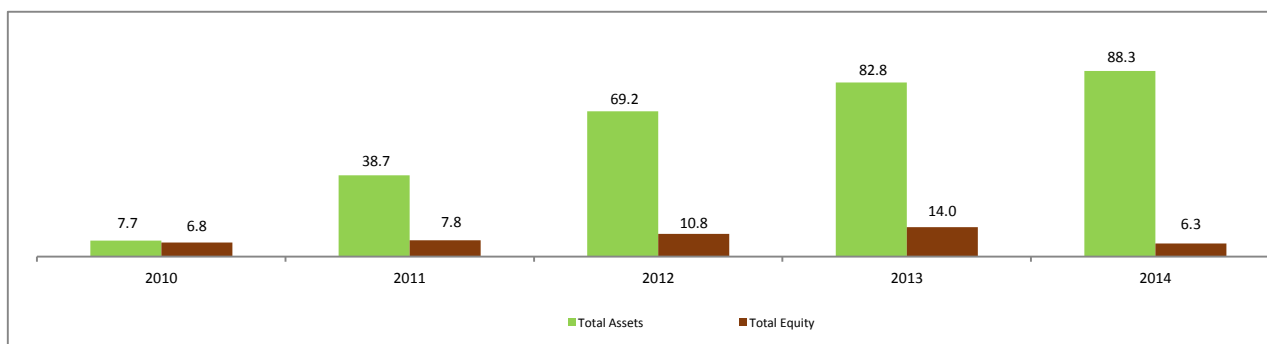


Figure 5: Balance sheet highlights (GHS in millions)

Figure 6: Historical balance sheet

All figures in GHS'000	2010	2011	2012	2013	2014
Non-current assets					
Property, plant and equipment	331	1,114	1,123	1,361	1,678
Net Loan book receivable	6,699	35,008	56,647	67,702	68,172
Deferred tax	-	78	373	903	3,145
Total non-current assets	7,030	36,200	58,143	69,966	72,995
Current assets					
Prepayments and sundry debtors	210	1,042	-	-	-
Cash and bank balances	422	1,493	10,112	7,816	11,924
Other receivables	-	-	932	5,056	3,325
Total current assets	632	2,535	11,044	12,872	15,249
Total Assets	7,662	38,734	69,187	82,838	88,254
Equity					
Issued Capital	7,000	7,000	7,000	7,000	7,000
Statutory reserves	-	-	2,003	3,618	3,618
Retained earnings	(223)	794	1,780	3,395	(4,364)
Total Equity	6,777	7,794	10,783	14,013	6,254

Non-current liabilities					
Loan from holding company	537	27,955	31,619	30,165	31,177
Borrowings	121	2,148	24,196	35,548	49,047
Total non-current Liabilities	658	30,103	55,815	65,713	80,224
Current liabilities					
Trade and other payables	152	482	1,114	1,973	834
Borrowings	55	119	-	-	-
Tax payable	-	235	1,475	1,139	941
Deferred tax	18	-	-	-	-
Total current liabilities	227	837	2,589	3,112	1,775
Total Equity and Liabilities	7,662	38,734	69,187	82,838	88,254

Historical Cash Flow Statement of AFB

All figures in GHS ('000)	2010	2011	2012	2013	2014
Cash flows from operating activities					
Receipts from customers	849	15,594	25,234	41,876	43,584
Payment to suppliers	(2,216)	(8,958)	(10,415)	(24,360)	(31,101)
Net cash generated by operations	(1,367)	6,636	14,818	17,516	12,483
Interest paid	(13)	(6,670)	(11,262)	(15,369)	(15,462)
Income taxes paid	(5)	(250)	(53)	(3,014)	(2,448)
Net cash from operating activities	(1,385)	(284)	3,504	(867)	(6,223)
Cash flows from investing activities					
Interest received	7	0.4	81	647	699
Advances to loan book customers	(5,560)	(27,194)	(20,329)	(11,422)	(4,090)
Purchase of property, plant & equipment	(354)	(961)	(229)	(548)	(841)
Disposal of property, plant & Equipment	-	-	-	-	62
Net cash used in investing activities	(5,907)	(28,156)	(20,477)	(11,323)	(4,170)
Cash flows from financing activities					
Proceeds on issue of shares	7,000	-	-	-	-
Loans from holding company	537	27,418	3,664	(1,455)	1,003
Proceeds from borrowings	177	2,090	21 ,929	11,352	13,499
Net cash generated from financing activities	7,714	29,508	25,593	9,897	14,502
Net increase/(decrease) in cash and cash equivalents	422	1,070	8,619	(2,294)	4,108
Cash and cash equivalents at beginning of the year	-	422	1,493	10,112	7,816
Cash and bank balance	422	1,492	10,112	7,817	11,924

Figure 6: Historical statement of cashflows

Income Statement Projections of AFB

All figures in GHS ('000)	2015	2016	2017	2018	2019
Interest income	54,232	60,597	68,481	77,076	87,265
Interest expense	(10,164)	(11,393)	(12,777)	(14,476)	(16,356)
Net interest income	44,068	49,205	55,704	62,600	70,909
Impairment allowance	(6,517)	(7,131)	(7,822)	(8,719)	(9,905)
Income from lending activities	37,551	42,074	47,882	53,881	61,004
Non-interest revenue	(1,070)	(648)	(208)	258	720
Fees and recoveries	-	-	-	-	-
Operating Income	36,481	41,426	47,674	54,139	61,724
Total Operating expenses	(9,422)	(10,492)	(11,766)	(13,219)	(14,882)
Profit/(Loss) before income tax	27,059	30,934	35,908	40,920	46,842
Tax charge (25% assumed)	(6,765)	(7,734)	(8,977)	(10,233)	(11,713)
Profit/(Loss) for the year	20,294	23,201	26,931	30,687	35,128

INDEPENDENT ACCOUNTANTS FINANCIAL REPORT



Ernst & Young Chartered Accountants
G15, White Avenue
Airport Residential Area
P.O. Box KA 16009, Airport
Accra, Ghana

Tel: +233 30277 4275 / 9868 / 9223 / 2091
Fax: +233 30277 8894
www.ey.com

2 October 2014

The Managing Director
AFB Ghana Limited
Accra

Dear Sir,

INDEPENDENT AUDITORS REVIEW REPORT TO THE BOARD OF DIRECTORS OF AFB GHANA LIMITED

We have reviewed the annual audited financial statements of AFB Ghana Limited that comprise the statement of financial position as at 29 February 2012, 31 December 2012 and 31 December 2013, the statement of income and cash flows for the periods (1 March 2011 to 29 February 2012, 1 March 2012 to 31 December 2012 and 1 January 2013 to 31 December 2013) then ended and a summary of significant accounting policies and other explanatory notes as set out in the financial statements.

Deloitte and Touche, Chartered Accountants of Accra have acted as auditors of AFB Ghana Limited throughout the period covered by our review (2011 to 2013). The auditors did not issue a qualified opinion for any of the financial statements of AFB Ghana Limited from 2011 to 2013.

The financial information from 2011 to 2013 set out in the following sections have been prepared from the audited financial statements of AFB Ghana Limited after making such adjustments as we considered necessary.

Directors' Responsibility

The company's directors are responsible for the preparation and fair presentation of this financial statements 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 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 annual 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 annual financial statements do not present fairly, in all material respects, the financial position of AFB Ghana Limited as at 29 February 2012, 31 December 2012 and 2013 and of its financial performance and cash flows for the periods 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 AFB Ghana 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,

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

Date: October 2, 2014



AFB GHANA LIMITED
HISTORICAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2012, 10 MONTHS PERIOD ENDED 31 DECEMBER 2012 AND YEAR ENDED 31 DECEMBER 2013
Currency: GHS

	FY Feb 2012	10 Months to Dec 2012	FY Dec 2013
Interest income	17,643,042	29,541,009	48,079,575
Interest expense	(6,669,601)	(11,262,469)	(15,369,989)
Net Interest Income	10,973,441	18,278,540	32,709,586
Impairment allowance	(2,343,021)	(4,390,103)	(9,313,778)
Income from lending activities	8,630,420	13,888,437	23,395,808
Fees and recoveries	1,330,426	1,473,681	3,389,891
Operating Income	9,960,846	15,362,118	26,785,699
Selling and collection cost	(2,292,111)	(3,220,571)	(3,564,053)
Administrative and other expenses	(6,257,828)	(8,156,015)	(17,840,774)
Total operating expenses	(8,549,939)	(11,376,586)	(21,404,827)
Profit before tax	1,410,907	3,985,532	5,380,872
Income tax expense	(393,925)	(997,442)	(2,149,719)
Profit for year	1,016,982	2,988,090	3,321,153

A member firm of Ernst & Young Global Limited
Partners: Ferdinand A. Sum, Wilfred Okine, Kwabwo Mpeani Brannus, Victor C. Oborgleh, Pamela Des-Bordes



AFB GHANA LIMITED
HISTORICAL STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2012, 31 DECEMBER 2012 AND 2013
Currency: GHS

	Feb 2012	10 Months to Dec 2012	Dec-2013
Assets			
Cash and bank balances	1,492,522	10,111,781	7,816,259
Other assets (Other Receivables)	1,041,907	932,612	5,056,443
Loans and advances (Loan Book Receivables)	35,007,992	56,646,864	67,701,848
Deferred tax assets	77,432	372,570	902,033
Property plant and equipment	1,114,337	1,123,132	1,361,149
Total Assets	38,734,190	69,186,959	82,837,732
Equity and liabilities			
Issued capital	7,000,000	7,000,000	7,000,000
Retained income	794,173	1,779,727	3,395,303
Statutory reserves	-	2,002,536	3,618,113
Total equity	7,794,173	10,782,263	14,013,416
Trade and other payables	482,386	1,114,347	1,972,990
Tax payable	235,277	1,475,357	1,139,114
Borrowings	2,267,299	24,196,344	35,548,303
Loans from related parties	27,955,055	31,618,648	30,163,909
Total liabilities	30,940,017	58,404,696	69,824,316
Total equity and liabilities	38,734,190	69,186,959	82,837,732



AFB GHANA LIMITED
HISTORICAL STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2012, 10 MONTHS PERIOD ENDED 31 DECEMBER 2012 AND YEAR ENDED 31 DECEMBER 2013
Currency: GHS

	FY Feb 2012	10 Months to Dec 2012	FY Dec 2013
Cash flow from operations			
Receipts from customers	15,594,483	25,233,625	41,875,679
Payment to suppliers	(8,958,065)	(10,415,299)	(24,359,909)
Net cash generated by operations	6,636,418	14,818,326	17,515,770
Interest paid	(6,669,601)	(11,262,469)	(15,369,989)
Income taxes paid	(250,000)	(52,500)	(3,015,425)
Net cash (utilised in) generated from operating activities	(283,183)	3,503,357	(869,644)
Cash flow from investing activities			
Interest received	416	81,026	647,173
Advance to loan book customers	(27,194,212)	(20,328,936)	(11,422,148)
Purchase from property, plant and equipment	(960,856)	(228,826)	(548,123)
Net cash used in investing activities	(28,154,652)	(20,476,736)	(11,323,098)
Cash from financing activities			
Loans(to) from related parties	27,418,265	3,663,593	(1,454,739)
Proceeds from borrowings	2,090,357	21,929,045	11,351,959
Net cash generated from financing activities	29,508,622	25,592,638	9,897,220
Net (decrease) increase in cash and cash equivalents	1,070,787	8,619,259	(2,295,522)
Cash and cash equivalents at beginning of the year	421,735	1,492,522	10,111,781
Cash and cash equivalents at the end of the year	1,492,522	10,111,781	7,816,259

A member firm of Ernst & Young Global Limited
Partners: Ferdinand A. Gunn, Wilfred Oduro, Kwadwo Mpeari Brambo, Victor C. Georgeah, Pamela Des-Bordes



Ernst & Young Chartered Accountants
G15, White Avenue
Airport Residential Area
P.O. Box KA 16009, Airport
Accra, Ghana

Tel: +233 30277 4275 / 9668 / 9223 / 2091
Fax: +233 30277 8894
www.ey.com

2 October 2014

The Managing Director
AFB Ghana Limited
Accra

Dear Sir,

REPORTING ACCOUNTANTS' REPORT ON FINANCIAL PROJECTIONS/FORECAST

We have examined the accounting policies and calculations for the profit projections for the years ending 31 December 2014 to 2018 as set out on pages 07 to 10 of this document in accordance with L.I. 1728 of the Securities and Exchange Commission (SEC) applicable to the examination of prospective financial information. The Directors are responsible for the projected information and the assumptions set out on Pages 8 to 10 on which it is based.

The projections have been prepared for inclusion in this Circular for the purpose of the corporate bond issue of AFB Ghana 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 projections. In our opinion, the forecast financial statements, 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 AFB Ghana 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 forecast period will approximate the forecast 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: 2 October 2014



AFB GHANA LIMITED

5 YEAR FORECAST INCOME STATEMENT

FOR THE YEARS ENDING 31 DECEMBER 2014, 2015, 2016, 2017 AND 2018

Currency: GHS'000	FY14F	FY15F	FY16F	FY17F	FY18F	FY19F
Interest income	49,462	54,232	60,597	68,481	77,076	87,265
Interest expense	(9,042)	(10,164)	(11,393)	(12,777)	(14,476)	(16,356)
Net interest income	40,420	44,068	49,205	55,704	62,600	70,909
Initiation fees	1,698	1,761	1,973	2,209	2,474	2,771
Arrears fees	621	1,200	1,500	1,800	2,100	2,400
Merchant commission	(3,033)	(3,258)	(3,649)	(4,087)	(4,578)	(5,127)
Collections commission	(1,003)	(1,183)	(1,331)	(1,493)	(1,667)	(1,885)
Insurance commission	53	410	860	1,364	1,928	2,560
Total revenue	38,756	42,998	48,557	55,496	62,858	71,629
Provision for bad debts	(7,415)	(8,317)	(9,231)	(10,222)	(11,419)	(12,905)
Bad debts recovered	999	1,800	2,100	2,400	2,700	3,000
Risk adjusted margin	32,339	36,480	41,426	47,674	54,139	61,724
Operating costs	(8,080)	(9,422)	(10,492)	(11,766)	(13,219)	(14,882)
Profit before tax	24,259	27,058	30,934	35,908	40,920	46,842
Tax	(6,065)	(6,765)	(7,734)	(8,977)	(10,233)	(11,713)
Net profit	18,194	20,294	23,201	26,931	30,687	35,128

A member firm of Ernst & Young Global Limited
Partners: Ferdinand A. Gann, Wilfried Okhe, Kwadwo Mpeani Brannoo, Victor C. Gborgeah, Pamela Des-Bordes



AFB GHANA LIMITED
5 YEAR FORECAST BALANCE SHEET
FOR THE YEARS ENDING 31 DECEMBER 2014, 2015, 2016, 2017 AND 2018

Currency: GHS'000	Dec14F	Dec15F	Dec16F	Dec17F	Dec18F	Dec19F
Assets						
Gross loan book	86,239	96,774	108,367	122,179	123,587	123,830
Provisions	(7,037)	(7,865)	(8,757)	(9,759)	(9,840)	(9,913)
Cash	1,083	1,083	1,083	1,083	1,083	27,716
Other assets	1,781	1,781	1,781	1,781	1,781	1,781
Total assets	82,066	91,774	102,474	115,284	116,611	143,414
Liabilities and equity						
Equity	7,000	7,000	7,000	7,000	7,000	7,000
Retained Income	(3,827)	16,467	39,667	66,599	97,286	132,414
Debt	74,893	64,307	51,807	37,686	8,325	-
Other Liabilities	4,000	4,000	4,000	4,000	4,000	4,000
Total liabilities & equity	82,066	91,774	102,474	115,285	116,611	143,414

A member firm of Ernst & Young Global Limited
Partners: Ferdinands A. Gurn, Wilfred Oduro, Kwabena Mpaah Brantuo, Victor C. Gboragbor, Pamela Des-Bordes



AFB GHANA LIMITED
5 YEAR FORECAST CASH FLOW STATEMENT
FOR THE YEARS ENDING 31 DECEMBER 2014, 2015, 2016, 2017 AND 2018

Currency: GHS'000	Dec14F	Dec15F	Dec16F	Dec17F	Dec18F	Dec19F
Cash flow from Operating Activities						
Receipts from customers	67,827	75,661	86,991	99,475	113,173	129,710
Payment to suppliers	(14,482)	(12,922)	(15,914)	(19,414)	(9,616)	(11,257)
Net cash generated by operations	53,345	62,739	71,077	80,061	103,557	118,454
Interest paid	(9,042)	(10,164)	(11,393)	(12,777)	(14,476)	(16,356)
Income taxes paid	(6,590)	(6,765)	(7,734)	(8,977)	(10,233)	(11,713)
Net cash (utilised in) generated by operating activities	37,723	45,810	51,951	58,307	78,848	90,384
Cash Flow from Investing Activities						
Advance to loan book customers	(34,456)	(35,224)	(39,451)	(44,185)	(49,487)	(55,426)
Net cash used in investing activities	(34,456)	(35,224)	(39,451)	(44,185)	(49,487)	(55,426)
Cash Flow from Financing activities						
Loans (to) from related parties	(10,000)	(10,586)	(12,500)	(14,121)	(29,361)	(8,325)
Proceeds from borrowings	(10,000)	(10,586)	(12,500)	(14,121)	(29,361)	(8,325)
Net Cash generated from financing activities	(6,733)	(6,733)	(6,733)	(6,733)	(6,733)	(6,733)
Net (decrease) increase in cash and cash equivalents	7,816	1,083	1,083	1,083	1,083	1,083
Cash and cash equivalents at beginnings of the year	1,083	1,083	1,083	1,083	1,083	1,083
Cash and cash equivalents at end of the year	1,083	1,083	1,083	1,083	1,083	1,083

Assumptions

Category	Key AFB Ghana Limited assumptions	EY comments
Increase in sales per annum	Sales are assumed to increase by an average rate of 12% per annum.	Sales decreased at compound annual growth rate (CAGR) of 35% over the last three financial years. However, between 30 December 2013 and 30 June 2014, total sales have increased by 29%. Management however expects to disburse more loans upon receipt of funds from the bond issue.
Core Opex per annum	Core Opex is assumed to increase by an average rate of 10.5% per annum.	Although current inflation rate has been hovering around 15.9%, BMI has forecasted Ghana's inflation to average 10.5% over the next four years.
Collections rate	Collections rate is assumed to be 93% over the forecast period.	Given recent improvements in collections and specific emphasis on creating alternative collection channels (e.g. direct debits); development of outbound collections call centre; and focus on later stage recoveries, the company has consistently seen collection rates of over 92% in the last 6 months. Management expects this trend to persist over the forecast period.
Interest income yield	Interest income yield is expected to remain at a level rate of 59% over the forecast period.	Management expects to maintain current interest charge on loans disbursed. Over the review period, interest income yield has averaged 58%.
Debt to equity (D/E) ratio	Debt to equity ratio 0.98:1 is assumed over the forecast period.	Over the last three financial years, debt to equity ratio has been an average of 4.58:1. Management expects this ratio to reduce significantly as debt is repaid and equity is increased due to increase in retained earnings.
Interest expense	Interest expense as a percentage of average loan book is expected to remain 11% over the forecast period.	Over the historical review period, interest expense as a percentage of average loan books has averaged 22%. This rate is however expected to diminish significantly as a huge portion of debt is projected to be repaid in each year thereby decreasing the interest expense.
Forex fluctuations	AFB assumes exchange rate will be stable over the forecast period.	Although in the past few weeks the cedi has appreciated by about 6.9%, it is not clear if this will be sustainable. Given that historically the cedi has depreciated at a compound annual average rate of about 10.23% between 2009 and 2013 and further depreciated by 23% between December 2013 and May 2014.

BRIEF OVERVIEW OF THE NON-BANK FINANCIAL INSTITUTIONS SECTOR

HISTORY AND DEVELOPMENT OF GHANA AND THE FINANCIAL SECTOR

The Ghanaian Economy was the fastest growing economy in the sub-Saharan Africa (and one of the fastest in the world) in 2011. Over the past five years, the economy has grown by an average of 9.05%, compared to the sub-Saharan African region's average growth of 4.70% and the world average growth of 2.98%, both over the same period. Offshore crude oil was discovered in 2007, and commercial production began in late 2010. The economy recorded a Compounded Annual Growth Rate (CAGR) of 4.6% over the 5-year period from 2010 to 2014, as real GDP declined to 4.3% in 2014. The services sector remains the largest contributor to GDP, accounting for 53.5% of Ghana's GDP output in 2014. Two subsectors – Financial & Insurance Activities and Information Communication – recorded growth rates above 20%. Industry's contribution recorded a robust increase from 19% in 2009 to 28.4% in 2014 on account of the new oil sector. Decades of democratic and political stability and the emerging oil sector have increased investor interest as well as confidence in the economy and investment opportunities abound.

Economic activity in the Ghanaian economy slowed down in 2014 as a result of energy crisis experienced during the first half of the year and declining commodity prices that adversely affected the country's export earnings. Inflationary pressures picked up in the year due largely to pass through effects of a series of upward adjustments in prices of petroleum products and utility tariffs as well as depreciation of the Cedi against the major trading currencies. Headline inflation increased from 13.5 percent in December 2013 to 17.0 percent in December 2014.

The Ghanaian financial sector currently comprises 28 Universal Banks, 58 Non-Bank Financial Institutions (“**NBFIs**”), including 3 licensed Credit Reference Bureaus, 137 Rural Banks and 409 licensed Micro-finance Institutions (“**MFIs**”) figures from the Bank of Ghana indicate. Over the years the industry has undergone major transformations from a colonial economy centred on a barter trading system to a modern currency system. Hitherto, there were virtually no NBFIs in the country, except for some insurance companies providing commercial risk coverage for the trading companies. The post-independent era up to 1983 saw the adoption of a planned and closed economy with a wide range of restrictions on the financial services sector and a complete domination and control of the banking industry by government. The non-bank financial sector was relatively undeveloped, except for the existence of State Insurance Corporation (now SIC Insurance Company Limited) and National Trust Holding Company (now NTHC Limited). The control systems created serious distortions in the financial sector and also in the whole economy.

The distortions in the financial sector and general economic decline led to the adoption of the Economic Recovery Programme (ERP) in 1983 to liberalize the economy and the financial sector. The government implemented a Structural Adjustment Programme (SAP) in late 1986 to remove major structural bottlenecks in the economy and lay a solid foundation for sustained growth.

The above measures resulted in, among other things, reasonable growth in the financial sector which is playing a crucial role in financial intermediation in the economy. The financial sector has since undergone liberalization through relaxation of interest rate controls, phasing out of directed lending, establishment of forex bureaus, restructuring of financially distressed banks, enhanced supervisory framework of the banking system by the Central Bank, improvement in the mobilization and allocation of financial resources including development of the money and capital markets and development of non-bank financial institutions.

The banking and non-bank financial institutions have continued to be safe, stable and profitable throughout the year. This was mainly due to the establishment of the Other Financial Institutions Supervision Department (“**OFISD**”); a new department under the Banking Supervision Department (“**BSD**”) to provide close supervision of the Rural and Community Banks (“**RCBs**”), Micro Finance Institutions and forex bureaux.

The stable macroeconomic environment points to strong foundations for sustainable growth in the financial sector. The Central Bank is undertaking constant reforms in the legal, institutional and

infrastructural framework of the payments system to move the economy from an essentially cash based system embedded with high transaction costs to more efficient payment methods like electronic cards and payment platforms. This has led to the introduction of the Real Time Gross Settlement System (RTGS) for high-value payments, which has created an enabling environment for safe and timely payments. The Central Bank has also introduced electronic clearing systems such as the Automatic Clearing House (ACH) for the clearing of electronic debits and credits and the Cheque Truncation System (CTS) which have reduced the lengthier turnaround times associated with the paper based clearing system of previous years.

The new payments infrastructure have been brought under a single entity known as the Ghana Interbank Payments and Settlement System Limited ("**GHIPSS**") to enhance efficiency and coherent management and oversight. All banks are required to be members of GHIPSS.

The legal framework for the financial services sector has also improved following interventions from the three World Bank-financed Financial Institutions Structural Adjustment Programs (FINSAP), which have helped introduce key pieces of legislation. For example, the Credit Reporting Act, 2007 (Act 726) seeks to enhance credit risk management in the banking system by providing a legal and regulatory framework for credit reporting in Ghana. Act 726 prevents the disclosure of borrower's confidential information without appropriate safeguards and thus aims to promote trust within the financial services sector.

The Foreign Exchange Act, 2006 (Act 723) allows a liberalization of inflows of foreign exchange into Ghana for foreign direct investment purposes.

A further example of key legislation is the Anti-Money Laundering Act, 2008 (Act 749), which established a regulatory regime to combat money laundering and also establishes the Financial Intelligence Centre as the key anti-money laundering regulator in Ghana. The National Pensions Act 2008, (Act 766) has also brought key reforms to and streamlined the pensions industry for effective management; this should further deepen the Ghanaian Capital markets.

These policy reforms have led to a rationalization of major aspects of the financial sector thus facilitating a new paradigm shift, engendering efficiency, providing a new layer of financial depth enhancing transparency of the money markets and also developing the capital market. For instance, the Non-Bank Financial Institutions Act, 2008 (Act 774) and Banking Act, 2004 (Act 673) (as amended) has been passed to enable deposit-taking Non-Bank Financial Institutions to operate as Universal Banks and participate fully in the clearinghouse, as well as engage in foreign exchange transactions.

However, this deepening of the banking sector has meant an exposure to higher risks incurred by inadequate levels of capital. To mitigate these risks, the Central Bank announced new capital requirements for players in the banking and non-bank financial industry in August, 2013. The new paid-up capital for universal banks was revised from GHS60 million to GHS120 million, NBFIs are now required to have a stated capital of GHS15 million (up from GHS7 million) and Rural and Community Banks have had their capital requirement adjusted from GHS150,000 to GHS300,000. The Central Bank also revised the minimum capital for microfinance institutions from GHS100,000 to GHS 300,000 for non-deposit taking (Tier 3) institutions and GHS500,000 for deposit taking microfinance institutions.

OVERVIEW OF THE MICROFINANCE SECTOR

Over the years, the microfinance sector has thrived and evolved into its current state thanks to various financial sector policies and programmes such as the provision of subsidized credits, establishment of rural and community banks (RCBs), the liberalization of the financial sector and the promulgation of PNDC Law 328 of 1991, that allowed the establishment of different types of non-bank financial institutions, including savings and loans companies, finance houses, and credit unions etc. The microfinance sector play a critical role in the development of the country by offering basic banking services such as deposit taking, credit facilities and trade financing to low income earners and small-scale enterprises who are not covered by the universal banks. According to figures from the Bank of Ghana, there are 409 licensed MFIs in the country as at October 2014.

Over the years, successive governments have undertaken various policies and programmes that have influenced the development of the microfinance sector.¹ These include:

- (a) the provision of subsidized credit in the 1950s;
- (b) establishment of the Agricultural Development Bank in 1965 specifically to address the financial needs of the fisheries and agricultural sector;
- (c) shifting from a restrictive financial sector regime to a liberalized regime in 1986, which made it possible for new banks to be set up; and
- (d) the promulgation of PNDC law 328 in 1991 to allow the establishment of different categories of non-bank financial institutions, including savings and loans companies and credit unions.

Generally, microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services. Other strands of literature suggest that micro-finance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty². Given that 86.1% of economically active Ghanaians work in the private informal sector³, there is a huge potential for growth in the microfinance industry since there is substantial demand for financial products and services.

COMPETITIVE ANALYSIS AND MARKET PARTICIPANTS

Competition in the microfinance sector is very keen as with the universal banks in Ghana. MFIs continue to use innovative products to attract new customers ahead of their peers and retain existing clients. A few commercial banks, including Ecobank Ghana Limited and HFC Bank Limited, have also established microfinance subsidiaries to serve low-income clients and microenterprises, thus increasing the standards and competition in the industry. Further, many of the NBFIs and MFIs resort to the use of competitive interest rates to gain deposits from customers.

KEY LEGISLATIONS AND REGULATIONS GOVERNING THE OPERATIONS OF THE ISSUER

The Issuer is incorporated (with registration number, CA-63,573) in accordance with the Companies Act, 1963 (Act 179) (as amended). It is licensed as a Finance House and regulated by the Bank of Ghana. All original documentation pertaining to the Issuer is available at the Issuer's premises for inspection if required.

¹Ministry of Finance and Economic Planning, Overview of Microfinance in Ghana.

² Working Paper, A note on Microfinance in Ghana, Bank of Ghana 2007

³Ghana Statistical Service 2010 Population and Housing Census Report.

INVESTOR CONSIDERATIONS

Capitalised terms used in this section headed “Investor Considerations” 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 Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision.

References below to the “Terms and Conditions”, in relation to Notes, shall mean the “Terms and Conditions of the Notes” set out set out under the section of this Programme Memorandum headed “Terms and Conditions of the Notes”.

Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme

Risk Factors Relating to the Republic of Ghana

Investors should be aware that all markets are subject to their own specific legal, economic and political risks. Investors should also note that emerging market economies such as the Republic of Ghana’s are subject to rapid change and the information set out in this Programme Memorandum might become out-dated quickly.

Investors are urged to consult with their own legal and financial advisors before making an investment in the Notes.

General Economic and Political Risks

The Issuer’s business is subject to inherent risks regarding general economic conditions. These conditions include changing economic cycles that affect demand for financial products and services, which the Issuer offers. It should be taken into account that the general political and economic environment in Ghana may or may not have an adverse effect on the business of the Issuer. General trends in political stability in Ghana have given a sense of comfort as regards investing in Ghana.

Macroeconomic Factors

Ghana continues to develop as an emerging economy and the macroeconomic framework remains constantly in flux. Although significant strides have been made by policymakers to reduce inflation to manageable levels as well as stabilize interest rates and other macroeconomic fundamentals, these fundamentals are still in a developing stage. Investors in the Notes should be cognisant of the potential impact of changes in the macroeconomic framework on the business of the Issuer.

Regulatory Framework

The Ghanaian financial services sector continues to develop with the regulator, the Bank of Ghana, having required participants in the financial services sector to increase their capital quite significantly over the past 4 (four) years. Although the Issuer has currently met all its capital obligations, any subsequent increases in the capital requirement by Bank of Ghana would have to be met by the

Issuer and its shareholders and may have an impact on the Issuer's business operations.

Risk Factors Relating to the Issuer

Below are risk factors, which could affect the Issuer's future results and cause them to be different from expected forecasts. The Issuer's results could also be affected by competition and other factors. It should be noted below that the list of factors highlighted in this section may not be a comprehensive list of all the risks that are faced by the Issuer's business.

Expansion in the Issuer's sector of operation

The recent growth and superior returns earned in the Issuer's business segment subject it to the risk of more participants rapidly entering its space of operations. This increases the Issuer's risk from competition in this market segment. Management of the Issuer as a part of a bigger group has over fifty (50) years of successful experience in competing in this market segment and has developed a strong skill set and technical competency to effectively compete in this space. Moreover, recent increases in capital requirement by the Bank of Ghana have increased barriers to entry, which is positive for the Issuer.

Credit risk

AFB is exposed to credit risk which is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk type arises principally from the Company's loans and advances to customers and other NBFIs. AFB's payroll model decreases this risk type as loan payments are deducted directly from clients' salaries. The Company has averaged a collection rate of 90% between January and April, this year.

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of AFB's operations. AFB's objective is to manage operational risk in order to prevent material financial losses and damage to the Company's standing with its stakeholders.

Information Technology Risks

The Issuer is subject to the risks of its information technology systems failing and breaches in its security systems. Events such as vandalism and viruses could have adverse effects on the Issuer's IT systems.

Market risk

All financial institutions face market risk. Market risk occurs when changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads affect the Company's income or the value of its holdings of financial instruments. Forex losses have been the main challenge of AFB in 2014; however, the Company is managing and controlling market risk exposures within acceptable parameters, while optimizing the return on risk.

Liquidity risk

Liquidity risk occurs when the company encounters challenges in meeting obligations from its financial liabilities. AFB ensures that it has sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses to the Company or its good standing with its stakeholders.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of Ghana or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all Outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option when its cost of borrowing is lower than the interest rate on the Notes, or if the Issuer decides to restructure its balance sheet, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise

substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Modification and waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The Notes are governed by, and will be construed in accordance with, Ghanaian law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to Ghanaian law or administrative practice in Ghana after the Programme Date.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

SUBSCRIPTION AND SALE

Capitalised terms used in this section headed "Subscription and Sale" 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 clearly inappropriate from the context.

The Notes will be offered from time to time by the Issuer to the Dealer that is appointed by the Issuer in respect of any Tranche or Series of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be sold by the Dealer and the commissions or other agreed discounts (if any) payable or allowable by the Issuer in the event of an underwriting of the Notes by the Dealer(s).

Application Procedure

Application forms (as set out in Appendix II) for the Notes may be obtained from the head offices of the Arrangers or the Issuer. Applications must be submitted directly to the Arrangers or the Issuer at either of their respective head offices marked for the attention of the "Managing Director", so as to arrive no later than 17:00 hours GMT on the date specified in the Applicable Pricing Supplement. Successful Applicants will be notified by the Issuer or the Arranger of the amount of Notes allotted to them immediately after the allotment date specified in the Applicable Pricing Supplement.

Selling restrictions

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.

Prior to the issue of any Tranche or Tranche or Series of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche or Series of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche or Series, and will itself not sell the Notes in that Tranche or Series of Notes, in Ghana, in contravention of any Applicable Laws and regulations of Ghana in force from time to time.

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.

Supplementary or Modified Selling Restrictions

Selling restrictions may be supplemented or modified with the agreement of the Issuer subject to the approval of the SEC. 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.

SETTLEMENT, 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.

Settlement Procedure

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

- a. either by banker's cheque drawn in favour of the AFB Ghana Notes 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:

AFB Ghana Notes Programme- Collection Account
Fidelity Bank, Ridge Branch
Branch sort code 240101
Account 130 003 177 9412
SWIFT: FBLIGHAC



BENTSI-ENCHILL
LETSA & ANKOMAH

A1/399

18-May-15

The Director-General
Securities and Exchange Commission
No. 30, 3rd Circular Road
Cantonments
P. O. Box CT 6181
Accra

The Managing Director
The Ghana Stock Exchange
5th Floor, Cedi House
Liberia Road
P. O. Box 1849
Accra-Ghana

Dear Sirs,

**AFB (GHANA) LIMITED: ESTABLISHMENT OF GHS100 MILLION 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 AFB (Ghana) PLC ("AFB") in connection with the establishment of a GHS100 million medium term note programme (the "Note Programme") and the proposed listing of notes issued under the Note Programme on the Ghana Alternative Market of the Ghana Stock Exchange (the "GAX Listing").

1.2 Documents examined

For the purpose of giving this opinion we have examined originals or copies certified to our satisfaction of the following documents:

- (i) A copy of the Certificate of Incorporation of AFB as a private company, dated August 21, 2009 and a copy of the Certificate of Incorporation dated April 17, 2015, on conversion of AFB to a public company;
- (ii) A copy of the Certificate to Commence Business of AFB dated August 24, 2009;
- (iii) A copy of the Regulations adopted by AFB on conversion to a public company dated September 29, 2014 (the "Regulations");
- (iv) A copy of a licence to operate a Non-Bank Financial Institution issued to AFB by the Bank of Ghana dated November 18, 2011;
- (v) A written resolution of the directors of AFB dated September 25, 2014 approving the Note Programme;

LEX MUNDI

LEGAL PRACTITIONERS, NOTARIES PUBLIC & TRADEMARK AGENTS

LEX Africa
LAWYERS

Kojo Bentsi-Enchill
D.K. D. Letsa
Ace Anan Ankamah
Seth Asante
Rosa Kudoadzi

4 Momotse Avenue
Adabraka, Accra
PO Box GP 1632
Accra,
Ghana

Tel (+233) 030 2208888
(+233) 030 2221171
(+233) 030 2224612
(+233) 030 2229396
Fax(+233) 030 2208901

Website www.bclonline.org

Email bel@bclonline.org
belm@africaonline.com.gh

In association with

Lex Mundi
Lex Africa
Udo Udoma & Belo-Osagie

- (vi) A written resolution of the shareholders of AFB dated September 29, 2014 approving the Note Programme;
- (vii) A letter from the Bank of Ghana dated March 31, 2015 indicating its no objection to the Note Programme;
- (viii) A letter from the Bank of Ghana dated March 31, 2015 approving the GAX Listing;
- (ix) A letter from the Bank of Ghana dated March 31, 2015 approving the Regulations;

(The Bank of Ghana no objection to the Note Programme, the GAX Listing and the Regulations together referred to as the **"Bank of Ghana Approval"**)
- (x) A written resolution of the directors of AFB dated September 25, 2014 approving the GAX Listing (the **"Board Approval"**);
- (xi) A written resolution of the sole shareholder of AFB dated September 29, 2014 approving the GAX Listing (the **"Shareholder Approval"**);
- (xii) The Note Programme Memorandum dated December 5, 2015 (the **"Programme Memorandum"**);
- (xiii) The draft Amended and Restated Trust Deed to be executed between AFB and Fidelity Bank Ghana Limited as the Note Programme Trustee (the **"Trust Deed"**); and
- (xiv) The draft Agency Agreement to be executed between AFB, Fidelity Bank Ghana Limited and the Central Securities Depository (Gh) Limited in connection with the Note Programme.

(The Programme Memorandum, the Amended Terms and Conditions, the Trust Deed, 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.

Words and expressions defined in the Programme Memorandum shall have the same meanings when used in this opinion, unless the context requires otherwise.

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. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.

This opinion is given on the basis of the assumptions set out in Schedule A and is subject to the qualifications set out in Schedule B.

2 Opinion

We are of the opinion that:

2.1 Incorporation and capacity

2.1.1 AFB is a public limited liability company duly incorporated and validly existing under the Companies Act, 1963 (Act 179) (as amended).

2.1.2 AFB has perpetual corporate existence and the capacity to sue or be sued in its own name and to carry on its business as currently conducted, including the establishment of the Note Programme, the performance of the Programme Documents and the issue of Notes thereunder. To the best of our knowledge and upon due enquiry, AFB is in good standing under the laws of Ghana and has all the necessary power and authority to own its property and assets and to carry on its business as now and as proposed to be conducted and no steps have been or are being taken to appoint any administrator, receiver, liquidator or analogous person or body over, or to wind up or dissolve, AFB or to take any analogous action, nor has a moratorium been declared on the payment of any indebtedness of AFB.

2.2 Authorisation to do business as a non-bank financial institution

AFB is duly licensed as a non-bank financial institution by the Bank of Ghana.

2.3 Corporate Authorizations

AFB:

- (i) has taken all necessary corporate action to authorise the Note Programme and the GAX Listing and the entry into, and performance of its obligations under the Programme Documents including the issue of the Notes thereunder;
- (ii) has the power to execute the Programme Documents and to perform its obligations thereunder, and the Programme Documents have been validly executed on behalf of AFB; and
- (iii) has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by AFB under the Programme Documents.

2.4 Regulatory Approvals and Consents

2.4.1 The approval of the Securities and Exchange Commission in accordance with Section 9(j) of the Securities Industries Act, 1993 (Act 333), is required for the offer of Notes to the public under the Note Programme ("**SEC Approval**").

2.4.2 The approval of the Ghana Stock Exchange, under its applicable listing rules, is required for the GAX Listing ("**GSE Approval**").

2.4.3 Apart from the Bank of Ghana Approval, GSE Approval and SEC Approval, no other regulatory approvals, consents or licenses are required or advisable under Ghanaian law for the establishment of the Note Programme, the issue of Notes thereunder or the GAX Listing.

2.5 Programme Memorandum and the Notes

- (i) The Programme Memorandum complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (LI 1728) and Schedule 7 of the Companies Act, 1963 (Act 179).
- (ii) The Programme Documents and the Notes to be issued under the Note Programme constitute the legal, valid and binding obligations of AFB, enforceable in accordance with their terms under Ghanaian law.

2.6 Contractual Obligations

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

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 Regulations comply with the requirements of Part V of the Listing Rules of the GSE.
- 2.7.3 The issue of Notes pursuant to the GAX Listing does not contravene any provision of the Regulations.
- 2.7.4 The Note Programme does not contravene any provision of the Regulations or any applicable laws in Ghana.

2.8 Taxes and Stamp Duty

- (i) The statements in the Programme Memorandum regarding taxation in the Republic of Ghana are correct in all material respects.
- (ii) Interest payments under the Notes will be subject to withholding tax of 8%, except in relation to noteholders who are exempt from withholding tax.
- (iii) The Programme Memorandum is not subject to stamp duty under the Stamp Duty Act, 2005 (Act 689).
- (iv) The Trust Deed and the Agency Agreement are subject to nominal stamp duty under the Stamp Duty Act, 2005 (Act 689).

2.9 Registrations and filings

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

Yours faithfully,



Bentsi-Enchill, Letsa & Ankomah

Schedule A

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 Shareholder Approval was duly passed by written resolution and signed by the sole shareholder of AFB in accordance with all applicable legal requirements;
3. The Board Approval was duly passed by written resolution and signed by all the directors of AFB in accordance with all applicable legal requirements; and
4. All disclosures made to us by AFB and its officers as reflected in the Programme Memorandum 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.

Schedule B

Qualifications

This opinion is subject to the following qualifications:

1. Enforcement of the Programme Documents may be limited by any laws relating to bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally; and
2. Any claims may be or become barred under laws relating to the limitation of actions or may be or become subject to set-off or counterclaim.

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.

The Issuer 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.

GENERAL INFORMATION

Capitalised terms used in this section headed "General Information" 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.

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Ghana as at the Programme Date have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the Notes.

Listing

The Programme Memorandum and the Notes issued from time to time under this Programme will be listed on the Ghana Alternative Market of the Ghana Stock Exchange.

Documents Available

So long as the Notes are capable of being issued under the Programme, copies of the documents incorporated under the section headed "*Documents Incorporated by Reference*" will, when published, be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

Material Change

Save as disclosed in this Programme Memorandum, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements.

Litigation

Save as disclosed herein, neither the Issuer, nor any of its respective consolidated subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the financial position of the Issuer or its consolidated subsidiaries.

Auditors

Deloitte & Touche have acted as the auditors of the financial statements of the Issuer for the financial years ended August 2010, February 2011, December 2012, December 2013 and December 2014, in respect of those years, have issued unmodified audit reports.

For and on behalf of the Issuer on []

.....

Arnold Parker

Managing Director

.....

Director

APPENDIX I

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche or Tranche or Series of Notes issued under the Programme:



AFB (GHANA) PLC

(Incorporated as a public limited liability company in the Republic of Ghana with registration number CA-63,573)

Issue of [Aggregate Nominal Amount of Tranche/Series] [Title of Notes]

Under its GHS100,000,000 Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated, prepared by AFB (GHANA) PLC in connection with the AFB (GHANA) PLC GHS100,000,000 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*”.

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	AFB (GHANA) PLC
2. Dealer(s)	[]
3. Paying Agent	[]
Specified Office	[]
4. Calculation Agent	[]
Specified Office	[]
5. Transfer Agent	[]
Specified Office	[]
7. Trustee	[]
Specified Office	[]

PROVISIONS RELATING TO THE NOTES

6. Status of Notes	Senior
--------------------	--------

	Unsecured
7. Series Number	[]
8. Tranche Number	[]
9. Aggregate Nominal Amount:	
(a) Series	[]
(b) Tranche	[]
10. Interest	Interest-bearing
11. Interest Payment Basis	[Fixed Rate/Floating Rate/Notes/other]
12. Automatic/Optional Conversion from one Interest / Redemption / Payment Basis to another	[Insert details including date for conversion]
13. Form of Notes	The Notes are issued in dematerialised form and are held electronically on the Central Securities Depository. A single Global Note Certificate will be issued in respect of the Series or Tranche of Notes issued under this Applicable Pricing Supplement.
14. Issue Date	[]
15. Nominal Amount per Note	[]
16. Specified Denomination	[]
17. Issue Price	[]
18. Interest Commencement Date	[]
19. Maturity Date	[]
20. Applicable Business Day Convention	[Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]
21. Final Redemption Amount	[]
22. Default Rate	[]

FIXED RATE NOTES

23. (a) Fixed Rate of 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 Amount(s)	[] per [] in Nominal Amount
(d)	
(e)	
(f) 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

24. (a) Floating Interest Payment	[]
-----------------------------------	-----------

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------|----------------------------|
| | Date(s) | |
| (b) | Interest Period(s) | [] |
| (c) | Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>) | [] |
| (d) | Minimum Rate of Interest | [] percent per annum |
| (e) | Maximum Rate of Interest | [] percent per annum |
| (f) | Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) | [] |
25. Manner in which the Rate of Interest is to be determined [ISDA Determination / Screen Rate Determination/other – insert details]
26. Margin [(...) basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
27. If ISDA Determination
- | | | |
|-----|---------------------------|----------|
| (a) | Floating Rate | [] |
| (b) | Floating Rate Option | [] |
| (c) | Designated Maturity | [] |
| (d) | Reset Date(s) | [] |
| (e) | ISDA Definitions to apply | [] |
28. If Screen 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 | [] |
29. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions []
30. Calculation Agent responsible for calculating amount of principal and interest []

OTHER NOTES

31. If the Notes are not Fixed Rate Notes or Floating Rate 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

32. Redemption at the Option of the Issuer: [Yes/No]

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 9.3 (<i>Redemption at the Option of the Issuer</i>)) | [] |
| (d) | If redeemable in part: | [] |
| | Minimum Redemption Amount(s) | [] |
| | Higher Redemption Amount(s) | [] |
| (e) | Other terms applicable on Redemption | |
33. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). [Yes/No]
- If Yes:
- | | | |
|-----|-----------------------------------------|-----------|
| (a) | Amount payable; or | [] |
| (b) | Method of calculation of amount payable | [] |

GENERAL

- | | |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 34. Other provisions | <i>[Other Events of Default in addition to the Events of Default referred to in Condition 14 (Events of Default)]</i>

<i>[reference to negative covenant, Other covenants, provisions]</i>

<i>[Additional selling restrictions]</i> |
| 35. Method of distribution | <i>[public offer]</i> |
| 36. Listing | Ghana Stock Exchange |
| 37. Security | Unsecured |
| 38. Details of bank account to which payments in respect of the Notes are to be made | |
| 39. Tax | Interest earned on the Notes is subject to withholding tax at the rate of 8% unless exempted under the Internal Revenue Act, 2000 (Act 592) (as amended) |
| 40. Governing Law | Ghanaian law |
| 41. Settlement procedures and settlement instructions | |
| 42. Additional selling restrictions | |

SALIENT DATES AND TIMES

Offer Opens:	[*]
Offer Closes:	All application forms are to be received by the Dealer at their Specified Offices before [*] .
Allotment Date:	All applicants will be notified by fax or telephone of their allotment by no later than [*] .
Payment Date:	Payment for good value by Successful Applicants must be received by [*] .
Issue Date:	The Notes will be issued by the Issuer by [*] .
Delivery Date:	The Notes will be credited to each successful applicant Central Securities Depository account against cleared funds within 2 days of the Issue Date.

[Material Adverse Change Statement]

[Except as disclosed in this document,] There has been no significant change in the financial or trading position of the Issuer since *[insert date of last audited accounts or interim accounts (if later)]* and no material adverse change in the financial position or prospects of the Issuer since *[insert date of last published annual accounts.]* [If any change is disclosed in the Pricing Supplement, consideration should be given as to whether or not such disclosure should be made by means of a supplemental Programme Memorandum rather than in a Pricing Supplement.]

Interests of Natural and Legal Persons involved in the Issue/Offer:

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing persons involved and the nature of the interest.]

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. 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 Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made.

SIGNED at _____ on this _____ day of _____ 2015
For and on behalf of
AFB (GHANA) PLC

Name:
Capacity: Director
Who warrants his/her authority hereto

Name:
Capacity: Director
Who warrants his/her authority hereto

APPENDIX II

APPLICATION FORM



AFB (GHANA) PLC

(Incorporated as a public limited liability company in the Republic of Ghana with registration number CA-63,573)

Issue of [Aggregate Nominal Amount of Tranche/Series] (Tranche/ Series Number) [Title of Notes]

Under its GHS100,000,000 Note Programme

Terms used herein shall be deemed to be defined by reference in the Programme Memorandum. This completed form should be forwarded by hand to the Issuer or to the Dealer at the following addresses (as may be amended with each Series or Tranche):

AFB (GHANA) PLC

4th Floor, L'Aine Office Complex

Adama Road

Adabraka

Accra

IC Securities (Ghana) Limited

No. 2, 2nd Ridge Link,

North Ridge,

Accra

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 [].

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]*

	COLUMN A	COLUMN B	COLUMN C
	Nominal Value (GHS)	Issue Price (%)	Total Consideration (C = A x B)

Amount applied for			
--------------------	--	--	--

SECTION C

To: The Board of Directors of AFB (GHANA) PLC

I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant stated in Section A above ("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 above at the price stated in Column B in Section B above, or any lesser nominal value of the Notes that may be allotted to the applicant in terms of the Trust Deed dated May 19, 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 above 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 the section headed "*Subscription and Sale*" under the Programme Memorandum by 1700 hours on [-----].

Full Names:

Capacity:

Signature:

Date:

SECTION D

Interest Instructions

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)

Or

(b) 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:

- a) All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by the applicants.
- b) Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.
- c) The Applicant must open and maintain a Central Securities Depository account for the entire duration of the Notes to allow Notes to be credited.
- d) Applications are made subject to the provisions of the Programme Memorandum to which this form is attached.
- e) Photocopies or other copies of an application form shall not be accepted.
- f) 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 17:00 (GMT) on *[Allotment Date]*.

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.

3. Settlement Procedure

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

- a. either by banker's cheque drawn in favour of the AFB Ghana Notes Programme, such cheque to reach the Dealer no later than 15:00 (GMT) on [-----] 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:

AFB Ghana Notes Programme- Collection Account
Fidelity Bank, Ridge Branch
Branch sort code 240101
Account 133 003 177 9412
SWIFT: FBLIGHAC

4. Delivery of Notes

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

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 NOTE CERTIFICATE

CERTIFICATE NUMBER:

SERIES NUMBER:

TRANCHE NUMBER:



AFB (GHANA) PLC

(Incorporated in the Republic of Ghana as a public limited liability in the Republic of Ghana under registration number CA-63,573)

GHS100,000,000
Note Programme

ISSUE OF [SENIOR] [FLOATING/FIXED] RATE NOTES DUE []

This Note Certificate certifies that

[Note Trustee Name and address]

holds this certificate on behalf of Noteholders specified in the Register dated [] (the “**Noteholder**”) are, as at the date hereof, registered as the holder of [principal amount] of [Senior] [Floating/Fixed]Rate Notes referred to above (the “**Notes**”) of AFB (GHANA) PLC (the “**Issuer**”). The Notes are subject to the terms and conditions (the “**Terms and Conditions**”) in the Programme Memorandum. 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 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 in 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 CSD.

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.

AFB (GHANA) PLC

By: -----
Authorized Signatory

Dated: []

CERTIFICATE OF AUTHENTICATION

This Note is duly authenticated by or on behalf of **Central Securities Depository (Gh) Limited as Registrar** (without recourse, warranty or liability)

By: _____
Authorized Signatory