



Republic Bank

We're the One for you!

*(Republic Bank (Ghana) Limited is incorporated as a public limited liability company
in the Republic of Ghana under registration number PL000172017)*

Circular to all Shareholders of Republic Bank (Ghana) Limited in respect of a Renounceable Rights Issue of 463,636,366 ordinary shares of no par value at GHS 0.55 per share in a ratio of 1 new share for every 0.8376 existing shares held by a Qualifying Shareholder

Transaction Advisers



Lead Manager and Sponsoring Broker



Co-Manager



Co-Sponsor



Legal Adviser



Reporting Accountant

This Circular was registered with the Registrar of Companies on 27th June, 2018



REPUBLIC BANK(GHANA) LIMITED

(Incorporated in Ghana as a limited liability company under the Companies Act, 1963 (Act 179) with 1,000,000,000 authorised shares)

CIRCULAR TO SHAREHOLDERS REGARDING A RENOUNCEABLE RIGHTS ISSUE OF 463,636,366 NEW ORDINARY SHARES OF NO PAR VALUE AT GHS 0.55 PER SHARE

Republic Bank (Ghana) Limited ("RBGH" or the "Bank" or the "Company"), formerly Home Finance Company Limited was incorporated on May 7, 1990 under the Companies Act, 1963 (Act 179) (the "Companies Act"), and commenced business on December 2, 1991 as a licensed mortgage finance institution. RBGH became a public limited liability on October 5, 1994 and subsequently listed on the Ghana Stock Exchange on March 17, 1995.

On June 11, 2003, the name of the Bank was changed to HFC Bank (Ghana) Limited ("HFC") and on November 17, 2003 the Bank of Ghana issued a universal banking license to HFC. On 19th February 2018, HFC Bank (Ghana) Limited received a new licence from the Bank of Ghana thereby changing its name to Republic Bank (Ghana) Limited as part of an overall re-branding strategy. The Bank's business ranges from Retail Banking, International Trade Services, Corporate Banking, Mortgage and Consumer Loans as well as E-banking and Private Banking.

RBGH intends to undertake the Rights Issue (as defined below), under which it will offer 463,636,366 new ordinary shares of no par value at GHS 0.55 per share. All terms for the Rights Issue have been set out in this circular (the "Offer Circular" or "Circular") in Part 6 (Additional Terms and Information on the Offer).

Serengeti Capital Markets Limited ("SCM") is acting as Lead Manager and Sponsoring Broker to RBGH in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. SCM has relied on information provided by the Bank and, accordingly, does not provide any assurance of the accuracy of the information contained in this Offer Circular and does not accept any responsibility or liability for the inaccuracy or incompleteness of the information contained in the Circular.

Republic Investments (Ghana) Ltd ("RIGL") is acting as Co-Manager to RBGH in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. RIGL has relied on information provided by the Bank and, accordingly, does not provide any assurance of the accuracy of the information contained in this offer circular (the "Circular") and does not accept any responsibility or liability for the inaccuracy or incompleteness of the information contained in the Circular.

Both SCM and RIGL confirm that, to the best of their knowledge and belief, the Circular constitutes full and fair disclosure of all material facts about the Rights Issue and RBGH and, where appropriate, that the profit forecast has been stated by the RBGH Directors (as defined below) after due and careful inquiry.

Republic Securities (Ghana) Ltd ("RSGL") is acting as Co-Sponsor to RBGH in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. RSGL has relied on information provided by RBGH and, accordingly, does not provide any assurance of the accuracy of the information contained in this Circular and does not accept any responsibility or liability for the inaccuracy or incompleteness of the information contained in the Circular.

JLD & MB Legal Consultancy ("JLD & MB") is acting as Legal Adviser to RBGH in respect of the Rights Issue and consents to act as legal adviser and to its name being stated in this Circular. JLD & MB has relied on information provided by the Bank. Accordingly, JLD & MB does not provide any assurance of the accuracy of the information contained in the Circular. JLD & MB confirms that, to the best of its knowledge and belief, the Circular constitutes a full and fair disclosure of all material facts about the Rights Issue and RBGH. JLD &



MB has not withdrawn its consent to its legal compliance letter being included in the Circular, in the form and context in which it is included.

Deloitte and Touche ("Deloitte") is acting as the Reporting Accountant to RBGH in respect of the Rights Issue. Deloitte has relied on information provided by the Bank and its auditors. Deloitte does not provide any assurance of the accuracy of the information contained in the Circular. Deloitte does, however, confirm that, based on its review, nothing has come to its attention that causes it to believe that:

- » the financial statements set forth in Part 4 of the Circular do not represent a true and fair view in accordance with International Financial Reporting Standards, and the Companies Act; and,
- » the assumptions set forth in Part 4 of the Circular do not provide a reasonable basis for the associated projected financial statements.

Deloitte has not withdrawn its written consent to the statement or report being included in the Circular, in the form and context in which it is included.

Neither the Ghana Stock Exchange (the "GSE") nor the Securities and Exchange Commission of Ghana (the "SEC") assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular. Neither the GSE nor the SEC has verified the accuracy and truth of the contents of this Circular or any other documents submitted to it, and the SEC and GSE will not be liable for any claim of any kind whatsoever.

A copy of this prospectus has been delivered to the Registrar of Companies, Ghana, for filing. The Registrar has not checked and will not check the accuracy of any statements made and accepts no responsibility therefor or for the financial soundness of the issuer or the value of the securities concerned.

Shareholders should have regard, amongst other things, to the factors described under the section with the heading "Risk Factors" in this Circular. A Summary Circular will be circulated, and must be read in conjunction with this Full Circular.



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular has been reviewed and approved by the SEC in accordance with Section 3 of the Securities Industry Act, 2016 (Act 929) and the Securities and Exchange Commission Regulations, 2003 (L.I 1728). In its review, the SEC examined the contents of the Circular to ensure that adequate disclosures have been made.

Approval has been obtained from the Ghana Stock Exchange for permission to deal in and for quotation of all shares 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 to one of the Lists of the said stock exchange upon the issuer fulfilling all the listing requirements. The GSE assumes no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Circular.

This Circular pertaining to the Rights Issue has been sent to all the shareholders of RBGH in the Register of Members as at the Qualifying Date (as defined below). If you have sold or otherwise transferred all your shares in RBGH, please send this Circular as soon as possible to the purchaser or transferee, or to the stockbroker, or any other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

The Bank has not authorised any person to give any information or to make any representation in relation to the Offer other than those contained in this Circular, and if given or made, such information or representation must not be relied upon as having been authorised. Neither the delivery of this Circular nor any sale hereunder shall under any circumstances create any impression that there has been no change in the affairs of the Bank since the date hereof or that the information contained herein is correct as of anytime subsequent to this date. Any material change, relevant to the Rights Issue, in the affairs of the Bank during the Offer Period will be communicated to the SEC and the investing public.

The distribution of this Circular and the offering of the shares in certain jurisdictions may be

restricted by law. The Bank requires persons into whose possession this Circular comes to inform themselves about, and observe, any such restriction. This Circular does not constitute an offer and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

Before deciding whether to apply for shares, you should consider whether shares are a suitable investment for you. Their values can go down as well as up. Past performance is not necessarily indicative of future performance.

The contents of this Circular do not constitute and are not to be construed as legal, business or tax advice. Each Qualifying Applicant should consult his/her/its own legal adviser, financial adviser or tax adviser for legal, financial and tax advice. **To ascertain the financial soundness or value of the securities on offer, investors are advised to consult a dealer, investment adviser or another professional for appropriate advice.**

Forward-Looking Statements

This Circular includes forward-looking statements that reflect RBGH's intentions, beliefs or current expectations and projections about RBGH's future results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which RBGH operates. These forward-looking statements are based on numerous assumptions regarding RBGH's present and future business and the environment in which the Company expects to operate in the future.

Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause RBGH's actual results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets RBGH serves or intends to serve, to differ materially from those expressed in, or suggested by, forward-looking statements contained in this Circular.



The Company undertakes no obligation to revise or update any forward-looking statement contained in this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Rounding

Some numerical figures included in this Circular 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 precede them.

Directors Responsibility Statement

This Circular provides a description of RBGH and its business activities. Responsibility for the accuracy of the information in this Circular lies with the RBGH Board (as defined below).

The profit forecasts in this Circular have been stated by the RBGH Board after due and careful inquiry.

This Circular has been seen and approved by the RBGH Board, 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 Circular misleading.



Director

Director

Table of Contents

Key Milestones and Timetable.....	7
Corporate Information.....	8
Definitions	11
Legal Adviser's Compliance Certificate.....	14
PART 1. THE RIGHTS ISSUE.....	19
1.1 Rationale for the Rights Issue.....	19
1.2 Legal Basis for the Rights Issue.....	19
1.3 Use of the Rights Issue Proceeds.....	19
1.4 Key Terms of the Offer	20
1.5 Escrow Accounts Details.....	21
1.6 Allotment.....	22
1.7 Payment.....	22
1.8 Refund.....	22
1.9 Lodgment of Completed Application Forms.....	23
1.10 Cost of the Offer	23
1.11 Declaration of Interests by Advisers.....	23
1.12 Documents Available for Inspection.....	23
PART 2. THE ECONOMY OF GHANA	24
2.1 Overview of the Ghanaian Economy.....	24
2.2 Political Background.....	24
2.3 Historical Economic Performance.....	24
2.4 IMF Programme.....	25
2.5 Monetary and Fiscal Policies.....	25
2.6 Economic Outlook.....	27
2.7 Banking Sector in Ghana.....	27
2.8 Regulatory Bodies in the Banking Sector.....	28
PART 3. REPUBLIC BANK (GHANA) LIMITED.....	29
3.1 Corporate History and Background.....	29
3.2 RBGH Capital Structure.....	29
3.3 Key Business Activities and Existing Product Portfolio	30
3.4 Top 20 shareholders as at 30 April, 2018	32
3.5 Corporate Governance	32
3.6 Board of Directors Profiles	33
3.7 Board Committees.....	35
3.8 Human Resources and Senior Management.....	36
3.9 Organisational Chart	39
3.10 Compensation Schemes.....	39
3.11 Remuneration of Directors	40
3.12 Disclosure of Interests by Directors.....	40

3.13	Dividend Policy and Payment History	40
3.14	Litigation	40
3.15	Material Contracts	41
3.16	Related Party Transactions	41
3.17	Risk Factors	41
3.18	Additional Information	42
PART 4.	FINANCIAL STATEMENTS & REPORTS.....	43
4.1	Reporting Accountants' Report on Historical Financial Information	43
4.2	Historical Financial Statements.....	45
4.3	Reporting Accountants' Report on Historical Financial Projections.....	53
4.4	Assumptions Underlying the Projections.....	54
4.5	Projected Financial Statements	59
PART 5.	OVERVIEW OF THE GHANA STOCK EXCHANGE.....	65
5.1	Historical Background of the GSE	65
5.2	Trends and Developments.....	65
5.3	General Market Performance	65
5.4	Trading Volumes and Values	66
5.5	Other Information.....	66
PART 6.	ADDITIONAL TERMS AND INFORMATION ON THE OFFER.....	67
6.1	Qualifying Shareholders	67
6.2	Offer to Subscribe for Shares.....	68
6.3	Acceptance of the Offer	69
6.4	Payment for Shares	69
6.5	Renunciation.....	69
6.6	Procedure in Respect of Rights not Taken up or Renounced	70
6.7	Warranties	70
6.8	Supply and Disclosure of Information	70
6.9	Listing of New Ordinary Shares	70
6.10	New Shares	70
6.11	Bank of Ghana approval.....	70
6.12	Exchange Controls	71
6.13	Taxation	71
PART 7.	RECEIVING AGENT AND RECEIVING BANK'S CONTACT DETAILS	72
7.1	Escrow and Receiving Bank.....	72
7.2	Receiving Agents.....	72
PART 8.	GUIDELINES TO COMPLETING APPLICATION FORMS	73

Key Milestones and Timetable

Activity	Date	Time
Ex-Rights Date	Wednesday, 11 July 2018	3.00pm
Qualifying Date	Friday, 13 July 2018	3.00pm
Book Closure Date	Monday, 16 July 2018	5.00pm
Commencement of Offer	Monday, 23 July 2018	9.00am
Commencement of Trading in the Rights	Monday, 23 July 2018	10.00am
Closure of the Trading in the Rights	Monday, 6 August 2018	3.00pm
Deadline for Acceptance of Application Forms	Friday, 10 August 2018	5.00pm
End of Offer	Friday, 10 August 2018	5.00pm
Allotment Begins	Monday, 13 August 2018	9.00am
Allotment Ends	Friday, 17 August 2018	5.00pm
Results of the Offer Submitted to SEC	Wednesday, 22 August 2018	5.00pm
Issue of Allotment letters (where applicable)	Thursday, 23 August 2018	9.00am
Crediting of Shares onto the CSD	Tuesday, 28 August 2018	3.00pm
Commencement of Trading in the Shares	Thursday, 30 August 2018	9.00am

All times provided are in Greenwich Mean Time, the time zone of the Republic of Ghana. Any amendment will be published in a national daily newspaper not later than 72 hours after receipt of regulatory approval.

REPUBLIC BANK (GHANA) LIMITED

CORPORATE INFORMATION

Directors:	Board Chairman	Charles William Leopold Zwennes
	Managing Director	Anthony Irwin Jordan
	Non-Executive Director	Nigel Mark Baptiste
	Non-Executive Director	David Joseph Dulal-Whiteway
	Non-Executive Director	Michael Addotey Addo
	Non-Executive Director	Ebenezer Tetteh Tagoe
	Non-Executive Director	Paul King Aryene

Company Secretary: Beatrix Ama Amoah

Registered Office: No. 35 Sixth Avenue
North Ridge
P. O. Box CT 4603
Accra, Ghana
Tel: +233 302 242 090-4
Fax: +233 302 242 095

Auditors: **Ernst & Young** (service ended as at December 31, 2017)
G15, White Avenue
Airport Residential Area
Accra, Ghana
P. O. Box KA 16009, Airport
Tel: +233 302 779 868
Fax: +233 302 778 894

Contact: Pamela Des Bordes
Tel: +233 302 779 868
Email: Pamela.Des-Bordes@gh.ey.com

KPMG (service commenced from January 1, 2018 to date)
Marlin House
13 Yiyiwa Drive, Abelenkpe
P.O. Box GP 242
Accra-Ghana
Tel: +233 302 770 454

Contact: Fred Dennis
Tel: +233 271 127 183
Email: fdennis@kpmg.com

**Lead Manager and
Sponsoring Broker:**

Serengeti Capital Markets Limited
5 Abafun Crescent
Labone
Accra, Ghana
Tel: +233 302 768 961
Fax: +233 302 768 966

*Contact: Richmond Agbesi
Tel: +233 302 768 960
Email: richmond-a@newworldgh.com*

Co-Manager:

Republic Investments (Ghana) Ltd
No. 48 A, Sixth Avenue
North Ridge,
Accra, Ghana
P.O. Box CT 4603
Tel: +233 302 664214, 664430
Fax: +233 302 664106, 665095

*Contact: Peter Larbi Yeboa
Tel: +233 244 411 836
Email: pyeboa@republicghana.com*

Co-Sponsor

Republic Securities (Ghana) Ltd
No. 48 A, Sixth Avenue
North Ridge,
Accra, Ghana
P.O. Box CT 4603
Tel: +233 302 664430, 664214, 0289669310/1
Fax: +233 302 664106, 665095

*Contact: Madeline Nettey
Tel: +233 244 977 022
Email: mnettey@republicghana.com*

Legal Adviser:

JLD & MB Legal Consultancy
1B Quarthey Papafio Avenue Airport Residential Area
Accra, Ghana
P.O. Box 410,
Tel: +233 302 784 298, +233 302 782 711

*Contact: Akosua Apea Osafo
Email: akosua@jldmblaw.net
Contact: Lily Acquaye
Email: lily@jldmblaw.net*

Reporting Accountant:

Deloitte and Touche
The Deloitte Place, Plot No. 71,
Off George Walker Bush Highway,
Box GP 453, North Dzorwulu,
Accra, Ghana
Tel: +233 302 775 355, +233 302 770 559

*Contact: Kwame Ampim Darko
Tel: +233 501 320 906
Email: kampimdarko@deloitte.com.gh*

Registrars: Universal Merchant Bank Limited
SSNIT Emporium
Airport City
Accra
P.O Box GP 401, Accra
Tel: +233 302 666 331

*Contact: Mrs. Harriet Antwi
Tel: +233302 226112 / 220952
Email: harriet.antwi@myumbbank.com*

Receiving Bank: Cal Bank Limited
No. 23 Independence Avenue,
GP 14596,
North Ridge, Accra
Tel: +233 302 680 063

*Contact: Philip Fynn
Tel: +233 261 513 233 / +233 244 945 904
Email: PFynn@calbank.net*

Receiving Agent(s): Republic Securities (Ghana) Ltd
No. 48 A, Sixth Avenue
North Ridge,
Accra, Ghana
P.O. Box CT 4603
Tel: +233 302 664430, 664214, 0289669310/1
Fax: +233 302 664106, 665095

Serengeti Capital Markets Limited
5 Abafun Crescent
Labone
Accra, Ghana
Tel: +233 302 768 961
Fax: +233 302 768 966

All Bank Branches of:
Republic Bank (Ghana) Limited
No. 35 Sixth Avenue
North Ridge
Accra, Ghana
Tel: +233 302 242 090-4
Fax: +233 302 242 095

Definitions

"Advisers"	Deloitte and Touche, JLD & MB Legal Consultancy, Republic Securities (Ghana) Ltd, Republic Investments (Ghana) Ltd and Serengeti Capital Markets Limited
"AGM"	Annual General Meeting held on 26th April, 2018 at the Accra City Hotel at 11am
"Applicable Law"	Any constitution, statute, law, rule, regulation, ordinance, judgment, order, decree, consent of a governmental authority, or any published directive, guideline, requirement or other governmental restriction that has the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, that is binding on RBGH whether in effect as of the date hereof or as of any date thereafter
"Application Form"	Application form for the Rights Issue
"Application of Funds"	Capital raised from shareholder subscription to Rights
"BoG"	Bank of Ghana
"Book Closure Date"	The time period when RBGH will not handle adjustments to the Register of Members, or requests to transfer shares
"Companies Act"	Companies Act, 1963 (Act 179) (as amended)
"CSD"	Central Securities Depository (Ghana) Limited
"CSD Account"	An electronic account held with the CSD where a successful applicant's new RBGH Shares will be deposited
"Deloitte" or "Reporting Accountant"	Deloitte and Touche ("Deloitte"), acting as the reporting accountant
"EPA"	Environmental Protection Agency
"Escrow Accounts"	Temporary accounts set up with the Receiving Bank (CAL Bank) where all Application Funds collected will be deposited until paid into RBGH's account after the close of the Rights Issue
"Escrow Account Agreement"	A written agreement between RBGH, the Sponsoring Broker and the Receiving Bank regarding the movement of Application Funds in the Escrow Account during the Offer Period and at the close of the Offer Period
"EUR"	Euro, the single European currency used by nineteen of the twenty-eight member states of the European Union
"Ex-Rights Date"	Wednesday, 11 July 2018, the date from which if an investor purchases RBGH shares on GSE, such investor will NOT qualify for rights
"Extra Shares"	Additional shares over and above those that each Qualifying RBGH Shareholder is entitled to under the Offer
"FCF"	Free Cash Flow
"GBP"	British Pound Sterling
"GDP"	Gross Domestic Product
"Ghana"	The Republic of Ghana
"GHS"	Ghanaian Cedi
"GRA"	Ghana Revenue Authority
"GSE" or "the Exchange"	The Ghana Stock Exchange
"GSS"	Ghana Statistical Service
"IFRS"	International Financial Reporting Standards
"IMF"	International Monetary Fund
"JLD & MB"	JLD & MB Legal Consultancy, acting as Legal Adviser

"Listing Date"	Thursday, 30 August 2018
"New Shares"	Up to 463,636,366 new ordinary shares of RBGH to be issued pursuant to the Rights Issue in accordance with the terms of the Offer
"The Offer" or "Rights Issue"	Renounceable rights issue of 463,636,366 ordinary shares of no par value at GHS 0.55 per share in a ratio of 1 new share for every 0.8376 existing shares held by a Qualifying Shareholder of RBGH as at the Qualifying Date
"Offer Circular" or "Document" or "Circular"	This Offer Circular dated 27th June, 2018
"Offer Closure Date"	The closing date of the Offer, being Friday, 10 August 2018, being the last day a Qualifying Applicant can subscribe to the Offer
"Offer Commencement Date"	The opening date of the Offer, being Thursday, Monday, 23 July 2018, being the first day on which a Qualifying Applicant can subscribe to the Offer
"Offer Period"	The period between the Offer Commencement Date and the Offer Closure Date
"Offer Price"	GHS 0.55
"Prevailing Exchange Rate"	The interbank exchange rate or other reference exchange rate agreed upon at the date cleared funds are received
"Qualifying Applicant"	Any natural person who is 18 years or over, or a corporation, partnership or other unincorporated associations who are resident/incorporated in Ghana or some other state, or country (including a Qualifying RBGH Shareholder and a Renouncee) provided that (a) the offer to and acceptance by such an applicant of the Offer is not in contravention of the laws of either that state or country and (b) such applicant is not resident or located in California
"Qualifying Date"	The date, Friday, 13 July 2018, on which persons whose names appear on the register of RBGH's members qualify for Rights under the Offer
"Qualifying RBGH Shareholder" or "Qualifying Shareholder"	RBGH shareholders on the register of shareholders as at the Qualifying Date, and who (a) have no legal restrictions barring them from partaking in the Offer and (b) are not resident or located in California
"RBGH" or the "Bank" or the "Issuer" or the "Company"	Republic Bank (Ghana) Limited
"RBGH Board" or "Board of Directors" or "Directors"	The board of directors of RBGH
"RBGH Shares"	All 388,330,009 issued ordinary shares of RBGH and 463,636,366 New Shares to be issued pursuant to the Offer
"Receiving Agent"	Republic Securities (Ghana) Ltd, Serengeti Capital Markets Limited and all branches of Republic Bank Ghana Limited which will be receiving applications and payments from Qualifying Applicants under the Offer
"Receiving Bank"	CAL Bank Ghana Limited which has been appointed by RBGH to receive applications and payments from Qualifying Applicants under the Offer
"Refund Commencement Date"	Friday, 17 August 2018, the date on which the unused applicants' funds are returned to the Receiving Agents
"Registrar"	The registrar of RBGH, being Universal Merchant Bank Limited at the date of this Circular
"Register of Members"	A register held by the Registrar that records the names and addresses of the shareholders of RBGH
"Renouncee"	A Qualifying Applicant, in whose favour a Qualifying RBGH Shareholder has renounced his/her/its Rights and who has no legal restrictions barring him/her/it from partaking in the Offer

"Renouncer"	A Qualifying RBGH Shareholder who has renounced some or all of his/her/its Rights in favour of another person or legal entity
"Rights"	The legal and financial right of Qualifying RBGH Shareholders to partake in the Offer, which Right may be traded to other persons or legal entities for value, in which case the Right is traded on the GSE, or which Right could be renounced in favour of another person or legal entity
"Rights Trading Period"	The period from Monday, 23 July 2018 to Monday, 6 August 2018 when holders of RBGH Rights and Qualifying Applicants can trade Rights on the GSE
"RIGL" or "Co-Manager"	Republic Investments (Ghana) Ltd, the Co-Manager for the Offer
"RSGL" or "Co-Sponsor"	Republic Securities (Ghana) Ltd, the Brokerage subsidiary of Republic Investments (Ghana) Ltd and the Co-Sponsor for the Offer
"SCM" or "Lead Manager"	Serengeti Capital Markets Limited, acting as Lead Manager
"SEC"	Securities and Exchange Commission of Ghana
"Uploading Date"	Tuesday, 28 August 2018, or any other date determined by the Directors and Advisers and approved by the SEC and GSE, being the date when new shares are credited to the CSD Accounts of successful applicants
"USA" or "United States"	United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"USD"	United States Dollars
"VAT"	Value Added Tax

Legal Adviser's Compliance Certificate



30 April, 2018

The Director-General
Securities and Exchange Commission
30, Third Circular Road
Cantonments, Accra
Ghana

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

Dear Sirs,

REPUBLIC BANK (GHANA) LIMITED (PREVIOUSLY KNOWN AS HFC BANK (GHANA) LIMITED): RIGHTS ISSUE AND ADDITIONAL LISTING OF SHARES ON THE GHANA STOCK EXCHANGE

1. INTRODUCTION

We have acted as legal counsel to Republic Bank (Ghana) Limited, previously known as HFC Bank (Ghana) Limited (the "**Bank**"), a public limited liability company incorporated under the laws of Ghana, in connection with its proposed rights issue to raise up to Two Hundred and Fifty-Five Million Ghana Cedis (GHS255,000,000) (the "**Rights Issue**") and the proposed additional listing of newly issued shares on the Ghana Stock Exchange (the "**Additional Listing**").

2. DOCUMENTS EXAMINED

- 2.1 For the purpose of giving this opinion, we have examined a draft copy of the shareholders' circular in respect of the Rights Issue (the "**Circular**");
- 2.2 Unless otherwise indicated, all expressions defined in the Circular have the same meanings when used in this opinion.
- 2.3 In addition, we have examined originals or copies certified to our satisfaction of the following documents:



- 2.3.1 The Bank's certificate of incorporation dated 5 November, 2013;
 - 2.3.2 The Bank's certificate to commence business dated 5 November, 2013;
 - 2.3.3 The Bank's regulations last amended by special resolution dated 28 September, 2017 (the "**Regulations**");
 - 2.3.4 The Bank's banking licence dated 19 February, 2018;
 - 2.3.5 a resolution, extracted from the minutes of a meeting of a board of directors of the Bank held on 7 March, 2018, approving the Rights Issue and the Additional Listing; and
 - 2.3.6 a resolution extracted from the minutes of a meeting of the shareholders of the Bank held on 26 April, 2018 approving the Rights Issue and the Additional Listing.
- 2.4 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.

3. SCOPE AND PURPOSE OF THE OPINION

- 3.1 We are qualified to practise law in Ghana. This opinion is limited to matters of Ghanaian law 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 as to any law other than the laws of the Republic of Ghana.
- 3.2 This opinion is given on the basis of the assumptions set out in Schedule A (*Assumptions*).

4. OPINION

Based on the preceding paragraphs, we are of the opinion that:

4.1 Incorporation

- 4.1.1 The Bank is duly incorporated as a public limited liability company under the laws of Ghana.



4.1.2 The Bank has perpetual corporate existence and the capacity to sue or be sued in its name and to carry on its businesses as currently conducted.

4.1.3 To the best of our knowledge and upon due enquiry, the Bank has the necessary power and authority to own its property and assets and to carry on its business as currently 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, the Bank (or to take any analogous action) nor has a moratorium been declared on the payment of any indebtedness of the Bank.

4.2 Authorisations

The Bank is duly licensed as a bank by the Bank of Ghana.

4.3 Regulatory Approvals and Consents

4.3.1 The approval of the Securities and Exchange Commission is required for the Rights Issue.

4.3.2 The approval of the Ghana Stock Exchange is required for the Additional Listing.

4.3.3 The approval of the Bank of Ghana would be required for (i) any new acquisition of 5% or more of the total shareholding in the Bank; and/or (ii) any increase of an existing shareholding to 5%, 10%, 20%, 30%, 50% or 75% of the total shareholding of the Bank.

4.3.4 Apart from the approvals referred to under paragraphs 4.3.1 to 4.3.3 above, no other regulatory approvals, consents or licenses are required or advisable under Ghanaian law for the Rights Issue and / or the Additional Listing.

4.4 Offering Circular

The Circular complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) and Schedule 7 of the Companies Act.



4.5 Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing the Bank from undertaking the Rights Issue.

4.6 The Regulations

4.6.1 The Regulations comply with all legal requirements on the contents of the regulations of a public company.

4.6.2 The Regulations comply with the requirements of Part V of the GSE Listing Rules.

4.6.3 The Rights Issue and the Additional Listing do not contravene any provision of the Regulations or any applicable laws in Ghana.

4.7 Taxes and Capital Duty

4.7.1 The statements in the Circular regarding taxation in Ghana are correct in all material respects.

4.7.2 The proceeds of the Rights Issue will be subject to a capital duty, at the rate of 0.5%, payable by the Bank.

4.8 Registrations and Filings

Subject to the filing of the final Circular at the Registrar of Companies, no registration or filing is required at any registry in Ghana in order for the Circular to be valid, binding and enforceable in accordance with its terms.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Akosua Apea Osafo'.

Akosua Apea Osafo
Partner
JLD & MB Legal Consultancy

JLD & MB LEGAL CONSULTANCY
P.O. BOX 410
ACCRA



Schedule A

Assumptions

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 authorising resolutions were duly passed at properly convened meetings of the Bank's shareholders and board of directors and, where applicable, all requirements relating to disclosure of interests and due consideration of the commercial interests of the Bank were complied with;
3. all disclosures made to us by the Bank and its officers as reflected in the Circular 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.

PART
01

THE RIGHTS ISSUE

1.1 Rationale for the Rights Issue

The purpose of the Rights Issue is to enable the Bank to meet the regulatory minimum capital requirement, develop and grow its business and undertake larger volume transactions in line with the growth and competitive strategy of the Bank. The Offer will also further improve the Bank's single obligor limits and enable RBGH to better serve the needs of its clients in a competitive environment. An improved single obligor limit will enable the Bank to implement and achieve its growth and competitive strategy and therefore improve its market share (~3% of loans and advances as at 31 December 2017).

1.2 Legal Basis for the Rights Issue

At the 27th Annual General Meeting of RBGH held at the Accra City Hotel, Barnes Road, Accra on 26th April, 2018 shareholders of RBGH approved, amongst others, a resolution to issue additional shares through a renounceable rights issue to raise up to GHS 255,000,000 in accordance with the regulations of RBGH, the Companies Act, and other relevant laws and regulations and subject to prior approval by the GSE and SEC.

a. That the Directors of the Company be and are hereby generally and unconditionally authorised to increase the Company's Stated Capital by up to Two Hundred and Fifty-Five Million Ghana Cedis (GHS 255,000,000) by a Renounceable Rights Issue and to exercise all the powers of the Company pursuant to Section 202 (1) of the Companies Act, 1963 (Act 179) to offer, issue and allot to registered members of the Company, in proportion as nearly as may be practicable to their respective holdings in the issued shares of the company, such number of ordinary shares as may be required to increase the Company's Stated Capital by up to Two Hundred and Fifty-Five Million Ghana Cedis (GHS 255,000,000).

b. That the Directors of the Company be and are hereby authorised subject to all applicable laws and regulatory requirements, to determine the terms, timing and pricing of any such offer, option, allotment or issue and to offer, issue, allot and/or deal with all such shares as are not subscribed to by the registered members of the company in the Rights Issue at such times, on such terms and for such prices as the Directors shall determine.

The transaction has also been approved by the RBGH Board through a Board Resolution dated 7th of March, 2018.

1.3 Use of the Rights Issue Proceeds

The Directors, in conjunction with the management team of the Bank will utilise the proceeds from the Offer as follows:

Table 1: USE OF OFFER PROCEEDS

Expense Item	Amount (GHS)
Working Capital	250,636,030
Offer Related Expenses	4,363,970
Total	255,000,000

Minimum Amount to be raised under Offer

The minimum amount to be raised for the Offer to be declared successful is GHS 150,000,000. If RBGH only raises the minimum amount under the Offer, then RBGH shall utilise the amount raised as follows:

Table 2: DEPLOYMENT OF MINIMUM AMOUNT RAISED

Expense Item	Amount (GHS)
Working Capital	146,497,530
Offer Related Expenses	3,502,470
Total	150,000,000

In the event that the minimum amount is not obtained, all monies paid for New Shares under the Offer and deposited into any of the Escrow Accounts will be returned to the Receiving Bank or Receiving Agent without interest for onward distribution to applicants on the Refund Commencement Date. In this case, Application Funds are deemed to have been returned when notices have been given for the Receiving Bank or Receiving Agent to collect funds received from applications that were lodged with them. The Sponsoring Broker / Issuer shall cause a publication in a newspaper of national circulation and announcements on local radio stations on how and where subscribers are to collect refunds.

If any money is not repaid within eight days after it becomes repayable, the Directors of the Bank shall be jointly and severally liable to repay that money with interest (in accordance with section 284(4) of the Companies Act) at the rate of 5% per annum each day of default until the refund is made to the Receiving Bank or Receiving Agent unless the Directors can prove that the default in the repayment was not due to any misconduct or negligence on their part.

Oversubscription

Should RBGH receive applications for shares whose value is in excess of GHS 255,000,000 the Directors shall not issue additional RBGH Shares to satisfy the extra demand. Any monies received in respect of applications which are not for allotted shares, after the consideration of Directors of the excess applications, will be returned to the applicants within 10 days of the date on which the allotments end. Refunds after this period will attract interest at the prevailing BoG monetary policy rate as stated on the BoG website under Monetary Policy section in the press release for the latest Monetary Policy Committee meeting.

1.4 Key Terms of the Offer

Number of Shares and Price

The Offer comprises a renounceable Rights Issue of 463,636,366 new ordinary shares at GHS 0.55 per share to Qualifying Shareholders in a ratio of 1 new share for every 0.8376 existing ordinary share held. The shares to be issued under the Offer will rank pari passu with the ordinary shares of RBGH already in issue and listed on the GSE.

The ratio in which the Rights to ordinary shares are allocated to Qualifying Shareholders may result in fractional entitlements. Fractional entitlements of 0.50 shares and above will be rounded up to one new share, whilst those below 0.50 shares will not be allotted to Qualifying Shareholders but will be consolidated and allotted by the Directors to Qualifying Applicants as they deem fit.

Pricing of the Shares

The Offer is priced at GHS 0.55 per share, representing a 58.3% discount to the current market price of GHS 1.32 (as at 26th June, 2018), or a 57.5% discount to the three-month average share price of GHS 1.29. The market price realized on 27th December, 2017, the first trading day in the most recent six months was GHS 1.39 and the market price realized on 26th June, 2018, the last trading day before the date of the offer document, was GHS 1.32..

Table 3: OFFER PRICE CALCULATION

Duration and Discount Applied	
Current Market Price (as at 26 June 2018)	GHS 1.32
Implied Discount	58.3%
Offer Price	GHS 0.55

Table 4: OFFER PRICE COMPARISON TO THREE MONTH AND SIX MONTH AVERAGE

Details	
Three Month High	GHS 1.32
Three Month Low	GHS 1.28
Three Month Average based on daily prices	GHS 1.29
Offer Price Discount to Three Month Average	57.5%
Six Month High	GHS 1.39
Six Month Low	GHS 1.02
Six Month Average based on daily prices	GHS 1.29
Offer Price Discount to Six Month Average	57.5%

If all the shares on offer are fully subscribed, RBGH will raise a total of GHS 255,000,000. Pursuant to this Rights Issue, the GSE has granted approval to list the New Shares on the GSE. It is expected that the dealings in the New Shares will start alongside the existing 388,330,009 ordinary RBGH Shares on the Listing Date.

Qualifying Date and Distribution of this Circular

The shares on offer under this Rights Issue will be offered to shareholders of RBGH whose names appear in the Register of Members as at the Qualifying Date. The Registrar has sent a copy of this Circular containing the allotment details and Application Forms through the post to shareholders of RBGH on record on the Qualifying Date. Shareholders of RBGH who do not receive copies of the Circular by the Offer Commencement Date may contact the offices of the Registrar, RSGL or RBGH for a copy of the Circular (subject to availability of extra copies of the Circular). The Circular will also be available online at the RSGL website at www.republicinvestmentsgh.com as well as the SCM website at www.serengeticapital.com and RBGH website at www.republicghana.com.

Form of the New Shares

The New Shares will, when issued, be held in dematerialised form. Qualifying RBGH Shareholders and Renouncees who do not have a CSD Account will be issued letters of allotment. Qualifying RBGH Shareholders and Renouncees who receive letters of allotment will be required to use their letters of allotment to open CSD Accounts and have those shares credited to their CSD Account.

Those Qualifying RBGH Shareholders and Renouncees with CSD Accounts will have their respective CSD Accounts credited with the number of New Shares allotted to them. Share certificates will not be issued.

Trading in the Rights

The Rights pertaining to the Offer may only be traded on the GSE during the Rights Trading Period, which commences at 10.00am on Monday, 23 July 2018 and closes at 3.00pm on Monday, 6 August 2018. U.S. holders (as defined in Rule 800 under the U.S. Securities Act) may transfer Rights only in accordance with Regulation S under the U.S. Securities Act. Shareholders who desire to sell all or some of their Rights on the GSE should contact their brokers, or the Co-Sponsor at the address below:

Republic Securities (Ghana) Ltd
No. 48 A, Sixth Avenue
North Ridge, Accra, Ghana
P.O. Box CT 4603
Tel: +233 302 664430, 664214, 0289669310/1
Fax: +233 302 664106, 665095

Application

All applications for shares under the Offer must be in whole numbers and no purported application for fractions of a share will be accepted.

Shareholders and Renouncees

Shareholders wishing to take-up some or all of their Rights must complete the appropriate Option in the accompanying Application Form in order to exercise their Rights. Qualifying Shareholders are allowed to apply for Extra Shares. Persons resident in the United States or who hold shares or Rights for the account of beneficial owners resident in the United States may transfer Rights only in accordance with Regulation S under the U.S. Securities Act. Shareholders are otherwise allowed to renounce in part or in full their Rights in favour of a third party at their own option by completing Option 3 of the Application Form. Renouncees should complete Option 4 and Part II of the Application Form, sign the declaration and submit it, together with the Renouncer's and Renouncee's valid ID, to the Receiving Agent or Receiving Bank.

Should a Qualifying Shareholder desire to renounce his/her/its Rights in favour of more than one person or legal entity, his/her/it should complete an Application Form in favour of each Renouncee, stating that Renouncee's name and the number of Rights renounced in favour of that Renouncee in Option 3 of the Application Form. The Renouncer must then sign against the box ticked in Option 3. Each Renouncee must then complete Option 4, and Part II of the same Application Form, sign the declaration and submit it, together with payment for the shares applied for, to the Receiving Agent or Receiving Bank.

1.5 Escrow Accounts Details

All Application Funds collected will be deposited into the following Escrow Accounts of:

Cal Bank Limited
No. 23 Independence Avenue,
GP 14596,
North Ridge, Accra
Tel: +233 302 680 063

Account Name	RBGH RIGHTS ISSUE
Account Number	1400002849102
Branch	Head Office
Swift Code	ACCCGHAC



A copy of the Escrow Account Agreement has been lodged with the SEC.

1.6 Allotment

The Directors will be responsible for the allotment of the New Shares.

The allotment of New Shares to applicants will be:

- i. first to satisfy all duly completed applications from Qualifying Shareholders and their Renouncees as pertains to Qualifying Shareholders' Rights in the Offer; and,
- ii. to satisfy all duly completed applications from Qualifying Shareholders and Renouncees for Extra Shares, pro-rating where necessary.

To the extent that applications for Extra Shares received are more than the available number of unsubscribed Rights under the Offer, the Directors will allot fewer Extra Shares than applied for. The Board of Directors will allot Extra Shares on a pro-rata basis to Qualifying Applicants.

As of the date of this prospectus, to the extent known to RBGH, there are no person(s) who have explicitly stated their intention to subscribe for more than 5% of the offering, beyond their rights entitlements.

1.7 Payment

The currency of the issue is in GHS.

Payment for RBGH Shares must be made in full in cash, by cheque, postal or money order, or funds transfer on application. Payment by instalments will not be accepted. RSGL reserves the right to reject multiple applications, applications not paid for in full or to be paid in instalments. The offer is priced in Ghanaian Cedis and Receiving Agents will receive GHS subscriptions, and process any refunds in GHS. All applications for shares and subscriptions received will be forwarded from the Receiving agents to the Sponsoring brokers at the end of each week during the offer period with accompanying payments paid into the escrow account with the receiving bank. Non-resident shareholders, who execute their rights in United States Dollars, Euros, British Pound Sterling, or a combination of any of these, will have their Rights allocated to them using the Bank of Ghana Prevailing Mid-Rate specified to them at the date cleared funds are received for their subscription. In this regard, the GHS equivalent of the amount

being paid by the applicant and the corresponding number of shares being acquired under the Offer will be communicated to the applicant when cleared funds are received.

Payment may be in cash, cheque, postal and money order. Cheques, postal and money orders, which will be presented for payment, should be made payable to "RBGH RIGHTS ISSUE" and should be crossed and marked "COMMISSION TO DRAWER'S ACCOUNT". This endorsement must be signed by the drawer. Cleared funds must be received before the offer closes if payment is by cheque, postal or money order.

Applications in respect of which cheques are returned unpaid will be rejected. Bank commissions and transfer charges on application monies must be paid by the applicant.

1.8 Refund

If any application is not accepted or is accepted for a smaller number of shares than applied for, the balance of the amount paid on application, following the completion of allotment, will be forwarded to each respective receiving agent for onward remittance to all affected applicants. The Lead Manager shall instruct the Receiving Bank to transfer all refunds to the Receiving Agents not later than the Refund Commencement Date for onward distribution to applicants. RBGH will announce such refunds through a daily newspaper with national circulation within 72 hours of the making of such refunds.

If RBGH does not make refunds of extra Application Funds to the Receiving Agent or Receiving Bank by the Refund Commencement Date then RBGH will pay to investors, interest (calculated on a per annum basis) on the unpaid amounts after the Refund Commencement Date at the prevailing BoG prime rate for each day of default until the refund is made to the Receiving Agent or Receiving Bank.

1.9 Lodgment of Completed Application Forms

All Qualifying Applicants resident in Ghana must deliver or lodge their duly completed Application Forms at the offices of the Receiving Agent or Receiving Bank, whose details are provided in Part 7 of this Circular by 4 pm on the Offer Closure Date.

Qualifying Applicants not resident in Ghana must deliver or lodge their duly completed Application



Forms by scanning and emailing them to Republic Securities (Ghana) Ltd (brokerage@hfcbank.com.gh). Original completed Application Forms should then be mailed to RSGl or SCM through a registered mail service. Applicants who choose to mail their Application Forms to the Receiving Agent are advised to use registered mail services. However, all documents mailed to the Receiving Agent by applicants will be at the applicant's own risk and RBGH may treat applications not received by 4 pm on the Offer Closure Date as invalid.

Applicants are to note that Application Forms must be lodged at the same Receiving Agent office where payment is made for the shares applied for. The Receiving Agent will acknowledge receipt of Application Forms and funds from Qualifying Applicants.

1.10 Cost of the Offer

The total cost of the Offer is not expected to exceed 4.00% of the amount being raised. RBGH will pay all fees out of the proceeds of the Rights Issue. Below are the summarised details of the cost of the Offer:

Item	Amount GHS	% of Offer
Professional and Advisory Fees		
Lead Manager	600,000	0.24%
Co Manager	450,000	0.18%
Sponsoring Broker	400,000	0.16%
Co-Sponsor	450,000	0.18%
Legal Adviser	157,470	0.06%
Reporting Accountant	90,000	0.04%
Regulatory Fees		
SEC	127,500	0.05%
GSE	671,500	0.26%
CSD	17,500	0.01%
Registrar	50,000	0.02%
Stamp Duty	1,275,000	0.50%
Other		
Printing, Distribution & Mailing	75,000	0.03%
Total	4,363,970	1.71%

1.11 Declaration of Interests by Advisers

As at the date of this Circular:

- Deloitte does not hold any RBGH Shares. No employee or partner of Deloitte or any of its associated persons holds or has any interest in RBGH Shares.

- JLD & MB does not hold any RBGH Shares. No employee or partner of JLD & MB or any of its associated persons holds or has any interest in RBGH Shares.
- RIGL does not hold any RBGH Shares. The following staff of Republic Investments, individually hold the respective shares as indicated in the table below

Name	RBGH Shareholdings
Divine Agbola	1,000
Kwesi Anamoah Baiden	164
Joshua Bavon	100
Peter Yaw Osei	1,951

- RSGl holds 16,397 shares of RBGH. No employee or principal of RSGl holds any interest in RBGH Shares.
- SCM holds 64 shares of RBGH. Nortey Omaboe holds 15 shares of RBGH. No other employee or principal of SCM holds any interest in RBGH Shares.

1.12 Documents Available for Inspection

The following documents are available for inspection during the hours of 8.30 a.m. and 4.30 p.m. on any Business Day at the registered offices of RBGH during the Offer Period:

- The Bank's Regulations;
- The extract of minutes of the meeting of the Board of Directors held on 7th March, 2018 authorising the Rights Issue;
- The extract of minutes of the AGM of RBGH held on 26th April, 2018 authorising the Rights Issue;
- The Bank's audited annual reports for the last five years;
- This Offer Circular;
- The Escrow Account Agreement;
- The Valuation Report;
- The Bank's Certificate to Commence Business;
- The Bank's Certificate of Incorporation;
- The Bank's Certificate of Change in Name; and,
- The Bank's New License reflecting its new name.

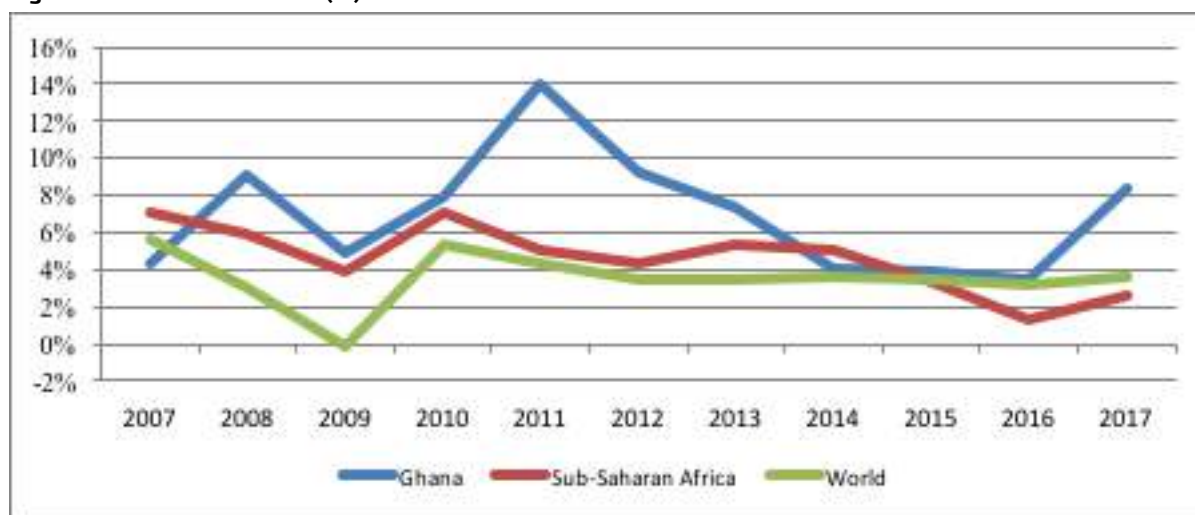
PART
02

THE ECONOMY OF GHANA

2.1 Overview of the Ghanaian Economy

Ghana has one of the fastest growing economies in sub-Saharan Africa ("SSA") with gross domestic product ("GDP") growing at an average rate of over 7.0% versus an average growth rate of 4.3% for SSA and 3.8% for the world over the past eight years (2010 to 2017) per IMF data.¹

Figure 1: Annual GDP Growth (%)



Source: IMF World Economic Outlook April 2018 data

2.2 Political Background²

Ghana is a unitary state governed by its 1992 Constitution. The President and members of Parliament are elected by universal adult suffrage. The President serves a maximum of two four-year terms. The governance system also includes a well-structured local government system purposely set up to ensure decentralization of governance and allocation of resources. As a result of a robust democratic system built over two decades, Ghana held its seventh consecutive democratic election in 2016, which resulted in the opposition party winning and forming a government in January 2017.

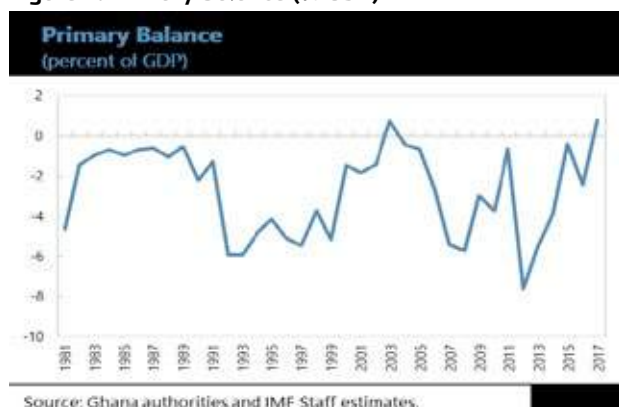
2.3 Historical Economic Performance

Ghana's GDP growth decreased from 14.0% in 2011 to 4.6% in 2014 due to a global commodities slump and disruptions in oil and gas production. Ghana's principal exports in the cocoa, oil, and gold have decreased in value, leading to a balance of payments deficits. However growth rebounded as commodities prices recovered and the government increased fiscal discipline resulting in the first primary balance surplus since 2003.

¹ IMF World Economic Outlook – April 2018

² Government of Ghana official website

Figure 2: Primary Balance (% GDP)



The Ministry of Finance and Economic Planning (“MOFEP”) announced a trade surplus of USD 585 million for the first 2 months of 2018, driven by recovering gold and oil prices. Consequently, there was a build-up in gross international reserves to USD 6.9 billion as at March 20, 2018, which supported the relative stability in the exchange rate³. In 2017, the trade account recorded a surplus of US\$1.1 billion (2.3% of GDP) compared with a trade deficit of US\$1.8 billion (4.2% of GDP) in December 2016.

2.4 IMF Programme⁴

The Executive Board of the IMF approved a three-year USD 918 million arrangement under the Extended Credit Facility for Ghana in April 2015. The IMF completed its fifth and sixth reviews of the bailout programme and disbursed USD 191 million, increasing total disbursements under the programme to USD 764 million. In addition the IMF approved Ghana’s request for waivers of non-observance of performance criteria and modified one performance criterion. The IMF has advocated for a more ambitious and front-loaded fiscal consolidation to help place public debt on a sustainable path, and to allow monetary policy to be more effective in bringing down inflation by strictly limiting budget financing from the Bank of Ghana. Current efforts that have been made so far include the total removal of subsidies on petroleum products, mitigation of payroll irregularities, enhancement of public finance management and transparency and deregulation of the oil distribution sector.

2.5 Monetary and Fiscal Policies

The Bank of Ghana (“BoG”) targets an inflation of $8\% \pm 2\%$.⁵ Ghana’s inflation rate has decreased from 15.4% in December 2016 to 10.4% in March 2018, with food inflation increasing slightly from 7.0% to 7.3% in the same time period and non-food inflation decreasing from 16.6% to 11.8%.⁶ Ghana’s government domestic yield curve has shifted downward with yields at all tenures declining from December 2016 to March 2018. Due to expectations of greater stability, in 2016 and 2017 the government introduced 10-yr and 15-yr bonds, respectively, to undertake longer-term infrastructure projects, pay off short-term debt and stabilise the cedi’s exchange rate.

³ Bank of Ghana: Summary of Economic and Financial Data. January 2018 and March 2018 Reports

⁴ IMF Country Report No. 18/113. Ghana. May 2018.

⁵ Bank of Ghana. Monetary Policy Framework. Medium Term Inflation Target

⁶ Bank of Ghana. Summary of Economic and Financial Data

Figure 3: Ghana Yield Curve 2015 to Present (%)⁷



Ghana's public debt increased from GHS 122.6 billion in December 2016 to GHS 142.5 billion in December 2017, but decreased as a percentage of GDP from 72.5% to 69.8% over the same period. The 91-day Treasury-bill rate fell from 16.8% in December 2016 to 13.3% in March 2018; and the rates on the 182-day Treasury-bill rate moved from 18.5% to 14.9% over the same period.⁸ Aside from GDP growth, lower interest rates decreased the cost of servicing debt which has, in turn, increased fiscal space for growth enhancing policies. Ghana's budget deficit at the end of 2017 was 6.3% of GDP.

Figure 4: Ghana Public Debt Stock (2012-2017)⁹



The fiscal policy outlined in the 2016 budget stressed reducing the deficit to 3.5% of GDP in 2018 and to 3% of GDP in 2019, by increasing the tax participation rate and reducing expenditure overruns and corruptions.¹⁰ For example, the National Identification Scheme will identify economically active but undocumented citizens in the informal sector to broaden the tax base and reduce "ghost" employees on the payroll. In addition, the "One District One Factory" program will focus on industrialization through import substitution to promote job creation, increase payroll, and therefore increase the tax base via increased payroll tax receipts and other ancillary taxes e.g. increased consumption will drive an increase in value-added tax receipts.

⁷ Bank of Ghana. Markets. Treasury Bill Rates

⁸ Bank of Ghana. Markets. Treasury Bill Rates

⁹ Ghana Ministry of Finance and Economic Planning. Fiscal Data.

¹⁰ Ghana Ministry of Finance and Economic Planning. Fiscal Data.

In the currency market, the Ghana cedi remained relatively stable against the US dollar, on account of improved foreign exchange inflows and tighter monetary policy. In 2017, the Ghana cedi depreciated 4.7% against the dollar, 17.4% against the euro, and 13.6% against the pound sterling.¹¹ The IMF projects that the Ghanaian cedi will depreciate by approximately 4% to 8% against the dollar in the near to mid-term.

2.6 Economic Outlook

Ghana's economy is expected to grow at an average of about 6.1% over the next five years per IMF projections. The services sector is the largest contributor to GDP accounting for 59% of GDP in the first quarter of 2018, and is expected to grow at a CAGR of 6.4% from 2018 to 2020.

Ghana's near term economic growth will be driven primarily by an increase in oil production and a rise in oil prices. Also, gold output will likely remain high and cocoa production is expected to grow to above 900,000 tons. However, non-oil growth is expected to slow to 4.3%. Inflation is expected to fall within its target range of 6-10% by 2018, allowing for more monetary policy easing and lower interest rates to spur private investment¹².

The government is focused on keeping its fiscal program on track to decrease the debt burden. There is little space for fiscal slippages and the government is focused on mobilising domestic revenues, identifying areas where tax policy measures can help mobilize revenues including direct tax exemptions, indirect taxes, free zones and reworking policies in extraction industries.

The government has successfully increased issuance of longer-term maturities to lower gross financing needs with the average time to maturity of domestic debt increasing from 5.5 years at end-2016 to 7.2 years at the end of 2017. Ghana still faces high financing costs in both the domestic and external markets.¹³

2.7 Banking Sector in Ghana¹⁴

The banking sector is the largest and most competitive segment of Ghana's financial services

sector. The Bank of Ghana ("BoG") revoked the licenses of UT Bank Limited and Capital Bank Limited in August 2017 due to solvency issues at both banks. In March 2018, BoG placed uniBank Ghana Limited into administration. Consequently, there were thirty-three (33) licensed banks in Ghana in April 2018 per BoG. Per the January 2018 banking sector report there were 1,483 bank branches in December 2017, compared to 1,342 in December 2016.

On a microeconomic level, the latest Ghana Living Standards Survey, taken in 2012, showed that the banking penetration rate remains low, with 35.4% of households holding a bank account or contributing to a savings scheme. 11.4% of households reported applying for a loan sometime during the last 12 months. The most cited reasons for requiring credit were to acquire land, vehicles or housing. Banks provided 30.8% of all loans, and less than half (41%) of all loans required some form of collateral or guarantee, of which land as collateral and the employer as guarantor were the most common.

The BoG's Banking Sector Report measures the financial soundness of the banking industry in terms of earnings, portfolio quality, and liquidity and capital adequacy.

In earnings, return on assets and return on equity decreased from 3.8% in December 2016 to 3.3% in December 2017 and from 18.0% to 16.7% over the same time period, respectively. The ratio of gross income to total assets increased marginally from 17.1% to 17.8% but the interest spread declined from 15.0% to 12.3% from December 2016 to December 2017. The banking sector recorded an increase in profit after tax from GHS 1.74 billion to GHS 1.91 billion from December 2016 to December 2017.

In terms of the composition of banks' income, interest income from loans, investment income, fees and commission, and other income constitute 46.4%, 38.0%, 10.2% and 5.5% of total income in December 2017, respectively, versus 50.7%, 33.5%, 10.6% and 5.2% of income in December 2016.

NPLs in the banking industry increased to GHS 8.58 billion in December 2017 from GHS 6.14 billion in December 2016. The year-on-year growth in NPLs in December 2017 of 39.0% was in line with NPLs year-on-year growth of 39.8% recorded in December 2016. In addition to the marginal pickup

¹¹ Bank of Ghana. Markets. Daily Interbank FX Rates.

¹² World Bank estimates

¹³ World Bank estimates

¹⁴ Bank of Ghana. Banking Sector Reports used for entire section

in the year-on-year growth in the stock of NPLs, the increased NPL ratio was attributable to a slowdown in industry loans (from 17.6% in December 2016 to 6.4% in December 2017). Adjusting for the fully provisioned loan loss category, the NPL ratio was 10.8% in December 2017 versus 8.4% in December 2016.

The banking industry remained adequately liquid in December 2017 with improvements in liquidity indicators. The banking industry remained solvent, with CAR (excluding impaired capital positions of UT Bank and Capital Banks) at 17.9% in December 2017, almost unchanged from 17.8% in December 2016, and above the 10.0% prudential limits. The industry's risk-weighted assets to total assets (excluding UT Bank and Capital Bank) was 61.3% in December 2017 compared with 63.7% in December 2016, signifying some moderation in the industry's risk-weighted assets.

2.8 Regulatory Bodies in the Banking Sector

The principal regulator of the banking industry is the Bank of Ghana ("BoG"). The BoG has "overall supervisory and regulatory authority in all matters relating to deposit-taking business" and is charged with the responsibility of ensuring that there is a stable financial system. The Central Bank's functions and responsibilities as a regulator are set out in the Bank of Ghana Act, 2002 (Act 612) as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and include the following:

- » Support the general economic policy of the Government;
- » Promote economic growth and development, and effective and efficient operation of the banking and credit system;
- » Regulate, supervise and direct the banking and credit system and ensure the smooth operation of the financial sector;
- » Promote, regulate and supervise payment and settlement systems;
- » Promote and maintain relations with international banking and financial institutions and subject to the Constitution or any other relevant enactment, implement international monetary agreements to which Ghana is party; and,
- » Do all other things that are incidental or conducive to the efficient performance of its functions under Act 612 and any other enactment.

The governing body of the BoG is its Board of Directors as stipulated in Act 612. The Board consists of the Governor, who is also the Chairman, two Deputy Governors and nine Non-Executive Directors. The current Governor of the BoG is Dr. Ernest Kwamina Yedu Addison, who was sworn-in on April 2017.

Within the last decade a number of regulations have been introduced, such as setting the minimum capital requirement to obtain and operate a Class 1 banking license at GHS 60 million to expand the financial sector in 2008. In 2013, BoG increased the minimum capital requirement to GHS 120 million and on September 11, 2017, BoG announced an increase in the minimum capital requirement to GHS 400 million with a compliance deadline of December 2018.

All banks, non-bank financial institutions and forex bureaus operate under the following regulatory and legal framework:

- » Bank of Ghana Act, 2002 (Act 612) as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918)
- » Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)
- » Non-Bank Financial Institutions Act, 2008 (Act 774)
- » Companies Act, 1963 (Act 179) as amended
- » Bank of Ghana Notice/Directives/Circulars/Regulations
- » Anti-Money Laundering Act, 2008 (Act 749) as amended and Regulations
- » Foreign Exchange Act, 2006 (Act 723)
- » Borrowers and Lenders Act, 2008 (Act 773)
- » Credit Reporting Act, 2007 (Act 726)
- » Home Mortgage Finance, Act 2008 (Act 770)
- » Ghana Deposit Protection, Act, 2016 (Act 931)
- » Payment Systems Act, 2003 (Act 662)

PART
03

REPUBLIC BANK (GHANA) LIMITED

3.1 Corporate History and Background

The Company was incorporated in May 1990 as Home Finance Company Limited and functioned as a mortgage company with the government, the Social Security and National Insurance Trust ("SSNIT") and Merchant Bank being its major shareholders. The Bank operated as a special purpose vehicle by providing long-term funds from the World Bank and SSNIT to primary mortgage lenders such as commercial banks.

In 1994 the Bank was converted to a public limited company in preparation for an initial public offer, and in 1995 the Bank successfully listed on the Ghana Stock Exchange ("GSE"). On 17 November 2003, the Bank was issued with a licence to operate as a bank under the then existing Banking Law 1989, (PNDCL 225). In June 2003 the Bank changed its name to HFC Bank (Ghana) Limited ("HFC").

In 2015, Republic Bank Limited (of Trinidad and Tobago) (now called Republic Financial Holdings Limited) acquired 17.25% of RBGH shares via a mandatory tender offer to the then existing shareholders, increasing its stake from 39.86% to 57.11%.

On 19th February 2018, HFC received a new license from the Bank of Ghana changing its name to Republic Bank (Ghana) Limited as part of an overall re-branding strategy.

RBGH's vision is to be the Ghanaian Financial Institution of choice for all stakeholders and to set the standard of excellence in customer satisfaction, employee engagement, social responsibility and shareholder value while building successful communities.

3.2 RBGH Capital Structure

As of the date of this Circular, RBGH's capital structure consists of:

Class of Shares	Authorised Shares	Issued and Outstanding Shares	Stated Capital (GHS)
Ordinary Shares	1,000,000,000	388,330,009	146,191,000

All RBGH Shares are fully paid and there are no un-issued shares agreed to be issued. No RBGH Shares are the subject of any options.

History of share capital for the last three years

RBGH has authorised ordinary shares of 1,000,000,000.00. There were no changes to the number of registered authorised ordinary shares in the last three years. RBGH's issued ordinary shares as at January 1, 2015 was 296.801 million for a consideration of GHS95.424 million. During the 2015 financial year, 0.620 million executive share options were offered for a total consideration of GHS0.767 million. These shares were fully subscribed, resulting in a year-end ordinary share capital balance of GHS96.191 million representing total issued shares of 297.421 million at December 31, 2015.

There were no issued or recalled shares in 2016.

During the 2017 financial year, RBGH executed a renounceable rights issue pursuant to which 90,909 million ordinary shares were offered for a total cash consideration of GHS50 million. The shares were fully subscribed and there was no unpaid liability on any share as at 31 December 2017.

The table below summarises the movement in the stated (share) capital account over the last three years.

Description	2017		2016		2015	
	# of shares '000	Proceeds GHS'000	# of shares '000	Proceeds GHS'000	# of shares '000	Proceeds GHS'000
Balance as at 1/1/	297,421	96,191	297,421	96,191	296,801	95,424
Executive share option	-	-	-	-	620	767
Cash received from right issue	90,909	50,000	-	-	-	-
Balance as at 31/12	388,330	146,191	297,421	96,191	297,421	96,191

Subsidiaries

REPUBLIC BANK (GHANA) LIMITED SUBSIDIARIES

Name of Subsidiary	% RBGH Stake
Republic Investments (Gh.) Limited	100%
HFC Realty Limited	100%
HFC Capital Partners Limited	100%
Republic Securities (Gh.) Limited - 100% owned by Republic Investment Limited	100%
UG-HFC Limited	60%
Republic Bofofo Limited	51%

Shares in Republic Bofofo were last issued on October 7, 2011. No debentures have been issued in the history of Republic Bofofo.

3.3 Key Business Activities and Existing Product Portfolio

As a licensed universal bank, RBGH is authorised to carry out the business of banking to corporate customers, individuals, and small and medium scale enterprises. It primarily provides corporate banking and mortgage banking services.

RBGH offers its products and services through a network of forty-two (42) branches in the Greater Accra, Ashanti, Brong Ahafo, Northern, Eastern, Central, Upper East and Western Regions. The Bank also has forty-eight (48) Automatic Teller Machines. The group's principal activities include:

1. Private Banking

RBGH Private Banking presents holistic world-class personalized banking service to high net worth individuals.

2. Mortgage Banking

RBGH has been instrumental in the development of the mortgage industry in Ghana and is a leading home loan provider in Ghana. In November 2007, RBGH was appointed Manager of the Public Sector Employees' Housing Scheme. The Bank has financed over 323 mortgages for public sector workers under the scheme. Today the Bank services more than 27% of all mortgages and offers a range of products to homeowners nationwide.¹⁵

¹⁵ Bank of Ghana data

3. International Trade Services

The Bank contributes to the finance and the growth in trade between Ghana and its overseas trading partners by combining local knowledge and international trade expertise.

4. Investment Banking

Republic Investments (Ghana) Ltd ("RIGL") undertakes the business of funds management among others. The subsidiary is 100% owned by RBGH and has Managed Funds, Financial Advisory, and Asset Management departments. The National Pensions Regulatory Authority has also licensed Republic Investments (Ghana) Ltd as a Fund Manager for the New Three Tier Pension Scheme. Republic Securities (Ghana) Ltd ("RSGL") is a subsidiary of RIGL. RSGL facilitates capital market access for individuals and institutions, engages in securities and fixed income trading and executes transactions on the GSE. RSGL is a Licensed Dealing Member of the Ghana Stock Exchange ("GSE").

5. Other Subsidiaries

Republic Bofo Service Ltd. ("Bofo") is a non-financial subsidiary of RBGH. Bofo was formed as a joint venture between RBGH and Global Communities, a non-profit organisation incorporated in the United States of America. RBGH owns 51% of the shareholding and Global Communities owns 49%. Bofo has a microfinance license and brokers micro-credit and micro-savings to low income and informal clients on behalf of RBGH. As a service company loans disbursed and deposits mobilized by Bofo are placed at RBGH.

HFC Realty Limited

HFC Realty Limited is a wholly owned subsidiary of the Bank. The subsidiary is a property investment and management company which used to offer project and estate management services, property valuation, marketing and sales and real estate consultancy services. The company is not taking on any new business.

HFC Capital Partners Limited

HFC Capital Partners Limited is a wholly owned private equity management subsidiary set up to manage venture capital and other types of funds that target various sectors of the economy. The company is authorized to carry out activities such as private equity and quasi-equity investment deals and advisory services to investee companies. The company is not taking on any new business. SEC has been advised of the subsidiary's intention to be wound-up.

UG-HFC Limited

UG-HFC Limited (UG-HFC) is a joint venture company owned by the Bank and the University of Ghana. Republic Bank (Ghana) Limited has 60% and the University of Ghana 40% shareholding. The authorized business of the company is to acquire a plot of land at the Ridge business area in Accra from the University of Ghana for development as an office/commercial complex for investment purposes. The land concerned is what used to accommodate the University of Ghana graduate business school until it was moved to Legon.

3.4 Top 20 shareholders as at 30 April, 2018

	Name	Shareholding	% Ownership
1	Republic Financial Holdings Limited	228,034,061	58.72%
2	Social Security & National Ins. Tr.	100,451,746	25.87%
3	Ghana Union Assurance Co. Ltd.	42,334,167	10.90%
4	SCGN/Ghana International Bank Plc.	9,221,968	2.37%
5	STD Noms. Tvl Pty/Heritage Fund Ltd	899,976	0.23%
6	Capital and Equity Limited	625,000	0.16%
7	United Master Trust Provident	401,300	0.10%
8	Databank Brokerage Limited	200,000	0.05%
9	Fanel Limited	165,000	0.04%
10	Mr. G. Amenuvor	150,000	0.04%
11	Enterprise Group Ltd	133,420	0.03%
12	GES Occupational Pension Scheme	126,800	0.03%
13	Mr. C.A. Bonsu	120,000	0.03%
14	Mr. O. Asafo-Adjei	120,000	0.03%
15	GNI/GGFC-Prime Equity	112,200	0.03%
16	United Smart Provident Fund Scheme	102,654	0.03%
17	Regimanuel Gray Limited	100,400	0.03%
18	CAM/GUSS Fund	100,000	0.03%
19	NSIA Ghana Limited	100,000	0.03%
20	Tema Development Corporation	100,000	0.03%
	Sub-Total Top 20	383,598,692	98.78%
	Other	4,731,317	1.22%
	TOTAL	388,330,009	100.00%

Movement in Top Shareholders over the Past 3 Years

	2015	2016	2017	April 2018
Republic Financial Holdings Limited	57.10%	57.10%	64.61%	58.72%
Social Security & National Ins. Tr.	26.09%	26.09%	19.98%	25.87%
Ghana Union Assurance Co. Ltd.	10.90%	10.90%	10.90%	10.90%
SCBN/State Insurance Company	3.10%	3.10%	n.a.	n.a.
SCGN/Ghana International Bank Plc.	n.a.	n.a.	2.37%	2.37%
Other	2.81%	2.81%	2.14%	2.14%
Total	100.00%	100.00%	100.00%	100.00%

There has been stability in the shareholding with the same top three shareholders accounting for 94.09% of shareholding in 2015, 94.09% of shareholding in 2016, 95.49% of shareholding in 2017 and 95.49% of shareholding as at 30 April 2018.

3.5 Corporate Governance

RBGH's Board of Directors ("the Board") is committed to ensuring that best practice in corporate governance remains a fundamental part of the culture and business of the Bank and its Subsidiaries, whilst ensuring adequate levels of Shareholder participation and protection.

The Bank's policies, systems and procedures are therefore geared towards promoting and enhancing the corporate governance principles of accountability, integrity, transparency, robustness, fairness and social responsibility, whilst maximizing long term Shareholder value. These principles, which are compliant with regulatory and international guidelines, underpin all areas of the Bank's business.

Name	Nationality	Age	Position	Other Directorships held
Charles William Leopold Zwennes	Ghanaian	46	Board Chairman	Global Agri-development Company (Ghana) Limited Lex Corpus Limited Carlton Properties Ltd
David Joseph Dulal-Whiteway	Trinidadian	62	Non-executive Director	ANSA McAL
Ebenezer Tetteh Tagoe	Ghanaian	70	Non-executive Director	Republic Investments (Ghana) Ltd
Paul King Aryene	Ghanaian	68	Non-executive Director	UG/HFC Limited
Nigel Mark Baptiste	Trinidadian	52	Non-executive Director	Republic Financial Holdings Ltd Republic Bank Ltd Republic Bank (Guyana) Ltd Republic Investments Ltd
Michael Addotey Addo	Ghanaian	53	Non-executive Director	Ghana Stock Exchange Emex Oil Ndawta Ltd, Nigeria/ Ghana Central Dialysis Centre, Ghana
Anthony Irwin Jordan	Trinidadian	59	Managing Director	Republic Bofo Republic Investments (Ghana) Ltd UG-HFC

3.6 Board of Directors Profiles

The Board consists of a Non-Executive Chairman and five (5) other Non-Executive Directors and one (1) Managing Director. The Non-Executive Directors are independent of management and free from management constraints that could interfere with the exercise of the objective and independent judgments. The Directors collectively possess strong functional knowledge, expertise, and experience to make valuable contributions to the Bank.

Charles William Leopold Zwennes Board Chairman

Mr. Zwennes was appointed the Chairman of the Bank in April 2017. He is 46 years old. He is a Barrister-at-Law of England & Wales and a Barrister & Solicitor of the Superior Courts of Ghana. He is

a Managing Partner at Gaisie Zwennes Hughes & Co. He has 23 years of experience as a barrister in active corporate and commercial legal practice. His work experience includes the Chambers of Christian Bevington, Q.C, London and Messrs. Arnold Fooks Chadwick, Solicitors, London.

He holds an LLB from the University of Kent, UK and an LLM in Corporate & Commercial Law from the University of London, UK. He also holds a Certificate in Structuring, Negotiating and Documenting Oil and Gas Transactions from the Centre for Energy & Mineral Policy Law (CEMPL), University of Dundee, Scotland. He is a member of the American Society of International Law (ASIL), Institute of Advanced Legal Studies (IALS), Chartered Institute of Arbitrators, Commonwealth Law Bulletin, Honourable Society of Gray's Inn and the Ghana Bar Association.

David Joseph Dulal-Whiteway
Non-executive Director

Mr. Dulal-Whiteway was appointed to the Board in April 2013. He is 62 years old. He was Managing Director of the Republic Bank Group until February 2016. He was a Director on several Boards of the Republic Bank Group and is Chairman of The Foundation for the Enhancement and Enrichment of Life (FEEL), a nonprofit organisation.

He is a seasoned banker with over 25 years' experience in banking. He holds a BSc. in Management Studies from the University of the West Indies (UWI) and an MBA from the University of Western Ontario, Canada.

Ebenezer Tetteh Tagoe
Non-executive Director

Mr. Tagoe was the Board Chairman of the State Enterprises Audit Corporation, a corporation established to audit state organisations. He is 70 years old. Until March 2017 he was a Board Member of Adisadel College and Council Member of Accra Ridge Church.

He has served in various management positions with the United Nations World Food Programme, Peat Marwick Mitchell (London) and Mobil Oil Ghana Ltd. He holds a BSc. Administration (Accounting) from the University of Ghana. He is a Fellow (of) Chartered Association of Certified Accountants (FCCA).

Paul King Aryene
Non-executive Director

Mr. Aryene served as the Ambassador to the Federal Republic of Germany with concurrent accreditation to Estonia, Latvia, and Lithuania. He is 68 years old. He has served in various positions at the Ministry of Foreign Affairs and its overseas Missions.

He holds a Degree from the University of Ghana, Diploma in Diplomacy from the University of Nairobi and a Diploma in Investment Analysis from the Research Institute of Investment Analysts, Malaysia.

Nigel Mark Baptiste
Non-executive Director

Mr. Baptiste is the President and Chief Executive Officer of Republic Financial Holdings Limited and Managing Director of Republic Bank Limited. He

is 52 years old. He is a graduate of the Harvard Business School's Advanced Management Programme. He also holds a diploma with distinction from the ABA Stonier Graduate School of Banking (USA), he is a member of the Chartered Institute of Bankers (England) and holds a BSc and MSc in Economics from the University of the West Indies.

He joined Republic Bank in 1991, after spending two years at the Caribbean Development Bank in Barbados as a Country Economist. Prior to assuming his current position of Managing Director, he held the positions of Deputy Managing Director, Executive Director, Managing Director of the Group's subsidiary in Guyana and General Manager, Human Resources.

He serves on the Boards of Republic Financial Holdings Limited, Republic Bank Limited (Trinidad and Tobago), Republic Bank (Guyana) Limited, Republic Bank (Cayman) Limited and other entities within the Republic Group.

Michael Addotey Addo
Non-executive Director

Mr. Michael Addotey Addo is currently the Deputy Director-General responsible for Finance & Administration at the Social Security and National Insurance Trust (SSNIT). He is 53 years old. He was until recently the Executive Director at Emex Oil Ndwata Limited (Ghana & Nigeria). He has also previously served as a General Manager, Investments & Development at SSNIT, Chief Operating Officer & Fund Manager at Databank Agrifund Manager Limited and Deputy Managing Director at NTHC Limited.

He has served on the Boards of several organisations including Starwin Products Limited, Ghana International Bank (London), First Atlantic Bank and Prudential Bank.

Mr. Addo holds an MBA Finance from the Johnson Graduate School of Management, Cornell University; an MSAT (Insurance) from Barney School of Business, University of Hartford and BA Economics from the Bates College, all in the USA.

Anthony Irwin Jordan
Managing Director

Mr. Jordan was appointed the Managing Director of the Bank in December 2017. He is 59 years old. Prior to this appointment, he is also

responsible for Enterprise Wide Risk Management including Market, Credit, Operational, Compliance, Information and Technology risk. Prior to joining RBGH Bank he was Assistant General Manager-Corporate and Investment banking at Republic Bank Limited in Trinidad & Tobago with responsibility for all aspects of Business development in both Corporate banking and the Capital markets.

He holds an Executive Masters of Business Administration, and a BSc Management studies from the University of the West Indies. He is also an Associate of the Chartered Institute of Bankers, London (ACIB).

3.7 Board Committees

a. Finance and Credit Committee

The Finance and Credit Committee assists the Board to review all credit and finance related policies and issues of the Bank. The Committee is appointed by the Board and reports to the Board. It is composed of four Executive Directors and at least two Non-Executive Directors. The Finance and Credit Committee is also empowered to take business decisions outside normal Board Meeting dates.

The duties of the Finance and Credit Committee shall include:

- i. Review of all credit facilities of the Bank;
- ii. Review of all finance policies and related issues of the Bank;
- iii. Approval of credit facilities within the limits set by the Board;
- iv. Recommending credit facilities above the Committee's limits to the full Board; and,
- v. Dealing with credit related issues submitted by Management.

b. Remuneration and Nominations Committee

The Remuneration and Nominations Committee ensures that the Bank has a competent and effective Board. The Committee makes recommendations to the Board in respect of succession planning and appointments of Directors and executive management. It also assists the Board to establish transparent structures for developing policies on Directors, executive and staff compensation. The Committee comprises of at least three members, all of whom are Non-Executive Directors. Executive directors are able

to attend committee meetings at the invitation of the Committee.

The Committee sets the remuneration policy for all Executive Directors and Senior Management (General Managers and above together referred to as Executive Management) including pension rights and any compensation payments.

In determining such policy the Committee shall take into consideration all factors which it deems necessary, including relevant legal and regulatory requirements and good practice. The objective of such policy shall be to attract, retain and motivate Executive Management of the quality and calibre required to successfully run the Bank having regard to the views of Shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Bank and alignment to the Bank's strategic long term goals. A proportion of remuneration could be structured so as to link rewards to corporate, team and individual performance and designed to promote the long-term success of the Bank.

Within the terms of the agreed policy and in consultation with the Chairman and/or Managing Director as appropriate, determine, recommend, monitor and structure remuneration for Executive Management including bonuses, incentive payments and share options or other share awards.

Where share options are adopted as Executive Management remuneration or compensation, the Committee will tie remuneration to performance and subject to Shareholders' approval at an Annual General Meeting. Where remuneration is tied to performance, the Committee will design remuneration in such a way as to prevent excessive risk taking.

The sub-committee shall do the following with respect to nominations:

- » Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- » Give full consideration to succession planning for Directors and other Executive Management taking into account the challenges and opportunities facing the Bank, and the skills and expertise needed on the Board in the future.

- » Keep under review the leadership needs of the Bank, both Executive and Non-Executive, with a view to ensuring the continued ability of the Bank to compete effectively in the marketplace.
- » Be responsible for identifying, nominating and selecting for the approval of the Board, candidates to fill Executive Management and Non-Executive vacancies as and when they arise.
- » Before any appointment is made to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Directors must also reflect a diverse cross-section of the business and professional community, be highly respected, with significant experience in their respective fields. In identifying suitable candidates the Committee shall:
 - consider candidates from a wide range of backgrounds; and,
 - consider candidates on merit and against objective criteria, with due regard to the benefits of diversity including gender, taking care that appointees have enough time available to devote to the business of the Board.

c. Audit and Enterprise Risk Committee

The Audit and Enterprise Risk Committee reviews the scope and findings of all audits, as well as the independence and objectivity of the Auditors. The Committee also monitors the adequacy, integrity and effectiveness of critical systems and internal controls; compliance with legal obligations; safeguarding of assets and the review of all activities to control the Bank's risk exposure.

The Committee is comprised of at least three Non-Executive Directors, at least one of whom is an Independent Director; and at least one of whom has recent and relevant financial experience ideally with a professional qualification. The quorum necessary for the transaction of business is three members at least one of whom shall be an Independent Director.

The Board appoints the Committee Chairman. In the absence of the Committee Chairman the remaining members present elects one of their member to chair the meeting. The Committee meets at least four times a year at appropriate intervals in the financial reporting, audit and enterprise risk cycles and otherwise as required.

Outside of the formal meeting programme, the Committee Chairman maintains a dialogue with key individuals involved in the Bank's governance, including the Board Chairman, the Managing Director, the General Manager/Finance, the General Manager Enterprise Risk Management, the Head /Internal Audit and the External Audit lead partner.

The Committee is authorised to:

- i. Approve the Bank's unaudited quarterly Financial Statements for regulatory reporting and publication;
- ii. Seek any information it requires from any employee of the Bank in order to perform its duties; and,
- iii. Obtain, at the Bank's expense, independent professional advice on any matter it believes it necessary to do.

3.8 Human Resources and Senior Management

RBGH's human resource policy is to recognise and celebrate the achievements of its employees. The Bank believes in the creation of a nurturing work environment where the Bank and its employees are guided by its values. The Bank therefore strives to build great relationships between its managers and other employees. RBGH's attractive working environment ensures that the Bank continues to attract the best talent in Ghana and other countries.

As at 31 December 2017, Republic Bank had 758 permanent employees and 9 temporary employees. Below is a table showing staff strength and turnover from 2014 to 2017:

	2014	2015	2016	2017
Staff Strength	706	776	808	767
Turnover	27	30	99	118

Below are the profiles of the Senior Management Team of Republic Bank (Ghana) Limited.

Anthony Irwin Jordan
Managing Director

Mr. Jordan was appointed the Acting Managing Director of the Bank in August 2017 and became Managing Director in December 2017. He is 59 years old. Prior to this appointment, he was also responsible for Enterprise Wide Risk Management including Market, Credit, Operational, Compliance, Information and Technology risk. Prior to joining Republic Bank (Ghana) Ltd, he was the General Manager, Corporate and Investment banking at Republic Bank Limited in Trinidad & Tobago with responsibility for all aspects of Business development in both Corporate banking and the Capital markets.

He holds an Executive Masters of Business Administration, and a BSc Management studies from the University of the West Indies. He is also an Associate of the Chartered Institute of Bankers, London (ACIB).

Benjamin Dzoboku
General Manager, Finance & Strategy

Mr. Dzoboku is a seasoned banker aged 43 years old. He started his banking career with SG-SSB as an Internal Auditor. Prior to this time, he worked with Pannell Kerr Forster (PFK Ghana) as a Senior Auditor. At Republic Bank Ghana, he has occupied the following positions; Head, Risk Management, Head, Internal Audit, Financial Controller, Treasurer, General Manager Banking Operations where he supervised the following departments under this division: Treasury, International Trade, Operations Control, Cash Collection and Management Services, Money Remittance and Retail Banking and currently as General Manager, Finance and Strategy.

He holds the following Professional qualifications and membership: Chartered Accountant (ICA, Ghana), Chartered Institute of Taxation (CIT, Ghana), Fellow, Institute of Financial Accountants (UK), Certified Fraud Examiners (CFE, USA) and Academic qualification in MBA from St Clements

University, UK in Financial Management, Masters in Public Administration (MPA) GIMPA, Ghana.

Beatrix Ama Amoah
Company Secretary

Ms. Amoah was appointed as the Company Secretary effective 2nd January 2015. She is 60 years old. Prior to taking up her current position, she was the Head of Mortgage Department and Legal Department of Republic Bank (Ghana) Ltd. Before then she worked as a Lawyer with the Regeneration Team of the Legal Department of the London Borough of Hackney, UK.

In her capacity, she was a member of a number of major economic regeneration project teams providing legal representation and advising on a broad spectrum of issues ranging from property matters to the selection of development partners.

She holds an LLB Hons, BL and an MBA and is a member of the Ghana Bar Association.

Charles Agyeman Bonsu
General Manager, Technology & Bus. Systems Support

Mr. Bonsu has over 25 years of experience in Banking, Information and Communication Technology, Housing and Real Estate Financing and in Management including 15 years exclusively spent within the housing finance industry. He is 60 years old.

He moved to Home Finance Company Ltd, now Republic Bank (Ghana) Ltd in the year 2000 as the Head of ICT. In 2010, he became the General Manager in charge of Mortgage and Consumer Banking until 2016 when he moved to head the Technology and Business Support Division of the Bank. Between 2012 and 2014, he was elected the Vice President of the African Union for Housing Finance (AUHF).

He holds a Bachelor in Business Administration, Accounting degree from Howard University in Washington D.C and a Master's Degree in Management Information Systems from the University of Maryland, University College in Maryland, USA. He also holds a certificate

in Executive Leadership from the American Management Association and an Associate of the Zell/Lurie Real Estate Center of the Wharton School, University of Pennsylvania, USA.

Paula Baldwin
General Manager, Retail Banking

Ms. Baldwin was appointed to the position of General Manager, Retail Banking at Republic Bank Ghana with effect from October 12, 2015. She is 64 years old. Paula is a customer focused entrepreneurial Business Professional with over 35 years of retail banking experience. Her key strengths include strong leadership, organisational and planning skills, creative, innovative and analytical problem solving capabilities and an ability to bring out the best in people. She is proactive, self-driven and able to manage multiple priorities on a timely basis, she works well independently and is a supportive team player. More recently, she facilitated the continuous development of banking and finance professionals through the advancement of educational programmes in Trinidad and Tobago.

She holds a Diploma in Business Management, University of the West Indies, Diploma in Project Management and High School Diploma, Anglican High School, Grenada.

Kalawatee Bickram Singh
General Manager, Risk Management

Ms. Bickram Singh joined Republic Bank (Ghana) Limited in March 2018. She is 53 years old. She has over 35 years' experience in banking of which 15 years has been in Corporate Banking where she worked in various portfolios across a broad spectrum of industries. Her exposure in Corporate Banking also included assisting in managing the Government & Energy Portfolio. She was a member of the Credit Risk Management team at RBL Trinidad for four years prior to her joining Republic Bank (Ghana) Ltd in March 2018. During her tenure at Risk Management, she facilitated several Credit Analysis Techniques program across the RFHL Group.

She is a member of the Chartered Professional Accountants (CPA), and Institute of Chartered Accountants of Trinidad and Tobago (ICATT). She also holds a Master's degree in Business Administration from the Heriot Watt University and a Diploma in Financial Management (ACCA).

She also holds a Diploma (Honours) in the Business Program for Bankers from the Institute of Canadian Bankers.

Nana Yaa Faakye
Senior Manager, Treasury & Institutional Banking

Nana Yaa Faakye joined Republic Bank (Ghana) Limited in 2006 and was appointed Senior Manager, Treasury and Institutional Banking on 1st April 2018, subject to Regulatory approval. She is 41 years old. She has 16 years banking experience gained from working in various institutions including Unibank Ghana Ltd and Nat West Bank, UK.

During her time at the Bank, she has served in various leadership roles including Treasurer and Head of Institutional Banking. She has an MBA (Finance), University of Birmingham, U.K and BSc. Admin (Banking & Finance), University of Ghana. She is also a Chartered Banker (C.I.B), Associate of The Chartered Institute of Bankers, Ghana (ACIB).

Rodney N. A. Saint Acquaye
Senior Manager, Corporate Banking

Mr. Saint Acquaye is the Head of the Corporate Banking Department. He is 47 years old. He joined Republic Bank (Ghana) Limited in 2012. He has over 19 years banking experience with various institutions including Agricultural Development Bank, The Trust Bank Limited and Ecobank Ghana Ltd.

He has extensive knowledge in lending; having worked mostly with the Corporate and Commercial Banking departments throughout his career.

He holds the following Professional qualifications and membership: B.Sc. Degree in Agricultural Economics from The University of Ghana, an Executive MBA from GIMPA. He is an Associate of the Chartered Institute of Bankers, Ghana (ACIB) and obtained a certificate in Project Appraisal from Queens University.

Frances Sallah-Brown
Senior Manager, Human Resources

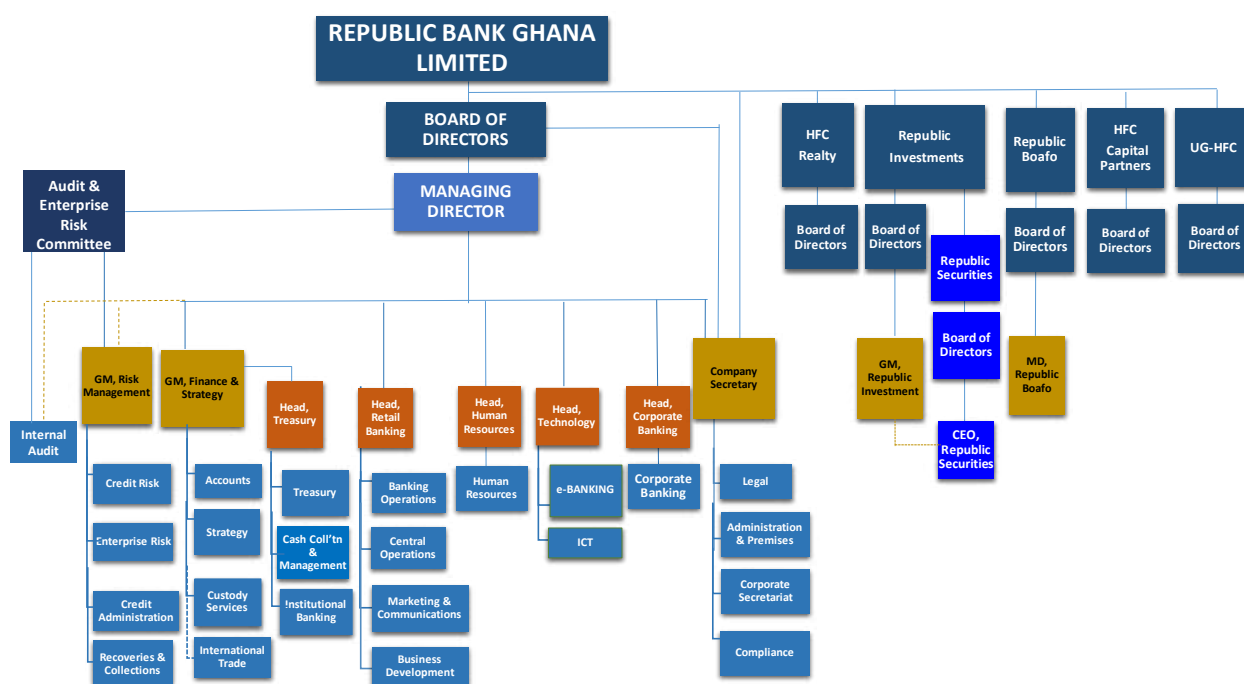
Ms. Sallah-Brown joined Republic Bank Ghana in 2016 as Head of Human Resources. She is 60 years old. She has the responsibility of leading, developing, and managing the Human Capital within the Republic Group to enable the Bank and its Subsidiaries meet their strategic, business and operational objectives.

She is a seasoned HR Practitioner with over 25 years of experience working in the UK.

Prior to joining Republic Bank Ghana, she held a number of senior HR roles including; Senior Programme Manager, HR Projects at Network Rail Infrastructure, UK. She also worked in other Blue Chip organisations in the UK such as Alenia Marconi, British Gas and GEC Marconi. She also spent some time EY as the Human Resource Subject Matter Expert.

She holds BA in Human Resource Management and is a full member of the Chartered Institute of Personnel Development (CIPD). She is also an Associate Member of the Association of Project Managers (APMP), UK.

3.9 Organisational Chart



3.10 Compensation Schemes

RBGH operates a three-tiered pension scheme under the National Pensions Act, 2008 (Act 766), as amended, for its employees. These are:

a. Tier 1

RBGH is required to deduct, from the monthly salary of each of its employees, an amount equal to 5.5% of the employee's salary. RBGH is also required to pay, in respect of each employee, a matching monthly contribution of 13% of the employee's salary. Of the total contribution of 18.5%, RBGH is required to remit 13.5% to SSNIT, within 14 days from the end of each month, on behalf of each employee.

b. Tier 2 Pension Scheme

RBGH is required to remit 5% of the total pension contribution of 18.5% (referred to under section 3.10(a) above) to the custodian appointed under this scheme, within 14 days from the end of each month, on behalf of each employee.

c. Tier 3 Pension Scheme (Provident Fund)

RBGH has a provident fund scheme for staff under which the Bank contributes 5% of staff basic salary for junior staff and senior staff. The obligation under the pension fund scheme is limited to the relevant contribution. Employees contribute 10% of their basic salary to the scheme. The overall contribution made is 15%.

Apart from the statutory pension contributions (Tier 1 and Tier 2) and Tier 3, RBGH does not make any contribution towards retirement for its directors and executives.

3.11 Remuneration of Directors

GHS '000	2016 Bank	2016 Group	2017 Bank	2017 Group
Executive Directors	1,185	1,185	603	603
Non- Executive Directors	684	1,011	873	1,290
Total	1,869	2,196	1,476	1,893

3.12 Disclosure of Interests by Directors

As at the date of this Circular, the following Directors hold RBGH Shares:

Director	Number of Shares	% of Issued Capital
Mr. Charles William Leopold Zwennes	2,000	0.000515%

The relevant Director(s) do not have any intention to realise or transfer any part of their interests in the issue within a period of two years of the date of this Circular.

3.13 Dividend Policy and Payment History

The Bank's dividend policy stipulates that dividend payout should not exceed 45% of its average net profit after tax over the preceding 3 years (including the current year). The table below shows final dividends paid in the preceding five years and the corresponding payout ratios:

Financial Year	Dividend per Share (Ghana pesewa)	Basic EPS (Ghana pesewa)	Payout Ratio
2017	-	15.49	0.00%
2016	-	(16.13)	0.00%
2015	-	(12.46)	0.00%
2014	6.00	19.35	31.01%
2013	3.50	13.27	26.38%

3.14 Litigation

As at the date of this Circular, RBGH has a number of legal matters pending, none of which, if adversely determined, is expected to have a material adverse effect on the financial position, profitability or operations of RBGH. However, a notable case in which RBGH is involved as Defendant with a claim amount over GHC1,000,000.00 is summarised in the table below.

Plaintiff	Exposure/Claim amount	Details
GCB Bank Limited v. Akuafio Adamfo Marketing Company Limited; Finatrade Holdings; Nabil Moukarzel; Antoine Boudib and HFC Bank (Ghana) Limited.	GHS 65,628,987.00	Order for recovery of possession of money against the Defendants on a joint and several basis for money discharged to first Defendant (Akuafio Adamfo Marketing Company) which GCB Bank Limited, as Plaintiff, claims is in fifth Defendant's (RBGH's) possession (that is, in first defendant's bank accounts at RBGH).

3.15 Material Contracts

As at the date of this Circular, RBGH has not entered into any material contract which is not in the ordinary course of its business.

3.16 Related Party Transactions

The following are related party transactions involving RBGH:

An undated strategic collaboration agreement between the Company and Republic Bank Limited (the Company's parent). The agreement is for a term of 2 years and is for the purpose of transferring knowledge and expertise in banking from Republic to RBGH. Under the agreement a Technical Service/ Assistance Fee which is the sum of 2% of profit before tax and 0.5% of net interest income less impairment would be payable by RBGH.

The agreement is being considered for approval by the Bank of Ghana as part of the process of registration with the Ghana Investment Promotion Centre ("GIPC"). The agreement will come into force once it has received the Bank of Ghana's approval and has been registered with the GIPC.

3.17 Risk Factors

Investing in the equities of any entity entails some risks. In considering a subscription to the Rights Issue, prospective investors should carefully consider the following potential risks and all other relevant information contained in this Circular.

a. Political Risk

Potential political unrest is a risk to the operations of any company operating in Ghana including RBGH as it could adversely impact its sales targets. However, Ghana has successfully conducted peaceful elections since the beginning of the fourth Republic in 1992. The democratic process prevailing in the country reduces the risk of significant political unrest.

b. Economic Risk

The operational results and income of RBGH depends on the stability of Ghana's macroeconomic environment. RBGH, like all entities operating within the borders of Ghana, is exposed to economic risks associated with the country. The Bank's experienced and qualified management team ensures that procedures and systems are in place to minimise the Bank's exposure to adverse

economic conditions. However, this cannot provide an assurance that adverse economic conditions will not hamper RBGH's performance.

c. Credit Risk

This is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures relating to such limits. The Bank also monitors its counterparty risk through adherence to BoG's prudential requirements.

d. Interest Rate Risk

This risk is the incurred risk in case of interest rate variation because of all on-and off-balance sheet operations except operations subject to market risk. Global interest rate risk is corresponding to interest rate on the banking portfolio. The strategic management of liquidity is done at a high level of senior management; reviewing of results on weekly basis in line with competition and economic conditions and also ensuring that regulatory requirements are met.

e. Market Risk

Market risk is the risk of losses incurred as a result of adverse movement in interest or exchange rates and arises in the Bank's treasury activities. Market risk is controlled by interest mismatch and foreign currency open position limits approved by the Executive Committee of the Bank and monitored daily.

f. Currency Risk

This risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The open positions of currencies are held and monitored on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions.

g. Operational Risk

This is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures,

human error, deliberate malicious acts including fraud and business interruptions. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

h. Share Liquidity Risk

RBGH Shares are listed on the GSE to enable trading in the Bank's shares. However, it is possible that there could be inadequate liquidity in RBGH Shares on the GSE at certain periods, meaning that investors may not be able to sell or buy RBGH Shares whenever they want to and at their desired price.

i. Dilution Risk

A Qualifying Shareholder who chooses not to participate or partially participate in the Offer may have his/her/its shareholding diluted if his/her/its unsubscribed Rights are allotted to other shareholders of RBGH or Renouncees under the Offer.

j. Regulatory Framework

The Ghanaian financial services sector continues to develop with the regulator, the BoG, having required participants in the financial services sector to increase their capital quite significantly over the past 4 years. Although RBGH has currently met all its capital obligations, this increase and any subsequent increases in the capital requirement by the BoG will have to be met by RBGH and its shareholders and may have an impact on RBGH's business operations. It can be noted that RBGH has not had any difficulty meeting its capitalisation obligations to date.

3.18 Additional Information

Save as disclosed in this Circular, there has been no material change in the financial or operating position of RBGH other than in the ordinary course of business since 31 December 2017 the date to which the last audited accounts of RBGH were prepared.

There have been no takeover offers by third parties in respect of RBGH's shares or by RBGH in respect of other companies' shares, during the last and current financial year.

There are no arrangements known to RBGH, the operation of which may at a subsequent date result in a change in the control of RBGH.

None of the Directors on the RBGH Board were or are involved in any of the following events:

- a. A petition under bankruptcy laws in any jurisdiction filed against such a person or any partnership in which he was a partner or any corporation of which he was a director or chief executive officer;
- b. A conviction of fraud, misappropriation or breach of trust or any other similar offence;
- c. Being the subject of any order, judgment or ruling of any court of competent jurisdiction or administrative body enjoining him from acting as an investment advisor, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

PART
04

FINANCIAL STATEMENTS & REPORTS

4.1 Reporting Accountants' Report on Historical Financial Information



P. O. Box GP 453
Accra
Ghana

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71,
Off George Walker Bush Highway
North Dzorwulu
Box GP 453, Accra
Ghana

Tel: +233 (0)302 775355
Facebook.com/deloitte.com.gh
Twitter.com/deloitteghana
Email: ghdeloitte@deloitte.com.gh
www2.deloitte.com/gh

INDEPENDENT REVIEWER'S REPORT TO HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

12th April 2018

The Board of Directors
HFC Bank (Ghana) Limited
No. 35 Sixth Avenue
North Ridge, Accra
P. O. Box CT 4603
Cantonments, Accra

Dear Sir,

A RIGHTS ISSUE - ACCOUNTANTS' REPORT

We have reviewed the annual audited financial statements of HFC Bank (Ghana) Limited and Its Subsidiaries that comprise the statement of financial position as at end of 31 December 2013, 2014, 2015, 2016 and 2017, the income statement and statement of cash flows for the periods then ended and a summary of significant accounting policies and other explanatory notes as set in the financial statements.

Directors' Responsibility for the Financial Statements

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

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) 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 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of HFC Bank (Ghana) Limited and its subsidiaries as at 31 December, 2013, 2014, 2015, 2016 and 2017 and its financial performance and cash flows for the years then ended and of requirements of the International Financial Reporting Standards (IFRS) and the Companies Act, 1963 (Act 179).

This report is intended for the sole use of HFC Bank (Ghana) Limited and its Subsidiaries in support of its rights issue. No responsibility to any third party is accepted. The report should not be disclosed to any third party without our prior written consent.

Daniel Kwadwo Owusu (ICAG/P/1327)
Deloitte & Touche (ICAG/F/2018/129)
Chartered Accountants
The Deloitte Place
Plot No. 71, Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

12th April, 2018

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Statement of Comprehensive Income

For the years ending:

4.2 Historical Financial Statements

Historical Financial Statements: Group

	2017 GHS'000	2016 GHS'000	2015 GHS'000	2014 GHS'000	2013 GHS'000
Interest income	321,313	287,572	256,676	196,605	119,959
Interest expense	(155,701)	(156,383)	(113,672)	(64,646)	(39,307)
Net interest income	165,612	131,189	143,004	131,959	80,652
Fee and commission income	44,606	35,768	28,934	30,428	25,582
Fee and commission expense	(1,198)	(729)	(427)	(620)	(650)
Net fee and commission income	43,408	35,039	28,507	29,808	24,932
Net trading income	14,964	11,503	26,761	27,718	16,428
Other operating income	34,782	12,359	5,567	9,636	5,756
Other income	13,987	11,510	5,722	2,458	1,935
Operating income	272,753	201,600	209,561	201,579	129,703
Net impairment loss on financial asset	21	(72,781)	(81,848)	(14,626)	(10,183)
Personnel expenses	(94,103)	(97,770)	(90,111)	(65,493)	(39,427)
Operating lease expenses	(9,038)	(7,981)	(6,066)	(4,736)	(3,213)
Depreciation and amortization	(13,951)	(12,999)	(9,732)	(5,654)	(2,945)
Other expenses	(86,237)	(73,851)	(54,034)	(37,480)	(21,876)
Profit/(Loss) before income tax for the period	69,445	(63,782)	(32,230)	73,590	52,059
National stabilization levy	(3,261)	(393)	(353)	(3,652)	(1,298)
Tax expense	(19,690)	16,446	(3,752)	(12,043)	(10,976)
Profit/(Loss) for the period	46,494	(47,729)	(36,335)	57,895	39,785
Profit/(Loss) attributable to:					
Controlling Equity holders of the bank	45,431	(47,982)	(37,071)	57,418	39,332
Non-controlling interest	1,063	253	736	477	453
Profit/(Loss) for the period	46,494	(47,729)	(36,335)	57,895	39,785
Other comprehensive income, net of income tax	-	-	-	28,201	-
Total comprehensive profit/ (loss) for the period	46,494	(47,729)	(36,335)	86,096	39,785
Profit/(Loss) attributable to:					
Controlling Equity holders of the bank	45,431	(47,982)	(37,071)	85,619	39,332
Non-controlling interest	1,063	253	736	477	453
Profit/Loss for the period	46,494	(47,729)	(36,335)	86,096	39,785
Basic earnings per share (Ghana pesewas)	15.49	(16.13)	(12.46)	19.35	13.27
Diluted earnings per share (Ghana pesewas)	12.79	(13.62)	(12.46)	18.97	13.02

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Statement of Comprehensive Income (continued)

For the years ending:

Historical Financial Statements: Bank

	2017	2016	2015	2014	2013
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Interest income	310,598	276,012	251,081	183,500	115,623
Interest expense	(155,701)	(156,383)	(113,672)	(64,646)	(39,413)
Net interest income	154,897	119,629	137,409	118,854	76,210
Fee and commission income	24,307	20,096	14,894	27,227	18,405
Fee and commission expense	(1,198)	(729)	(400)	(587)	(616)
Net fee and commission income	23,109	19,367	14,494	26,640	17,789
Net trading income	14,964	11,503	26,761	27,718	16,428
Other operating income	5,263	2,372	9	803	774
Other income	9,503	19,990	5,127	2,255	1,684
Operating income	207,736	172,861	183,800	174,015	111,201
Net impairment loss on financial asset	21	(69,781)	(85,203)	(14,262)	(10,183)
Personnel expenses	(79,829)	(84,264)	(75,801)	(55,350)	(32,858)
Operating lease expenses	(8,288)	(6,870)	(4,975)	-	-
Depreciation and amortization	(12,858)	(11,957)	(8,940)	(5,001)	(2,464)
Other expenses	(50,137)	(56,984)	(45,960)	(31,041)	(38,532)
Profit/ (Loss) before income tax for the period	56,645	(56,995)	(37,079)	68,361	47,530
National stabilization levy	(2,832)	-	-	(3,418)	(1,188)
Tax expense	(16,890)	18,389	(2,162)	(10,678)	(10,003)
Profit/Loss for the period	36,923	(38,606)	(39,241)	54,265	36,339
Profit/Loss attributable to:					
Controlling Equity holders of the bank	36,923	(38,606)	(39,241)	54,265	36,339
Non-controlling interest	-	-	-	-	-
Profit/Loss for the period	36,923	(38,606)	(39,241)	54,265	36,339
Other comprehensive income, net of income tax	-	-	-	28,201	-
Total comprehensive loss for the period	36,923	(38,606)	(39,241)	82,466	36,339
Loss attributable to:					
Controlling Equity holders of the bank	36,923	(38,606)	(39,241)	82,466	36,339
Non-controlling interest	-	-	-	-	-
Loss for the period	36,923	(38,606)	(39,241)	82,466	36,339
Basic earnings per share (Ghana pesewas)	12.30	(12.98)	(13.19)	18.28	12.26
Diluted earnings per share(Ghana pesewas)	10.40	(10.96)	(13.19)	17.92	12.03

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Statement of Financial Position

As at the years ending:

Group	2017 GHS'000	2016 GHS'000	2015 GHS'000	2014 GHS'000	2013 GHS'000
Assets					
Cash and cash equivalents	844,104	642,944	413,458	225,300	239,408
Non-Pledged trading assets	216,071	68,607	72,262	288,528	128,783
Pledged assets	38,000	22,300	10,000	10,000	6,000
Other investments	37,156	28,376	24,887	52,308	32,401
Loans and advances to customers	809,736	919,436	890,890	657,039	519,319
Investment securities	17,393	26,225	33,441	2,313	2,515
Current income tax assets	-	25,275	9,740	-	960
Deferred tax assets	19,949	15,263	-	-	-
Intangible asset	5,952	6,685	9,893	3,931	3,931
Derivative assets	-	-	-	-	7,502
Other assets	44,567	76,900	75,334	46,911	40,049
Property, plant and equipment	67,250	65,545	60,424	57,062	18,143
Total assets	2,100,178	1,897,556	1,600,329	1,343,392	999,011
Liabilities and Equity					
Deposits from banks	-	-	24,000	24,180	41,937
Deposits from customers	1,712,646	1,558,210	1,189,454	829,411	561,754
Due to other banks	-	-	-	30,401	35,000
Borrowing	14,719	41,845	28,463	51,948	49,250
Deferred tax	-	-	3,098	1,074	810
Derivative liability	-	-	-	-	6,989
Current income tax	2,132	-	-	1,079	-
Other liabilities	128,482	149,903	159,987	156,563	130,631
Total liabilities	1,857,979	1,749,958	1,405,002	1,094,656	826,280
Equity					
Stated capital	146,191	96,191	96,191	94,424	95,127
Income surplus	(20,053)	(43,750)	(167)	31,318	19,871
Revaluation reserve	32,051	32,309	32,835	32,835	4,634
Statutory reserve fund	75,665	57,203	57,203	57,203	40,845
Regulatory credit risk reserve	4,037	2,400	6,273	29,506	10,281
Other reserve	-	-	-	194	194
Housing development assistance reserve	744	744	744	744	744
Total equity attributable to equity holders of the bank	238,635	145,097	193,079	247,224	171,696
Non-controlling interest	3,564	2,501	2,248	1,512	1,035
Total equity	242,199	147,598	195,327	248,736	172,731
Total liabilities and equity	2,100,178	1,897,556	1,600,329	1,343,392	999,011

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Statement of Financial Position
As at the years ending:

Bank	2017 GHS'000	2016 GHS'000	2015 GHS'000	2014 GHS'000	2013 GHS'000
Assets					
Cash and cash equivalents	842,923	638,851	411,920	185,771	180,210
Due from other banks	-	-	-	37,577	55,071
Non-Pledged trading assets	216,071	68,607	72,263	284,140	122,527
Pledged assets	38,000	22,300	10,000	10,000	6,000
Other investments	39,667	42,838	17,423	28,220	22,445
Loans and advances to customers	809,926	919,964	924,736	664,875	516,063
Investment securities	8,303	8,612	32,946	-	1,432
Current income tax assets	-	25,111	9,830	-	1,896
Deferred tax assets	19,941	15,199	-	-	-
Intangible asset	5,789	6,512	9,654	3,931	3,931
Derivative assets	-	-	-	-	7,502
Investment in subsidiaries	-	-	-	5,537	5,517
Investment in venture capital fund	-	-	-	22,050	9,706
Other assets	33,756	45,200	19,728	11,944	20,700
Property, plant and equipment	64,720	62,977	57,919	55,046	16,455
Total assets	2,079,096	1,856,171	1,566,419	1,324,350	973,066
Liabilities and Equity					
Deposits from banks	-	-	24,000	24,180	41,937
Deposits from customers	1,712,646	1,558,210	1,189,454	660,933	453,589
Due to other banks	-	-	-	30,401	35,000
Borrowing	14,719	41,845	28,463	51,948	49,250
Short term borrowings	-	-	-	168,478	108,165
Deferred tax	-	-	3,189	1,030	766
Derivative liability	-	-	-	-	6,898
Bonds	-	-	-	86,468	67,437
Current income tax	2,256	-	-	180	-
Other liabilities	123,280	114,967	141,558	64,662	46,329
Total liabilities	1,852,901	1,715,022	1,386,664	1,088,280	809,371
Equity					
Stated capital	146,191	96,191	96,191	95,424	95,127
Income surplus	(32,493)	(47,682)	(13,475)	20,180	11,886
Revaluation reserve	32,051	32,293	32,819	32,819	4,618
Statutory reserve fund	75,665	57,203	57,203	57,203	40,845
Regulatory credit risk reserve	4,037	2,400	6,273	29,506	10,281
Other reserve	-	-	-	194	194
Housing development assistance reserve	744	744	744	744	744
Total equity attributable to equity holders of the bank	226,195	141,149	179,755	236,070	163,695
Non-controlling interest	-	-	-	-	-
Total equity	226,195	141,149	179,755	236,070	163,695
Total liabilities and equity	2,079,096	1,856,171	1,566,419	1,324,350	973,066

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Statement of Cash Flows

As at the years ending:

Group	2017 GHS'000	2016 GHS'000	2015 GHS'000	2014 GHS'000	2013 GHS'000
Cash flows from operating activities					
Cash generated from operations	331,867	278,872	105,490	265,974	122,840
Interest paid-long term bonds and borrowing	(9,612)	(17,454)	(16,968)	(10,588)	(4,275)
Mandatory deposits with BoG		-	-	55,735	(91,804)
Tax paid	(6,941)	(13,456)	(11,555)	(10,519)	(11,063)
National stabilization levy paid	(3,721)	(2,527)	(2,489)	(3,373)	(1,218)
Tax refund – Corporate tax	6,530	-	-	-	-
Tax refund – National Stabilization	3,902	-	-	-	-
Net cash generated from operating activities	322,025	245,435	74,478	298,575	59,358
Cash flows from investing activities					
Purchase of property, plant and equipment	(14,251)	(15,265)	(12,682)	16,488	(6,774)
Purchase of Intangible asset- software	(1,091)	(785)	(6,559)	-	-
Proceeds from sale of property, plant and equipment	706	935	271	301	84
Purchase of government securities	(8,662,479)	(4,394,531)	(1,667,350)	(53,877)	(29,584)
Sale of government securities	8,518,515	4,385,815	1,653,516	-	-
(Purchase)/sale of other investments	(6,203)	(3,489)	8,272	(7,563)	(15,397)
(Purchase)/sale of investment securities	11,001	(10,984)	(9,794)	203	47
Purchase of branches	-	-	-	-	(5,708)
Investment in venture capital fund	(2,169)	18,200	716	(12,345)	(7,902)
(Purchase)/Redemption of debt securities	-	-	-	-	-
Net cash used in investing activities	(155,299)	(20,104)	(33,613)	(89,769)	(65,234)
Dividend paid	-	-	(17,843)	(10,388)	(4)
Redemption of bonds	(4,524)	(16,766)	(25,628)	(38,201)	(665)
Borrowings repaid	(25,554)	(32,902)	(48,962)	(75,093)	(5,729)
Proceeds from bonds issue	-	-	-	43,671	-
Proceeds from borrowings	-	43,245	26,839	73,364	32,255
Proceeds from ordinary shares issued	50,000	-	-	-	-
Ordinary shares issuance cost	(1,877)	-	-	-	-
Proceeds from ESOP issue	-	-	-	-	-
Proceeds from share issue	-	-	-	-	-
Net cash generated from financing activities	18,045	(6,423)	(65,594)	(6,647)	25,857
Increase in cash and cash equivalents	184,771	218,908	(24,726)	202,159	19,981
Net foreign exchange difference	16,389	10,578	6,143	11,038	6,578
At 1 January	642,944	413,458	225,300	239,408	120,378
Cash and cash equivalents as at 31 December	844,104	642,944	413,458	225,300	239,408

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Statement of Cash Flows
As at the years ending:

Bank	2017	2016	2015	2014	2013
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Cash flows from operating activities					
Cash generated from operations	331,513	277,552	97,711	264,517	160,649
Interest paid-long term bonds and borrowing	(9,612)	(17,454)	(16,968)	(10,588)	(4,275)
Mandatory deposits with BoG		-	-	55,735	(91,804)
Tax paid	(4,028)	(11,377)	(9,996)	(9,117)	(10,725)
National stabilization levy paid	(3,501)	(2,119)	(2,142)	(3,139)	(1,109)
Tax Refund- Corporate tax	6,530	-	-	-	-
Tax Refund – National Stabilization levy	3,902	-	-	-	-
Net cash generated from operating activities	324,804	246,602	68,605	297,408	52,736
Cash flows from investing activities					
Purchase of property, plant and equipment	(13,090)	(14,103)	(11,111)	(15,500)	(5,638)
Purchase of Intangible asset- software	(1,091)	(742)	(6,522)	-	-
Proceeds from sale of property, plant and equipment	590	740	179	269	3
Purchase of government securities	(8,662,479)	(4,394)	(1,627)	(52,620)	(29,539)
Sale of government securities	8,515,015	4,385	1,614	-	-
(Purchase)/sale of other investments	(3,000)	(8,127)	18,617	(5,775)	(16,147)
(Purchase)/sale of investment securities	2,478	6,134	(11,612)	1,432	39
Purchase of branches	-	-	-	-	(5,708)
Investment in venture capital fund	(2,169)	913	716	(12,364)	(9,387)
(Purchase)/Redemption of debt securities	-	-	-	-	-
Net cash used in investing activities	(155,166)	(23,826)	(22,934)	(84,558)	(66,377)

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Statement of Cash Flows

As at the years ending:

Bank	2017 GHS'000	2016 GHS'000	2015 GHS'000	2014 GHS'000	2013 GHS'000
Cash flows from financing activities					
Dividend paid	-	-	(17,843)	(10,388)	(4)
Redemption of bonds	(4,524)	(16,766)	(25,628)	(38,201)	(665)
Borrowings repaid	(25,554)	(32,902)	(48,962)	(75,093)	(5,729)
Proceeds from bonds issue	-	-	-	43,671	-
Proceeds from borrowings	-	43,245	26,839	73,364	32,255
Proceeds from ESOP issue	-	-	-	-	-
Proceeds from share issue	50,000	-	-	-	-
Ordinary shares issuance cost	(1,877)	-	-	-	-
Net cash generated from financing activities	18,045	(6,423)	(65,594)	(6,647)	25,857
Increase in cash and cash equivalents	187,683	216,353	(19,923)	206,203	12,216
Net foreign exchange difference	16,389	10,578	6,143	11,038	6,578
At 1 January	638,851	411,920	425,700	136,553	117,759
Cash and cash equivalents as at 31 December	842,923	638,851	411,920	353,794	136,553

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Statement of Indebtedness

as of 31 March 2018

The total contingent liabilities of the Bank and its subsidiaries was GHS 44.62 million at 31 March 2018.



Ernst & Young Chartered Accountants
G15, White Avenue
Airport Residential Area
P. O. Box KA 18009,
Airport Accra, Ghana

Tel: +233 302 779868 / 4275 / 9223 / 2091
Fax: +233 302 778894 / 2834
ey.com

27 April 2018

The Director General
Securities and Exchange Commission (Ghana)
Post Office Box CT 6181
Cantonments, Accra

Dear Sir/Madam,

REQUEST FOR CERTIFICATION OF REPUBLIC BANK AND ITS SUBSIDIARIES INDEBTEDNESS

In response to a letter from Republic Bank (formerly HFC Bank) (Ghana) Limited on April 27, 2018 on the subject above, we wish to certify to your office as the external auditors of Republic Bank (formerly HFC Bank) and its Subsidiaries of their indebtedness to third parties as at 31 March 2018.

Republic Bank and its Subsidiaries indebtedness to third parties as at 31 March 2018 per their records are as follows:

Description	Facility 1- Term Borrowing	Facility 2 - Bonds	Facility 3 - Bonds
Term of facility	Term borrowing	Bond -Inflation linked	Bond -Treasury linked
Issuer	Societe De Promotion Et De Participation Pour La Cooperation Economique S.A. (PROPARCO)s	Social Security & National Insurance Trust (SSNIT)	Social Security & National Insurance Trust (SSNIT)
Facility Balance	US\$3,333,333 (Equiv. GHS 14,681,333)	GHS32,514,876	GHS28,000,000
Rate	6%	15% p.a.	BoG 2-Year Plus 2.5% p.a
Tenor	7.5 years	20 Years	20 Years
Security	Unsecured	Unsecured	Unsecured

Total contingent liabilities as at 31 March 2018 also totalled GHS44.62 million.

Yours faithfully,


Pamela Des Bordes
PARTNER

CC: The Managing Director
HFC Bank (Ghana) Limited

4.3 Reporting Accountants' Report on Historical Financial Projections

Deloitte.

P. O. Box GP 453
Accra
Ghana

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71,
Off George Walker Bush Highway
North Dzorwulu
Accra
Ghana
Tel: +233 (0) 302 775 355
facebook.com/deloitte.com.gh
twitter.com/deloitteghana
Email: ghdeloitte@deloitte.com.gh
www2.deloitte.com/gh

The Board of Directors
HFC Bank (Ghana) Limited
No. 35 Sixth Avenue
North Ridge, Accra
P. O. Box CT 4603
Cantonments, Accra

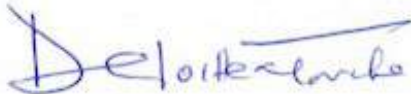
Ladies and Gentlemen,

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES INDEPENDENT REPORTING ACCOUNTANTS' REPORT

STATEMENT OF ADJUSTMENTS

Our review of the financial statements for the relevant period did not reveal significant adjustments to warrant restatement of the statement of comprehensive income and the statement of financial position for the respective years.

The review was for the purpose of our Accountants' Report to be included in the circular by HFC Bank (Ghana) Limited.



Daniel Kwadwo Owusu (ICAG/P/1327)
Deloitte & Touche (ICAG/F/2018/129)
Chartered Accountants
The Deloitte Place
Plot No. 71, Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

12th April, 2018

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

4.4 Assumptions Underlying the Projections



P. O. Box GP 453
Accra
Ghana

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71,
Off George Walker Bush Highway
North Dzorwulu
Box GP 453, Accra
Ghana

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Tel: +233 (0)302 775355
Facebook.com/deloitte.com.gh
Twitter.com/deloittetghana
Email: ghdeloitte@deloitte.com.gh
www2.deloitte.com/gh

The Board of Directors
HFC Bank (Ghana) Limited
No. 35 Sixth Avenue
North Ridge, Accra
P. O. Box CT 4603
Cantonments, Accra

Ladies and Gentlemen,

Reporting Accountant's report on forecast and projections

We have examined the accounting policies and calculations for the profit forecast and projections of HFC Bank (Ghana) Limited for the three years ending 31 December 2020, set out on Page 19 of this report in accordance with the Listing Rules of the Ghana Stock Exchange (GSE), The companies Act, 1963, Act 179 and L.I.1728 of the Securities and Exchange Commission applicable to the examination of prospective financial information. The directors are responsible for the forecast and projections, including the assumptions set out on pages 15 to 18 on which it is based.

The forecasts and projections have been prepared for inclusion in the circular for a renounceable rights issue of the Bank. These forecasts and projections have been prepared using a set of assumptions that include hypothetical assumption 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 described above.

Directors' responsibility

The directors are responsible for the preparation and presentation of the forecast information in accordance with the GSE Listings Requirements, including the assumptions set out on Page 19, on which it is based, and for the financial information from which it has been prepared. This responsibility includes determining whether:

- The assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- The forecast information has been properly compiled on the basis stated;
- The forecast information has been properly presented and that all material assumptions are adequately disclosed; and
- The forecast information is presented on a basis consistent with the accounting policies of the HFC Bank and its Subsidiaries.

Reporting accountant's responsibility

Our responsibility is to express a limited assurance conclusion on the reasonableness of the assumptions used in the forecast information and whether the forecast information has been prepared on the basis of those assumptions and is presented in accordance with the GSE Listings Requirements, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagement 3400, The Examination of Prospective Financial Information ("ISAE 3400"), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain sufficient

Partners: *C Larbi-Odani *D Owusu *K Ampim-Darko *G Ankomah *A Biney *C Forde

*Partner and Chartered Accountant

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES Projected Financial statements



appropriate evidence on which to base our limited assurance conclusion as to whether or not:

- Management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information;
- The forecast information is properly prepared on the basis of the assumptions;
- The forecast information is properly presented and all material assumptions are adequately disclosed; and
- The forecast information is prepared and presented on a basis consistent with the accounting policies of the HFC Bank and its subsidiaries in question for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures vary in nature from, and are less in extent than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by management of the Group and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- The audited historical financial information of the Group for the years ending 31 December 2013, 2014, 2015, 2016 and 2017.
- Management prepared forecasts for the three years ending 31 December 2020.
- Discussions with the management of the Group regarding the forecasts presented.

Limited Assurance Conclusion

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 the Bank, and are presented on a basis consistent with the accounting policies normally adopted by the Bank.

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.

Daniel Kwadwo Owusu (ICAG/P/1327)
Deloitte & Touche (ICAG/F/2018/129)
Chartered Accountants
The Deloitte Place
Plot No. 71, Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

12th April 2018

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Projected Financial statements
Balance sheet assumptions

	2018	2019	2020
1. Growth in Interest Earning Liquid Assets	29%	7%	6%

Basis for growth in Rates

Interest earning asset is expected to grow by 29% in 2018 and average 6.5% in 2019 and 2020. Additional Capital injection of GHS 255M is expected by December 2018 to meet the BoG minimum capital requirement. The Bank will increase its investment by 7% in 2019 and increase its liquid asset by 6% in 2020 which is an election year and investment rates are expected to rise. It is also expected deposit growth will average 8% over the 3-year period which will be invested in liquid assets.

2. Growth in Loans and Advances broken down by product type	2018	2019	2020
Mortgage Loans	23%	17%	12%

Basis for growth in Rates

It is expected that the decentralized Mortgage department to the branches will lead to growth in the mortgage loans portfolio over the years. The growth is also in line with the capital injection projections.

	2018	2019	2020
Corporate and Commercial Loans	26%	20%	18%

Basis for growth in Rates

The strengthening of the economic fundamentals and drop in the Bank's base rate is anticipated to surge the commercial loan portfolio over the 3-year period. The growth is also in line with the expected capital injection.

	2018	2019	2020
Retail/Personal Loans	22%	20%	18%

Basis for growth in Rates

The revamped retail banking unit is expected to translate into growth of the retail loan portfolio over next 3 years. The growth is also in line with the expected capital injection.

	2018	2019	2020
3. Growth in investment	29%	7%	6%

Basis for growth in Rates

Growth in investment is projected at 29% for 2018 and average of 6.5% for 2019 and 2020. This is in line with the anticipated capital injection and deposit mobilization.

	2018	2019	2020
4. Growth in Customer Deposit and Savings Account	10%	12%	12%

Basis for growth in Rates

It is expected that the Bank will ride on successes achieved with the introduction of the new suite of deposit products and being aggressively promoted in 2018 to increase its share of deposit. The average growth in deposit is expected to be 8% for the 3-year period.

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

Income Statement Assumptions

	2018	2019	2020
1. Yield on Interest Earning Liquid Assets	15%	15%	16%

Basis for movement in Rates

Liquid assets will principally constitute 56day Bank of Ghana (BoG) Bill which is expected to average 15.3% in the 3 years to 2020.

2.Yield on Loans and Advances broken down by product type	2018	2019	2020
Mortgage Loans	18%	17%	14%

Basis for growth in Rates

The rates have been projected in line with industry rates on mortgages.

	2018	2019	2020
Corporate and commercial loans	24%	22%	22%

Basis for growth in Rates

This projection is in line with the bank's base rate which is anchored on the Bank of Ghana Policy rate.

	2018	2019	2020
Retail/Personal Loans	24%	22%	22%

Basis for growth in Rates

The projected rates are in line with the bank's historical rates yield on Retail loans.

	2018	2019	2020
3. Yield on Investments	15%	15%	16%

Basis for growth in Rates

It expected that rates on money market instruments will continue to drop and pick up in 2020 during the election year. Yield on Investment is expected to average 15.3% over the 3-year period.

	2018	2019	2020
4. Interest on Customer Deposit and Savings Accounts	8%	7%	6%

Basis for growth in Rates

The strategic direction of re-pricing the Bank's deposit products and Retail banking effort to dilute the deposit mix is expected to keep the average rate on deposit at 7% over the period.

	2018	2019	2020
5. Other Income Growth	5%	6%	10%

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Projected Financial statements
Basis for movement in Rates

Other income growth is expected to average 7% over the three-year period in line with the strategic direction of the bank to focus on core banking activities.

	2018	2019	2020
6. Operating Expenses	9%	9%	12%

Basis for movement in Rates

Operating expenses will average 10% over the three-year period.

	2018	2019	2020
7. Staff Cost	15%	15%	15%

Basis for movement in Rates

Staff cost is expected to grow in line with average inflation of 10.7% and expansion drive over the 3-year period.

	2018	2019	2020
8. Loan Impairment Expense	42782%	15%	12%

Basis for movement in Rates

It is expected that the implementation of IFRS 9 in 2018 will increase provision on loans from the 2017 write-back position of GHS 22,000. On account of that, impairment provision of GHS 9,288,000 GHS10,695,000 and GHS 11,948,000 was made for 2018, 2019 and 2020 respectively.

	2018	2019	2020
9. Taxation	-6%	25%	48%

Basis for movement in Rates

The expected increase in Profit before tax over the period will result in the growth rate above.

Other Assumptions	2018	2019	2020
1 Exchange Rate (GHS/USD)	4.55	4.75	5.3
2 Inflation	10.50%	10.00%	11.50%
3 91- Day TB Rate	10.00%	9.00%	8.00%
4 Policy Rate	15.60%	14.30%	13.00%

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

4.5 Projected Financial Statements

Forecast Statement of Comprehensive Income

Group	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Interest income	373,553	416,651	478,993
Interest expense	(175,665)	(175,323)	(181,270)
Net interest income	197,888	241,328	297,722
Fee and commission income	49,165	57,265	63,291
Fee and commission expense	(2,599)	(2,062)	(2,618)
Net fee and commission income	46,566	55,203	60,673
Net trading income	26,596	28,524	29,519
Other operating income	5,369	12,634	14,812
Other income	33,527	22,574	26,202
Operating income	309,946	360,263	428,928
Net impairment loss on financial asset	(9,288)	(10,695)	(11,948)
Personnel expenses	(108,218)	(124,803)	(143,779)
Operating lease expenses	(12,987)	(14,971)	(16,768)
Depreciation and amortization	(18,837)	(19,120)	(20,451)
Other expenses	(82,497)	(83,395)	(91,093)
Profit before income tax for the period	78,118	107,278	144,889
National Stabilization Levy	(3,906)	(5,364)	(7,244)
Tax expense	(17,577)	(21,480)	(32,383)
Profit for the period	56,636	80,435	105,261
Total comprehensive income for the period	56,636	80,435	105,261
Profit / (loss) attributable to:			
Controlling Equity holders of the bank	54,890	77,898	102,178
Non-controlling interest	1,745	2,537	3,083
	56,636	80,435	105,261
Total comprehensive income attributable to:			
Controlling Equity holders of the bank	54,890	77,898	102,178
Non- controlling interest	1,745	2,537	3,083
	56,636	80,435	105,261

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Projected Financial statements
Forecast Statement of Financial Position

Group	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Assets			
Cash and cash equivalents	1,091,705	1,148,644	1,375,172
Non-Pledged trading assets	103,604	108,200	133,440
Pledged assets	107,734	129,281	137,723
Other investments	38,693	40,951	49,377
Loans and advances to customers	1,023,914	1,236,979	1,389,359
Investment securities	11,030	21,777	25,395
Current income tax assets	1,327	1,241	2,385
Deferred tax assets	19,506	22,164	27,196
Intangible asset -Goodwill	3,931	3,931	3,931
Other assets	107,278	120,687	129,047
Property, plant and equipment	71,620	62,980	61,678
Total assets	2,580,288	2,896,834	3,334,613
Liabilities and equity			
Deposits from customers	1,883,911	2,116,256	2,373,959
Borrowing	59,769	30,281	77,525
Deferred tax	-	-	-
Other liabilities	93,490	126,730	154,299
Total liabilities	2,037,170	2,273,267	2,605,784
Equity			
Stated capital	401,191	401,191	401,191
Income surplus	601	59,024	135,658
Revaluation reserve	32,051	32,067	32,067
Statutory reserve fund	103,110	122,584	148,129
Regulatory credit risk reserve	-	-	-
Housing development assistance reserve	744	744	744
Total equity attributable to equity holders of the Bank	537,696	615,610	717,788
Non-controlling interest	5,421	7,958	11,042
Total equity	543,117	623,568	728,829
Total liabilities and equity	2,580,288	2,896,834	3,334,613

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

Forecast Statements of cash flows

Group	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Cash flows from Operating activities			
Cash generated from operations	(122,684)	131,423	267,423
Interest paid-long term bonds and borrowing	(18,919)	(19,885)	(29,300)
Tax paid	(22,592)	(26,052)	(30,917)
National stabilization levy paid	(3,906)	(5,364)	(7,244)
Tax refund	-	-	-
Net cash generated from operating activities	(168,100)	80,122	199,962
Cash flows from investing activities			
Cash flows from investing activities	(9,581)	(27,478)	(20,422)
Purchase of property, plant and equipment	510	546	595
Proceeds from sale of property and equipment	(6,059,056)	(7,222,809)	(8,472,310)
Purchase of government securities	6,171,576	7,242,687	8,484,621
Sale of government securities	(1,483)	(2,312)	(8,426)
Changes in other investments	6,363	(10,747)	(3,528)
(Purchase)/sale of investment securities	-	-	-
Net cash used in investing activities	108,330	(20,112)	(19,470)
Cash flows from financing activities			
Redemption of bonds	(4,928)	(6,140)	(4,524)
Borrowings repaid	(14,719)	(29,488)	(25,554)
Addition to borrowing	45,050	-	-
Proceeds from Issuance of ordinary shares	255,000	-	50,000
Cost of ordinary shares issued	(2,347)	-	(1,877)
Net cash generated from financing activities	278,057	(35,628)	18,044
Increase in cash and cash equivalents	218,286	24,382	191,885
Net foreign exchange difference	29,315	32,557	34,642
At 1 January	844,104	1,091,705	1,148,644
Cash and cash equivalents as at 31st	1,091,705	1,148,644	1,375,172

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES
Projected Financial statements
Forecast Statement of Comprehensive Income

Bank	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Interest income	372,053	409,851	467,993
Interest expense	(175,665)	(175,323)	(181,270)
Net interest income	196,388	234,528	286,722
Fee and commission income	49,165	57,265	63,291
Fee and commission expense	(2,599)	(2,062)	(2,618)
Net fee and commission income	46,566	55,203	60,673
Net trading income	26,596	28,524	29,519
Other operating income	5,369	8,634	12,812
Other income	26,527	20,574	23,702
Operating income	301,446	347,463	413,428
Net impairment loss on financial asset	(9,288)	(10,695)	(11,948)
Personnel expenses	(107,218)	(122,303)	(140,279)
Operating lease expenses	(12,887)	(14,671)	(16,768)
Depreciation and amortization	(18,687)	(18,770)	(20,451)
Other expenses	(81,947)	(82,995)	(90,793)
Profit before income tax for the period	71,418	98,028	133,189
National Stabilization Levy	(3,571)	(4,901)	(6,659)
Tax expense	(16,069)	(19,398)	(29,750)
Profit for the period	51,778	73,729	96,779
Total comprehensive income for the period	51,778	73,729	96,779
Profit / (loss) attributable to:			
Controlling Equity holders of the bank	51,778	73,729	96,779
Non-controlling interest	-	-	-
Total comprehensive income attributable to:	51,778	73,729	96,779
Controlling Equity holders of the bank	51,778	73,729	96,779
Non- controlling interest	-	-	-

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

Forecast Statement of Financial Position

Bank	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Assets			
Cash and cash equivalents	1,087,005	1,138,644	1,358,401
Non-Pledged trading assets	103,604	108,200	133,440
Pledged assets	107,734	129,281	137,723
Other investments	25,357	37,951	44,877
Loans and advances to customers	1,023,914	1,236,979	1,389,359
Investment securities	8,030	17,277	17,805
Current income tax assets	827	841	1,585
Deferred tax assets	19,506	22,164	27,197
Intangible asset -Goodwill	3,931	3,931	3,931
Other assets	104,778	108,799	120,047
Property, plant and equipment	69,420	61,880	59,878
Total assets	2,554,106	2,865,946	3,294,242
Liabilities and equity			
Deposits from customers	1,883,911	2,116,256	2,373,959
Borrowing	59,769	30,281	77,525
Deferred tax	-	-	-
Other liabilities	81,490	116,730	143,299
Total liabilities	2,025,170	2,263,267	2,594,784
Equity			
Stated capital	401,191	401,191	401,191
Income surplus	(6,604)	30,260	78,650
Revaluation reserve	32,051	32,067	32,067
Statutory reserve fund	101,554	138,418	186,807
Regulatory credit risk reserve	-	-	-
Housing development assistance reserve	744	744	744
Total equity attributable to equity holders of the Bank	528,935	602,679	699,458
Non-controlling interest	-	-	-
Total equity	528,935	602,679	699,458
Total liabilities and equity	2,554,105	2,865,946	3,294,242

HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

Projected Financial statements

Forecast Statements of cash flows

Bank	2018 FORECAST GHS'000	2019 FORECAST GHS'000	2020 FORECAST GHS'000
Cash flows from Operating activities			
Cash generated from operations	(138,455)	129,851	250,671
Interest paid-long term bonds and borrowing	(18,919)	(19,885)	(29,300)
Tax paid	(22,914)	(26,515)	(31,502)
National stabilization levy paid	(3,271)	(4,901)	(6,659)
Tax refund	-	-	-
Net cash generated from operating activities	(183,559)	78,550	183,210
Cash flows from investing activities			
Purchase of property, plant and equipment	(9,181)	(26,228)	(20,772)
Proceeds from sale of property, plant and equipment	510	546	595
Purchase of government securities	(6,059,056)	(7,222,809)	(8,472,310)
Sale of government securities	6,171,576	7,242,687	8,484,621
Purchase of other investments	-	-	-
Purchase / sales of other short term investments	24,451	(8,790)	(1,095)
Sale of other investment	-	-	-
(Purchase)/sale of investment securities	(8,030)	(9,247)	(528)
Investment in venture capital fund	-	-	-
Net cash used in investing activities	120,269	(23,841)	(9,489)
Cash flows from financing activities			
Redemption of bonds	(4,928)	(6,140)	(5,570)
Borrowings repaid	(14,719)	(29,488)	(30,281)
Proceeds from borrowing	45,050	-	47,245
Proceeds from ordinary shares issued	255,000	-	-
Cost of ordinary shares issued	(2,347)	-	-
Net cash generated from financing activities	278,057	(35,628)	11,393
Increase in cash and cash equivalents	214,767	19,082	185,114
Net foreign exchange difference	29,315	32,557	34,642
At 1 January	842,923	1,087,005	1,138,644
Cash and cash equivalents as at 31st	1,087,005	1,138,644	1,358,400

PART
05

OVERVIEW OF THE GHANA STOCK EXCHANGE

5.1 Historical Background of the GSE

The GSE was incorporated in July 1989 as a private company limited by guarantee under the Companies Act. The Exchange, however, changed its status to a public company limited by guarantee in April 1994. It is governed by a nine (9)-member Council. Members of the GSE include 21 Licensed Dealing Members (brokerage firms), 42 Fixed Income Dealing Members and 28 Associate Members. The Exchange is regulated by the SEC under the Securities Industry Act.

5.2 Trends and Developments

Trading on the GSE began on 12 November 1990 with 11 listed companies. As at March 29, 2018, there were 34 equities, one (1) exchange-traded fund, one (1) depository share and one (1) preference share listed on the GSE's Main Market.¹⁶

The GSE also operates an alternative market, the Ghana Alternative Market (GAX), which was launched in May 2013. As at April 30, 2018, there were five (5) equities listed on the GAX.

In August 2015, the GSE launched a fixed income market to facilitate the secondary trading of fixed income securities issued by GoG and quasi government entities, corporates and supranational institutions. Eighty (80) sovereign bonds/notes/bills, several Government of Ghana bonds having tenures of 1 to 15 years and several debt instruments issued by nine (9) corporates were listed on the GFIM as at the end of March, 2018.¹⁷

Some of the key initiatives the GSE is working on currently are:

West African Market Integration – The GSE, together with Bourse Regionale des Valeurs

Mobilieres and Nigerian Stock Exchange are collaborating to integrate the markets across the sub-region under the West African Capital Markets Integration program. The key objective of the integration program is to enable primary and secondary market activities to be carried out across borders under a common regulatory framework.

Demutualisation of the GSE – The Council of the GSE has made a broad commitment to demutualize the GSE in the near future.

Facilitation of the trading of treasury securities on the capizar trading platform which is currently being used for only equity trades.

5.3 General Market Performance

Investors were generally aggressive and bullish on the GSE throughout 2017. This spilled off into 2018. The improving macroeconomic situation, coupled with decreasing interest rates on treasury instruments (15% for 1-yr Note) (www.bog.gov.gh), and decreasing inflation rate (10.40% as at March, 2018), contributed to the aggressive approach adopted by investors on the GSE. The bullish market was evidenced by the gain returns recorded for both the Ghana Stock Exchange Composite Index (GSE-CI) and the Financial Index (GSE-FI). Thus, price increase across multiple sectors resulted in the GSE-CI posting a gain of 30.51% at the close of trading on 29th March 2018, with distribution and the financial sectors leading the gainers. Similarly, the GSE-FI also registered year-to-date gain of 32.10% over the same period. Stocks such as SIC, SOGEGH, EGH and CAL as each of these posted more than 40% year-to-date gain in price from the beginning of the year.

Some of the major primary market activities and corporate actions so far in 2018 include the Bonus Issue for SOGEGH and the Rights Offer for EGL.

¹⁶ GSE Trading Session 5202

¹⁷ Ghana Fixed Income Market Status Report, March 2018

GOIL, AGA have declared dividends. Total market capitalization as at the end of Q1 2018 increased by 9.48% to GHS64.38bn ¹⁸, mainly due to price increases, compared with GHS48.85bn recorded at the end of Q1 2017¹⁹.

5.4 Trading Volumes and Values

For the first quarter of the year 2018, a total of 36.1million shares were traded on the GSE at a total value of GHS 102.7million (Q1-2017: 212.3m; GHS290.9m) The most actively traded equities by volume in the first quarter of 2018 were CAL, GOIL, and SPL. In value terms, FML accounted for 25.33%, followed by GCB and GOIL, which accounted for 16.85% and 14.91% respectively, of the total value traded during the period.

5.5 Other Information

Trading Days:	Monday-Friday; starting with Pre-Opening at 09:30 GMT. It opens at 10:00 GMT and closes at 15:00 GMT
Trading Method:	Automated trading from either the exchange floor or remotely via the wide area network or via the internet
Settlement Method:	Delivery vs payment. Central Securities Depository for share settlement and Central Bank for fund settlement
Settlement Period:	Trading day plus 3 Business Days (T+3)

¹⁸ GSE Market Report March 2018

¹⁹ GSE Market Report March 2018

PART
06

ADDITIONAL TERMS AND INFORMATION ON THE OFFER

6.1 Qualifying Shareholders

Qualifying Shareholders are entitled to subscribe to one (1) new ordinary share for every 0.8376 ordinary shares registered in their name as at the close of business on the Qualifying Date under the Offer.

Qualifying Shareholders may take any one of the following actions under the Offer:

- a. Fully subscribe for their Rights under the Offer: This is where Qualifying Shareholders complete the Application Form and pay for their entire allocation under the Offer, returning same to the Receiving Agent(s) or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

Qualifying Shareholders exercising this option must tick Option 1 of the Application Form, in accordance with the instructions set out under the enclosed Guidelines to Completing the Application.

- b. Fully subscribe for their Rights and apply for Extra Shares in addition to those which they are entitled to under the Offer: In addition to subscribing and paying for their entire allocation under the Offer, Qualifying Shareholders may apply to subscribe and pay for Extra Shares, returning the duly completed Application Form and payment covering both their Rights and Extra Shares to the Receiving Agent(s) or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

Qualifying Shareholders choosing this option must tick Option 2 of the Application Form, in accordance with the instructions set out under the enclosed Guidelines to Completing the Application.

- c. Partially subscribe for their Rights only: Qualifying Shareholders may apply for only part of the shares they are entitled to under the Offer and return the duly completed Application Form together with payment to the Receiving Agent(s) or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

Qualifying Shareholders may take no further action on their remaining Rights under the Offer and empower the Directors of RBGH to allot such unsubscribed portion of their Rights as the Directors deem fit.

Qualifying Shareholders must tick Option 3 of the Application Form, in accordance with the instructions set out under the Guidelines to Completing the Application Form.

- d. Partially subscribe to their Rights under the Offer and renounce their unsubscribed Rights in favour of Renouncee(s), who may or may not be Shareholder(s) of RBGH: Qualifying Shareholders may apply for only part of the shares they are entitled to under the Offer, renouncing the remainder of their Rights in favour of Renouncee(s) who now have to apply for and pay for those shares. U.S. holders (as defined in Rule 800 under the U.S. Securities Act) may renounce Rights only in accordance with Regulation S under the U.S. Securities Act. The Application Form completed by both the Qualifying Shareholder and the Renouncee, together with payment for the shares must be returned to the Receiving Agent(s) or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

Qualifying Shareholders choosing this option must tick Option 3 of the Application Form, sign the declaration and complete Part II of

the Application Form. A separate Application Form must be endorsed by the Renouncer for each named Renouncee who must complete Option 4 and Part II of the same Application Form in accordance with the instructions set out under the Guidelines to Completing the Application.

Should a Qualifying Shareholder desire to renounce his/her/its Rights in favour of more than one person or legal entity, his/her/it should complete an Application Form in favour of each Renouncee, stating that Renouncee's name and the number of Rights renounced in favour of that Renouncee in Option 3 of the Application Form. The Renouncer must then sign against the box ticked in Option 3. Each Renouncee must then complete Option 4, and Part II of the same Application Form, sign the declaration and submit it, together with payment for the shares applied for, to the Receiving Agent or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

- e. Renounce all their Rights in favour of Renouncees, who may or may not be Shareholders of RBGH: Qualifying Shareholders may decide not to partake in the Offer and may renounce all their Rights under the Offer in favour of Renouncees who may or may not be existing shareholders of RBGH. U.S. holders (as defined in Rule 800 under the U.S. Securities Act) may renounce Rights only in accordance with Regulation S under the U.S. Securities Act. Renouncees must complete and return the Application Form (endorsed by the Renouncer as set out below) together with payment for the shares being applied for to the Receiving Agent(s) and Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

Qualifying Shareholders choosing this option must complete Part 1 of the Application Form, selecting Option 3 and indicating nil as Rights purchased, but endorse (sign) each Application Form, as evidence of consent to renounce their Rights in favour of the proposed Renouncee. The Renouncee named in Option 3 in Part 1 must complete Option 4 of the same form, sign the declaration, and complete Part II (Applicant's Details) of the Application Form in accordance with the instructions set out under the Guidelines to Completing the Application Form.

Should a Qualifying Shareholder wish to renounce his/her/its Rights in favour of more than one person or legal entity, his/her/it should complete an Application Form in favour of each Renouncee, stating that Renouncee's name and the number of Rights renounced in favour of that Renouncee in Option 3 of the Application Form. The Renouncer must then sign against the box ticked in Option 3. Each Renouncee must then complete Option 4, and Part II of the same Application Form, sign the declaration and submit it, together with payment for the shares applied for, to the Receiving Agent or Receiving Bank(s) not later than 5 pm on the Offer Closure Date.

- f. Take no action: Qualifying Shareholders who choose not to apply for shares under the Offer, or who fail to make payment for the shares they have applied for under the Offer, or who fail to meet the deadline of 5 pm on the Offer Closure Date for returning the Application Form and making payment to the Receiving Agent(s) or Receiving Bank(s), may be deemed to have not taken any action under the Offer. Qualifying Shareholders who take no action under these terms empower the Directors of the Company to allot such unsubscribed Rights as the Directors deem fit.

6.2 Offer to Subscribe for Shares

- a. As an applicant, you offer to subscribe for the number of shares indicated on your Application Form under the terms and conditions of the Offer and on the basis of the information set out in this Circular and subject to the Regulations of RBGH.
- b. You agree that your application to subscribe for shares cannot be revoked after the Offer Closure Date or such later date as the Directors and advisers may agree, and promise that any cheque, banker's draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and RBGH. It becomes binding when your application is posted, or in the case of delivery by hand, received by the Receiving Agent(s) or Receiving Bank(s). However, the Company will not be held liable if you use a wrong address in posting. You must pay all bank commissions, transfers and other bank charges related to your application.

- c. A thumbprint on an Application Form will be accepted instead of a signature thereon only if it is duly certified in accordance with the Applicable law.
- d. If your Application Form is not completed correctly or is amended, or if any cheque, banker's draft, money or postal order is found to be less than the amount stated on your Application Form, it may still be treated as valid. In such case, the Company's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the Offer Price, gives a value greater than the amount remitted.
- e. An application may be rejected in whole or in part at the discretion of the Directors of RBGH if the application is incomplete or illegible or if it is determined that the applicant is not eligible to participate in the Offer.

6.3 Acceptance of the Offer

- a. Acceptance of your application to subscribe for shares under the Offer will be approved by the Directors of the bank (if your application is received, valid, processed and not rejected), and the SEC and GSE will be notified of the basis of allocation.
- b. Acceptance of your application to subscribe for shares under the Offer may be of the whole or any part thereof.
- c. If your application to subscribe for shares under the Offer is accepted (in whole or in part), there will be a binding contract under which you will be required to subscribe for the shares in respect of which your application has been accepted.

6.4 Payment for Shares

- a. You undertake to pay the subscription price of the shares in respect of which your application is accepted. The offer is priced in Ghana Cedis (GHS) and Receiving Agents will receive GHS subscriptions, and process any refunds in GHS. Non-resident shareholders, who execute their rights in United States Dollars, Euros, British Pound Sterling, or a combination of any of these, will have their Rights allocated to them using the Bank of Ghana Prevailing Mid-Rate specified to them at the date cleared funds are

received for their subscription. In this regard, the GHS equivalent of the amount being paid by the applicant and the corresponding number of shares being acquired under the Offer will be communicated to the applicant when cleared funds are received. The cheque or banker's draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.

- b. In the case of excess applications, if your application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded to you without interest.
- c. If the remittances are not honoured on first presentation, then at any time until RBGH has received cleared funds in respect of your application, the Advisers, on behalf of RBGH may terminate the agreement to subscribe for that share. The termination will be effected by notifying the Receiving Agent or Receiving Bank whom you submitted your application to.

6.5 Renunciation

- a. The Right to subscribe for the Rights Issue shares may be renounced in whole or in part only by completing the Application Form in accordance with the instructions therein, or by taking no action.
- b. Qualifying Shareholders who wish to purchase some of their Rights and to renounce the remainder in favour of a different person or persons may complete all the relevant sections of Part 1 of the Application Form in accordance with the instructions provided in the Guidelines to Completing the Application Form.
- c. U.S. holders (as defined in Rule 800 under the U.S. Securities Act) may renounce Rights only in accordance with Regulation S under the U.S. Securities Act.
- d. The Application Form must be lodged with any of the Receiving Agent(s) and Receiving Bank(s), together with payment for the shares to be received not later than 5 pm on the Offer Closure Date.

6.6 Procedure in Respect of Rights not Taken up or Renounced

If a properly completed Application Form and payment in full is not received by 5 pm the Offer Closure Date, the Rights will be deemed to have been declined by the shareholder. These shares will then be available to shareholders of RBGH applying for Extra Shares under the Offer, and allotted by the Directors of RBGH as they deem fit.

6.7 Warranties

You warrant that:

- a. you are qualified to apply;
- b. the applicant on whose behalf you are applying is qualified to apply;
- c. you will submit a complete application including all supporting documents required under the terms of the Offer;
- d. in making your application, you are not relying on any information or representation concerning the Company not contained in this Circular. You agree that no person responsible for this Circular or any part of it will have liability for any such other information or representation;
- e. if any person signing, or making a thumbprint on the Application Form is not the applicant, that person warrants that he/she has authority to do so on behalf of the applicant and that this authority is vested in him or her; and
- f. if the applicant is other than a natural person, the person signing the Application Form warrants that he/she has authority to do so on behalf of the applicant.

Each person who is a U.S. holder (as defined in Rule 800 under the U.S. Securities Act) who takes up, delivers or otherwise transfers Rights or purchases, trades or otherwise deals in Rights will be deemed, by accepting delivery of this Circular or of the Rights or new Shares offered hereby or by otherwise participating in the Offer, to have represented and agreed that:

- a. if such Rights were not allocated to such person in the Offer, such person has acquired such Rights in accordance with Regulation S under the U.S. Securities Act; and
- b. such person has not offered, sold, pledged or otherwise transferred, and will not offer, sell, pledge or otherwise transfer, Rights except in accordance with Regulation S under the U.S. Securities Act.

6.8 Supply and Disclosure of Information

The Company, Directors, Advisers and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application and its processing. If the Directors or their agents request any information about your application you must promptly disclose it to them.

6.9 Listing of New Ordinary Shares

Pursuant to this Rights Issue, the GSE has granted approval to list all the ordinary shares of RBGH on the First Official List. It is expected that the dealings in the New Shares will start alongside the existing 388,330,009 ordinary RBGH shares on the Listing Date.

6.10 New Shares

Shares in respect of the new ordinary shares to be issued pursuant to the Rights Issue will be deposited into the Qualifying Applicant's CSD Account by the Uploading Date.

Letters of allotment will be issued to those shareholders who do not hold a CSD Account by the Uploading Date.

6.11 Bank of Ghana approval

Under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Bank of Ghana's approval is required for the sale or acquisition of 5% shareholding or more of the shares of the Company. Increases in existing shareholdings within the following percentage thresholds also require Bank of Ghana approval - 5%, 10%, 20%, 30%, 50% and 75%.

6.12 Exchange Controls

Ghana's exchange control regime is governed by the Foreign Exchange Act, 2006 (Act 723) (the "Foreign Exchange Act") and notices issued by the Bank of Ghana. There are no restrictions on the purchase of capital market instruments by non-residents. Capital or principal amounts, gains and dividends derived by a non-resident in respect of investments in securities in a Ghana incorporated company are fully and freely transferable outside Ghana.

6.13 Taxation

These include:

a. Withholding Tax on Dividend

Under current Ghanaian tax law, all dividend payments are subject to a dividend withholding tax of 8%. No further tax is payable on dividends received.

b. Capital Gains

Under the Income Tax Act, 2015 (Act 896), gains made by a person from a realisation of shares in a company are included in the computation of that person's total chargeable income of the person. However, pursuant to the Income Tax (Amendment) Act, 2017 (Act 941) gains derived from the realisation of securities listed on the Ghana Stock Exchange (which would include RBGH Shares) are exempt from tax. This exemption is applicable up to 31 December 2021.

c. Corporate tax

The Income Tax Act, 2015 (Act 896), as amended, prescribes a corporate tax of 25% for all listed companies.

d. Stamp Duty

Under the Stamp Duty Act, 2005 (Act 689), as amended, a transfer of shares is exempt from stamp duty.

The information provided under this section or elsewhere in this Circular is not intended to be professional advice on the tax consequences of purchasing any shares under the Offer. Persons intending to purchase shares under the Offer are advised to seek professional tax advice as to tax obligations relating to investing in the shares issued under the Offer.

PART

07

RECEIVING AGENT AND RECEIVING BANK'S CONTACT DETAILS

7.1 Escrow and Receiving Bank

Cal Bank Limited

No. 23 Independence Avenue
GP 14596
North Ridge, Accra
Tel: +233 302 680 063

Serengeti Capital Markets Limited

5 Abafun Crescent
Labone
Accra, Ghana
Tel: +233 302 768 961
Fax: +233 302 768 966

7.2 Receiving Agents

Republic Securities (Ghana) Ltd

No. 48 A, Sixth Avenue
North Ridge,
Accra, Ghana
P.O. Box CT 4603
Tel: +233 302 664430, 664214, 0289669310/1
Fax: +233 302 664106, 665095

All Bank Branches of Republic Bank (Ghana) Limited

No. 35 Sixth Avenue,
North Ridge,
Accra, Ghana
Tel: +233 302 242 090-4
Fax: +233 302 242 095

PART
08

GUIDELINES TO COMPLETING APPLICATION FORMS

It is important that the Application Form is correctly completed. Applicants in doubt should consult the Receiving Agent for assistance. Applications received after the Offer Closure Date may not be considered.

General Instructions for Completing the Application Form

Please read the instructions carefully before completing the relevant parts of the Application Form.

- a. There are two Parts to the Application Form with various sections. Please ensure that you complete all the relevant and appropriate sections of the Application Form in accordance with your choices, and return the completed Application Form together with payment for your subscription to a Receiving Agent or Receiving Bank.
- b. Use block / capital letters in completing the Application Form and return the completed Application Form together with payment for your subscription to the Receiving Agent or the Receiving Bank by the Offer Closure Date.
- c. Only people over 18 years of age can buy shares in their own name. Shares may be bought for a child by a parent, grandparent or guardian of the child who may complete another Application Form to buy shares in his/her own name.
- d. Power(s) of attorney must be enclosed if anyone is signing on behalf of a Qualifying Applicant other than a minor.

- e. Photocopies of Application Forms will be accepted only when they are clear and legible. The submission of a photocopied Application Form presumes that the applicant understands and accepts the terms and conditions of the Offer.

Parts of the Application Form

The Application Form has the following parts:

Part 1

To be completed by Qualifying RBGH Shareholders/ Renouncees/ New Shareholders taking part in the Offer. Each Qualifying RBGH Shareholder/ Renouncee/ New Shareholder must indicate his/her/its preferred option with regard to the Offer.

Part 2

To be completed by each Applicant named in Part 1 of the Application Form.

Guidelines to Completing the Application Form for Qualifying RBGH Shareholders

- a. Provisional allotment

The Directors of RBGH have provisionally allotted to Qualifying RBGH Shareholders a number of new ordinary shares set out under the terms of the Offer. The allotment is in the proportion of 1 new ordinary share for every 0.8376 existing ordinary shares registered to each Qualifying RBGH Shareholder's name as at the Book Closure Date.

Qualifying RBGH Shareholders may accept all or any number of the new ordinary shares offered to them, or renounce their Rights in favour of another person(s), or take no action.

If the Qualifying RBGH Shareholder does not wish to partake in the Offer, he/she/it does not have to do anything. All Qualifying RBGH Shareholders who do not submit a duly completed Application Form by the Offer Closure Date will be deemed to have selected not to participate in the Offer. The Directors of RBGH will allot the shares declined by such Qualifying RBGH Shareholders as they deem fit.

Applicants to the Offer must provide a valid ID. For the purposes of the Offer, a valid ID includes a national passport, driver's license and voter's ID card for individuals; and registration documents, Registrar General's Form A or Form 3 or a duly executed resolution from the organisation for institutions, clubs and other bodies.

b. Available options if Qualifying RBGH Shareholders wish to take part in the Offer

They may do only one of the following:

- i. Accept all the new shares provisionally allotted to them: if they select this option, Qualifying RBGH Shareholder(s) should kindly complete Part 1 of the Application Form, selecting Option 1.
- ii. Accept all the new shares provisionally allotted to them and apply for more shares: if they select this option, Qualifying RBGH Shareholder(s) should kindly complete Part 1 of the Application Form, selecting Option 2.
- iii. Accept part of the new shares provisionally allotted to them: if they select this option, Qualifying RBGH Shareholders should kindly complete Part 1 of the Application Form, selecting Option 3 and proceed to sign the Declaration and complete Part II of the application form, with applicant's details.
- iv. Accept part of the new shares provisionally allotted to them and renounce the remainder in favour of another party/other parties: if they select this option, Qualifying RBGH Shareholders (Renouncer) should have already completed the Application Form per provisions in (iii) of this section. Thereafter, the Renouncer must endorse (sign) an application form for each renounee, as evidence of consent to renounce their rights entitlement in favour of the proposed applicant(s). Each Renounee named in Option 3 in Part 1 must complete

Option 4 of the same endorsed form, sign the Declaration, and complete Part II (Applicant's Details) of the Application Form.

- v. v. Renounce all the new shares provisionally allotted to them in favour of another party(ies): if they select this option, Qualifying RBGH Shareholders should kindly complete Part 1 of the Application Form, selecting Option 3 and indicating nil as rights purchased, but endorse (sign) each application form, as evidence of consent to renounce their rights entitlement in favour of the proposed applicants. Each Renounee named in Option 3 in Part 1 must complete Option 4 of the same form, Sign the Declaration, and Complete Part II (Applicant's Details) of the Application Form.
- c. Available options if a New Applicant / Prospective Shareholders wish to take part in the Offer:

The new applicant/prospective shareholder may buy traded rights (from the GSE through a Licensed Dealing Member / Broker), and he/she/it must present a CSD Statement as evidence of the rights purchased to a receiving agent, before applicant may be allowed to submit an application. Each Applicant under this category must complete Option 4 of Part 1 of the Application Form, Sign the Declaration, and Complete Part II (Applicant's Details) of the Application Form.

- d. The Applicant Details in Part II of the application form must have details of the person for whom payment is being made in his/her/its favour.

Guide to Completing the Application Form for Renounees

Renounees

If a Qualifying RBGH Shareholder (Renouncer) has renounced a portion or all of his/her/its Rights in favour of a Renounee under the Offer, Qualifying Shareholders choosing this option must tick Option 3 of Part I, whilst each named Renounee must complete Option 4, the Declaration, and Part II of the same Application Form in accordance with the instructions set out under the Guidelines to Completing the Application Form.

Should Qualifying Shareholders want to renounce their Rights in favour of more than one person, the Renouncer must state the number of shares to be allotted to each Renounee in Option 3 of

Part 1 of the Application Form, and endorse (sign) each application form, as evidence of consent to renounce their rights entitlement in favour of the proposed applicants

The Renouncee must provide responses for all items of the Applicant details Section(s) being completed in Part 2 of the Application Form, with the exception of "CSD Details", which must only be completed if the Renouncee completing that Renouncee Section has an existing CSD Account as at the date of the application.

General instructions for completing **Part 2 (Applicants Details)** of the Application Form are as follows:

APPLICATION

1. Personal Details

Complete with your surname (if individual) or with the full name of your organisation/ or company name (if institutional).

2. Identification Card Details ("ID")

Kindly provide a valid ID (i.e. a national passport, driver's license and voter's ID card for individuals), tick the ID type and state the ID number as requested. If applicant is an institutional investor/ organisation, kindly indicate at the section marked 'ID Number (or Other), the type of registration documents, Registrar General's Form A or Form 3 or a duly executed resolution from the organisation.

3. Other Personal Details & Correspondence Address

Complete with your other names (i.e. first name, other names, title,) if applicable. Additionally, provide your contact details (i.e. mobile/ telephone number, email address, and full residential/ office or postal address. The address must be current and reliable and in case of any change in address you should immediately inform the Registrars of your new address. The address provided will be used to mail Renouncees without CSD accounts their allotment letters

4. Central Securities Depository Account Details

Complete with your client name as appears on the CSD, your CSD client code and the Broker/LDM name, if you have a CSD Account as at the date of your application. You may contact any broker to open a CSD Account prior to the submission of your completed Application Form.

5. Renounced Rights

Please indicate the number of Rights renounced in your favour by a Qualifying RBGH Shareholder in Option 4 of Part I of the Application Form.

6. Payment Amount Due

Please indicate the monetary value due for the number (total) of shares you are applying for.

7. Declaration

Please read the declaration carefully before signing (or thumb printing) on the line and dating the form in the space provided. The application form may also be signed by joint applicants, where applicable.

The Application Form may be signed by someone else on your behalf if he/she is duly authorised to do so.

An agent must enclose the original power of attorney appointing him/her (or copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.



76

Republic Bank GH
Rights Issue
PROSPECTUS

Republic Bank (Ghana) Ltd Rights Issue

APPLICATION FORM

I. SUBSCRIPTION INSTRUCTIONS (Please choose only one of the options stated below): Date:

Option 1

Please tick your option

I /We, wish to subscribe fully for my Rights. ☐

I /We make payment of GH¢.....covering my subscribed rights of shares.

Kindly complete the applicant's details, sign the declaration below and return this signed form together with the amount above to the receiving agent.

Option 2

I /We, wish to subscribe fully for my Rights and apply for extra shares. ☐

If you ticked Yes, please put in the number of extra shares you wish to apply for and amount payable covering your total application below:

I/We wish to subscribe forextra shares in addition to my allotted rights of shares.

I/We make payment of GH¢..... covering my total rights and the extra shares ofshares.

I/We understand and accept that receiving these additional shares depends upon the number of unsubscribed shares available after the closure of the Offer and will be at the discretion of the Directors of Republic Bank (Ghana) Ltd.

Option 3

I/We, wish to partially subscribe for / renounce my Rights. ☐

I/We wish to renounce shares, in favour of ☐

I/We make payment of GH¢..... covering my subscribed rights of shares.

Kindly complete applicant's details, sign the declaration below and return this signed form together with the amount above to the receiving agent.

If renouncing, Kindly tick, and sign by the second box in this section to confirm your consent to renounce your rights to your proposed applicant(s).

Option 4 - To be completed by Renouncee(s)/ Applicants with Traded rights purchased

I /We, wish to apply for shares renounced to me /rights purchased under this offer. ☐

I/We make payment of GH¢..... covering my application forshares.

Kindly complete the applicant's details, sign the declaration below and return this signed form together with the amount above to the receiving agent. I/We understand and accept that receiving shares under this offer depends upon the number of rights purchased/ shares renounced in my favour.

II. APPLICANTS DETAILS (All Applicants should kindly provide an update of their contact details):

SURNAME/COMPANY NAME:									
ID Type	Passport		Drivers License		Voters ID		NHIS Card		ID Number:
FIRST NAME:					DEPOSITORY DETAILS				
MIDDLE NAME:					Client Name:				
TITLE:					CSD Client Code:				
TELEPHONE NUMBER:					Broker Name:				
EMAIL:									
ADDRESS (PHYSICAL ADDRESS / POSTAL BOX):									
DATE OF BIRTH:			NATIONALITY:			COUNTRY OF RESIDENCE/OPERATION:			

DECLARATION

I/We hereby apply for shares of Republic Bank (Ghana) Ltd under the terms and conditions set out in the Offer Circular. I/We certify that all statements made in this application to enable me take part in Republic Bank (Ghana) Ltd's rights issue are correct and the responses are my / our own.

Applicant's Signature(s)

Date

Receiving Agent's Stamp & Signature

Please Cut / Tear Along This Line

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application		
REPUBLIC BANK (GHANA) LTD GHS255 MILLION RIGHTS ISSUE - APPLICATION COUNTER FOIL		
Applicant's Name and Address	Applicants Signature / Thumbprint	Receiving Agent's Stamp & Signature
Name:		
Address:		
Telephone / Email:		
No. of Shares Applied For:	Amount Paid (GH¢):	Date:



