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BAYPORT FINANCIAL SERVICES GHANA LIMITED

PROSPECTUS

**RELATING TO THE OFFER AND LISTING OF NOTES UNDER GHS 200,000,000
DOMESTIC MEDIUM TERM NOTE PROGRAMME ON THE GHANA
ALTERNATIVE MARKET (GAX)**

DATED 11 December 2015

Lead Arranger



Co-Sponsor



Co-Sponsor



Note Trustee



Ghanaian Legal Advisor



Foreign Legal Adviser



Reporting Accountants



IMPORTANT INFORMATION AND DISCLAIMERS

THIS PROSPECTUS CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS DOCUMENT AS WELL AS CONSULT THEIR PROFESSIONAL INVESTMENT ADVISERS AND DEALERS ABOUT THE SOUNDNESS OF THEIR CHOICE TO INVEST IN THE NOTES ISSUED UNDER THIS PROGRAMME PRIOR TO MAKING A PURCHASE.

Bayport Financial Services Ghana Limited (the **Issuer**), a public limited liability company incorporated under the Companies Act of Ghana, 1963 (Act 179) (the **Companies Act**) and a non-bank financial institution (**NBFI**) operating in Ghana and licensed under the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) (the **Banking Act**), has established this GHS 200,000,000 Domestic Medium Term Note Programme (the **Programme**). Under this Programme, the Issuer may, from time to time, issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) and specified in a pricing supplement which pertains to the Notes of such Series or Tranche (the **Applicable Pricing Supplement**). The maximum aggregate nominal amount of all Notes, from time to time outstanding under the Programme, will not exceed GHS 200,000,000 subject to increase as described herein.

The final offer price, aggregate principal amount and interest, if any, payable in respect of the Notes, and all other terms and conditions not contained herein which are applicable to each Series and each Tranche (as defined under the “*Conditions of the Notes*”), will be determined between the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions and shall be set out in the Applicable Pricing Supplement. **Each Applicable Pricing Supplement shall be subject to the approval of the Securities and Exchange Commission (SEC).**

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

PROVISIONAL approval has been obtained from The Ghana Stock Exchange (GSE) for permission to deal in and for quotation of all Notes of the Issuer already issued as well as those which are the subject of this Programme. Such approval is granted subject to the Issuer being admitted on the Ghana Alternative Market (GAX) upon the Issuer fulfilling all listing requirements.

A copy of this Prospectus has been delivered to the Registrar of Companies, Ghana (the Registrar-General) for filing.

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

Prospective investors should pay particular attention to the factors described under the section with the heading “Risk Factors” in this Prospectus.

A. GENERAL INFORMATION

The Issuer accepts responsibility for the information contained in this Prospectus and the Applicable Pricing Supplement for each Tranche or Series of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts as at the date hereof and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

To the best of the knowledge of the Lead Arranger, the Sponsoring Brokers, the Dealers, the Note Trustee, the Corporate Adviser, the Registrar, the Reporting Accountant, the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents), the Prospectus constitutes full and fair disclosure of all material facts about the Programme and the Issuer.

The Lead Arranger, the Sponsoring Brokers, the Dealers, the Note Trustee, the Corporate Adviser, the Registrar, the Reporting Accountant, the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents) has independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Lead Arranger, the Sponsoring Brokers, the Dealers, the Note Trustee, the Corporate Adviser, the Registrar, the independent Accountant, the Legal Advisers or any of their respective directors, Affiliates, advisers or agents, with respect to the accuracy or completeness of such information, at any time, of this Prospectus or any Applicable Pricing Supplement. Nothing contained in this Prospectus, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Lead Arranger, the Sponsoring Brokers, the Dealers, the Note Trustee, the Corporate Advisor, the Registrar, the Reporting Accountant, the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents, in any respect).

Furthermore, none of the Lead Arranger, the Sponsoring Brokers, the Dealers, the Note Trustee, the Corporate Adviser, the Registrar, the Reporting Accountant, or

the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents) makes any representation or warranty or assumes any responsibility, liability or obligation in respect of the legality, validity or enforceability of any Notes, or the performance and observance by the Issuer of its obligations in respect of any Notes, or the recoverability of any sums due or to become due from the Issuer under any Notes.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or the Applicable Pricing Supplement and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Lead Arranger, the Sponsoring Brokers, the Dealers, the Corporate Adviser, the Note Trustee, the Registrar, the Reporting Accountant, the legal advisers (or any of their respective directors, Affiliates, advisers or agents).

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

- (a) is intended to provide the basis of any credit or other evaluation; or
- (b) should be considered as a recommendation by the Issuer, the Lead Arranger, the Dealers, the Note Trustee, Corporate Adviser, the Registrar, the Reporting Accountant, the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents) that any recipient of this Prospectus or any other information supplied in connection with the Programme or the Notes should purchase any Notes.

Each investor contemplating purchasing any Notes should determine for itself the relevance of the information contained or incorporated in this Prospectus and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer based upon such investigations as it deems necessary.

Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Lead Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Lead Arranger nor the Dealers undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Lead Arranger nor the Dealers represent that this Prospectus may be lawfully distributed, or that any Notes may be

lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in this Prospectus, the Issuer will prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. Such supplement or new programme memorandum will be subject to the approval of the SEC.

The Programme has, as at the date of this Prospectus, not been rated by any rating agency. However, the Issuer may at any time obtain a rating from a rating agency for the Programme or the issue of Notes issued pursuant to this Programme.

All payments in respect of the Notes will be subject to deduction for, or on account of, Taxes in the Republic of Ghana, as described in Condition 7 of the Conditions of the Notes.

In the event that this Prospectus is delivered to or comes into the possession of any Recipient at any time after the date hereof, it is for, and the responsibility of, the Recipient to ascertain whether any supplement or amendment of the information herein contained has been made or issued, or whether updated information is available. Such updated information can be obtained from the registered offices of the Issuer and the Note Trustee at all times. Reliance on this Prospectus at any time subsequent to the date hereof without reference to any such updated information subsequent to the date of the Prospectus shall be at the Recipient's risk.

B. SUPPLEMENTS TO THE PROSPECTUS

The Issuer has undertaken to the Dealers that if during any time the Prospectus is being used in connection with the offer and sale of Notes, any event shall occur as a result of which in the judgment of the Issuer this prospectus will include any untrue statement of a material fact or omit to state any material fact necessary to make the statement herein in the light of the circumstances under which they were made not misleading, the Issuer shall prepare an amendment or supplement to this Prospectus for use in connection with any subsequent offering such number of copies of such amendment or supplement hereto as such Dealer may reasonably request.

C. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

- (a) its audited income statement, statement of financial position, statement of cash flow and statement of changes in equity for the period ending December 31, 2012, December 31, 2013 and December 31, 2014, included elsewhere in this Prospectus. The Issuer's financial statements, which were audited by Messrs. Deloitte & Touche (**Deloitte**) in Ghana, has been prepared in accordance with International Financial Reporting Standards (**IFRS**) and is presented in GHS, the reporting currency of the Issuer; and/or
- (b) the financial report prepared by Messrs. Ernst & Young (**EY**) in Ghana as the Reporting Accountants to the Programme, which reviewed the Issuer's

historical financial statements for the period from January 1, 2012 and ending December 31, 2014. EY has also reviewed the Issuer's unaudited financial statements for the period January 1, 2015 to September 30, 2015.

Rounding

Certain figures included in this Prospectus have been subject to rounding. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Forward Looking Statements

This Prospectus contains statements that may be considered to be "forward-looking statements". Forward-looking statements appear in a number of places throughout this Prospectus, including, without limitation, under "*Risk Factors*", "*Use of Proceeds*", "*Issuer Description*", and elsewhere in this Prospectus, and include, but are not limited to, statements regarding:

- strategy and objectives;
- trends affecting the Issuer's results of operations and financial condition;
- asset portfolios;
- legal proceedings; and
- the Issuer's potential exposure to market risk.

The forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "probability", "risk", "target", "goal", "objective", "future" or similar expressions or variations of such expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements.

The Issuer has identified some of the risks inherent in forward-looking statements under "*Risk Factors*" in this Prospectus. Other important factors that could cause actual results to differ materially from those in forward-looking statements include, among others:

- changes in the Ghanaian economy;
- changes in the banking and financial markets in Ghana;
- changes in applicable laws and regulations, including taxes, or accounting standards or practices;
- the monetary, interest rate and other policies of the Bank of Ghana, and elsewhere;

- changes or volatility in interest rates, foreign exchange rates, asset prices, equity markets, commodity prices, inflation or deflation;
- the effects of competition in the markets in which the Issuer operates, which may be influenced by regulation or deregulation;
- changes in consumer spending, saving and borrowing habits in Ghana, including changes in government policies which may influence investment decisions;
- the Issuer's ability to compete in its business lines and increase or maintain market share;
- the timely development and acceptance of new products and services and the perceived overall value of these products and services by the Issuer's clients;
- the Issuer's ability to manage liquidity risks and to access financial markets;
- the Issuer's success in managing the risks involved in the foregoing, which depends, among other things, on the Issuer's ability to anticipate events that cannot be captured by the statistical models the Issuer uses; and
- *force majeure* and other events beyond the Issuer's control.

There may be other risks, including some risks of which the Issuer is unaware, that could adversely affect the Issuer's results or the accuracy of forward-looking statements in this Prospectus. Investors should not consider the factors discussed here or under "*Risk Factors*" to be a complete set of all potential risks or uncertainties.

Investors should not place undue reliance on any forward-looking statements. The Issuer does not have any intention or obligation to update forward-looking statements to reflect new information, future events or risks.

D. MARKET SHARE AND INDUSTRY INFORMATION

Industry and market information on the Ghanaian financial market included in this Prospectus has been provided by the Issuer or has been obtained from third-party sources that are believed to be reliable. No assurance can be given, however, as to the accuracy and completeness of such information, and such market and position data has not been independently verified.

E. DIRECTORS' RESPONSIBILITY STATEMENT

The Issuer and its directors accept responsibility for the information contained in this Prospectus. This Prospectus has been seen and approved by the directors of the Issuer, who collectively and individually accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement in the document referred to above misleading. None of the Issuer's directors has any intention to realise or transfer any part of their shareholdings in the Issuer within a period of two (2) years of the date of the Prospectus.

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

The directors of the Issuer do not intend to take part in this offer and warrant that no takeover offer has been made over the past or current financial year.

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1 CONTACT DETAILS OF THE ISSUER AND TRANSACTION ADVISERS

1.1 CONTACT DETAILS OF THE ISSUER

Issuer	Bayport Financial Services Ghana Limited 71 Osu Badu Street, Airport West, Accra PMB 248, Accra-North, Accra, Ghana Tel: +233-(0)302-910-778 Fax: +233-(0)302-7220-692 Contact: <i>Kofi Adu-Mensah (Managing Director)</i> Email: kofiadumensah@bayportghana.com
Auditors	Deloitte & Touche 4 Liberation Road Accra, Ghana Tel: +233(0)501-323-230 Contact: <i>Daniel Owusu</i> Email: dowusu@deloitte.com
Company Secretary	Dehands Services Limited 2 nd Floor, Opeibea House, 37 Liberation Road Accra, Ghana Tel: +233(0)302-761-746 Contact: <i>Felicia Kpegah</i> Email: felicia@dehands-services.com
Bankers	Standard Chartered Bank Accra High Street Accra, Ghana Tel: +233(0)302-668-029 Contact: <i>Linus Kumi</i> Email: Linus.Kumi@sc.com Societe Generale Ghana Limited Head Office, Ring road Accra, Ghana Tel: +233(0)302-202-001 Contact: <i>Nelly Dodoo</i> Email : nelly.dodoo@socgen.com Zenith Bank Ghana Limited Premiere Towers, Liberia Road Accra, Ghana Tel: +233(0)302-611-500 Contact: <i>Daniel Azakpor</i> Email : Daniel.Azakpoh@zenithbank.com.gh Fidelity Bank Ghana Limited Ridge Tower, West Ridge Accra, Ghana Tel: +233(0)302-214-490

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Lawyers

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1.2 CONTACT DETAILS OF TRANSACTION ADVISERS

Lead Arranger	Stanbic Bank Ghana Limited Stanbic Heights, Airport City Plot 215 South Liberation Link Accra, Ghana Tel: +233-(0)302-687-6708 Contact: <i>Samuel Botchway</i> Email: botchways@stanbic.com.gh
Co-Sponsoring Broker	Databank Brokerage Limited 61 Barnes Road, Adabraka, Accra, Ghana Tel: +233-(0)302-610-610 Contact: <i>Armah Akotey</i> Email: armah.akotey@databankgroup.com
Co-Sponsoring Broker	Temple Investments Limited F180/6, 3 rd Labone Link Accra, Ghana Tel: +233(0)302-393-1514 Contact: <i>Cecilia Hesse</i> Email: cecilia.hesse@templeinvest.com
GAX Corporate Adviser	Temple Investments Limited F180/6, 3 rd Labone Link Accra, Ghana Tel: +233(0)302-393-1514 Contact: <i>Cecilia Hesse</i> Email: cecilia.hesse@templeinvest.com
Ghanaian Legal Adviser	Bentsi-Enchill, Letsa & Ankomah 4 Momotse Avenue, Adabraka Accra Tel: +233-(0)302-208-888 Contact: <i>Seth Asante</i> Email: seth.asante@belonline.org
Foreign Legal Adviser	Edward Nathan Sonnenbergs, Inc. 150 West Street, Sandton Johannesburg 2196 South Africa Tel: +27 11 269 7600 Contact: <i>Stephen von Schirnding</i> Email: svschim@ENSafrica.com
Note Trustee	Fidelity Bank Ghana Limited Ridge Tower, West Ridge Accra, Ghana Tel: +233(0)302-214-490 Contact: <i>John Taricone</i> Email: jtaroncone@myfidelitybank.net

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Agent and Paying Bank**

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2 LEGAL BASIS AND REASONS FOR THE PROGRAMME

2.1 LEGAL BASIS FOR THE PROGRAMME

On December 10, 2015, the board of directors of the Issuer approved the establishment of the Programme and listing of the Notes on the GAX to raise additional debt financing of up to GHS 200,000,000 to fund working capital requirements of the Issuer.

On December 10, 2015 the shareholders of the Issuer also approved the establishment of the Programme and listing of the Notes on the GAX to raise additional debt financing of up to GHS 200,000,000.

2.2 REASONS FOR THE PROGRAMME AND USE OF PROCEEDS

The Issuer shall utilise the net proceeds from each issue of the Notes as follows:

Table 1: Use of Proceeds

Proportion of Net Proceeds	Use of Net Proceeds
Up to 50%	Pay down or refinance any outstanding indebtedness, accruing from or falling due under this Programme or outstanding from existing obligations prior to the establishment of this Programme.
Remaining amount greater or equal to 50% of Net Proceeds	▪ up to 47.5% will be used to finance loans and advances; and ▪ up to 2.5% will be used for working capital and liquidity management.

3 DEFINITIONS

Unless inconsistent with the context or separately defined in this Prospectus or the Applicable Pricing Supplement, the following expressions used in this document and which form a key part of the subsection titled “Conditions”, shall have the following meanings ascribed to them in this Prospectus and any Applicable Pricing Supplement of any subsequent Series or Tranches issued under this Programme:

Term	Definition
Additional Amounts	means additional amounts payable as a result of any change in the laws, regulations or treaties of the Republic of Ghana, or any political subdivision or any authority in or of the Republic of Ghana, having power to tax, or in the application or official interpretation of such laws, regulations or treaties (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of the Prospectus;
Affiliates	in relation to a corporate body, means any other corporate body over which that corporate body has Control;
Agency Agreement	means the Agency Agreement dated [●] 2015, entered between the Issuer, the Note Trustee and the Registrar, in relation to the Notes (and as amended, restated and/or supplemented from time to time);
Applicable Laws	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which govern the Programme, the Conditions and the Notes issued thereunder in accordance with which the same are to be construed;
Applicable Pricing Supplement	means the pricing supplement issued in relation to each Series or Tranche of Notes (substantially in the form set out in Appendix A to this Prospectus) as a supplement to this Prospectus, giving details of that particular Series or Tranche of Notes and the Conditions applicable to each Note in that Series or Tranche of Notes in so far as such terms and conditions are different from the Conditions;
Auditors	means Messrs. Deloitte & Touche, the statutory auditors of the Issuer for the financial year ending December 2014;
Corporate Adviser	means Temple Investments Limited;
Bayport Group	means BML and its subsidiaries;
BML	means Bayport Management Ltd, the majority shareholder of the Issuer;
Book Closure	means ten (10) Business Days prior to each date upon which a

Term	Definition
Period	payment of Interest or Principal Amount is due, as set out in the Applicable Pricing Supplement;
Business Day	means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Republic of Ghana;
Business Day Convention	means each of the Floating Rate Business Day Convention: the Following Business Day Convention, the Modified Following Business Day Convention and the Preceding Business Day Convention, which may be applicable to the calculation of Interest;
Call Option	means the call option on the Notes, which may be provided to the Issuer and exercised in accordance with Condition 6.2 of the Conditions and as set forth in the Applicable Pricing Supplement;
Central Securities Depository or CSD	means the Central Securities Depository (Ghana) Limited, a limited liability company duly incorporated under the laws of Ghana, or its nominee, operating as a central securities depository where the Noteholders will be credited with the Notes, or any additional or alternate depository approved by the Issuer;
Companies Act	means the Companies Act of Ghana, 1963 (Act 179) (as amended) or any statutory re-modification or enactment thereof;
Conditions	means the terms and conditions recorded in section 13 ("Programme Conditions") and in accordance with which Notes shall be issued in terms of the Prospectus, which terms and conditions may be amended by an Applicable Pricing Supplement;
Control	means, in relation to an undertaking, the ability of a person to ensure that the activities and business of that undertaking are conducted in accordance with the wishes of that person and a person shall be deemed to have control of an undertaking if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights or which has the right to nominate a majority of directors in that undertaking or the right to receive the majority of the income of that undertaking on any distribution by it of all of its income of the majority of its assets on a winding up;
Currency	means GHS or any foreign currency as may be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of the Republic of Ghana;

Term	Definition
Day Count Fraction	has the meaning provided for in Condition 4 below;
Dealer	unless otherwise set out in an Applicable Pricing Supplement, means the Lead Arranger and the Sponsoring Brokers;
Early Redemption	means the early redemption of a Note prior to its due date;
Early Redemption Amount	means the amount payable upon the Early Redemption of a Note;
Encumbrance	any mortgage, charge, lien, pledge, hypothecation, assignment by way of security, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law;
Event of Default	means an event contemplated in Condition 10 below;
Final Redemption	means the Final Redemption of a Note on the Maturity Date;
Final Redemption Amount	means the Principal Amount of a Note payable in respect of each Note, upon Final Redemption thereof;
Financial Indebtedness	means any obligation of the Issuer (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of: (i) Indebtedness for Borrowed Money; or (ii) bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts;
Fixed Coupon Amount	means the amount of Interest in respect of a Fixed Rate Note (as set forth in the Applicable Pricing Supplement);
Fixed Interest Period	means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;
Fixed Rate Notes	means Notes entitled to a fixed rate of Interest (as set forth in the Applicable Pricing Supplement);
Floating Rate Convention	means a Business Day Convention specified in Condition 4.2 below;

Term	Definition
Floating Rate Notes	mean Notes entitled to a floating rate of Interest (as set forth in the Applicable Pricing Supplement);
Following Business Day Convention	means a Business Day Convention specified in Condition 4.2 below;
GHS	means the lawful currency of the Republic of Ghana, being the Ghanaian Cedi, any divisions thereof, or any successor currency;
Global Note Certificate	a certificate evidencing title to the issued Notes under the Programme and issued to the Note Trustee as nominee for the Noteholders;
Indebtedness for Borrowed Money	means any indebtedness of the Issuer for or in respect of: (i) monies borrowed; (ii) amounts raised by acceptance under any credit facility; (iii) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments; (iv) amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable; (v) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases; (vi) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; or (vii) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a “with recourse” basis) having the commercial effect of a borrowing;
Interest	means the amount of interest payable on a Note (as set forth in the Applicable Pricing Supplement and Condition 4);
Interest	means the date that Interest shall commence to accrue/be

Term	Definition
Commencement Date	calculated (as set forth in the Applicable Pricing Supplement);
Interest Determination Date	means the date upon which Interest is calculated for a specified Interest Period and as set forth in the Applicable Pricing Supplement;
Interest Period	means, in relation to a Tranche or Series of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date, as specified in the Applicable Pricing Supplement;
Interest Payment Date	the date for the payment of Interest (as set forth in the Applicable Pricing Supplement) or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
Interest Rate	means the rate of Interest (as set forth in the Applicable Pricing Supplement and Condition 4);
Issue Date	in relation to each Tranche or Series of Notes, the date specified as such (as set forth in the Applicable Pricing Supplement);
Issue Price	means the price at which the Notes may be issued, either on a fully paid or partly paid basis (as specified in the Applicable Pricing Supplement). The price and amount to be issued under any Series or Tranche of Notes will be determined by the Issuer, the relevant Dealer at the time of issue in accordance with prevailing market conditions;
Issuer	means Bayport Financial Services Ghana Limited, a public limited liability company registered in the Republic of Ghana with registration number CS691702015 and licensed as a non-bank financial institution under the Banking Act, 2004 (Act 673) (as amended);
Last Day to Register	means 17:00 on the last Business Day before the first day of a Book Closure Period;
Lead Arranger	means Stanbic Bank Ghana Limited;
Maturity Date	means, in respect of a Series or Tranche of Notes, the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer and as set forth in the Applicable Pricing Supplement;
Maximum Interest	means the maximum rate of the Interest that may be payable on

Term	Definition
Rate	a Floating Rate Note, as agreed by the Issuer, the Lead Arranger and Dealer(s) and as set forth in the Applicable Pricing Supplement;
Minimum Interest Rate	means the minimum rate of the Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, the Lead Arranger and Dealer(s) and as set forth in the Applicable Pricing Supplement;
Modified Following Business Day Convention	means a Business Day Convention specified in Condition 4.2 below;
Note	means a note issued under an Applicable Pricing Supplement to this Programme;
Note Trustee	means Fidelity Bank Ghana Limited, or such other person as may be appointed under the Trust Agreement and specified in the Applicable Pricing Supplement as the Note Trustee;
Noteholder	means a holder of a Note from time to time and recorded as such in the Register;
Optional Redemption	means Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons) in accordance with Condition 6.2 and as specified in the Applicable Pricing Supplement;
Permitted Encumbrance	means: (i) any Encumbrance existing as at the date of the Applicable Pricing Supplement; (ii) any Encumbrance with regard to receivables of the Issuer or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness for Borrowed Money is limited to the value of such receivables; (iii) any Encumbrance with respect to inter-company Indebtedness for Borrowed Money incurred between the Issuer and any member of the Bayport Group; (iv) any Encumbrance created over any asset owned, acquired, developed or constructed, provided that the Indebtedness for Borrowed Money so secured shall not exceed the <i>bona fide</i> market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in

Term	Definition
	circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two (2); (v) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or (vi) any Encumbrance created in the ordinary course of business, which includes, accounts receivable or deposit accounts, save that any Encumbrance referred to in (i) to (vi) above, should be equal or less than ten percent (10%) of the total assets of the Issuer as published in the Issuer's latest audited financial statements, at the time the Encumbrance is established;
Paying Agent	unless otherwise set out in an Applicable Pricing Supplement, means Fidelity Bank Ghana Limited;
Paying Bank	unless otherwise set out in an Applicable Pricing Supplement, means Fidelity Bank Ghana Limited;
Preceding Business Day Convention	means a Business Day Convention specified in Condition 4.2 below;
Principal Amount	means the face value of the Notes, inclusive of any additional amounts which may be payable under the Conditions;
Programme	means the GHS 200,000,000 Note Programme, as amended from time to time, under which the Issuer may, from time to time, issue Notes denominated in the Currency and having such maturity as may be set forth in the Applicable Pricing Supplement;
Prospectus	means this prospectus issued by the Issuer on the date stated hereon (as amended, restated and/or supplemented from time to time);
Recipient	means a person to whom this Prospectus has been sent by a Dealer on behalf of the Issuer;
Redemption	means Final Redemption or Early Redemption (as the case may be);
Redemption Amount	means the amount payable on the Redemption of a Note on the Redemption Date (as set forth in the Applicable Pricing Supplement);
Redemption Date	means the date upon which a Series or Tranche of Notes is redeemed by the Issuer (as set forth in the Applicable Pricing

Term	Definition
	Supplement);
Reference Rate	means the benchmark interest rate so specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes to be issued under the Programme;
Register	means the register of the Noteholders maintained by the CSD in electronic form;
Registrar	means the Central Securities Depository (Ghana) Limited appointed as agent and registrar for the Issuer under the Agency Agreement;
Relevant Time	means the time on the Interest Determination Date, if any) specified in the Applicable Pricing Supplement for calculating the Interest Rate and Interest Payable on a Note;
Series	means a Series of Notes in which the Notes shall have the same Maturity Date and identical terms as to Interest and redemption (except that, among Series, the Issue Dates, Interest Commencement Dates, Interest Payment Dates and amounts of the first interest payment and related matters may differ);
Reporting Accountant	means the Messrs. Ernst & Young, the reporting accountants for the Programme;
Senior Notes	means Notes which constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer and have been designated as such in the Applicable Pricing Supplement;
Special Resolution	means a special resolution of the Noteholders of a Series or Tranche of Notes and as further defined in the Trust Agreement;
Sponsoring Brokers	means Databank Brokerage Limited and Temple Investments Limited;
Subordinated Notes	means Notes which constitute direct, general, unsecured and subordinated obligations of the Issuer and which have been designated as such in the Applicable Pricing Supplement;
Taxes	has the meaning provided for in Condition 7 below;
Tranche	means a tranche of Notes which are identical in all respects;
Transfer Form	has the meaning provided for in Condition 2.3 below;
Trust Agreement	means the trust agreement dated [●] 2015 and entered into between the Issuer and the Note Trustee (as amended, restated and/or supplemented from time to time); and

Term	Definition
USD	means United States Dollars, the lawful currency of the United States of America.

4 SUMMARY OF THE PROGRAMME

The following is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any particular Series or Tranche of Notes, the Applicable Pricing Supplement:

Factor	Summary Description
Issuer	Bayport Financial Services Ghana Limited, a public limited liability company registered in the Republic of Ghana with registration number CS691702015 and licensed as a non-bank financial institution under the Banking Act, 2004 (Act 673) (as amended).
Description	Domestic medium term note issuance programme.
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include risks related to the Issuer, its business and the Ghanaian economy.
Programme Size	Up to GHS 200,000,000 aggregate Principal Amount of Notes outstanding at any one time. The Issuer may increase this aggregate nominal amount that may be issued under this Programme and subject to the approval of the SEC. Subject to any Applicable Laws and the relevant corporate approvals, the Issuer may, without consent of the Noteholders, increase the aggregate nominal amount of the Notes that may be issued under the Programme by issuing a supplementary prospectus thereof to Noteholders in accordance with the Conditions. Upon the issuance of such a supplementary prospectus, all references in the Prospectus or any other agreement, deed or document in relation to the Programme to the aggregate amount of the Notes, shall be and shall be deemed to be references to the increased aggregate nominal amount.
Use of Proceeds	The Issuer will use up to 50% of the net proceeds from any Series or Tranche to pay down or refinance any indebtedness accruing from or falling due under this Programme from existing obligations prior to the establishment of this Programme and the remaining proportion shall be utilised to finance loans and advances to customers (up to 47.5%) and working capital and liquidity management (2.5%).
Form and Delivery of Notes	The Notes will be issued in registered form and held electronically on the Central Securities Depository. The Issuer shall issue a single Global Note Certificate to the Note Trustee

(in respect of each Series or Tranche), who will hold all the Notes as nominee for the Noteholders.

Distribution	Subject to Applicable Laws, Notes may be distributed by way of private placement or public offer and, in each case, on a syndicated or non-syndicated basis.
Currency	GHS or any foreign currency as may be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of the Republic of Ghana.
Maturities	The maturity of the Notes shall be specified in the Applicable Pricing Supplement in accordance with such minimum or maximum maturities as may be allowed or required from time to time by the Securities and Exchange Commission (or equivalent body) or any Applicable Laws.
Issue Price	Notes may be issued at an issue price on a fully paid basis or discounted basis as specified in the Applicable Pricing Supplement. The price and amount to be issued by the Issuer, at any time, will be determined by Issuer and the relevant transaction parties at the time of issue in accordance with prevailing market conditions at time of issue.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as specified in the Applicable Pricing Supplement and, on redemption, will be calculated on the basis of such Day Count Fraction as specified in the Applicable Pricing Supplement.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined on the basis of a Reference Rate or benchmark and as adjusted for any applicable margin, or as may be agreed among the Issuer, the Lead Arranger and the relevant parties and specified in the Applicable Pricing Supplement. The margin (if any) relating to such floating rate will be specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes. Floating Rate Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both. Interest on Floating Rate Notes in respect of each Interest Period will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the Applicable Pricing Supplement.
Status	Notes may be Senior Unsecured Notes or Subordinated Notes.

See Condition 3 of the “*Conditions of the Notes*”.

Denominations	The Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the Applicable Pricing Supplement or such other minimum denomination of each Note as may be allowed or required from time to time by the Bank of Ghana (or equivalent body) or any Applicable Laws.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
Programme Expiry	The Programme will expire five (5) years from the date of this Prospectus. All Notes issued prior to the expiry of the Programme will be valid and remain contractual obligations of the Issuer after expiration.
Events of Default	The Notes will be subject to certain events of default, including, <i>inter alia</i> , non-payment, breach of obligations, cross-acceleration and certain bankruptcy and insolvency events. See Condition 10 of the “ <i>Conditions of the Notes</i> ”.
Redemption	The notes shall be subject to Early Redemption or Optional Redemption and, as stated in the Applicable Pricing Supplement, be redeemed in whole, at the Principal Amount thereof plus accrued Interest, if any, at the relevant Maturity Date.
Lead Arranger	Stanbic Bank Ghana Limited.
Dealers	Stanbic Bank Ghana Limited, Databank Brokerage Limited and Temple Investments Limited.
Paying Agent, Paying Bank and Calculation Agent	Fidelity Bank Ghana Limited.
Registrar	Central Securities Depository (Ghana) Limited.
Note Trustee	Fidelity Bank Ghana Limited.
Taxation	The Issuer is a Ghana resident for tax purposes. All payments of principal and interest in respect of the Notes will be made in compliance with income tax laws of Ghana and without any gross up. Currently, the Issuer is required by the

Income Tax Act, 2015 (Act 896), to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law. Noteholders are advised to seek professional tax advice concerning their specific tax obligations relating to investing in the Notes.

Rating	Issues of Notes under the Programme will not initially be rated. Details of any ratings applicable to a particular Series or Tranche of Notes will be set out in the Applicable Pricing Supplement.
Listing	Application has been made for the Notes to be admitted to listing and trading on the GAX of the GSE. Trading in listed Notes is subject to the trading, clearing and settlement rules and procedures of the GSE and the Notes will be settled in accordance with the applicable GSE settlement procedures. Series or Tranches of Notes issued under the Programme may be listed or unlisted.
Book Closure Period	The Register will be closed ten (10) Business Days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine, subject to the prior approval of the SEC.
Last Day to Register	17:00 GMT on the last Business Day before the first day of a Book Closure Period.
Governing Law	The Notes, the Trust Agreement and the Agency Agreement, and any non-contractual obligations arising therefrom or therewith will be governed by, and shall be construed in accordance with, Ghanaian law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the Republic of Ghana and such other restrictions as may be required in connection with the offering and sale of a particular Tranche or Series of Notes; see “ <i>Subscription and Sale</i> ”.
Cost Expenses	The total cost and expense of the Programme is not anticipated to exceed five <i>per cent</i> (5%) of the total proceeds of the Notes. The Issuer will bear all costs relating to the Programme. The cost of the Programme is summarised below:

Table 2: Estimated Transaction Expenses

Item	Amount in GHS	% of Programme
Legal Fees	150,000	0.08%
Financial Advisory	3,590,000	1.80%
Reporting Accountant	83,600	0.04%
Trustee Fees	240,000	0.03%
Regulatory Fees – SEC	100,000	0.05%
Regulatory Fees – GSE (Listing and Application)	60,000	0.03%
Central Securities Depository Fees	36,000	0.02%
Printing and Publicity Expenses	100,000	0.05%
Total Fees and Expenses	4,359,600	2.18%

5 GENERAL DESCRIPTION OF THE PROGRAMME

The final Issue Price, aggregate Principal Amount and Interest and any other terms and conditions not contained in the Conditions (which are applicable to any Series or Tranche) will be agreed between the Issuer, the Lead Arranger and the Dealers at the time of issuance in accordance with prevailing market conditions and will be set forth in the Applicable Pricing Supplement issued in respect of the Series or Tranche. Each Applicable Pricing Supplement will be submitted for approval by the SEC.

The Notes will be issued in one or more Series or Tranches by the Issuer under the Programme. The Notes shall, unless otherwise specified herein, constitute Senior Notes or Subordinated Notes and shall be Floating Rate or Fixed Rate.

The Issuer has entered into the Trust Agreement with the Note Trustee, in terms of which the Note Trustee acts as trustee for the protection and enforcement of the rights of the Noteholders under the Conditions. The Issuer has also entered into the Agency Agreement with the Note Trustee (as Calculating Agent, the Paying Agent and Paying Bank) and the CSD (as depository and Registrar).

Notes will be issued under the Programme in Series with all Notes in a Series having the same maturity date and identical terms (except that the Issue Dates, Issue Price, Interest Commencement Dates, amounts of the first interest payment and related matters may be different). Notes in each Series may be issued in one or more Tranches, each with different Issue Dates, Issue Price, Tranche Amount, Interest Commencement Dates and amount of first Interest payment, with, however, the Notes in each Tranche having identical terms in all respects. Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement.

The Noteholders are bound by, subject to, and are deemed to have knowledge of all the provisions of this Prospectus, the Applicable Pricing Supplement, the Trust Agreement and the Agency Agreement. In certain circumstances, the Note Trustee can (subject to it being indemnified and/or secured to its satisfaction) be required, by Noteholders holding, at least, 25% of the aggregate Principal Amount of the Notes outstanding or by a Special Resolution of the Noteholders, to exercise its powers under the Trust Agreement. Copies of the Trust Agreement will be available for inspection during usual business hours at the offices of the Note Trustee, for the time being, at Ridge Tower, West Ridge, Accra, Ghana.

5.1 SUMMARY ROLE OF NOTE TRUSTEE

The Note Trustee is the primary representative of all Noteholders and acts in their interest to ensure that all necessary terms underlying the offer are adhered to. The full details of these responsibilities are contained in the Trust Agreement.

5.2 SUMMARY ROLE OF CALCULATION AGENT/PAYING AGENT

The Calculation Agent is primarily responsible for the determination of the Interest Rate for Floating Rate Notes and the calculation of any Principal Amount and Interest due from time to time. The Paying Agent is responsible for the processing of any Principal Amount and

Interest due to each individual Noteholder when required. The full details of these responsibilities are contained in the Agency Agreement.

6 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and form part of the Prospectus. The content of these documents shall, where appropriate, modify and supersede the contents of this Prospectus. These documents will be available for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours:

- (a) all supplements to the Prospectus circulated by the Issuer from time to time;
- (b) the Trust Agreement;
- (c) the Agency Agreement;
- (d) each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under this Prospectus;
- (e) the financial report as prepared by EY dated 10 December, 2015;
- (f) the audited financial statements of the Issuer for the financial year ending December 31, 2014;
- (g) the audited annual financial statements (and notes thereto), and any interim quarterly financial statements (whether audited or unaudited) published subsequent to such annual financial statements of the Issuer for the subsequent financial years prior to each issue of Notes;
- (h) the escrow account agreement dated 2 November, 2015 and entered into between the Issuer, Databank Brokerage Limited and Fidelity Bank Ghana Limited; and
- (i) regulations of the Company

7 FORM OF NOTES

The details of the form of the Notes shall be as follows:

- (a) the Notes shall be held electronically on the CSD;
- (b) all Noteholders will be required to open and maintain CSD accounts prior to a purchase under this Programme, if they do not own one already, to which all purchases will be credited upon allotment;
- (c) the Register will be maintained electronically on in book-entry form on the CSD and no certificates will be issued to individual Noteholders;
- (d) the CSD shall maintain a Register, which shows a record of Noteholders' respective electronic book entries in the CSD system, the particulars of Noteholders and their respective holdings;
- (e) entry on the Register shall represent proof of ownership of the rights in a Note;
- (f) the Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each Series or Tranche of Notes), who will hold the Global Note Certificate as a nominee for the Noteholders; and
- (g) if Notes are transferred subsequent to issue, rights of ownership will be transferred *via* entries in the Register, per the CSD securities transfer rules.

8 RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could have a material adverse effect on their businesses and ability to make payments due under the Notes. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

8.1 RISKS RELATING TO GHANA

8.1.1 *An investment in an operation in a developing country such as Ghana is subject to substantially greater risks than an investment in a more developed country*

Investing in securities of emerging markets issuers operating in countries such as Ghana is subject to substantially greater risks than investments in securities of issuers from more mature markets. These risks include, but are not limited to, higher volatility and more limited liquidity in respect of the Notes, greater political risk and corruption.

8.1.2 *Failure to implement economic and fiscal reforms may have a negative effect on the performance of the economy*

The Ghanaian government is currently pursuing various fiscal reforms as part of its fiscal consolidation programme to correct macroeconomic imbalances in response to the significant pressures which its economy is facing. These reforms include rationalisation of public spending, restructuring public sector wages, restructuring statutory funds and enhancing revenue collection and tax administration. Although the government has begun and intends to continue to carry out its economic and fiscal reforms, there is no assurance that it will succeed in implementing them. The government's failure to implement these reforms may have a negative effect on the performance of the economy and the businesses that operate within it.

8.1.3 *Power shortages continue to negatively impact economic growth*

Power rationing continues to represent a major challenge in the Ghanaian economy. Power rationing has forced some mining and manufacturing companies in Ghana to reduce their electricity usage from the national grid, which in turn adversely affects production and tax revenue. Manufacturers and other businesses have had to face the cost of increased use of generators and thermal sources of energy. Ghana's increased reliance on thermal generation of electricity also increased its dependence upon oil imports and its corresponding vulnerability to increases in oil prices. If gas supply is not expedited by the Republic's own pipelines or from outside sources, Ghana will continue to rely on light crude oil generation, which is nearly three times more expensive than gas-fired generation, to power its thermal generation plants, which account for 36% total power generated. Hence, the average cost of electricity generation might increase significantly, which in turn could jeopardise economic growth and adversely impact Ghana's fiscal accounts if these cost increases are not fully passed on to electricity consumers..

Sufficient and sustainable additional capacity is not guaranteed, nor can the government guarantee that there will not be continuing disruptions to the electricity supply. Power shortages have had a significant negative impact on Ghana's industrial sector output and adversely affected the country's budgetary position by increasing expenditures.

8.1.4 *Decreases in the market price for gold, which in the past has fluctuated widely, could adversely affect Ghana's economy*

Gold constituted the largest source of export earnings in 2013, making up approximately 36.1% of total export earnings. Gold prices have generally decreased since 2012. The gold mining industry is largely foreign-owned and hence the government's income from gold is predominantly composed of royalties from gold sales as opposed to direct export earnings. Historically, the market price for gold has fluctuated widely (between USD 871 per ounce and USD 1,664 per ounce in the last five years) and has been affected by numerous factors over which Ghana has no control, including:

- the demand for gold for industrial uses and for use in jewellery;
- actual, expected or rumoured purchases and sales of gold by central banks;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production by other gold producers;
- international or regional political and economic events or trends;
- the strength of the USD (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation; and
- interest rates.

In addition, gold is sold throughout the world principally in USD, but the production costs of the Ghanaian producers are incurred principally in GHS. As a result, any significant and sustained appreciation of the GHS against the USD may materially increase the production costs per ounce in USD terms, decrease export revenues from gold sales and thus decrease Ghana's royalties.

8.1.5 Political climate or a change in government may negatively affect the economy

Ghana has experienced periods of political and economic instability in the past. During the periods immediately prior to and following previous elections in 1992, 1996, 2000, 2004 and 2008, Ghana experienced periods of instability characterised by exchange rate volatility, high inflation and fiscal overruns. The government has since 2009, implemented broad economic reform programmes focused on achieving macroeconomic stability and an environment conducive to sustainable economic growth.

The most critical structural reforms to be fully implemented or continued include (i) comprehensive reforms of Ghanaian tax legislation with a view to broadening the tax base by bringing a substantial portion of the shadow economy into the reporting economy, (ii) reform of the energy, mining and agriculture sectors and (iii) reform of social benefits and pensions. Future political instability in the executive or legislative branches could hamper efforts to implement necessary reforms. There can be no assurance that the political initiatives necessary to achieve these or any other reforms will continue, will not be reversed or will achieve their intended aims.

Any significant changes in the political climate in Ghana, including changes affecting the stability of the Ghanaian government or involving a rejection or reversal of reform policies favouring privatisation, industrial restructuring and administrative and regulatory reform, may have negative effects on the economy.

8.1.6 Failure to address actual and perceived risks of corruption adequately may adversely affect Ghana's economy and ability to attract foreign direct investment

Although Ghana implemented and is pursuing major initiatives to prevent and fight corruption and unlawful enrichment, corruption remains a significant issue in Ghana, as it is in many other emerging markets. Ghana is ranked 61 out of 175 countries in Transparency International's 2014 Corruption Perceptions Index and placed 67 out of 189 in the World Bank's Doing Business 2014 report. In recent years, Ghana implemented various measures to prevent and fight corruption and unlawful enrichment. In particular, in May 2013, the Republic's Commission on Human Rights and Administrative Justice announced the National Anti-Corruption Action Plan, which sets forth a 10-year national strategy to combat and condemn corruption. In addition, public contract procurement is regulated under the Public Procurement Act, 2003 (Act 663). Despite various reform efforts, corruption continues to be a serious problem impacting Ghana. Failure to address these issues, continued corruption in the public sector and any future allegations or perceived risk of corruption in Ghana could have an adverse effect on Ghana's economy.

8.1.7 Financial and statistical information may be unreliable

Although a range of government ministries, along with the Bank of Ghana, produce statistics on Ghana and its economy, given the size of the informal economy, there can be no assurance that these statistics are as accurate or as reliable as those compiled in more developed countries. In addition, comparing national and international data sources can yield inconsistencies. Standards of accuracy of statistical data may vary from ministry to ministry and from period to period due to the application of different methodologies.

8.1.8 Events in neighbouring and other emerging markets, including those in sub-Saharan Africa and Saharan Africa

Economic, security or health distress in Ghana's neighbours and nearby countries may adversely affect Ghana's economy, the prices of securities and the level of investment in other emerging market issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Ghana, adversely affect the Ghanaian economy or adversely affect the trading price of the Notes. Even if the Ghanaian economy remains relatively stable, economic distress in other emerging market countries could adversely affect the trading price of the Notes and the availability of foreign funding sources for the government. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Ghana if investors perceive risk that such developments will adversely affect Ghana or that similar adverse developments may occur in Ghana. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, the outbreak of disease, including the Ebola Virus, and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Ghana.

8.1.9 The global economic crisis has adversely impacted the Ghanaian economy

The global recession and financial crisis in 2008 and 2009 impacted Ghana particularly through the resulting fluctuations in oil prices and increased investor aversion to risk, which resulted in a withdrawal of portfolio capital and reduced access of private sector borrowers to external credit lines. The impact of the global recession is primarily evidenced by a reduction in external reserves, the weakening of the GHS towards the end of 2008, falling commodity prices, reduced net capital inflows and the bad debt exposure of Ghanaian banks. The real GDP growth of the country decreased to 4.1% in 2014, 7.1% in 2013 from 8.8% in 2012, 15% in 2011, 8% in 2010 and 4% in 2009. If the global economy further weakens, this may have an adverse effect on the economy in Ghana.

8.1.10 Natural disasters such as floods and droughts have negatively affected Ghana in the past and may negatively affect it in the future

Like other countries in Africa, Ghana has historically been affected by a variety of natural disasters, including floods and droughts. Natural disasters such as floods often lead to casualties, the destruction of crops and livestock, the outbreak of waterborne disease and the destruction of infrastructure, such as roads and bridges. Droughts may negatively

affect the production of agricultural commodities, the food supply in general and the generation of hydroelectric power. Expenditures associated with natural disaster relief efforts adversely affect Ghana's budgetary position.

8.2 RISKS RELATING TO THE ISSUER

8.2.1 *Difficult macroeconomic and financial market conditions may have a material adverse effect on the Issuer's business*

Disruptions in global capital and credit markets, coupled with the re-pricing of credit risk created difficult conditions in financial markets. These conditions have resulted in historically high levels of volatility across many markets (including capital markets), volatile commodity prices, decreased or no liquidity, widening of credit spreads, lack of price transparency in certain markets and the failure of a number of financial institutions in the United States and Europe. In response to the global financial crisis, the government of the United States, a number of European governments and international monetary organisations have taken steps intended to help stabilise the financial system and increase the flow of credit in their respective economies and globally. There can be no assurance as to the actual impact that these measures and related actions will have on the financial markets and consumer and corporate confidence generally and on the Issuer specifically, including the levels of volatility and limited credit availability in wholesale markets that have recently characterised the financial markets. The failure of these measures and related actions to help stabilise the financial markets and a continuation or worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, further market volatility and decline, further economic disruption and, as a result, could have an adverse effect on the Issuer's business, financial condition, results of operations and prospects.

8.2.2 *Customer concentration risk*

The Issuer is subject to customer concentration risk as a result of its reliance on the public sector for a large portion of its payroll loans to customers, and the resulting interest income. As at September 2015, loans disbursed to customers employed in the public sector accounted for approximately 90% of the Issuer's total loan portfolio. This concentration of public sector employee customers may result in the Issuer being vulnerable to civil service and government volatility (for example, public sector strikes). Furthermore, if for any reason the Issuer loses or experiences a decrease in the amount of its business from public sector employees as a result of market conditions, competition or otherwise, the Issuer's financial condition and/or results of operations may be adversely affected.

8.2.3 *Low income customer base*

A high proportion of the Issuer's customers fall into the lower income brackets of the Ghanaian workforce or are individual traders whose incomes may fluctuate. Their borrowing from the Issuer may be their first access to credit meaning that they may not be familiar with repayment procedures and may not have credit histories.

As a result, these customers represent a greater degree of risk than borrowers with higher levels of income, who work in the formal sector of the economy and have established credit histories.

8.2.4 *Interest rate risk*

The Issuer's loan portfolio consists entirely of loans bearing interest at fixed rates: the net interest income from the Issuer's loans depends on the spread between the Issuer's cost of funding and the interest rates charged to customers. The Issuer is therefore exposed to the risk of a difference in interest rates between those applied to its loans and those on its sources of funding. In addition, an upward change in the interest rate environment in Ghana, regionally or across Africa, or general uncertainty about changes in interest rates, could affect demand for credit in Ghana. Failure to manage these risks could reduce the net interest income the Issuer earns on its loan portfolio, or affect demand for the Issuer's, either of which may in turn have an adverse effect on the Issuer's business, financial condition and results of operations.

8.2.5 *Cost inflation risk*

The majority of the loans disbursed by the Issuer carry a fixed rate of interest: therefore the revenue which can be generated is fixed at the point of disbursement. However, the majority of the costs involved in generating that revenue are subject to inflation: employee and branch costs will increase through a combination of earnings and price inflation and can erode profitability. Significant cost inflation coupled with failure by the Issuer to accurately predict such inflation could adversely affect the financial condition of the Issuer.

8.2.6 *Maturity mismatch risk*

Mismatches between the maturity of loans with the Issuer's portfolio and its sources of funding may present a liquidity risk if the Issuer fails to obtain funding on an ongoing basis, and could magnify the effect of any imbalance in interest rates. If the Issuer fails to adequately match the maturity of its funding with that of its loan portfolio, there may be an adverse impact on its business operations.

8.2.7 *Funding Risk*

The Issuer relies on several sources of funding that are external to the Group, including bilateral loans and in the near future, debt securities, to finance its operations. Adverse financial conditions, including a liquidity crisis, could limit the Issuer's access to new or sustained funding. Any decrease in the availability of one or more of the Issuer's funding sources could have an adverse effect on its business, financial condition and results of operations.

The Issuer may also require new capital in the future in order to grow its loan portfolio, to remain competitive or to enter into new businesses. In addition, the Issuer may need to raise capital to increase its equity base in the event that the Issuer experiences large, unexpected losses in its loan portfolio. The Issuer cannot give any assurances that it will be able to obtain funding external to the Group in a timely manner, on acceptable terms or at all. This may have an adverse effect on its business, financial condition and results of operations.

8.2.8 *The Issuer's loan portfolio is unsecured*

The Issuer's loan portfolio is unsecured. If all or a substantial part of the Issuer's unsecured customers default on their loans and the Issuer is unable to identify or enforce claims against unsecured assets of such customers, this could have a material adverse effect on the Issuer's business, financial position, results of operations and/or prospects.

8.2.9 *Payroll loans approval does not always include a consultation with consumer credit agencies*

With regard to payroll loan applications, consultations with consumer credit agencies on the credit history of the customer are only carried out where information is available. Furthermore, there is no centralised information system that allows the Issuer to verify compliance with the maximum amount of payments that can be made by employees through payroll deductions, which the Issuer defines as 50% of the amount of each employee's net salary. Therefore the information that the Issuer has about a particular customer might be insufficient to prevent situations that could affect the recovery of the loan. Such a situation may have a material adverse effect on the Issuer's business, financial condition and results of operations.

8.2.10 *Loss of payroll deduction capacity*

99.33% of the Issuer's loan portfolio is made up of payroll loans while the remaining 0.67% covers micro loans on a net basis. The Issuer relies on the ability to collect directly from the payroll of its customers. The Issuer enters into an agreement with their customers' employers determining how the Issuer may interact with the employer and collect loan repayments. In the event that the Issuer is not able to maintain the existing contracts with its customers' employers, the Issuer's ability to collect loan repayments and originate new payroll loans could be reduced. Any deterioration in the relationship between the Issuer and the employers or any changes to the collection process of payroll loan may result in the termination of the contract and could have a material adverse effect on the Issuer's business, financial condition and results of operations.

8.2.11 *Failure to deduct payments*

The instructions that borrowers give to their employers authorising deductions from their salaries to service repayments on payroll loans with the Issuer may be revoked in exceptional cases. Similarly, payroll deductions may not be made accurately or promptly by the customer's public sector employer as a result of administrative problems or errors, the loss of employment or the incapacity of the customer. If loan repayments are no longer deducted from the salaries of the Issuer's payroll loan borrowers, the Issuer's payroll loan business and credit profile may be materially and adversely affected, negatively impacting the Issuer's business, financial condition and results of operations.

8.2.12 *The Issuer's business relies heavily on data collection, processing and storage information systems*

The Issuer's business is dependent on its ability to collect and process a large amount of information related to the existing customer base, including transaction processes that may increase in complexity with an increase in the volume of its business. The proper

functioning of financial control, accounting or other data collection and processing systems is critical to the Issuer's business and to its ability to compete effectively. A partial or complete failure of any of these primary systems or the inappropriate handling of the data stored therein could adversely impact the Issuer's decision-making process, its risk management and internal control systems, as well as its ability to respond in a timely manner to changing market conditions. In addition, the Issuer may experience difficulties in upgrading, developing and expanding its information technology systems quickly enough to accommodate its growing customer base.

If the Issuer cannot maintain effective and secure data collection and handling processes, and management systems, or if the Issuer cannot upgrade such systems in a timely fashion, such failure may adversely affect its business, financial condition and results of operations.

8.2.13 *Reliance on information technology*

The Issuer's ability to operate and remain competitive depends, *inter alia*, on its ability to maintain and upgrade its information technology infrastructure in a timely and cost-effective manner. Failure to take the actions needed to ensure its IT systems licences remain business-relevant, current and secure could materially and adversely affect the Issuer's competitiveness, financial position and results of operations.

8.2.14 *Inability to evaluate new product risk*

The Issuer has recently entered the credit protection and credit life policy business, and constantly seeks to innovate in relation to its product offering. The Issuer does not have previous experience of this business and the related risks and so may not be able to fully evaluate them. In addition, the models and assumptions applied by the Issuer upon entering the credit protection and credit life policy business, or indeed other innovative business lines, may prove to be inaccurate. Failures to anticipate risks involved with new lines of business may result in unexpected increases to the Issuer's loan loss provisioning and may affect the Issuer's business, financial condition and results of operations.

8.2.15 *Plans for growth, development and diversification may not be successful*

The Issuer's strategy involved the growth of its business, not only in terms of size but also in terms of its customer base and product offering. The Issuer cannot offer assurances that its growth and diversification strategy will be successful and that its strategy will not cause it to incur losses. In addition, the Issuer may be required to incur additional costs in order to fulfil its strategy, and such costs may be only partially recovered, if at all. Such strategy and the resulting expenditure and/or losses, may have an adverse effect on its business, results of operations, financial situation and future projections.

8.2.16 *Origination of payroll loans is highly dependent on the Issuer's relationships*

The Issuer has entered into cooperation agreements with the Controller and Accountant General's Department, the Ghana Police Service and some private employers, and it is through these relationships that the Issuer promotes the Issuer's payroll loan products. In some instances, the cooperation agreements provide for the payment of a fee (to cover administration expenses of the employer in connection with the payroll deduction collection

and also an incentive to the employer to maintain prudent risk management standards) by the Issuer to the employer based on a fixed percentage of the instalment originated through the particular cooperation agreement. These cooperation agreements can be terminated without notice. In the event that the Issuer is not able to maintain the existing cooperation agreements with these public sector entities, the Issuer's ability to originate new payroll loans could be adversely affected, which may reduce the size of the Issuer's loan portfolio and affect its growth.

8.2.17 Risk of Competition

The Ghanaian market for the products offered by the Issuer is highly competitive. The Issuer's competitors include commercial banks and other financial institutions. The Issuer expects competition to continue to intensify as it continues expanding its operations. Institutions with which the Issuer currently competes with may have significantly greater assets and capital, access to financing sources, brand recognition, geographic penetration, experience with credit rating structures and other advantages, compared to the Issuer. In addition, the Issuer's competitors may be better able than the Issuer is to anticipate and respond to market trends. If the Issuer is not able to effectively compete with one or more competitor within the market, the Issuer's financial condition, results of operations and prospects may be adversely affected.

8.2.18 The Issuer is a licensed entity

The Issuer's operations are licensed by the Bank of Ghana. If any such license, permit or permission is not renewed, or is revoked, or is re-issued in a form not suitable for the Issuer's operations, this would have a material adverse effect on the Issuer's business and financial condition or result of operations.

8.2.19 Brand and reputation is central to the issuer's business

The Issuer's success and its future growth is dependent upon the strength of its brand and its reputation. The Issuer operates a business model where integrity and customer confidence are important. Damage to its reputation or brands as a result of adverse publicity could directly affect customer willingness to use the Issuer's products or make contractual repayments, and may make it more difficult for the Issuer to recruit and retain management, employees and agents, thereby directly affecting revenue. Adverse publicity may also ultimately lead to increased pressure for regulatory change in the consumer credit industry with adverse consequences on the Issuer's business, results of operations and financial condition.

8.2.20 The Issuer depends on key personnel, its ability to retain and hire additional key personnel and the maintenance of good labour relations

The Issuer depends on the experience and services of its principal officers and key employees. The loss of any of the Issuer's principal officers, key employees or senior managers could negatively affect the Issuer's ability to execute its business strategy. In line with the Issuer's planned expansion, its future success also depends on its continuing ability to identify, hire, train and retain other qualified sales, marketing, collections and managerial personnel. Competition for such qualified personnel is intense and the Issuer may be unable to attract, integrate or retain qualified personnel at levels of experience or

compensation that are necessary to maintain the Issuer's market position or to sustain or expand its operations. Failure to retain and attract key personnel may adversely impact the Issuer's business, results of operations, prospects and financial condition.

8.3 RISKS RELATING TO THE MARKET

8.3.1 *No Secondary Market — An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

8.3.2 *The market price of the Notes may be volatile*

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the trading market for notes issued by or on behalf of the Republic of Ghana as a sovereign borrower. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's results of operations or financial condition.

8.3.3 *Financial turmoil in emerging markets could cause the price of the Notes to suffer*

In recent years, Ghana has undergone significant economic reform which has increased contributed to economic growth. Ghana is nonetheless considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets, like Ghana, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Notes is influenced by economic and market conditions in Ghana and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the United States. Financial turmoil in Ghana and emerging markets in the past have adversely affected market prices in the world's

securities markets for companies that operate in developing economies. Even if the Ghanaian economy remains relatively stable, financial turmoil in these countries could have a material adverse effect on the market price of the Notes.

8.3.4 *Exchange rate risks and exchange controls – If an investor holds Notes which are not denominated in the investor’s home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

The Issuer will pay the Principal Amount and Interest in the Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the **Investor’s Currency**) other than the Currency. These include the risk that exchange rates may significantly change (including changes due to a devaluation of the Currency or a revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Currency would decrease (i) the Investor’s Currency equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Currency into the Investor’s Currency, which could have a material adverse effect on the market value of the Notes. There may also be tax consequences for investors.

8.3.5 *Interest Rate Risk — The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

8.4 RISKS RELATING TO THE NOTES

8.4.1 *Risks Related to the Structure of a Particular Issue of Notes*

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

8.4.2 *Redemption at the option of the Issuer – if the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any redemption period.

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

8.4.3 *Unsecured Notes constitute unsecured obligations of the Issuer*

The Issuer's obligations under the unsecured Notes constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

8.4.4 *Subordinated Notes constitute subordinated obligations of the Issuer – claims of Noteholders under the Notes will be subordinated to those of certain other creditors*

The claims of holders of Subordinated Notes will rank below the claims of holders of Senior Notes issued by the Issuer and also subordinate to the claims of other senior creditors of the Issuer. Any such preferential claims may reduce the amount recoverable on the Subordinated Notes on any dissolution, winding up or liquidation of the Issuer and may result in an investor in Subordinated Notes losing all or some of its investment.

8.4.5 *Modification, waivers and substitution*

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, such binding decisions made by majorities of Noteholders may be adverse to the interests of potential investors.

8.4.6 *The value of the Notes could be adversely affected by a change in Ghanaian law or administrative practice*

The Conditions are based on Ghanaian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to

Ghanaian law or administrative practice after the date of this Prospectus and any such change could have a material adverse effect on the value of any Notes affected by it.

8.4.7 *Further Notes may be issued without the consent of Noteholders*

The Issuer may, from time to time, create and issue further Notes without the consent of Noteholders, subject to terms and conditions which are the same as those of existing Notes, or the same except for the amount of the first new payment of interest. Such new Notes may be consolidated and form a single series with outstanding Notes.

8.4.8 *The Global Note is held by or on behalf of the CSD; investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each series or tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings. The Register will be maintained electronically in a book-entry form on the CSD.

The Register will be held and updated by the CSD, which shall record each Series and Tranche of Notes, the number of Notes in each Series and Tranche, the Number of Notes in each Series and Tranche held by each Noteholder and the names and addresses and bank account details of each Noteholder.

While the Notes are represented by the Global Note, investors will be able to trade their beneficial interests only through the CSD. If Notes are transferred subsequent to issue, rights of ownership will be transferred *via* entries in the Register, per the CSD securities transfer rules. The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the Paying Agent for distribution to their account holders. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Note.

9 INFORMATION ON THE ISSUER

This section highlights key aspects of the Issuer's business operations. Prospective investors

should read the entire Prospectus, including, where necessary, the Issuer's audited consolidated financial statements and related notes, included elsewhere in this Prospectus, together with the Applicable Pricing Supplement before making an investment decision.

9.1 PROFILE OF THE ISSUER

The Issuer was incorporated, under the Companies Act, as a private limited liability company on October 23, 2002 as “*Ghana Financial Services Limited*”. It changed its name from “*Ghana Financial Services Limited*” to “*Bayport Financial Services Ghana Limited*” on March 5, 2009.

The Issuer was converted into a public limited liability company by a special resolution of its shareholders on October 26, 2015. The registered address of the Issuer is 71 Osu Badu Street, Airport West, Accra PMB 248, Accra North, Accra, Ghana. Its telephone number is +233 (0)302-910-755. The company registration number of the Issuer is CS691702015.

9.2 LICENSING AND REGULATION OF THE ISSUER

On June 11, 2009, the Issuer was licensed by the Bank of Ghana as an NBFi to operate as a finance house. The licensing was made under the Financial Institutions (Non-Banking) Law, 1993 which was replaced by the Non-Bank Financial Institutions Act, 2008 (**NBFI Act**). The NBFI Act subjected the regulation of finance houses (among others) to the Banking Act. The Issuer is, therefore, subject to the Banking Act and the applicable notices and guidelines issued by the Bank of Ghana from time to time.

Under the Banking Act, the capital adequacy ratio applicable to the Issuer as a non-bank financial institution is 10%. The Issuer's actual capital adequacy ratio as at the date of the Prospectus is 24.25%.

The Issuer is one of Ghana's largest NBFIs, engaged primarily in salary deduction based lending. It has been operating in Ghana since 2003 and has 32 branches across Ghana, including in every regional capital. The Issuer currently has a customer base in excess of 100,000 individuals. The Issuer's lending portfolio as at the date of the Prospectus is GHS 230,000,000. The Issuer's aim is to be an easy-access and reliable financial solutions provider of choice.

Table 3: Details of Branches of the Issuer

Region	Number of branches
Ashanti Region	4
Brong Ahafo Region	6
Central Region	3
Eastern Region	3

Region	Number of branches
Greater Accra Region	4
Northern Region	3
Upper East Region	1
Upper West Region	2
Volta Region	2
Western Region	4
TOTAL	32

9.3 SHAREHOLDING STRUCTURE OF THE ISSUER

The Issuer is registered with 20,000,000,000 ordinary shares of no par value of which it has issued 11,303,000,000 as at the date of this Prospectus.

As at the date of this Prospectus, the details of the shareholdings in the Issuer are as follows:

Table 4: Summary of Share Information

Name of Shareholder	No. of Shares	% Holding
BML	10,200,000,000	90.24%
Kofi Adu-Mensah	452,000,000	4.00%
Ghana Mine Workers' Union	425,000,000	3.76%
Angela Leibel	226,000,000	2.00%
TOTAL	11,303,000,000	100%

Two (2) of the shareholders (Kofi Adu-Mensah and Angela Leibel) are also executive directors of the Issuer and hold an aggregate of 6% of the issued shares in the Issuer.

9.4 PROFILE OF SIGNIFICANT SHAREHOLDER OF THE ISSUER

BML was incorporated on September 2001 in British Virgin Islands and continued as a Mauritian company with effect from March 4, 2005. BML was registered as a private company limited by shares on March 2, 2005 under the Mauritian Companies Act with registration number 54787 C1/GBL.

BML holds a Category 1 Global Business Licence issued by the Financial Services Commission of Mauritius on March 3, 2005 under the Mauritian Financial Services Act, 2007 and the Financial Services (Consolidated Licensing and Fees) Rules 2008. BML was converted into a public company limited by shares on July 28, 2011. The shares of BML are listed on the Stock Exchange of Mauritius. The authorised businesses of BML include the engagement in global business and borrowing.

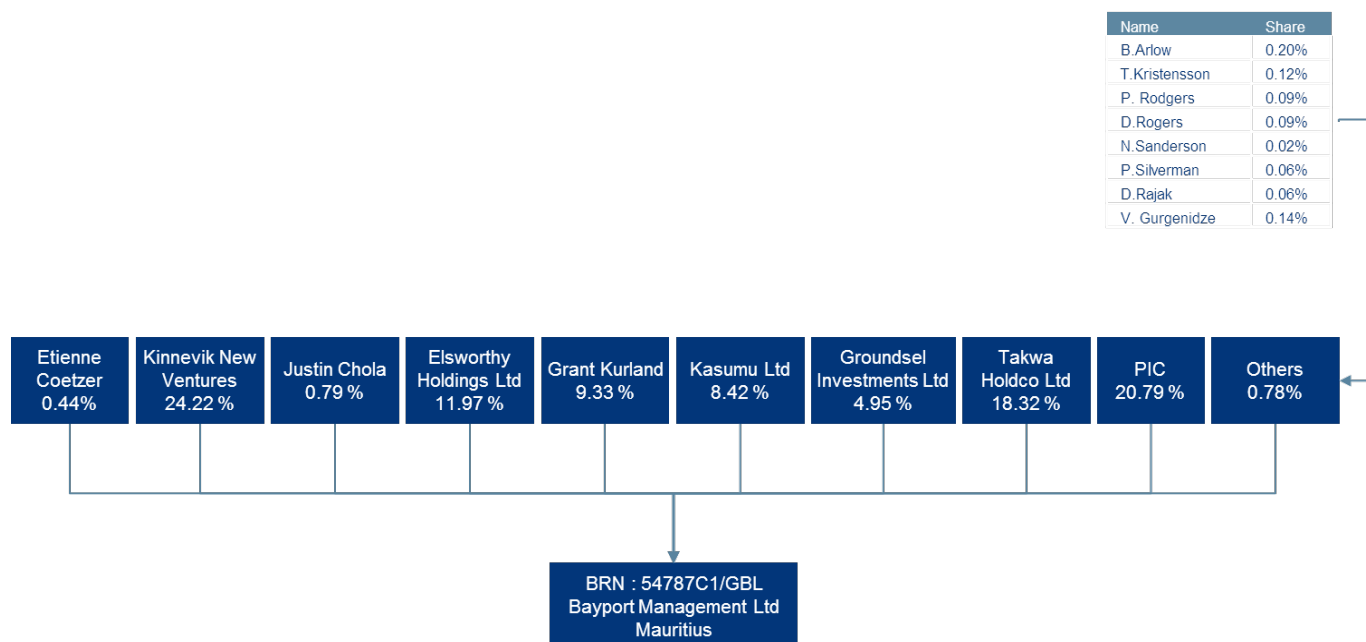
BML is the parent company of the Bayport Group. The Bayport Group started its operations in Zambia in 2002 by introducing pay-roll lending to the mining labour union and expanded to other jurisdictions. The details of the operational companies of the Bayport Group are as follows:

Table 5: Bayport Group

Subsidiary Company	Country	Parent	Holding
Bayport Financial Services Ghana Limited	Ghana	BML	90.2%
Consumer Finance Company Ghana Limited	Ghana	BML	74%
Money Quest Investments (Pty) Limited	Botswana	BML	95%
Bayport Financial Services Tanzania Limited	Tanzania	BML	89%
Bayport Financial Services Uganda Limited	Uganda	BML	85%

Bayport Financial Services Limited	Zambia	BML	74.9%
Bayport Financial Services 2010 Proprietary Limited	South Africa	BML	100%
Financiera Fortalexa S.A. de C.V. SOFOM ENR	Mexico	Actvest Mexico (subsidiary of BML)	60%
Bayport Colombia S.A.S	Colombia	BML (with 16.39% held by Bayport Latin America Holdings Ltd (subsidiary of BML))	83.53%
Bayport Financial Services Mocambique (MCB) S.A. Sociedade Anonima	Mozambique	BML	95%

Figure 1: BML Shareholding Structure



9.5 DIRECTOR PROFILE AND CORPORATE GOVERNANCE

9.5.1 Directors of the Issuer

The board of directors of the Issuer consists of nine (9) directors, including the chairman. The summarised profiles of the directors are set out below:

(a) *Kwame Pianim (Chairman), Ghanaian, 77 years*

Mr. Pianim has been a member of the board of directors since October 2002. He is a successful management and investment consultant with diversified work experience in the international arena and in the private and public sectors of Ghana's economy. His illustrious career includes working as an economic research officer at the United Nations Headquarters, New York, United States of America (1964 – 1970), the acting principal secretary at the Ministry of Finance and Economic Planning, Ghana (1970 – 1972), the deputy managing director and marketing director of Aluminium Products Limited, Ghana (1972 – 1975), the chief

executive officer of Ghana Cocoa Marketing Board, Ghana (1978 – 1979) and the chief executive officer of New World Investments Limited (1998 – 2008).

He also worked as a management and investment consultant (between 1975 and 1978) prior to the incorporation of New World Investments Limited. During this period, he undertook various assignments, including preparing preliminary project outlines for the establishment of Shangrila Hotel, Novotel, Printex (then Spintex) and the Social Security Bank now Societe Generale Bank Ghana Limited.

Mr. Pianim holds a double Bachelor of Arts (Hons.) degree in Economics and Political Science (Commonwealth Scholar – 1960 to 1963) from the University of New Brunswick, Fredericton, New Brunswick, Canada and a Master of Arts degree in Economics from Yale University, New Haven, Connecticut, United States of America (1964). He also has several publications on economic and social issues in Ghana to his credit.

(b) Stuart Stone (Non-executive Director), South African, 46 years

Mr. Stone has been a member of the board of directors since October 2002. He is a Chartered Accountant and a highly successful entrepreneur. He is the co-chief executive officer of the Bayport Group. In 2001, Mr. Stone co-founded BML with Grant Kurland.

His work experience include the establishment of Credit Direct (Pty) Ltd (**Credit Direct**), a micro-finance company with a well-structured mobile sale force numbering over 2,000 in South Africa in the mid 1990's. Credit Direct later entered into a joint venture with African Bank Investment Limited (**ABIL**) and, in May 2000, Mr. Stone sold out his remaining equity to ABIL. Credit Direct was fully integrated into ABIL's operations and, as at the date hereof, approximately 60% of ABIL's turnover is derived from Credit Directs' mobile sales force and the nationwide depots that it established.

Mr. Stone holds a Bachelor of Commerce degree and a Post Graduate Diploma in Accounting (PGDA).

(c) Nana Prah Agyensaim VI (Non-executive Director), Ghanaian, 74 years

Nana Agyensaim has been a member of the board of directors since November 2003. Nana Agyensaim is the Omanhene of Owierenkyi Traditional Area, Central Region of Ghana. He is a lawyer by profession.

From 1983 to date, Nana has had an illustrious career as a business law consultant and a lobbyist. His clients have included Sandvick Rock Tools Limited, NEI, MINPROC Ghana Limited, UEE Spain (mining explosives), Mutual Mining Resources, Bayswater Construction (mining contractors), Limestone Ghana Limited (limestone mining), Caspian Oil and Gas, Australia, Leo Shield Mining Exploration, Australia (gold mining) and NALCO Espaniola (mining chemicals). From 1985 to date, Nana has been the chairman and managing director of Industrial and Engineering Services (Ghana) Limited, a mining engineering and legal consulting firm. He was also the executive chairman of Interoc Ghana Limited, a mining

support services company from 1996 to 2000. From 1977 to 1983, he was a legal officer at the Ministry of Trade, Accra.

Nana Agyensaim is a consultant for Caspian Oil and Gas and a former member of the Council of State of Ghana (an advisory body to the President of Ghana). He has chaired several local and international conferences and, until January 2009, was the board chairman of Tema Development Corporation.

He obtained a Bachelor of Laws and Bachelor of Arts (Hons.) degree in Business Law from the University of Guildhall (now Metropolitan University), London, United Kingdom from 1972 to 1976.

(d) Irene Duncan-Adanusa (Non-executive Director), Ghanaian, 62 years

Mrs. Duncan-Adanusa has been a member of the board of directors since November 2003. She is the acting president of Education International Africa Region and also served as the general secretary of the Ghana National Association of Teachers (**GNAT**). She is also a member of the board of trustees and fund administrator for GNAT's Teachers Fund, a member of the board of directors of Credit Mall Limited (a subsidiary of GNAT's Teachers Fund) and a member of the board of directors of Unique Insurance Company Limited (a subsidiary of the Labour Enterprise Trust of the Trade Union Congress of Ghana).

Her rich work experience includes working as a senior superintendent and tutor for English and Literature at Holy Child Secondary School and Wesley Girls' High School between 1976 and 1981, a principal superintendent and a public relations officer at the Accra regional office of the Ghana Education Service between 1982 and 1985, the deputy and acting head of the public relations unit at the Ghana Education Service between 1985 and 1988, the programme coordinator and personal assistant to the PNDC deputy secretary for higher education in the higher education division of the Ministry of Education between 1988 and 1992, the deputy general secretary for communications and international relations for GNAT between 1993 and 1996, the deputy general secretary in charge of organisation and administration and national coordinator for gender programmes at GNAT between 1998 and 2001. Mrs. Duncan-Adanusa was subsequently appointed as the general secretary for GNAT, a position she held until May 2014.

Mrs. Duncan-Adanusa holds a Master of Arts degree in Employment and Labour Studies (December 1997), Post Graduate Diploma in Journalism and Communication Studies (October 1982), Bachelor of Arts degree in English and Education (July 1976) and a USAID sponsored H.R.D. programme on Educational Planning and Development (Jan – April 1990).

(e) Kofi Adu-Mensah (Managing Director), Ghanaian, 57 years

Mr. Adu-Mensah has been a member of the board of directors since March 2006. He joined the Issuer in May 2005 as the chief operating officer and was confirmed in six (6) months as the substantive managing director, and a director of the Issuer. Under his strong leadership, he has played an instrumental part in building the Issuer into becoming the largest provider of unsecured credit in Ghana. He is also a

director of Trinity Oil Limited and Landmark Gas Oil Company Limited. He was also a member of the Poultry Development Board from 2005 to January 2009.

Mr. Adu-Mensah's professional experience in the finance industry spans varied niches within the sector. The range include risk management in agricultural financing, evaluating the viability of medium-to large scale companies, investment advisory services, marketing financial services in developing countries, issuance of corporate bonds, financial risk management in emerging markets, leasing and consumer based lending.

He has worked with ABAY SA Brussels, Belgium as a trainee management and financial analyst attached to a team of management and financial analyst experts responsible for assessing the feasibility of the company's new and on-going projects. Up to the mid 1990's, he worked for a company with major operational focus on emerging markets. He started as an investment analyst and rose to the position of an investment manager for the International Business Exchange (IBEX) / EWITT Largo International in London. One of his key responsibilities was to identify business and investment opportunities for the company's clientele. In 1996, he relocated to Ghana to head the operations department of LEASAFRIC Ghana Limited as general manager for lease operations. He pioneered the introduction and development of three (3) additional lease products namely; microlease, autolease and consumer lease. At the time of leaving, he had supervised the growth of the company's portfolio over ten-fold.

Mr. Adu-Mensah holds a Master of Business Administration degree from the Middlesex University Business School, United Kingdom, a Diploma in Banking from the Chartered Institute of Bankers, United Kingdom of which he is also a member and a Bachelor of Science (Hons) degree in Agriculture (Agricultural Economics major) from the Kwame Nkrumah University of Science & Technology, Kumasi, Ghana.

(f) Justin Chola (Non-executive Director), Zambian, 53 years

Mr. Chola has been a member of the board of directors since February 2008. He is the chief executive officer of Bayport Financial Services Limited of Zambia, which has become the largest provider of unsecured credit in Zambia under his management.

Mr. Justin Chola has a wealth of experience in the financial services and information technology sectors acquired in various key management positions. Mr. Chola has worked in a number of countries in Africa as well as in the United States of America. He was the group chief operating officer of African Banking Corporation Limited, the director for information technology for Zambian National Commercial Bank Limited and the manager for the South African operations of Enron Corporation.

Mr. Chola holds a Bachelor of Science degree from the University of Newcastle, United Kingdom and a Master of Business Administration degree from the Cornell University, United States of America.

(g) Bryan James Arlow (Non-executive Director), South African, 41 years

Mr. Arlow has been a member of the board of directors since December 2011. He is the chief executive officer of Bayport South Africa. He joined BML in August 2004 as the chief finance officer with oversight responsibility for the Bayport Group. He moved to head the risk management department and later became the chief optimisation officer with the responsibility of ensuring that resources are optimised throughout the operations of the Bayport Group. He was a core team member of Bayport's maiden bond issue of SEK 700 million listed on the Sweden OMX. Subsequently, he has been a core member of other teams that issued additional bonds on the London Stock Exchange.

Prior to joining the Bayport Group, he worked in the United Kingdom with PricewaterhouseCoopers, Credit Suisse First Boston and Merrill Lynch between 1995 and September 2002. He returned to South Africa and worked with ABSA Corporate & Merchant Bank from February 2003 to July 2004 as manager for derivatives before leaving to join the Bayport Group.

Mr. Arlow is a chartered accountant and also holds a Bachelor of Accounting Science degree from the University of South Africa.

(h) Angela Leibel (Deputy Managing Director, Chief Operating Officer), Ghanaian, 52 years

Mrs. Leibel has been a member of the board of directors since December 2012. She is currently the Deputy Managing Director and Chief Operating Officer.

Her career in the finance industry spans diverse areas including the management of non-performing advances (**NPAs**), leasing and consumer lending. She has been a facilitator providing training in the management of NPAs at the National Banking College and under the UNDP MICROSTART Ghana programme for rural banks and NBFIs. She has also been a facilitator in the leasing industry to DFCU- Leasing in Kampala, Uganda and at the 9th Annual Leasing Convention in Dar-es-Salaam, Tanzania on "How to Structure Innovative Lease Products" within an operational environment.

Mrs. Leibel worked with the Non-Performing Assets Recovery Trust, Ghana until 1995 when she moved to the Asset Management/Corporate Restructuring International Inc (**AMCRII**) in Virginia, United States of America. She also worked at NPART, Uganda, when AMCRII was contracted under a joint project between the World Bank and the Government of Uganda to assist in the establishment of the Trust to manage NPAs of the Ugandan banks. In 1996 and under AMCRII, she worked on a project for the board of directors of Ghana Leasing Company to report on the quantum and quality of the company's lease portfolio and recommendations for managing non-performing leases. In June 1997, she moved to LEASAFRIC Ghana Limited as deputy head of operations, where she was very instrumental in the growth and expansion of the company.

In May 2005, she joined the Issuer as the general manager for credit administration. She was confirmed as the overall general manager of the company after six (6) months. In November 2012, she was promoted to the position of deputy managing director. She is hardworking and result-oriented and has been very active in contributing to the growth and development of the Issuer.

Mrs. Leibel holds a Postgraduate Diploma in Corporate Management and Finance (CEFEB) Marseille with (IAE) Pantheon-Sorbonne University, France and a Bachelor of Arts degree in Social Sciences (Economics & Sociology major) from the Kwame Nkrumah University of Science and Technology. Kumasi, Ghana.

(i) *Felicity Acquah, (Non-Executive Director), Ghanaian, 63 years*

Mrs. Acquah has been a member of the board of directors since August 2013. She is a project analyst and a development banker. She has over thirty (30) years' experience in banking and business development and has served in senior positions in the Agricultural Development Bank, National Investment Bank, Merchant Bank and Women's World Banking. She served as managing director of Exim Guaranty Company Ghana Limited (a finance house), a position she held for ten (10) years until she retired in early 2013.

Mrs. Acquah is a pioneer in the establishment of Empretec Ghana Foundation (an entrepreneurship & business development institution initially sponsored by UNCTC, UNDP, DFID, and the World Bank). She assisted in installing Empretec programmes in Botswana, Zimbabwe, South Africa and Sierra Leone. She conducted over 30 entrepreneurship workshops and over 40 management seminars for small and medium enterprises throughout the country.

She has won several awards. Ghana Association of Women Entrepreneurs accorded her two (2) awards for her contribution to business development in the Ghana. In 2005, she won an African Leadership award and, in 2006, she was adjudged the Marketing Woman of the year by the Chartered Institute of Marketing, Ghana. In 2012, she was accorded the Ghana Women Excellence award by MOWAC.

Mrs. Acquah holds a Master of Business Administration (Finance) degree and a Bachelor of Arts degree in Economics and Law and a Postgraduate Diploma in Project Appraisal and Management. She is also a certified trainer in entrepreneurship, a certified business development adviser and a fellow of the Chartered Institute of Bankers.

She is a patron of FIDA (Ghana) and Empretec Women's Forum.

A summary of the details of the directors of the Issuer is as follows:

Table 6: Summary Profile of Directors

Director	Date of Appointment	Period Served	Director Type	Other Directorships
Kwame Pianim	October 2002	13 years	Chairman (Non-Executive)	Airtel Communications Limited, Ghana International School, e-Transact, Ghana International Insurance Brokers, Petroleum Commission, New World Securities, New World Asset Management and Dagan Farms Ghana
Stuart Stone	October 2002	13 years	Non-Executive	BML, Bayport Financial Services (Pty) Ltd, Zenthyme Investment (Pty) Ltd, Actvest (Pty) Ltd and FIMSA

Nana Prah Agyensaim VI	November 2003	12 years	Non-Executive	Perseus Mining Ghana Limited, Maxam Ghana Limited, Ghacem Cement Ghana, Caspian Oil and Gas and Central Regional House of Chiefs
Irene Duncan-Adanusa	November 2003	12 years	Non-Executive	Unique Insurance Company Limited and Ghana Universities Press
Kofi Adu-Mensah	March 2006	9 years	Managing Director	Trinity Oil Limited
Justin Chola	February 2008	7 years	Non-Executive	BML, Bayport Financial Services 2010 (Pty) Ltd, Bayport Financial Services(Zambia),CLCM Investments Limited, Twangale Investments Ltd and Kansanshi Copper Mines
Bryan James Arlow	December 2011	3 years	Non-Executive	Bayport Securitisation (RF) Ltd, Bayport Financial Services (Pty) Ltd., Lintpale Innvestments (Pty) Ltd, Toricclox (Pty) Ltd, M Stores (Pty Ltd), Money Quest Investment Ltd, Actvest - Maritius, Cashfoundry and Bayport Financial Services- Zambia
Angela Leibel	December 2012	3 years	Deputy Managing Director	None
Felicity Acquah	August 2013	2 years	Non-Executive	Catholic Institute of Business and Technology, Eximguaranty Company (Ghana) Limited, Women's World Banking, Association of Development Finance Institutions in Africa, GET Fund and Holy Child School

9.5.2 Senior Management

The details of the senior management of the Issuer are as follows:

(a) Kofi Adu-Mensah (Managing Director)

Please see section 9.5.1(a) above for his profile.

(b) Angela Leibel (Deputy Managing Director)

Please see section 9.5.1(h) above for her profile.

(c) Gabriel Quartey (Financial Controller)

Gabriel joined the Issuer in February 2007 as senior manager in charge of operations, credit and administration. He was appointed as the financial manager a year later.

He has over 19 years' experience in the banking industry spanning various disciplines in the sector. He worked with the Swanzy real estate division of Unilever Ghana Limited, the VAT Service and Ghana Commercial Bank Limited.

Gabriel is a chartered accountant and holds a Postgraduate Diploma in Corporate Management and Finance (CEFEB) Marseille with (IAE) Pantheon-Sorbonne

University, France, and a Bachelor of Science degree in Administration (Accounting) from the University of Ghana.

(d) Allen Jubin (Business Transformation Executive)

Allen joined the Issuer in 2014 as the Business Transformation Executive. She has over twenty (20) years' C-level experience in assets management, investment banking and technology. Prior to joining the Issuer, Allen worked with ING Barings, Barclays Capital, ABN AMRO and T-Systems.

He holds a Bachelor of Science (Hons) degree in Business and Information Systems from the University of East London, United Kingdom. He is a member of the British Computer Society and also holds certificates in investment management.

(e) Kwesi Brew (Human Resource Manager)

Kwesi joined the Issuer in February 2008 as the Human Resource Manager. Prior to joining the Issuer, he was head of human resource at Ghana Breweries Limited for eight (8) years. He was also the human resource manager at Meridian Tobacco Company (Ghana) Limited, from 1993 to 1997.

He holds a Bachelor of Arts degree in Sociology from the University of Ghana and a certificate in Business Management from Insead, Fontainebleau, France.

(f) Nathaniel Nii Addy (General Manager for Bayport Micro)

Nathaniel joined the Issuer in July 2008 as national operations manager and, in July 2013, became the General Manager for "Bayport Micro" (one of the products of the Issuer).

Prior to joining the Issuer, he worked as a finance and accounting specialist for the Ghana Government/African Development Bank (AfDB) funded Ghana Poverty Reduction Project and the Social Investment Fund from July 2007 to June 2008. He was project accountant for the Ghana Government/World Bank funded Agricultural Services Sub Sector Investment Project (AgSSIP) between November 2001 and December 2006. He had a stint as head of financial & cost consulting at Michael Stevens Consulting, Ghana between January and June 2008.

Nathaniel is a certified chartered accountant and holds a Master of Business Administration degree in Strategy from the University of Strathclyde Graduate Business School, United Kingdom and a Bachelor of Commerce with Diploma in Education from the University of Cape Coast.

(g) Eric Twum Ansah (Credit Executive)

Eric joined the Issuer in July 2008 as regional operations manager. In April 2009, he moved into the credit department of the Issuer as arrears management manager and later as credit control manager. He subsequently became the credit risk manager.

Prior to joining the Issuer, he worked as the contract manager for Huawei Technologies Ghana SA, where he managed project budget for all telecom turnkey projects.

Eric is a chartered management accountant and holds a Bachelor of Arts (Hons.) degree in Economics from the University of Ghana, a Master of Science degree in Economics from University of Nottingham, United Kingdom and a Master of Business Administration degree in Finance from the University of Lincoln, United Kingdom.

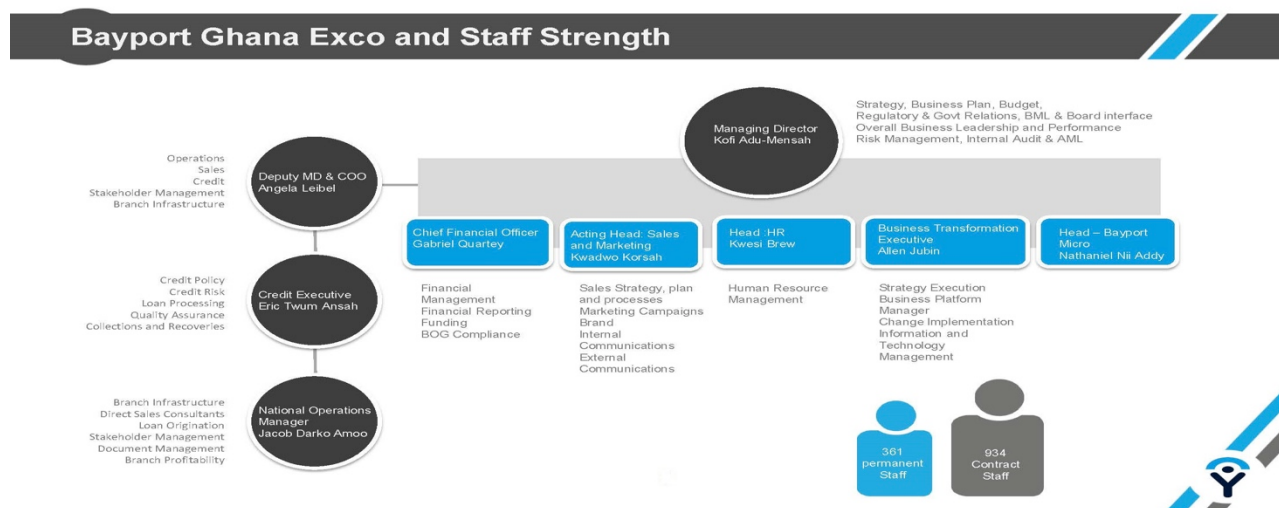
(h) Jacob Darko Amoo (National Operations Manager)

Jacob joined the Issuer in July 2008 as regional sales manager. In July 2013, he was appointed as the National Operations Manager.

Prior to joining the Issuer, he held diverse sales and marketing positions in the brewery industry. He provided consultancy services in sales and marketing operations for the Poly Group of Companies in Ghana, where he helped to establish the sales and marketing department with sales depots and offices throughout Ghana.

He holds a Bachelor of Arts degree in Sociology from the University of Ghana.

Figure 2: Organisation Chart of the Issuer



9.5.3 Corporate Governance and other Matters

(a) Meetings and Committees

The board of directors of the Issuer meet quarterly. Additional meetings are convened when deemed necessary. The details of the committees of the board of directors of the Issuer are as follows:

Table 7: Board Committees and Functions

Committee	Frequency	Areas Covered	Director Responsible
Executive Committee	Monthly	Daily operations and strategic	Kofi Adu-Mensah
Credit Committee	Ad hoc	Credit	Stuart Stone
Audit Committee	Quarterly	Business operations	Felicity Acquah

(b) *Conflicts of Interest*

The Issuer is not aware of any conflicts, or any potential conflicts, between the duties of its directors to the Issuer and their private interests or other duties. The directors of the Issuer are not permitted to participate in the Programme.

(c) *Related Party Transactions*

The existing related party transactions undertaken by the Issuer are as follows:

(i) *Ghana Mine Workers Union (GMWU)*

The Issuer disbursed a loan to the GMWU in December 2005 for general corporate purposes. The amount outstanding as at 31 December 2014 was GHS 149,654.

The GMWU is the holder of 3.76% of the Issuer's issued shares.

(ii) *Actvest (Pty) Limited (Actvest)*

Actvest entered into a professional services agreement with the Issuer in 2004 to provide consulting services (which include accounting, information technology, human resources, procurement, training and general advisory services) on both a fixed fee and "cost plus" basis. The agreement had an initial term of ten (10) years. The parties are in the process of renewing the agreement. As at 31 December 2014, GHS 7,600,809 of fees were owed to Actvest.

Actvest is a South African registered company, some of the shares of which are owned or controlled by directors of the Issuer: the Stuart Stone Family Trust holds 46.94% and Justin Chola holds 4.60% of the issued share capital.

(iii) *BML*

The Issuer entered into a loan arrangement with BML on October 2008. The purpose of the loan was to augment the Issuer's working capital. The loan is set to mature in September 2018. As at June 2015, the outstanding amount was GHS 87,828,465.

A summary of the related party transactions is outlined below:

Table 8: Related Party Transactions

Party	Relationship	Transaction Type	Balance as at June 2015
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GMWU	Shareholder of Issuer	Unsecured Loan	GHS 149,654
Actvest	Subsidiary of BML	Technical Services	GHS 7,600,809
BML	Majority shareholder of Issuer	Unsecured Loan	GHS 87,828,465

(d) Directors' Remuneration & Benefits

For the year ended 31 December 2014, directors' remuneration and benefits amounted to GHS 3,421,443.

(e) Employees

As at the date of the Prospectus, the Issuer employs 1295 persons, of which 361 are permanent staff and 934 are contract staff.

(f) Insurance

The Issuer holds valid insurance policies covering the following designated risks and assets:

Table 9: Insurance Policies

Policy Type	Property/Interest Covered	Insured Value
Assets-All-Risk Insurance	Fire and allied perils, accidents and burglary	GHS 2,800,765.63
Money Insurance	Cash in transit and cash in safe	GHS 20,305,000
Motor Insurance	Comprehensive	GHS 3,842,150.90
Group Life Insurance	Group term policy plus critical illness	GHS 9,103,421.28
Fidelity Guarantee	Fidelity Guarantee	GHS 1,200,000.00

(g) Intellectual Property

The Issuer's key use of intellectual property is in the form of its licensing arrangement with Actvest for the use of the Baylend system. In 2016, the Issuer plans to replace Baylend with Novalend and Novasure under a similar licensing arrangement with Actvest.

(h) IT and Data Security

Currently, the Issuer has servers on premises with mirror servers housed in South Africa. The infrastructure is backed up with an offsite disaster recovery server. Baylend is the main lending system and is server based. It provides real time information on customer accounts and updates online. It is also the main source of information in relation to the Issuer's loan book. The Pastel software is the main financial reporting system of the Issuer.

(i) Immovable Property

The Issuer leases all of the real estate it uses for its operations. The Issuer maintains an All-Assets-Risk insurance policy on its assets. The details of the Issuer's leasing arrangements in respect of its business premises are as follows:

Table 10: Immovable Property of the Issuer

REGION	OFFICE	BRANCH	LEASE START DATE	LEASE END DATE
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REGION	OFFICE	BRANCH	LEASE START DATE	LEASE END DATE
Greater Accra	Head Office	Head Office	Nov 2014	Nov 2016
Greater Accra	Head Office Annex	Head Office	Jan 2015	Dec 2017
Greater Accra	Accra	Kokomlemle	Dec 2013	Nov 2017
Greater Accra	Achimota	Achimota	Sep 2014	Aug 2017
Greater Accra	Tema	Tema	Mar 2014	Feb 2017
Ashanti	Kumasi	Kumasi	Jun 2015	May 2019
Ashanti	Kumasi / SE	Kumasi	Jun 2015	May 2019
Ashanti	Obuasi	Obuasi	Jul 2013	Jul 2014
Ashanti	Effiduase	Effiduase	Aug 2014	Jul 2016
Eastern	Koforidua	Koforidua	Jan 2014	Dec 2016
Eastern	Koforidua / SE	Koforidua	Jul 2014	Jun 2016
Eastern	Nkawaw	Nkawaw	Nov 2013	Nov 2019
Eastern	Akim Oda	Akim Oda	Oct 2013	Sep 2018
Central	Dunkwa-on-Offin	Dunkwa-on-Offin	Jun 2014	May 2019
Central	Cape Coast	Cape Coast	Oct 2013	Sep 2016
Central	Swedru	Swedru	Mar 2012	Apr 2017
Central	Swedru / SE	Swedru	Jun 2014	Feb 2017
Western	Takoradi	Takoradi	Apr 2015	Mar 2021
Western	Tarkwa	Tarkwa	Jan 2012	Jan 2017
Western	Bibiani	Bibiani	May 2013	Apr 2016
Western	Bibiani / SE	Bibiani	Sep 2015	Aug 2020
Western	Asankragwa	Asankragwa	Oct 2014	Sep 2019
Brong Ahafo	Sunyani	Sunyani	Oct 2015	Sep 2021
Brong Ahafo	Techiman	Techiman	Apr 2014	Jan 2019
Brong Ahafo	Techiman / SE	Techiman		Dec 2019
Brong Ahafo	Berekum	Berekum	Nov 2008	Oct 2018
Brong Ahafo	Atebubu	Atebubu	Jun 2014	Jan 2016
Northern	Tamale	Tamale	Sep 2014	Aug 2017
Northern	Yendi	Yendi	Jan 2010	Dec 2019
Northern	Damango	Damango	Jan 2015	Dec 2017
Upper East	Bolgatanga	Bolgatanga	Mar 2014	Feb 2019
Upper East	Bawku	Bawku	Dec 2013	Dec 2018
Upper West	WA / SE	Wa	Jan 2014	Dec 2017
Upper West	WA	Wa	Jan 2015	Dec 2016
Volta	Ho	Ho	Nov 2013	Oct 2018
Volta	Ho / SE	Ho	May 2014	Apr 2015
Volta	Hohoe	Hohoe	Mar 2013	Apr 2016
Brong Ahafo	Micro - Sunyani	Micro - Sunyani	Nov 2013	Nov 2018
Brong Ahafo	Micro - Techiman	Micro - Techiman	Feb 2015	Jan 2020
Ashanti	Micro - Kumasi	Micro - Kumasi	Mar 2014	Apr 2024
Greater Accra	Micro - Agbobbloshie	Micro - Agbobbloshie	Nov 2013	Oct 2016

(j) Legal Proceedings

The Issuer is not involved in any actual legal, regulatory or arbitration action. The Issuer is also not aware of any pending or threatened legal, regulatory or arbitration action which may have a material impact on its financial condition or operations.

(k) Corporate Responsibility

A key principle of the Issuer's business is that its business activities should be carried out in a responsible fashion. This principle manifests itself in the Issuer ensuring (i) that its products and policies are subject to transparency and full disclosure, (ii) that no customer is over-indebted as a result of the Issuer's products, (iii) that unethical means and undue pressures are not used in the marketing process and (iv) that communities should be uplifted by the provisions of readily

available and affordable credit. These practices and beliefs apply throughout the Bayport Group and are regarded as being part of “The Bayport Way”.

In addition, the Issuer is actively engaged in giving back to the community. Among other projects, the Issuer has established a scholarship scheme for brilliant but needy students, which provides full tuition fees from the senior high school level to the tertiary level. The Issuer has currently granted full scholarship to 80 students and bursaries to 15 educational institutions. The Issuer has also sponsored activities of the Ghana Police Service, the Ghana Health Service and other stakeholder groups.

9.6 OVERVIEW OF THE BUSINESS OF THE ISSUER

9.6.1 *Business Strategy of Issuer*

The Issuer is currently positioned as the leading payroll lender in the Ghanaian market. Its future strategy is based on two pillars: (i) consolidation of its payroll lending business and driving growth, and (ii) diversification of revenue and funding.

There are current discussions between the Issuer and Consumer Finance Company Ghana Limited (**CFC**) on a possible merger with, or acquisition of, CFC by end of the financial year 2016. No financial or commercial terms have been agreed but it will result in the Issuer taking over CFC's operations in Ghana. The rationale for the proposed merger/acquisition is to consolidate the 2 businesses since they are both members of the Bayport Group undertaking similar business lines.

(a) *Payroll lending consolidation and market growth*

The first limb of the Issuer's development strategy is to consolidate its existing leadership within the payroll lending market and drive market growth. This will be achieved through the further expansion of its market share, focus on existing customer retention, product innovation, price competition, loan book acquisition and cost efficiency.

Market share

Currently, the Issuer accounts for about 30% of the payroll-based lending market in Ghana.¹ To expand its market share, the Issuer believes it needs to offer new classes of products to existing customers and to reach out to new classes of customers with a competitive offering.

Customer retention

Customer retention is central to the Issuer's strategy of consolidating its existing market share. The Issuer aims to establish itself as the first choice financial services provider to its existing customers. Central to this will be the Issuer's ability to cross-sell new products to those customers, its use of customer data to offer customised, preferential product rates based on good customer repayment behaviour and offer re-financing and extension opportunities on existing loan products. To do this, the

¹ As compared with Izwe Loans Limited and AFB Ghana Limited as at December 31, 2014.

Issuer recognises the need to invest in people and technology to be able to offer its clients differentiated pricing based on behavioural data.

Price Competition

Management believes that pricing will continue to be increasingly important in retaining market share and growing the business. In order to achieve its competitive pricing objective, the Issuer plans to leverage operational cost efficiencies, innovation and its balance sheet strength. The Issuer recognises, however, that whilst it must compete on pricing, it should not be relied upon to be the Issuer's defining competitive characteristic.

Cost efficiency

Driving cost efficiency within its business is a key theme for the Issuer, in particular as its market and offering grows. The Issuer believes that cost efficiencies will come from retaining its existing customers and being able to offer them a wider range of products, and from using quicker and more efficient credit decisioning and disbursement technologies.

(b) Diversification of revenue and funding

This forms the second stated limb of its strategy, and will the Issuer believes, this can be effected through broadening its product offering across the economically active population of Ghana and expanding its funding options.

Product expansion

The Issuer sees product innovation as a way of providing a better service experience to its existing customer base and vital to attracting new customers. The Issuer is already moving beyond payroll deduction lending products, with the introduction of informal sector credit, asset finance, savings products and insurance offerings. The Issuer believes that these new products will give it the ability to reach beyond its predominantly public sector customer base with its payroll deduction loans to penetrate the private formal and informal sectors where more flexible financial products are required. This expansion should increase revenue and sources of funding for the future development of the Issuer's business.

Multi-channel funding

To further grow its business, the Issuer is looking beyond funding itself from the interest income revenues and bilateral borrowings that it has utilised so far, to plans that include domestic capital market issuances: see "*Funding of Operations*" below for further detail.

(c) Competition

Competition is intense in the Issuer's target markets. In the payroll- based lending market, universal banks such as Standard Chartered Bank Ghana Limited, Barclays Bank of Ghana Limited and GCB Bank Limited are entering the market, bringing with them brand, cheaper funding options and technology.

The Issuer views its key competitors to be Izwe Loans Limited, Dalex Finance & Leasing Limited and AFB Ghana Limited.

(d) Competitive Strengths

Despite increased competition in Ghana, the Issuer believes it has a number of proven strengths which will allow it to remain competitive. The following are the key elements which will ensure the Issuer remains competitive:

Group structure and support

The Issuer is one of a number of companies within the Bayport Group, all of which offer similar, if not the same, financial products. This, management believes, is a key competitive advantage. Members of the Bayport Group, including the Issuer, benefit from the funding offered by BML, the shared knowledge and experience that sits within the management of BML and the transfer of learning and best practices across the businesses within the Bayport Group. Management believes that the Issuer can learn from the experiences of other members of the Bayport Group and apply to Ghana some of the practices developed in the other countries in which the Bayport Group companies operate. The focus and the similarity of product offering, and operating model used across the countries in which the Bayport Group operates, creates synergies and dynamism which the Issuer believes is not shared by other financial service providers operating in Ghana.

Management

A number of the Issuer's management hold positions in different companies across the Bayport Group, which allows those individuals to transfer knowledge and best practices to the Issuer. Group-level skills and experiences feed down to enhance the operation, efficiency and direction of the Issuer's business. The Issuer believes that these skills, combined with its in-country team management team, provide it with a skill-set that places it at the leading edge NBFIs in Ghana.

Quality of loan-book

The Issuer believes that its strategy and careful approach to lending is reflected in the quality of its loan-book. The relatively small number of defaults and non-performing loans in its loan portfolio is, the Issuer believes, a strength which will allow it to expand its lending operations and to further expand its product offering.

Risk management

The Issuer believes that its robust customer identification and verification procedures, its focus on affordability calculations, collection procedures that are effectively "hard-wired" into the payroll process to allow collection of repayments before the customer receives his salary, and the institutionalised culture of not over-lending to customers, combine to create an environment where customer delinquency is minimised and non-performing loans are in the manageable minority. In a market which the Issuer believes has significant growth potential for the products and services it offers, the Issuer believes that these values will allow it to develop sustainably and with less risk than those entities which prioritise growth

without the corresponding risk management processes, giving it a competitive advantage over the medium to long-term.

Target clients and offered products

In the view of the Issuer, the fact that the Issuer's current core business is payroll-based lending to public sector employees is a competitive strength in that the roles of public sector employees and their incomes are relatively secure and regular, compared to workers within the private formal and informal sectors. These factors ensure that delinquency rates remain relatively low, and allow the Issuer to build longer-term customer relationships, which will, it believes, offer the opportunity for refinancings and the marketing of new products.

Geographical cover

The Issuer's geographical coverage offers a key competitive advantage over other comparable institutions in the Ghanaian market. The existing spread of its branches across the country, combined with the coverage offered by its agents, provides the Issuer with lending opportunities not available to its competitors with fewer or more centralised branches.

Innovation

The Issuer seeks to innovate in the markets in which it operates. It aims to innovate in terms of its approach to lending, its product offering, its distribution channels and collection channels. The Issuer believes that its size, the synergies offered across the companies within the Bayport Group and the Bayport Group's corporate ethos of entrepreneurialism, drive a spirit of innovative responses to market opportunities.

Brand

The Issuer believes that the value of its brand is considerable within Ghana. The Issuer's focus on responsible lending and stable and consistent operating practices is, the Issuer believes, helping to build the Bayport brand into one that resonates integrity, responsibility and consistent performance. The Issuer believes that it can harness the values associated with its brand in helping it to differentiate its operations from those of its competitors.

Culture

The Issuer believes that it has created a strong culture based on a high quality product offering and corporate responsibility. This commitment means that the customer and the wider community will be the ultimate beneficiaries of the Issuer's high standards. However, the Issuer believes that an important by-product of its way of working is the development of a corporate ethos which will allow it to attract and recruit the highest quality of employees who will further the Issuer's aims of developing a successful business which is underpinned by integrity and high standards.

9.6.2 Development of the Issuer's Business

In the twelve (12) years since gaining its operating licence in Ghana, the Issuer's business in Ghana has developed rapidly. Its net worth has increased from GHS 1,050,000 in 2004 to GHS 96,000,000 in 2014. In the same period, its net loan book has increased from GHS 780,000 to GHS 187,000,000. Branch numbers have increased from 7 in 2004 to 32 in 2015. Meanwhile, balance sheet assets have grown from GHS 1,130,000 to GHS 221,000,000.

Figure 3: Number Disbursed Loans

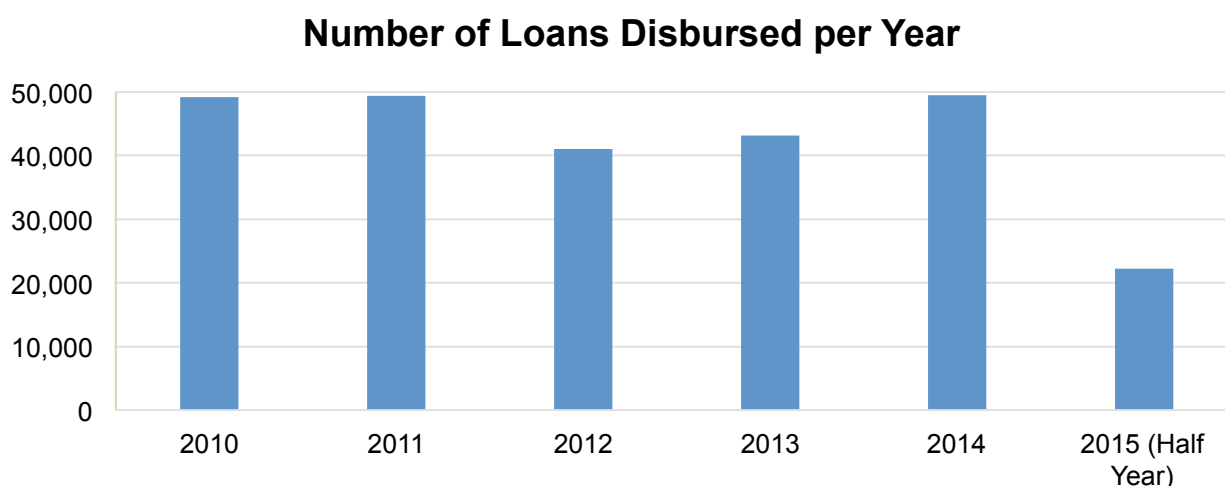


Figure 4: Value of Loans Disbursed

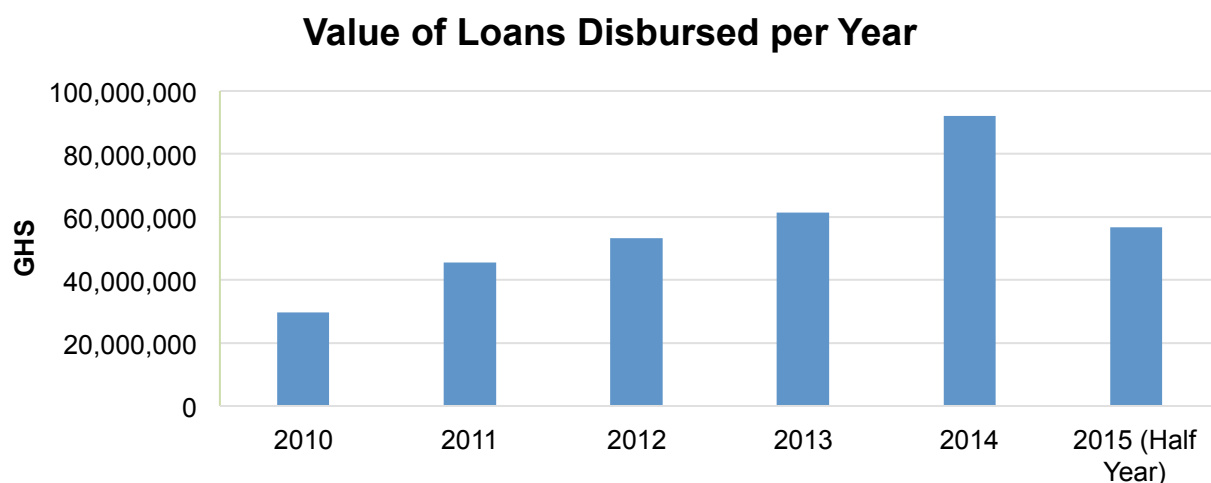
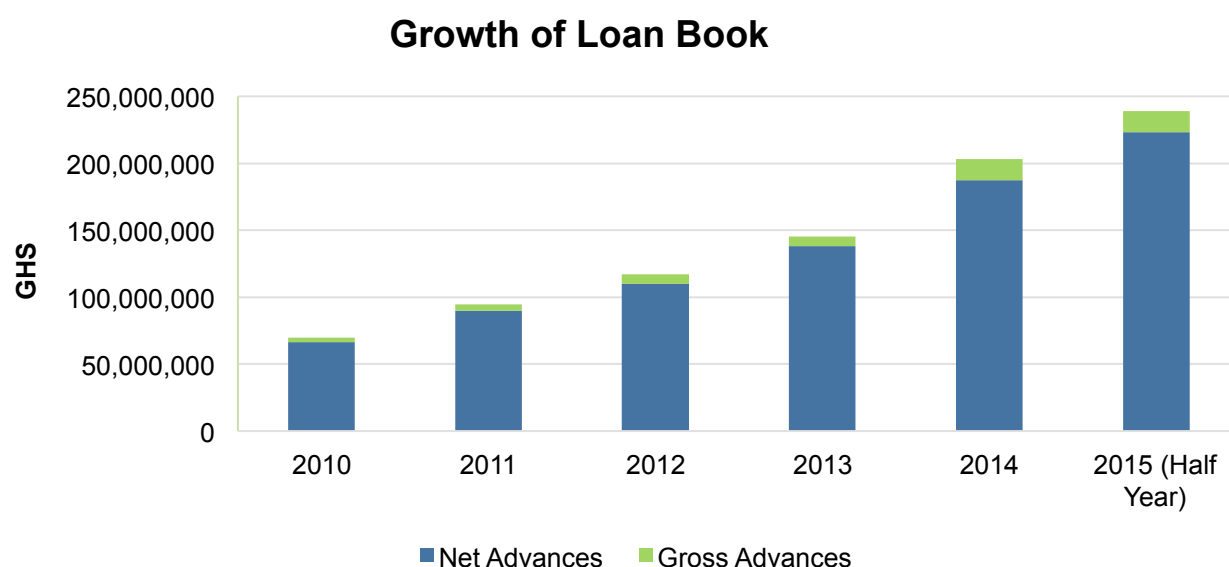


Figure 5: Loan Book Growth



The Issuer's business in Ghana is now composed of three core operations: payroll lending, micro finance, and credit life.

Payroll Lending

Payroll lending was the first business line introduced by the Issuer in Ghana and is at the core of the Issuer's business in the country. It is supported by a large number of well trained staff, strong disbursement and collection procedures and is underpinned by shared know-how and experience within the rest of the Bayport Group.

Micro financing

The Issuer's micro financing business was launched in 2013 under the Bayport Micro brand and is targeted at micro and small retail traders, artisans and operators of other similar-sized businesses. The microfinance operations are currently targeted at the urban

and peri-urban centres of Accra, Kumasi, Techiman and Sunyani. In 2013, the Issuer launched its microfinance group lending product aimed at small groups of micro entrepreneurs who wish to borrow funds to inject working capital into their businesses. In September 2014, the Issuer expanded its product offerings to include a deposit mobilisation using Point of Sale (POS) devices. This was followed in 2015 by the launch of individual lending and asset finance products. The future strategy for the Issuer's microfinance business in Ghana will include the introduction of a mobile banking channel which is currently being piloted to scale up deposit mobilisation and credit underwriting beyond the geographic reach of the brick and mortar branches.

Credit insurance

The Issuer provides optional credit insurance in the form of its Credit Life offering. Credit Life offers the Issuer's customers the opportunity to insure their loans against loss of earnings resulting from death, disability, illness or involuntary retrenchment.

Further details of the payroll loan and micro financing products offered by the Issuer can be found in "*Products*" below.

9.6.3 Issuer's Customer Base

The Issuer's customer base in Ghana is split between members of the civil and public service which happens to be the largest employment category (approximately 90% of customers) and those employed in private enterprises (approximately 5% of customers), most notably, in the mining industry. With the launch of its microfinancing products, the Issuer believes that its non-public sector customer base will gradually grow to constitute a significant percentage of its overall customer base.

9.6.4 Issuer's Distribution channels

The Issuer distributes its products mainly through its 32 branches. The payroll-based lending business operates from 28 of these branches and deploys a combination of permanent and contract sales staff to underwrite its loans. The Bayport Micro division operates four (4) branches offering both deposit and credit products. It is currently piloting a mobile banking channel to supplement the brick and mortar branches and scale up its deposit mobilisation and credit underwriting businesses.

9.6.5 Issuer's Revenue

The Issuer generates revenue by means of interest income on the loans it disburses and administrative fees for the arrangement of the loan. The Issuer also earns commission on insurance products that it offers. Interest rates and fees charged are market driven and competitive.

9.6.6 Funding of Operations of the Issuer

The Issuer funds its operations by means of bilateral borrowing, equity and debt funding from BML and income generated from its product offering. As the Issuer expands its business operations in Ghana, it plans to augment the above funding streams with

utilisation of customer deposits and entry into the domestic capital market as an issuer of debt securities.

9.6.7 Issuer's Lending Products

The Issuer's lending products are as follows:

(a) Payroll loans

The Issuer's key product in the Ghanaian market is the payroll loan. This product allows an individual to borrow against his future salary earnings. Repayment of principal and interest are deducted directly from the customer's salary on a monthly basis at source, so that the customer will receive his salary net of repayments owed to the Issuer.

The loan process involves a parent agreement between the Issuer and the customer's employer setting out the modalities of operation. The loan underwriting process involves the customer providing specific identification and employment documentation including salary information as a basis for determining their eligibility for the loan amount applied for. The Issuer's Credit Life offering ensures that the customer's outstanding loan amounts are repaid to it should the customer be retrenched, become disabled, pass away or suffer an incapacitating disease. Should a customer voluntarily resign from their position, the Issuer will collect on the loan via debit order or alternatively, agree another off-payroll process with the customer through which it will attempt to recover the outstanding amount under the loan. The median term of payroll loans in terms of value is 55 months and 39 months in terms of the number of loan accounts. The average amount disbursed is GHS 2,676.

All loans disbursed are denominated in GHS and are fixed rate products.

Group micro loans

Launched in April 2013, this microfinancing product is aimed at groups of between 15-30 individuals who wish to borrow and be held jointly and severally liable for each other's loan. Prior to any disbursement, the group attends a 6-week training programme at which they learn more about the Bayport Micro group loan product as well as basic financial literacy, such as business record keeping and the need for cultivating a savings habit. After the period of training, the group prepares a constitution to govern the conduct of members and register as a Credit and Savings Association (**CSA**) with Bayport Micro. Thereafter, the CSA members become eligible to borrow from Bayport Micro. Each member of the group can borrow up to a maximum of GHS 3,000 over several loan cycles. Group micro loans have a maximum term of 52 weeks (12 months). The product is sold with an embedded Credit Life cover to protect the Issuer from default arising from death, disability, hospitalisation or loss of business wares through natural disasters suffered by the borrower.

Individual Micro Loans

The Individual Micro Loan was introduced by the Issuer in 2015. The product is aimed at individual traders who require higher loan amounts with more flexible repayment terms than what is granted under the group loan product. The product is also targeted at retention of group loan customers whose business needs have outgrown the maximum loan amount granted under the group loan product. To qualify, the customer must have been in business for, at least, 2 years. Customers' suitability is assessed by one of the Issuer's trained loan officers, who reviews the customer's business and compiles a forecast of its cash flow position over the course of the loan. The loan can be used for working capital or to finance business assets. The loan term is from 3 to 12 months and repayment frequency is typically monthly.

In addition, customers who have good savings records with the Issuer can apply for a "susu" loan which is repayable daily through the Issuer's field deposit mobilizers. The loan term for this product ranges from 4 to 24 weeks (1-6 months). The product is also sold with an embedded Credit Life cover.

Micro Asset Finance

The Micro Asset Finance product was introduced in August 2015 to provide loans to commercial drivers to purchase their own vehicle. Once the loan is repaid, the vehicle becomes the driver's property. The typical term of the loan is 24 to 36 months. The product also finances the acquisition of business assets for artisans and other small entrepreneurs involved in selected businesses. These loans are repayable within 12 months. The product is sold with an embedded Credit Life and Asset Insurance cover.

(b) Deposit products

The Issuer began its deposit taking activities in August 2014.

Micro BaySave

The Issuer launched this microfinancing product in August 2014, to attract the deposits from the large unbanked segment of the population who need a safe, convenient and reliable savings service. Typically, such individuals shy away from the universal banks that find their relatively small savings balances unprofitable and, therefore, patronise services of informal and other formal financial service providers. Deposits can be made by visiting one of the Issuer's four (4) branches that offer microfinancing or through an e-wallet transfer on their mobile phone. The account pays interest, provides a "premium" deposit life cover and customers can withdraw their savings at any time. Customers are required to maintain a minimum account balance of GHS 5.

Micro BaySusu

Fashioned along the main features of the Bay Save product, the Bay Susu provides added flexibility to customers by attracting even lower savings transactions amounts compensated by more frequent (typically daily) savings. This is targeted at the very "bottom of the savings pyramid". Field Deposit Mobilisation Officers (**FDMOs**) travel to customers and collect deposits from those customers who want to make

frequent, smaller deposits. The FDMOs operate from the four (4) Bayport Micro branches and two (2) other designated deposit centres situated in very densely populated markets, using utilise point-of-sale technology to accurately capture the deposits made by Susu customers.

Customers whose business locations are too far from the Issuer's branches to make daily visits feasible are given the opportunity to save through a savings box (BayBox). FDMOs who keep the keys to these boxes visit these customers periodically to pick cash saved up and credit their bank accounts.

Fixed Deposit

Also named as BayPlus, the Issuer's fixed deposit account pays interest at a fixed or negotiated margin above the government's treasury bill with the aim of mopping up stable funds to fund its loan book. Currently, customers can open a fixed deposit account with a starting amount of GHS 500.

Insurance Products

Credit Life

The Issuer provides credit insurance in the form of its Credit Life offering. Credit Life offers the Issuer's loan customers the opportunity to insure their loans against loss of earnings caused by death, disability, illness or unemployment.

9.6.8 Loan Usage

The Issuer's customers use loans primarily for personal consumption including education and home improvement purposes.

9.6.9 Issuer's Lending Policies

(a) Responsible Lending

Responsible lending is at the core of the Issuer's operations. As well as being one of its ethical pillars, responsible lending is built into the credit underwriting process. The Issuer is focused on avoiding clients becoming over-indebted as a result of its loan offering and has instituted checks to ensure that customers are not unduly overburdened by the loan repayment.

(b) Loan Approval

The average turnaround time for the disbursement of a valid loan application is 30 minutes. The introduction of the Third Party Referencing System (TPRS) by the Controller and Accountant General's Department payroll provides third parties like the Issuer easy access to authentic customer information and account management. This is expected to result in faster and easier loans processing compared with the previous manually driven process. There are, however, teething

challenges such as arbitrary blocking of customer affordability by third parties that are being addressed.

Ineligible loan applicants who are automatically excluded from borrowing include applicants who will exceed the statutory retirement age at the time of loan maturity, under 18 years of age, applied for voluntary retrenchment, been in employment for less than three (3) months, rehabilitated insolvent and contract or seasonal workers. Loans are disbursed by direct payment into customers' account by cheque, in cash, or a combination of these.

(c) Loan Recovery

For those loans that fall into arrears, the employer is contacted to determine if the problem is an administrative one or a credit issue. If deemed as administrative, the issue is generally resolved directly with the employer, without recourse to the customer. If the reason for the delay is one of credit, then a centralised arrears management team will attempt to contact the customer to resolve the issue and recover the loan.

(d) Classification of Loans and Provisioning

Classification

The Issuer monitors loans according to the categories set out below which reflect respective recovery capabilities and customers' creditworthiness levels, having regard to the procedures and principles established by Ghanaian law:

- Standard Performing
- Performing Active 1-2
- Performing Active 3-4
- Non-performing
- Doubtful
- Bad

Classifications 1-3 above are loans which fall into in the performing category while classification 4-6 are non-performing loans.

Provisioning

Provisions are determined by testing the loan portfolio in three (3) ways:

- by recency, which is a measure of when payment was last received on the loan;
- by aging, which indicates how many days a loan is in arrears; and
- by reasoning, which explains why payments have been missed on a loan.

Provisions are then tested periodically on a recoverability basis.

(e) Loan Recovery

Upon receipt of the payment schedule from the employer client, the individual accounts of all employees are credited with the payments per the schedule. For all non-payments, two (2) actions happen simultaneously:

- a schedule of all non-payments is prepared and sent to the various employers for feedback on the reasons for non-payments; and
- all customers with completed direct debit forms are activated directly through their banks or through the ACH platform via our sponsoring banks.

Based on the feedback from employers and the success rate of the direct debit strikes, the call centre takes over and directly contacts the customers to arrange payments. For customers whose telephone numbers have changed and we are unable to contact them, the details are given to field collectors to assist in tracing them. When all these measures fail, the data is sent to external debt collectors, who assist in the recovery of the loans.

10 FINANCIAL REPORTS AND PERFORMANCE

10.1 Reporting Accountant's Report On Historical Financial Information



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Airport Accra, Ghana

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INDEPENDENT AUDITORS REVIEW REPORT TO THE BOARD OF DIRECTORS OF BAYPORT FINANCIAL SERVICES GHANA LIMITED

We have reviewed the annual audited financial statements and management accounts of Bayport Financial Services Ghana Limited that comprise the statement of financial position as at 31 December 2012, 2013, 2014 and the unaudited as at 30 September 2015, the statement of income and cash flows for the periods then ended and a summary of significant accounting policies and other explanatory notes as set out in the financial statements.

Deloitte and Touche, Chartered Accountants of Accra have acted as auditors of Bayport Financial Services Limited throughout the period covered by our review (2012 to 2014). The auditors issued an unqualified opinion on the financial statements of Bayport Financial Services Limited from 2012 to 2014.

The financial information from 2012 to 2015 set out in the following sections have been prepared from the audited financial statements of Bayport Financial Services Limited for 2012, 2013 and 2014 and the unaudited management accounts to 30 September 2015, after making such adjustments as we considered necessary.

Directors' Responsibility

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

Independent Reviewer's Responsibility

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

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

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Bayport Financial Services Ghana Limited as at 31 December 2012, 2013, 2014 and 30 September 2015 and of its financial performance and cash flows for the periods then ended, in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1963 (Act 179).

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

Yours faithfully,

Signed by Victor Gborglah (ICAG/P\1151)
For and on behalf of Ernst & Young (ICAG/F/2015/126)
Chartered Accountants
Accra, Ghana

Date: 10 December 2015

BAYPORT FINANCIAL SERVICES GHANA LIMITED
HISTORICAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012, 2013, 2014, AND 30 SEPTEMBER 2015

	FY Dec 2012	FY Dec 2013	FY Dec 2014	FY Sept 2015
Assets				unaudited
Cash and Cash equivalents	5,334,099	12,463,303	4,166,527	5,370,976
Net Advances	108,825,435	138,138,800	187,561,074	243,434,843
Other receivables	1,368,454	1,855,603	4,020,377	7,606,120
Amount due from related parties	2,096,747	114,437	4,374,893	2,761,569
Deferred tax	2,096,747	3,229,169	9,413,575	9,413,575
Property, Plant and equipment	1,858,125	3,288,618	5,013,183	5,930,791
Intangible Assets	-	192,157	214,533	647,848
Total Assets	119,482,860	159,282,087	214,764,162	275,165,722
Equity and Liabilities				
Equity				
Share Capital	10,000,000	10,000,000	10,000,000	10,000,000
Total Reserves	16,426,277	24,874,573	25,618,670	-
Retained Earnings	43,991,032	55,361,953	55,874,077	89,679,224
	70,417,309	90,236,526	91,492,747	99,679,224
Liabilities				
Finance Lease Obligation	384,528	175,895	1,069,556	829,853
Bank Overdraft	-	3,069,110	7,892,793	2,126,906
Borrowings	26,731,014	23,141,665	42,419,444	51,094,523
Deposit from Customers	2,813,427	-	265,724	961,134
Trade and Other Payables	-	3,363,267	5,054,956	7,861,883
Amounts Due to related parties	552,773	1,095,700	7,600,809	19,448,199
Provisions	2,191,868	548,547	1,007,967	1,522,864
Current tax payable	16,391,941	1,983,376	1,895,218	2,780,890
Loans from shareholders	49,065,551	35,668,001	56,064,948	88,860,246
Total Liability	119,482,860	159,282,087	214,764,162	175,486,498
Total Equity and Liabilities	119,482,860	159,282,087	214,764,162	275,165,722

BAYPORT FINANCIAL SERVICES GHANA LIMITED
HISTORICAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2012, 2013, 2014 AND 30 SEPTEMBER 2015

	9 Months to Dec 2012	FY Dec 2013	FY Dec 2014	9 Months to Sept 2015 unaudited
Interest Income	42,156,897	66,275,465	78,889,002	77,969,612
Interest Expense	(5,935,704)	(8,992,317)	(15,796,745)	(19,969,892)
Net Interest Income	36,221,193	57,283,148	63,092,257	57,999,720
Other Income	2,529,350	4,023,392	5,830,110	4,868,141
Operating Expenses	(15,414,867)	(26,032,847)	(37,030,429)	(38,008,475)
Charge for bad and doubtful advances	(1,959,321)	(3,531,776)	(12,554,365)	(2,724,295)
Foreign Exchange Loss	(1,078,828)	(4,459,986)	(17,307,164)	(10,440,128)
Profit before taxation	20,297,527	27,281,931	2,030,409	11,694,963
Taxation	(5,037,310)	(7,462,714)	(774,188)	(3,508,489)
Profit for the period/year	15,260,217	19,819,217	1,256,221	8,186,474
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	15,260,217	19,819,217	1,256,221	8,186,474



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BAYPORT FINANCIAL SERVICES GHANA LIMITED
HISTORICAL STATEMENT OF CASH FLOW
FOR THE PERIODS ENDED 31 DECEMBER 2012, 2013, 2014 AND 30 SEPTEMBER 2015

	9 Months to Dec 2012	FY Dec 2013	FY Dec 2014	9 Months to Sept 2015 unaudited
Cash flow from Operating Activities				
Cash used in operations	6,343,641	3,455,536	(32,163,193)	(28,675,274)
Tax Paid	(8,048,334)	(8,803,628)	(7,046,752)	(2,622,817)
Net Cash Used in operating activities	(1,704,693)	(5,348,092)	(39,209,945)	(31,298,091)
Cash Flows from Investing activities				
Purchase of property, plant and equipment	(1,233,786)	(2,435,709)	(4,740,368)	(3,221,372)
Proceeds from sale of property, plant and equipment	57,550	81,300	1,242,090	60,808
Purchase of Intangible Assets	-	(251,131)	-	-
Net Cash Used in Investing activities	(1,176,236)	(2,605,540)	(3,498,278)	(3,160,564)
Cash flows from financing activities				
Net increase/(decrease) in borrowings	(405,293)	(3,589,349)	19,277,779	8,675,078
Net increase in loans from shareholders	9,117,764	14,716,008	3,823,902	22,556,825
Net increase/(decrease) in finance lease	(205,524)	(208,633)	893,661	(239,703)
Net increase in amounts due to related parties	(2,949,290)	1,095,700	5,592,422	10,436,790
Net cash generated by financing activities	5,557,657	12,013,726	29,587,764	41,428,991
Total cash movement for the year	2,676,728	4,060,094	(13,120,459)	6,970,336
Total cash and cash equivalent at beginning of the year	<u>2,657,371</u>	<u>5,334,099</u>	<u>9,394,193</u>	<u>2,798,078</u>
Total cash and cash equivalent at end of the year	5,334,099	9,394,193	(3,726,266)	9,768,415

10.2 Reporting Accountant's Report On Prospective Financial Information



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10 December 2015

The Managing Director
Bayport Financial Services Ghana Limited
Private Mail Bag 248
Accra-North

Dear Sir,

REPORTING ACCOUNTANTS' REPORT ON FINANCIAL FORECAST AND PROJECTIONS

We have examined the accounting policies and calculations for the prospective financial information for the years ending 31 December 2016 to 2018, as set out on pages 07 to 10 in accordance with International Standard on Assurance Engagement (ISAE) 3400, The Examination of Prospective Financial Information and in a manner required by L.I. 1728 of the Securities and Exchange Commission (SEC), applicable to the examination of prospective financial information. The Directors are responsible for the prospective financial information and the assumptions on which it is based.

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

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

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

Yours faithfully,

Signed by Victor Gborglah (ICAG\P\1151)
For and on behalf of Ernst & Young (ICAG/F/2015/126)
Chartered Accountants
Accra, Ghana

Date: 10 December 2015

BAYPORT FINANCIAL SERVICES GHANA LIMITED
3 YEAR FORECAST BALANCE SHEET ENDING 31 DECEMBER 2016, 2017 AND 2018
(All amounts in Ghanaian Cedi)

Assets	FY2015	FY 2016	FY 2017	FY 2018
Cash and Cash equivalents	1,970,329	2,000,000	2,000,000	2,000,000
Net Advances	241,884,799	286,986,406	322,116,601	342,723,728
Other receivables	7,572,621	4,305,556	1,159,246	1,104,416
Deferred tax	9,413,575	9,413,575	9,413,575	9,413,575
Property, Plant and equipment	6,992,615	9,943,094	6,330,816	3,595,274
Total Assets	267,833,939	312,648,630	341,020,238	358,836,993
Equity and Liabilities				
Equity				
Share Capital	10,000,000	10,000,000	10,000,000	10,000,000
Total Reserves				
Retained Earnings	88,248,034	105,074,166	128,904,332	167,896,794
Total Equity	98,248,034	115,074,166	138,904,332	177,896,794
Liabilities				
Finance Lease Obligation	695,245	311,542	-	-
Bank Overdraft	16,856,264	2,906,231	-	1,070,693
Borrowings	41,662,338	93,737,371	112,079,370	101,009,896

BAYPORT FINANCIAL SERVICES GHANA LIMITED
3 YEAR FORECAST BALANCE SHEET ENDING 31 DECEMBER 2016, 2017 AND 2018
(All amounts in Ghanaian Cedi)

	FY 2015	FY 2016	FY 2017	FY 2018
Trade and Other Payables	30,064,675	31,784,608	34,315,819	38,531,220
Current tax payable	(1,939,667)	366,261	853,220	1,061,401
Loans from shareholders	82,247,050	68,468,451	54,867,497	39,266,986
Total Liability	169,585,905	197,574,464	202,115,906	180,940,199
Total Equity and Liabilities	267,833,939	312,648,630	341,020,238	358,836,993

BAYPORT FINANCIAL SERVICES GHANA LIMITED
3 YEAR FORECAST INCOME STATEMENT FOR THE PERIODS ENDING 31 DECEMBER 2016, 2017 AND 2018
(All amounts in Ghanaian Cedi)

	FY 2015	FY 2016	FY 2017	FY 2018
Interest Income	107,345,056	135,679,242	161,487,802	181,607,871
Interest Expense	25,258,206	37,325,120	41,186,947	34,156,546
Net Interest Income	82,086,850	98,354,122	120,300,855	147,451,324
Other Income	6,293,117	8,342,097	10,818,590	12,419,969
Operating Expenses	-49,115,747	-58,592,712	-75,791,929	-84,981,947
Charge for bad and doubtful advances	(14,663,406)	(13,678,616)	(17,743,238)	(20,757,250)
Foreign Exchange Loss	<u>(14,806,874)</u>	<u>(10,387,559)</u>	<u>(3,541,183)</u>	<u>(2,142,147)</u>
Profit before taxation	9,793,943	24,037,332	34,043,094	51,989,949
Taxation	(3,038,656)	(7,211,200)	(10,212,928)	(12,997,487)
Profit for the period/year	6,755,287	16,826,132	23,830,166	38,992,462
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,755,287	16,826,132	23,830,166	38,992,462

BAYPORT FINANCIAL SERVICES GHANA LIMITED
3 YEAR FORECAST CASH FLOW STATEMENT FOR THE PERIODS ENDING 31 DECEMBER 2016, 2017 AND 2018
(All amounts in Ghanaian Cedi)

	FY 2015	FY 2016	FY 2017	FY 2018
Net cash used in from operating activities	(19,181,444)	(7,057,607)	2,017,911	27,741,438
Investing activities				
Purchases of property, plant and equipment and intangibles	(4,796,372)	(6,487,862)	-	-
Net cash (used in)/generated from investing activities	(4,796,372)	(6,487,862)	-	-
Financing activities				
Net increase/(decrease) in borrowings	(14,663,406)	(13,678,616)	(17,743,238)	(20,757,250)
Finance lease received /(repayment)	(757,107)	52,075,033	18,342,000	(11,069,474)
Increase/(decrease) in shareholders loan	(374,310)	(383,703)	(311,542)	-
	11,375,227	(24,166,158)	(17,142,137)	(17,742,657)
Net cash generated from/(used in) financing activities	10,243,810	27,525,172	888,320	(28,812,131)
Net (decrease) /increase in cash and cash equivalents	(13,734,006)	13,979,704	2,906,231	(1,070,694)
Cash and cash equivalents at the beginning of the period	(1,151,929)	(14,885,935)	(906,231)	2,000,000
Cash and cash equivalents at the end of the period	(14,885,935)	(906,231)	2,000,000	929,306

11 OVERVIEW OF GHANA

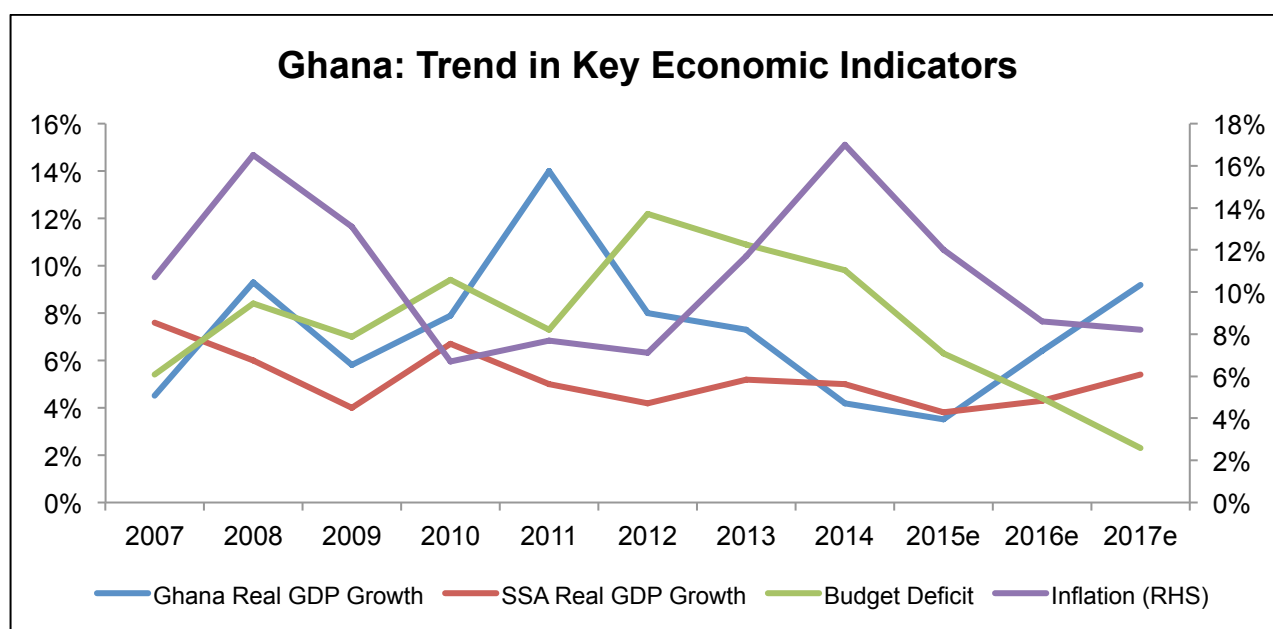
11.1 ECONOMIC OUTLOOK

2015 has been characterised by slow economic growth (estimated at 3.5%) as protracted power supply challenges and weak economic fundamentals severely hampered economic activity. The economy recorded a decline in crop production (-5.6%) with similar contractions in manufacturing (-1.6%) and electricity (-23.5%). Wide fiscal deficit exerted significant financing pressures on the government, thus keeping interest rates elevated. The high interest rate environment suppressed business expansion, with inflation peaking at 17.9% by July 2015.

Constrained foreign exchange supply and strong demand for the USD caused the GHS to depreciate by about 16% at the end of September 2015. Against the backdrop of a poor investment climate and slow economic growth, Ghana commenced a 3-year extended credit facility programme with the International Monetary Fund (IMF) aimed at restoring macroeconomic stability and investor confidence.

Nonetheless, Ghana's economy is projected to make a recovery in 2016, boosted by an improvement in power supply and increased oil production. The IMF estimates a GDP growth of 6.4% in 2016, with growth rate climbing further to 9.2% in 2017 as the Tweneboa-Enyera-Ntomme (TEN) oil fields come on stream in the second half of 2016. Electricity generation is meanwhile expected to improve in 2016, supported by the arrival of emergency power barges (~450MW from Turkey), power plants (250MW from Dubai) and increased domestic generation capacity.

Ghana's macroeconomic indicators are also expected to exhibit relative stability in 2016, with consumer inflation falling to 13.5%. Fiscal deficit is also projected to within manageable levels in 2016 as fiscal consolidation continues to take effect. Rigorous fiscal and monetary policy reforms have been put in place to curb any upward pressures on government expenditure. Revenue performance is also expected to be satisfactory as the government demonstrates its commitment to ensuring sound financial management.



Source: IMF

The Bank of Ghana is expected to maintain a tight monetary policy stance in 2016 (with possible adjustments where necessary) in a bid to support disinflation towards its medium-term inflation objective (8%±2%). The GHS is expected to regain stability in 2016, underpinned by a positive outlook for foreign exchange inflows and an improvement in Ghana's gross reserves position with additional support from tight money market liquidity. Short-term yields are also expected to decline marginally, driven by an improved outlook for inflation and exchange rate stability as well as a progressive restructuring of government's debt portfolio towards the longer-dated securities.

11.2 OVERVIEW OF FIXED INCOME MARKET

11.2.1 Market Overview

The Ghana fixed income market facilitates secondary trading of all fixed income and other similar securities. Ghana's fixed income securities include corporate bonds, corporate notes, treasury bonds, treasury notes, treasury bills and other types of money market instruments (such as repos and Bank of Ghana bills). The market was established by key stakeholders in the financial services industry, including the Bank of Ghana, the GSE, the CSD, the Ghana Association of Bankers, the Ministry of Finance, Financial Market Association and License Dealing Members of the GSE (**LDMs**).

The market activity and its scope of operations are regulated by SEC and the Bank of Ghana. The regulatory framework of the SEC mainly covers the secondary market activities while the Bank of Ghana regulates the activities of primary dealers on the primary market.

The main objectives of the Ghana fixed income market are to improve transparency, increase market efficiency, enhance price discovery and increase liquidity in the secondary

trading of fixed income securities in Ghana. Ultimately, secondary trading of fixed income securities in Ghana is expected to align with international best practices.

The main dealers on the market are:

- Primary Dealers (**PDs**) authorised by the Bank of Ghana and licensed by the SEC to deal in securities in Ghana. The PDs participate in the primary auction of Government of Ghana and Bank of Ghana securities;
- Non-PD banks licensed by the SEC to deal in securities trading; and
- LDMs.

The market infrastructure which aids the operation of the Ghana Fixed Income market includes:

- an electronic trading and market surveillance system provided by Bloomberg L. P. A; and
- a clearing and settlement system operated by the CSD with the Bank of Ghana as the settlement bank.

11.2.2 Market Structure and Performance

The Ghana fixed income market is dominated by Government of Ghana securities in terms of listings and trading despite the recent listing of two (2) corporate bonds. There are two (2) listed corporate debt securities (combined value: GHS 94 million) issued by Izwe Loans Limited and AFB Ghana Limited while total outstanding Government of Ghana securities as at end of June 2015 was valued at GHS 26.5 billion. The Government of Ghana securities comprise of bills (91-day and 182-day), notes (1-year and 2-year) and bonds (3-year, 5-year, and 7-year). The 91-day bills account for the largest share (33.5%) of the total outstanding Government of Ghana securities, followed by the 182-day (21.4%) and the 3-year bond (20.7%) while the 7-year bond accounts for only 0.8% of the total outstanding Government of Ghana securities. This underscores how shallow Ghana's capital market for debt securities is and emphasizes the need to increase and deepen activities on Ghana's fixed income market (especially, the bonds market).

As at the end of June 2015, commercial banks (28.5%), foreign investors (25.2%), firms and institutions (20.6%) and Bank of Ghana (6.9%) were the largest holders of Government of Ghana securities. The large size of Government of Ghana securities on Ghana's fixed income market is primarily explained by the country's high fiscal deficit which has necessitated the high appetite for government borrowing in order to close the fiscal gap.

Trading activity on Ghana's fixed income market is highly concentrated in the 3-year Government of Ghana securities and a substantial amount of bills discounting also occurs over-the-counter. Activity in the longer-dated securities (5-year and 7-year) is relatively low with no trades recorded at all for the 7-year bonds since April 2014. One of the reasons for the low secondary market activity in the 5-year and 7-year securities is the dearth of adequate market information, and low transparency which inhibits market efficiency and price discovery.

11.2.3 Market Outlook

Secondary market trading on Ghana's fixed income (particularly on the longer end of the market) has been much muted over the past years mainly on account of high macroeconomic volatility and the resultant upward trend in yields. Since the completion of the last IMF program in July 2012, yields on short term securities in particular have generally assumed an upward trend, crossing the 20% mark, and thus increasing the appeal of short term securities at the expense of medium term securities and secondary market trading.

Consequently, there is less optimism about the short term outlook for the fixed income market as investors remain wary of adverse impact of the rising inflation and GHS depreciation on their investment. Trading activity on the secondary bonds market is expected to be constrained in the near term as short term yields (currently with an upside potential) are not expected to decline sharply (in the event of a downward trend) over the next twelve (12) months due to the macroeconomic uncertainty. With inflation anticipated to peak in the fourth quarter of 15 before assuming a downward trend in 2016, yields could decline relatively faster in early 2017 (without adjusting for possible Government of Ghana expenditure shock in election year 2016). It is, however, expected that the Government of Ghana's domestic borrowing to be relatively restrained in the election year 2016, given the early indications of government's commitment to implementation of the IMF policies and conditionality. This should ease the upward pressure on yields and possibly narrow the bid-ask spread, culminating in enhanced market liquidity and trading activity on the fixed income market in the medium term (possibly after 2017).

The introduction of an electronic trading platform should also improve price discovery and boost trading activity. The e-trading platform and surveillance system is expected to improve information flow to all market participants and boost confidence in the market.

11.2.4 Overview Of The Ghana Stock Exchange

The GSE was incorporated as a company limited by guarantee in July 1989 with trading commencing on November 12, 1990. A 13-member Council governs the exchange. The operations of the GSE are regulated by the SEC, which is empowered by the Securities Industry Act. The criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

11.2.5 Developments and Trends

The GSE started operating with 11 listed companies. As at 2002, 26 stocks, 4 corporate bonds and 2 government bonds had been listed on the First Official List. This later increased to thirty five (35) listed equities, one (1) Exchange Tradable Fund, one (1) preference share and one (1) depository share as several companies listed on the First Official List. The GSE also has listed a number of government bonds and corporate bonds issued by Izwe Loans Limited and AFB Ghana Limited.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed to permit the issuance of dematerialised shares, where shareholders and board of directors of an issuer have authorised this. The passing of the law paved the way for the GSE to achieve several milestones in its development. These milestones include the incorporation and operation of the GSE Securities Depository Company Limited (the **GSD**) and the establishment of a Clearing and Settlement System. In December 2013, an agreement was signed between the Bank of Ghana and the GSE for the merger of the Central Securities Depository (Ghana) Limited (**CSD**) and the GSD. Thus from January 2014, both the CSD and the GSD operate as a single depository, the CSD.

Further to that, the GSE completed the automation of its trading system with the support of the Government of Ghana's Economic Management and Capacity Building project. The GSE introduced major changes in trading activities in 2011 to complement the automated trading regime. Trading hours, which were initially 09.30 hours to 13.00 hours, were extended, and the new trading period is from 09.30 hours to 15.00 hours. This affords dealers more time to interact with clients during the day while also allowing non-resident investors in different time zones more time to participate in the trading session through their local brokers.

11.2.6 Ghana Alternative Market

The GAX is a parallel market to the GSE's First Official List focusing on businesses with potential for growth. The GAX accommodates companies at various stages of their development, including start-ups and existing enterprises, both small and medium. There are several benefits due the small to medium scale companies that qualify to be listed on this market. This alternative market affords companies the opportunity to secure long term capital, broaden their investor base and provide liquidity for their shareholders / investors.²

11.2.7 Performance of the GSE

The performance of the GSE has been remarkable in recent years, experiencing improved volume trades and increased market capitalisation following the listing of index heavy weights such as Tullow Oil Plc and Ecobank Transnational Inc. The market capitalisation at the end of June 2015 was approximately GHS 64.6 billion. Following annual rallies of 23.8% and 78.8% in 2012 and 2013 respectively, returns on the benchmark GSE

²Ghana Stock Exchange: Ghana Alternative Market (GAX) Rules and Benefits

Composite Index (**GSE-CI**) slowed down recording a 5% return in 2014. As the downturn in the general economy dampened returns on the exchange. Returns on the market remain low as at the end of June 2015. The GSE-CI and the GSE Financial Stock Index (**GSE-FSI**) have returned 4.03% and 6.73% respectively. It is anticipated that the broad market performance will pick up as the general economy firms up with the implementation of the 3 year IMF programme.

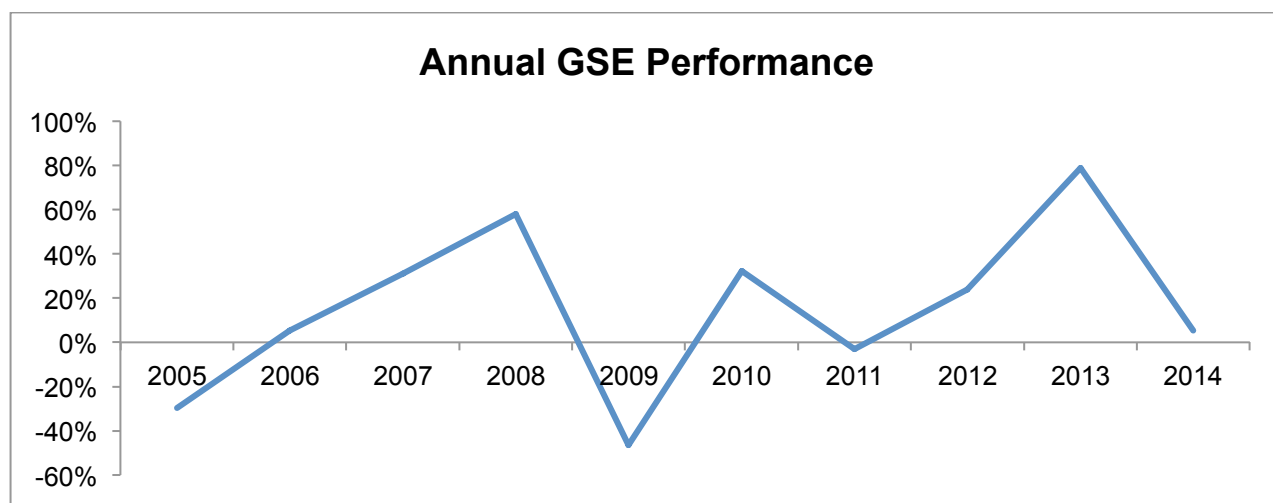


Table 11: Other Market Information

Trading Days	Trading takes place every working day
Trading Hours	Pre-opening period: 9:30hrs to 10:00hrs (GMT) Market opens for continuous trading: 10:00hrs to 15:00hrs (GMT)
Clearing & Settlement	Trade settlement is done electronically using a web-based application. Settlement occurs three (3) business days (T+3) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

Trade and general information on the GSE can be found on the GSE website - <http://www.gse.com.gh>

12 OVERVIEW OF THE GHANAIAN BANKING SECTOR

12.1 HISTORY AND DEVELOPMENT OF THE BANKING SECTOR IN GHANA

(a) History

Since gaining independence from the United Kingdom in 1957, Ghana's economy developed inconsistently: the economy was centralised: the government actively managed interest rates, exchange rates and commodity prices and attempted to use state ownership of commercial enterprises to direct lending in an effort to drive growth. In 1983, after a period of economic decline, worsened by falling commodity prices and inflation in excess of 100%, the Economic Recovery Programme was launched: reforms were introduced, slowly liberalising the economy with the assistance of the IMF and World Bank. Further reforms followed in 1989, which saw the establishment of the Ghana Stock Exchange amongst other initiatives. The Ghana Poverty Reduction Strategies of 2003 and 2005, and the Ghana Shared Growth and Development Agenda of 2009 saw further shifts in the economy towards a more decentralised model, where local economic sustainability was going to be crucial to growth.

The banking sector's development has mirrored this economic decentralisation and liberalisation. Until 1983, banks were state-owned, but since reforms were introduced, the sector has seen increased competition and the entry of new institutions, as well as the introduction of legislation reflecting an increased understanding of the needs of the informal economy, that is perhaps not best served by commercial banks alone.

(b) Current structure of banking sector

The banking system in Ghana is today broadly divided between the formal, semi-formal and informal lending sectors.

The formal sector comprises commercial banks, rural banks and the NBFIs include finance houses, savings & loans institutions and leasing companies. The semi-formal sector includes the credit unions, "susu" companies and the financial non-governmental organisations (**FNGOs**). Below these is the informal sector consisting local "susu" collectors, rotating savings and credit associations, and informal money lenders.

As at the date of this Prospectus, there are 29 universal banks, 1 apex bank, 137 rural and commercial banks, and 58 NBFIs operating in Ghana. In the informal sector, there were 472 registered Micro Finance Institutions (**MFIs**), comprising microfinance entities, money-lenders and FNGOs.

(c) Impact of the Global Financial Crisis

The global financial crisis impacted Ghana through the fluctuations in oil prices and increased investor aversion to risk, which resulted in a withdrawal of portfolio capital and reduced access of private sector borrowers to external credit lines. The impact of the global downturn that followed is primarily evidenced by a reduction in external

reserves, the weakening of the GHS towards the end of 2008, falling commodity prices, reduced net capital inflows and the bad debt exposures of Ghanaian banks.

12.2 GROWTH OF THE MICROFINANCE SECTOR

Microfinance in Ghana can trace its origins back to the first credit union established in northern Ghana by Canadian Catholic missionaries in the 1950s. Since then, the sector has passed through a number of developmental stages, from the localised credit union of the type described above, through the aid-focussed NGOs adopted in the 1960s and 1970s, to the 1990s when the number of universal banks expanded and the Financial Institutions (Non Banking) Act, 1993 (P.N.D.C.L. 328) was passed allowing for a range of financial institutions, including NBFIs, to provide financial services to micro and small enterprises, and then through to a fourth stage which has seen the commercialisation of microfinance and its acceptance into the financial sector.

Structurally, the Ghanaian microfinance industry is relatively unique in that it has evolved as tiered structure of financing alternatives, which have developed largely in response to local conditions and active legislating by the Ghanaian government. This “multi-layer” structure closely resembles the microfinance concept developed in the World Bank’s 1999 study of the regulation of microfinance and is a key element that differentiates the industry in Ghana compared with other sub-Saharan African states such as Ethiopia.

Microfinance in Ghana is now carried out by all types of financial institutions, although it is concentrated in those entities falling in the Rural Community Bank sector and below. In addition to financial institutions, microfinance is also supported and undertaken by public bodies such as the UN Development Programme and the Social Investment Fund.

Microfinance (whether in the formal, semi-formal or informal sectors) plays an important role in providing basic financial services to the economically active who do not have access to the higher level banking system, due to the restrictive account opening requirements imposed by commercial banks. Given that an overwhelming majority of the economically active in Ghana operate within the informal sector, it is vital for economic development ensure that these people and businesses have access to financial resources.

The development of so-called “microfinance apex bodies” in Ghana has assisted in providing organisation, recognition and skills to their members. They include the Ghana Co-operative Credit Unions Association, the Ghana Co-operative Susu Collectors’ Association, the Association of Financial NGOs, the Ghana Co-operatives Council, the Ghana Microfinance Network and the ARB Apex Bank.

12.3 REGULATORY ENVIRONMENT FOR GHANAIAN CREDIT INSTITUTIONS

(a) Regulatory Environment

The BoG acts as both central bank and financial regulator under various powers contained in the Bank of Ghana Act 2002 (Act 612), the Banking Act and the Non-Bank Financial Institutions Act, 2008 (the **NBFI Act**), along with various other statutory instruments. The legislation gives the BoG the powers needed to maintain the stability and integrity of the Ghanaian financial system and manage both traditional banks, NBFIs and MFIs.

The Banking Act regulates commercial banks, RCBs and the following types of NBFIs: Savings and Loan Companies, Finance Houses and those MFIs that take deposits. The Bank of Ghana is currently working on a new banking law which will replace the Banking Act.

The NBFI Act regulates NBFIs and MFIs that do not take deposits. For a description of the licensing of the licensing regime applicable to the Issuer, see “*Issuer Description-Regulatory*”.

(b) Capital Adequacy

The required capital adequacy ratio (**CAR**) for financial institutions regulated by the Banking Act is 10%, and 8% for those entities regulated by the NBFI Act. In both cases the CAR threshold may be raised in relation to a particular institution only or in relation to all institutions, by directive of the BoG.

(c) Anti-Money Laundering

The Issuer is subject to the Anti-Money Laundering Act, 2008 (Act 749) and the Anti- Money Laundering Regulations, 2008 (L. I. 1925) (**AML Rules**). The Financial Intelligence Centre (the **FIC**) administers the AML Rules.

The AML Rules require NBFIs like the Issuer is required to (i) formulate and implement an AML policy (ii) train employees on AML (iii) report suspicious or unlawful transactions to the FIC and (iv) keep records of all clients, all transactions with clients and the suspicious transaction reports made to the FIC.

13 PROGRAMME CONDITIONS

The following are the Conditions of the Notes to be issued by the Issuer under the Programme. The Applicable Pricing Supplement in relation to any Series or Tranche of Notes may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the following Conditions for the purpose of such Series or Tranche of Notes. The Conditions, as replaced or modified by the Applicable Pricing Supplement, will be incorporated by reference in each Note.

The Notes are issued subject to the Trust Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Agreement.

Copies of the Trust Agreement are available for inspection by the Noteholders, upon request, at the registered office of the Note Trustee, being at the date hereof, Ridge Tower, West Ridge, Accra, Ghana and for so long as any Notes remain outstanding.

1. ISSUE

- 1.1 A total Principal Amount of GHS 200,000,000 is authorised for issue under this Programme.
- 1.2 The Notes are issued by the Issuer in accordance with, and subject to, the Conditions, which were approved by resolutions of the board of directors of the Issuer passed on 10 December 2015 and resolutions of the shareholders of the Issuer passed on 10 December 2015.
- 1.3 Each Note shall be held subject to the Conditions, which Conditions shall be binding on the Issuer and each Noteholder.
- 1.4 The Issuer may issue Notes to such Recipients and on such dates as the Issuer deems fit. The Issuer reserves the right, in its sole discretion, to refuse any application in whole or in part, or to accept some applications for the Notes in full and others in part, or to refuse all applications for the Notes on any basis determined by it.
- 1.5 The Principal Amount of each Note issued shall be as recorded in the Applicable Pricing Supplement.
- 1.6 The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, entitled to the benefit of and are subject to all the provisions of the Trust Agreement.

2. FORM, DENOMINATION, TITLE AND TRANSFER

2.1 Form and Denomination

- 2.1.1 The Notes are in dematerialised form in the Currency and the denominations specified in the Applicable Pricing Supplement. Notes of one specified denomination may not be exchanged for Notes of another specified denomination.

2.1.2 The Notes may be a Fixed Rate Note, a Floating Rate Note or a combination of any of the foregoing, depending upon the interest basis or the redemption/payment basis shown in the Applicable Pricing Supplement.

2.1.3 All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon issue. Notes will be electronically maintained on the CSD with an identifying number that will be recorded in the Register.

2.2 Title

Title to the Notes shall pass by registration in the Register, unless Applicable Laws provide otherwise or provide for additional formalities for transfer of title. In so far as Applicable Law requires notification to the debtor for a valid transfer of title to the Notes, the registration of the transfer in the Register shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by Applicable Law, the Noteholder, as reflected in the Register, shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder.

The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each Series or Tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings.

The Issuer, Note Trustee, and CSD shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of change of ownership or writing thereon or notice of any previous loss or theft thereof) and the Note Trustee shall not be bound to request in writing the CSD to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which the Notes may be subject.

2.3 Transfers

No transfer of Notes may be registered unless a form of transfer has been delivered to the CSD as per the rules of CSD relating to transfer of securities. Each form of transfer shall be in writing in the usual form or in any other form approved by the CSD. Each form shall be signed by the Noteholder or his duly authorised agent and be delivered to the CSD in respect of the Notes to be transferred and such evidence as to identity, title, authority and legal capacity of the transferor and transferee and their respective agents, if any, as the Issuer or the CSD, may reasonably require (the **Transfer Form**).

The Register shall contain the name, address and bank account details of each of the Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue, the date upon which the Noteholder became registered as such and the unique serial numbers of all securities as pertains in the Central Securities Depository.

The CSD shall make information on Noteholders contained in the Register available to any Noteholder or any person authorised in writing by the Noteholder as they may reasonably request. The CSD shall not record any transfer other than on Business Days or while the Register is closed.

The Register shall be closed during the Book Closure Period. Noteholders entitled to participate in a distribution of Interest, or a Redemption Amount shall be those registered as such on the Last Day to Register.

The CSD shall alter the Register in respect of any change of name, address or bank account details of any of the Noteholders of which it is notified in accordance with these Conditions.

In the case of an exercise of the Issuer's right to Early Redemption or a partial redemption of a holding of Notes held in the Central Securities Depository, the CSD will change the holdings in the Register to reflect the redemption and the balance of the holding not redeemed.

Exchange and transfer of Notes and securities on registration, transfer, partial redemption or exercise of an option shall be effected according to the rules of the CSD and subject to charges by the CSD and brokers.

No Noteholder may require the transfer of a Note to be registered during a Book Closure Period or after any such Note has been called for Redemption or in the case of a partial redemption of Notes, during the period beginning on the tenth (10th) Business Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

3. STATUS

3.1 Status of the Senior Notes

The Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Status of the Subordinated Notes

The subordinated Notes constitute direct, unconditional, subordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu* without any preference among themselves.

3.3 Negative Pledge

So long as any Note remains outstanding, the Issuer shall not create any Encumbrance other than a Permitted Encumbrance upon the whole or any part of its undertakings, assets or revenues, present or future, to secure any Financial Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably therewith to the satisfaction of the

Note Trustee, or have the benefit of such other arrangements as may be approved by a Special Resolution (as defined in the Trust Agreement) of the affected Noteholders or unless otherwise agreed by a Special Resolution (as defined in the Trust Agreement) of the affected Noteholders.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Interest shall be calculated in respect of any period by applying the rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (i) if “Actual/Actual” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365; or
- (iii) if “Actual/360” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears Interest from (and including) the Interest Commencement Date and such Interest will be payable in arrears on either:

- (i) the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement; or
- (ii) if no Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, each date which falls, the number of months or other period specified in the Applicable Pricing Supplement (the **Specified Period**), after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such Interest will be payable in respect of each Interest Period. If a Business Day Convention is specified in the Applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*, or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Accra and each Additional Business Centre specified in the Applicable Pricing Supplement; and
- (b) either (i) in relation to any sum payable in a Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Currency or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) **Rate of Interest**

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

The Interest Rate for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the second decimal place, with 0.002 being rounded upwards) of the offered quotations,

(expressed as a percentage rate *per annum*) for the Reference Rate (as specified in the Applicable Pricing Supplement), in the case of Government of Ghana treasury bill rate on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Note Trustee.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of this Condition 4.2 is less than such Minimum Rate of Interest, the Interest Rate for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of this Condition 4.2 is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Note Trustee will at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate for the relevant Interest Period.

The Note Trustee will calculate the Interest on the Floating Rate Notes for the relevant Interest Period by applying the Interest Rate to the aggregate outstanding nominal amount of the Notes, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (iv) "Actual/Actual" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (v) if "Actual/365" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365; and
- (vi) if "Actual/360" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360.

(e) Notification of Interest Rate and Interest Amounts

The Note Trustee will cause the Interest Rate and the Interest for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Noteholders and the CSD as soon as possible after their determination but in no event later than the fourth Accra Business Day thereafter. Each Interest and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Note Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the CSD and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Notes

The Interest Rate or Interest payable in respect of Notes which are not Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the Applicable Pricing Supplement.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and

- (b) five (5) Business Days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Note Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5. PAYMENTS

5.1 Method of payment

- 5.1.1 Payments of Principal Amount in respect of the Notes shall be made when due by bank transfer or cheque payment to Noteholders to an account in the relevant Currency maintained by the payee.
- 5.1.2 Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7; and (ii) any regulations or agreements, official interpretations, or any law implementing an intergovernmental approach to payments.
- 5.1.3 Interest and Principal Amounts due on Redemption shall only be payable, in respect of Interest, to Noteholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question, and, in respect of Redemption, to Noteholders registered as such on the Last Day to Register prior to the Redemption Date.
- 5.1.4 Subject to Conditions 5.1.1 and 5.1.3, payments of Interest and Principal Amounts shall be made by the Issuer *via* electronic funds transfer to the account designated for the purpose by the Note Trustee (the **Trustee Account**) by 9:00am on the fourth (4th) Business Day before the Redemption Date or Interest Payment Date. Such payment into the Trustee Account by the Issuer shall be a valid discharge by the Issuer of its obligation to pay Interest or the Redemption Amount on Redemption, as the case may be.
- 5.1.5 Payment of principal and interest will be made by transfer to the registered account of the Noteholder or by a cheque in Ghana Cedis mailed to the Noteholder's address in the Register if it does not have a registered account, as indicated by the Noteholder on the Application Form.
- 5.1.6 Subject to Conditions 5.1.1 and 5.1.3, payments of Interest and Principal Amounts shall be made by the Note Trustee *via* electronic funds transfer to the Noteholder. In the event that, for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 5.
- 5.1.7 Cheques in payment of Interest and Redemption Amounts shall be drawn on the Note Trustee and issued by the Note Trustee. Payment of cheques shall be a valid discharge by the Note Trustee of the obligation upon it to pay interest or the Redemption Amount on redemption, as the case may be.
- 5.1.8 Subject to Conditions 5.1.1 and 5.1.3, cheques shall be made payable to the order of:
 - (a) the registered Noteholder; or

- (b) such other person as may have been notified in writing to the Note Trustee by the registered Noteholder (accompanied by the address of that person and such proof of authority as the Issuer or the Note Trustee may require) not later than the Last Day to Register in respect of the relevant Interest Payment Date or Redemption Date, as the case may be.

5.1.9 Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.

5.1.10 Subject to Condition 5.1.7, Cheques shall be posted to the Noteholder entitled thereto in terms of Condition 5.1.8(a) at the address of the Noteholder in the Register (or such other address as may have been notified in writing to the Note Trustee by the Noteholder not later than the relevant Last Day to Register) or to the person referred to in Condition 5.1.8(b) at the address given in the notice referred to in Condition 5.1.8(b):

- (a) in the case of Interest, one (1) Business Day before the relevant Interest Payment Date; or
- (b) in the case of Redemption Amounts, one (1) Business Day before the Redemption Date.

5.1.11 If written notice of the intention to collect a cheque is given to the Note Trustee at least fifteen (15) Business Days before the relevant Interest Payment Date or Redemption Date, the cheque shall be available for collection by the Noteholder or other person entitled pursuant to Condition 5.1.8 at the office of the Note Trustee:

- (a) in the case of Interest, on the relevant Interest Payment Date; or
- (b) in the case of Redemption, on the Redemption Date.

5.1.12 If a cheque is not collected within two (2) Business Days of the date for collection set forth in Condition 5.1.11 above, the cheque shall be posted to the Noteholder or other person entitled thereto at his address set out in the Register (or to such other address as may have been notified in writing to the Note Trustee not later than the relevant Last Day to Register).

5.1.13 Cheques shall be posted by registered post, provided that neither the Issuer nor its agents shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 5.

5.1.14 Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, Business Day Convention per the Applicable Pricing Supplement) will be initiated (i) on the due date for payment, and (ii) on the due date for payment (in the case of Interest due other than on Redemption).

5.1.15 Where payment is to be made by cheque, the cheque will be mailed (i) on the Business Day immediately preceding the due date for payment and (ii) on the

Business Day immediately preceding the due date for payment (in the case of Interest due other than on Redemption).

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

5.1.17 The Issuer shall submit a report of any unclaimed payments of principal and interest in respect of any Note to the SEC on an annual basis.

5.2 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, subject to the applicable Business Day Convention, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) and in each additional financial centre specified in the Applicable Pricing Supplement.

5.3 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 6 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Agreement;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to any zero-coupon Notes, the Amortised Face Amount (as defined in Condition 6.3); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to Interest shall be deemed to include, as applicable, any Additional Amounts or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Agreement).

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

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

6.2 Optional Redemption

This Condition 6.2 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Optional Redemption. The Applicable Pricing Supplement contains provisions applicable to any Optional Redemption and must be read in conjunction with this Condition 6.2 for full information on any Optional Redemption. In particular, the Applicable Pricing Supplement will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Optional Redemption is specified as being applicable in the Applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in Applicable Pricing Supplement to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the Applicable Pricing Supplement. The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the Applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot not more than 30 Business Days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

Notwithstanding any provision in this Condition 6, the Issuer shall not redeem any of the Notes within one (1) year of issue of same.

6.3 Early Redemption Amounts

For the purpose of Condition 6, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

- (b) in the case of a Note (other than a zero-coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Currency other than that in which the Note is denominated, at the amount specified in the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a zero-coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^Y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^Y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche or Series of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche or Series of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche or Series of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.4 **Purchases**

The Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, cancelled.

6.5 **Cancellation**

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.4 cannot be reissued or resold. The CSD shall be notified of the cancellation of any Notes.

6.6 **Late payment on zero-coupon Notes**

If the amount payable in respect of any zero-coupon Note upon redemption of such zero-coupon Note pursuant to Condition 6.1 or 6.2 above or upon its becoming due

and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such zero-coupon Note shall be the amount calculated as provided in Condition 6.3(c) above as though the references therein to the date fixed for the redemption or the date upon which such zero-coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such zero-coupon Note have been paid; and
- (b) five (5) Business Days after the date on which the full amount of the moneys payable in respect of such zero-coupon Notes has been received by the Note Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 12.

6.7 **Late payment on Fixed Rate Notes**

Each Fixed Rate Note shall cease to bear Interest from the date of its redemption unless payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue at the Fixed Default Rate.

For the purposes of this Condition 6.7, **Fixed Default Rate** means the rate specified as such in the Applicable Pricing Supplement, or if not so specified in the Applicable Pricing Supplement, at a *per annum* rate equal to the Interest Rate specified in the Applicable Pricing Supplement plus a margin of 2%.

6.8 **Late payment on Floating Rate Notes**

Each Floating Rate Note shall cease to bear interest from the date of its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Floating Default Rate.

For the purposes of this Condition 6.8, **Floating Default Rate** means the rate (if any) specified as such in the Applicable Pricing Supplement, or if not so specified at a *per annum* rate equal to the Interest Rate specified in the Applicable Pricing Supplement plus a margin of 2%.

7. **TAXATION**

All payments made by the Issuer to the Noteholders in respect of the Notes will be subject to withholding tax of 8% under the Income Tax Act, 2015 (Act 896) except where the Noteholder is exempt under Applicable Laws. The Issuer shall not be required to gross up any interest payments on account of any reduction resulting from withholding tax.

8. **PRESCRIPTION**

The Notes will become void unless claims in respect of principal and/or interest are made within a period of six (6) years (in the case of the Principal Amount) and six (6) years (in the case of Interest) after the Relevant Date. For the purpose of this Condition 8, **Relevant Date** means the date on which such payment first becomes

due, except that, if the full amount of the moneys payable has not been duly received by the Note Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12.

9A. GENERAL COVENANTS

The Issuer covenants that it will:

- 9A.1 not make or threaten to make any substantial change in the principal nature of its business as conducted as at the Issue Date; and
- 9A.2 take any and all action as is required of it under applicable law or regulation and otherwise maintain in effect its operating licence and corporate existence and take any action to maintain any material rights, necessary or desirable for the normal conduct of its business, activities or operations; and
- 9A.3 comply in any and all material respects with any applicable law or regulation (including any applicable foreign exchange rules or regulations) of any governmental or other regulatory authority for any purpose in order to enable it lawfully to exercise its rights and perform and comply with its obligations under the Notes, the Trust Agreement or the Agency Agreement and to ensure that those obligations are legally binding and enforceable and that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect.

9B. FINANCIAL COVENANTS

An Applicable Pricing Supplement may contain such financial covenants as may be determined by the Issuer.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default relating to Senior and Subordinated Notes

The Note Trustee may (at its discretion) or shall (if so requested in writing by the Noteholders of not less than 25% in Principal Amount of the Notes then outstanding or if so directed by a Special Resolution) (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (but in the case of the happening of any of the events described in Condition 10.1(b) to (d), other than the winding up or dissolution of the Issuer, (f) to (h) below inclusive, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued Interest as provided in the Trust Agreement if any of the following events (each, an **Event of Default**) shall occur:

- (a) if default is made in the payment in the Currency of any Principal Amount, Interest or Additional Amounts on any of the Notes when same is due and payable at the Interest Payment Date, Maturity Date or upon Redemption and the default continues for a period of 7 Business Days;
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Agreement and (except in any case where, in the opinion of the Note Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 calendar days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied;
- (c) if (A) any Indebtedness for Borrowed Money of the Issuer becomes due and repayable prematurely by reason of an event of default (however described); or (B) the Issuer fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment, subject to any applicable grace period, PROVIDED THAT the aggregate principal amount of any such Indebtedness for Borrowed Money of the Issuer in the case of (A), and/or (B) above exceeds USD 5,000,000 (or its equivalent in any other currency or currencies);
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved in writing by the Note Trustee or by a Special Resolution;
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved in writing by the Note Trustee or by a Special Resolution, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;
- (f) if (A) proceedings are initiated against the Issuer under the Bodies Corporate (Official Liquidations) Act, 1963 (Act 180) and any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the undertaking or assets of any of them, or an encumbrance takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 30 calendar days;
- (g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or

other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

- (h) if (i) all or any substantial part of the undertakings, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government, or (ii) the Issuer is prevented by any such person from exercising normal control over all or any substantial part of its undertakings, assets, revenues; or
- (i) if any event occurs which, under Applicable Laws, has or may have, in the Note Trustee's opinion, an analogous effect to any of the events referred to in Conditions 10.1(d),(e) and (h) above.

10.2 Enforcement

The Note Trustee may at any time, at its discretion and without notice, subject to the terms of the Trust Agreement, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Agreement and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Agreement and the Notes unless (i) it shall have been so directed by a Special Resolution or so requested in writing by the holders of at least one-fourth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Note Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11 NOTE TRUSTEE

The name and registered office of the Note Trustee is as follows:

Fidelity Bank Ghana Limited
Ridge Tower, West Ridge, Accra
Tel: +233(0)302-214-490
Contact: **John Taricone**
jtaroncone@myfidelitybank.net

If any additional note trustee is appointed in connection with any Series or Tranche in accordance with the Trust Agreement, the name of such note trustee will be specified in Part B of the Applicable Pricing Supplement.

12 NOTICES

- 12.1 Notices to Noteholders will be deemed to be validly given if: (i) sent by first-class mail (airmail if overseas) to them (or, in the case of joint holders, to the first-

named in the Register) at their respective addresses as recorded in the Register; or
(ii) published in a newspaper of general circulation in Ghana and approved by the Note Trustee. Each such notice shall be deemed to have been validly given on the tenth (10th) Business Day after the date of postage.

12.2 Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at its registered address and clearly marked on their exterior "*Urgent - Attention: Chief Executive Officer*" (or at such other address and for such other attention as may have been notified to the holders in accordance with Condition 12.1). Such notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Issuer's registered address is open for business.

12.3 Notices to the Note Trustee will be deemed to have been validly given if delivered to the registered office of the Note Trustee and clearly marked on their exterior "*Urgent - Attention: John Taricone.*"

13 MEETINGS OF NOTEHOLDERS AND MODIFICATION, WAIVER AND SUBSTITUTION

13.1 Meetings of Noteholders

13.1.1 The Trust Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification of these Conditions and the Trust Agreement. Noteholder meetings may be convened by the Issuer or by the Note Trustee and shall be convened by the Issuer or the Note Trustee if so requested in writing by the Noteholders holding not less than 25% in aggregate of the total Principal Amount of the Notes then outstanding.

13.1.2 The quorum at any such meeting for passing a Special Resolution shall be as stated in the Trust Agreement.

13.1.3 A decision to:

- (a) amend the Maturity Dates or Redemption of any of the Notes, any Interest Payment Date on the Notes;
- (b) reduce or cancel the Principal Amount of, or any premium payable on Redemption of, the Notes;
- (c) reduce the Interest Rate/s in respect of the Notes or to vary the method or basis of calculating the amount of Interest, Interest Rate/s or the basis for calculating any Interest in respect of the Notes;
- (d) if a Minimum Interest Rate and/or a Maximum Interest Rate is shown hereon, reduce any such Minimum and/or Maximum;
- (e) vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

- (f) vary the Currency or Currencies of payment of the Notes; or
- (g) modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Special Resolution,

may only be taken following approval by a Special Resolution.

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

13.2 **Modification and Waiver**

The Note Trustee may agree, without the consent of the Noteholders, to effect:

13.2.1 any modification of any provision of the Trust Agreement or the Notes (including these Terms and Conditions) which is of a minor nature or is made to correct a manifest error in the opinion of the Note Trustee, provided that such modification is not prejudicial to the interests of the Noteholders; and

13.2.2 any other modification and any waiver or authorisation of any breach or proposed breach of any provision of these Conditions or the Trust Agreement which are in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders - provided that no such modification shall be permitted unless an opinion of legal counsel is delivered to the Note Trustee to the effect that the Noteholders will be subject to Ghana tax on the same amount and in the same manner and at the same times as would have been the case if such modification had not occurred.

Moreover, the Note Trustee may take into account, among other things, any confirmation from the rating agencies that the then current ratings of the relevant Notes would not be adversely affected in considering whether any such modification, waiver or authorisation would be materially prejudicial to the interests of the Noteholders.

Any such modification, waiver or authorisation may be given or made on such terms and subject to such conditions as the Note Trustee may in its sole discretion determine and shall be binding on the Noteholders and, if the Trustee so requires, will be notified to the Noteholders as soon as practicable thereafter, provided that the Note Trustee shall not exercise any powers conferred upon it by this Condition 13 in contravention of any express direction by a Special Resolution or a request in writing made by the Noteholders of not less than 25% in aggregate Principal Amount of the affected Notes then outstanding (provided that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

13.3 Substitution of the Issuer

- 13.3.1 The Note Trustee may, without the consent of the Noteholders, agree on such terms as it may specify to the substitution of the Issuer's successor in business where the substitution of the Issuer is as a result of a merger, an acquisition, or other form of business combination involving the Issuer.
- 13.3.2 Subject to obtaining the consent of Noteholders, the Note Trustee may agree on such terms as it may specify to the substitution of the Issuer with its Affiliate in its place as issuer under this Agreement.

14 INDEMNIFICATION OF THE NOTE TRUSTEE AND NOTE TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Agreement contains provisions for the indemnification of the Note Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Agreement also contains provisions pursuant to which the Note Trustees are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as note trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith (d) the Note Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Noteholders and (e) the Note Trustee is not responsible for the validity, sufficiency or enforceability of the Trust Agreement or the Notes.

In the exercise of its powers and discretion under these Conditions and the Trust Agreement (including but not limited to those referred to in this Condition 14), the Note Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence of such exercise for individual Noteholders of Notes as a result of such Noteholders being connected in any way with a particular territory or otherwise, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16 GOVERNING LAW, ARBITRATION AND SUBMISSION TO JURISDICTION

16.1 Governing law

The Trust Agreement, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with the Trust Agreement, the Agency Agreement and the Notes are governed by, and construed in accordance with, Ghanaian law.

16.2 Arbitration and submission to jurisdiction

Any dispute arising out of or in connection with the Notes or the Trust Agreement, including a dispute as to the validity, existence or termination of the Notes or the Trust Agreement or the consequences of their nullity and/or this Condition 16.2 (a **Dispute**), shall be resolved:

- (a) by arbitration in accordance with the Alternative Dispute Resolution Act of Ghana, 2010 (Act 798).
- (b) at the option of the Note Trustee (or where entitled to do so) any Noteholder or the Issuer, by proceedings brought in the courts of Ghana, which courts are to have exclusive jurisdiction. The Issuer and the Note Trustee and, where so entitled, the Noteholder, irrevocably submits to the jurisdiction of such courts and waives any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

16.3 Service of Process

Service of any writ, judgment or other notice of legal process shall be received by the Issuer at its registered office in Ghana, presently 71 Osu Badu Street, Airport West, Accra, Ghana. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Note Agent, appoint a further person to accept service of process on its behalf and, failing such appointment within fifteen (15) Business Days, any Note Agent shall be entitled to appoint such a person by written notice to the Issuer. Nothing in this sub-clause shall affect the right of the Note Trustee to serve process in any other manner permitted by law. Nothing in this Condition 16 shall affect the right of the Note Trustee or any Noteholder to serve any writ, judgement or other notice of legal process in any manner permitted by applicable law and the Issuer hereby consents to service being effected in any such manner, whether by mail or otherwise. The Issuer consents generally in respect of any proceedings to the giving of the relief or the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such proceedings.

14 TAXATION

The Issuer is a Ghana resident for tax purposes. All payments of principal and interest in respect of the Notes will be made in compliance with income tax laws of Ghana. Currently, the Issuer is required by the Income Tax Act, 2015 (Act 896), to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law. The Issuer shall not be required to gross up any interest payments on account of any reduction resulting from withholding tax. Noteholders are advised to seek professional tax advice concerning their specific tax obligations relating to investing in the Notes.

15 SUBSCRIPTION AND SALE

15.1 GENERAL

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

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

15.2 APPLICATION PROCEDURE

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

15.3 PAYMENT FOR THE NOTES AND DELIVERY

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

15.4 SETTLEMENT PROCEDURE

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

- either by banker’s cheque drawn in favour of the “Bayport Financial Services Notes Programme”, such cheque to reach the Dealer no later than 15:00 hours (GMT) two (2) Business Days before the closing date against delivery of a deposit slip; or
- by bank transfer/ remittance, to be made on the instructions of the successful applicant to his/her bank for the funds to be credited to the Issuer’s Note Programme GHS Account number as detailed below:
 - “Bayport Financial Services Notes Programme Collection Account”, Fidelity Bank, Ridge Branch, Branch sort code 240101, Account 1300032081112, SWIFT: FBLIGHAC.

15.5 SELLING RESTRICTIONS

15.6 Republic of Ghana

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

15.1.1 Supplementary or Modified Selling Restrictions

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

15.1.2 General

Each Dealer undertakes that:

- (a) no action has been or will be taken in any country or jurisdiction that would permit a public offering of notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required; and
- (b) it will comply with all applicable law, regulations and directives in each jurisdiction in which it purchases, offers sells or delivers Notes or has in its possession or distributes the Prospectus or any offering material.

US Securities Laws

- (a) Neither the Issuer, its affiliates nor any persons (other than the Dealers, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S) in respect of the Notes; and
- (b) the Issuer is a "foreign issuer" and reasonably believes that there is no substantial U.S. market interest (as those terms are defined in Regulation S under the Securities Act) in its debt securities.



BENTSI-ENCHILL LETSA & ANKOMAH

4 Momotse Avenue, Adabraka, P. O. Box 1632, Accra, Ghana
Fax: 233 - 302 - 208901 Tel: 233 - 302 - 208888 / 208889 / 208890 / 208893/208894/208895
belm@africaonline.com.gh / bel@belonline.org
<http://www.belonline.org>

B/221s1

10-Dec-15

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,

BAYPORT FINANCIAL SERVICES GHANA LIMITED: ESTABLISHMENT OF GHS 200 MILLION MEDIUM TERM PROGRAMME AND LISTING OF NOTES ON THE GHANA ALTERNATIVE EXCHANGE

1. Introduction

We have acted as Ghanaian legal counsel to Bayport Financial Services Limited, a public limited liability company incorporated under the laws of Ghana ("**Bayport**"), in connection with the establishment of GHS 200,000,000 medium term note programme (the "**Note Programme**") and the proposed listing of notes issued under the Note Programme (the "**Notes**") on the Ghana Alternative Exchange (the "**GAX Listing**").

2. Documents Examined

2.1 For the purpose of giving this opinion, we have examined draft copies of the following documents (the "**Programme Documents**"):

- 2.1.1 the Note Programme Memorandum (the "**Programme Memorandum**");
 - 2.1.2 the trust agreement to be entered into between Fidelity Bank Ghana Limited (the "**Note Trustee**") and Bayport (the "**Trust Agreement**"); and
 - 2.1.3 the agency agreement to be entered into between Bayport, the Note Trustee and Central Securities Depositories Limited (the "**Agency Agreement**").
- 2.2 Unless otherwise indicated, all expressions defined in the Programme Memorandum 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 certificate of incorporation of Bayport dated September 8, 2015;
 - 2.3.2 the certificate to commence business of Bayport dated September 8, 2015;
 - 2.3.3 the regulations of Bayport adopted by special resolution on October 26, 2015 (the "**Regulations**");
 - 2.3.4 the written resolution of the board of directors of Bayport dated October 26, 2015 approving the conversion of Bayport into a public company and recommending the adoption of the Regulations;
 - 2.3.5 the written resolution of the shareholders of Bayport dated October 26, 2015 approving and authorising the conversion of Bayport into a public company and the adoption of the Regulations;
 - 2.3.6 the written resolution of the board of directors of Bayport approving and authorising, *inter alia*, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GAX Listing, the terms and conditions of the respective Programme Documents, the execution and performance of the Programme Documents and the appointment of any 2 directors of Bayport to sign the Programme Documents;
 - 2.3.7 the written resolution of the shareholders of Bayport approving and authorising, *inter alia*, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GAX Listing, the terms and conditions of the respective Programme Documents and the execution and performance of the Programme Documents;

2.3.8 the letter from Bayport to the Bank of Ghana dated October 29, 2015, by which Bayport requested the approval of the Bank of Ghana in respect of the conversion of Bayport into a public company, the adoption of the Regulations, the establishment of the Note Programme and the listing of the Notes on the GAX; and

2.3.9 the letter from the Bank of Ghana to Bayport dated December 9, 2015, by which the Bank of Ghana has given its approval in respect of the establishment of the Note Programme, the conversion of Bayport into a public company, the adoption of the Regulations, and the listing of the Notes on the GAX, subject to compliance with the applicable provisions of the listing rules of the Ghana Stock Exchange (the “**GSE Listing Rules**”), the Companies Act, 1963 (Act 179) (the “**Companies Act**”) and the Banking Act, 2004 (Act 673) (as amended) (the “**Bank of Ghana Approval**”).

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 on the laws of any other jurisdiction.

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

4. Opinion

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

4.1 Incorporation

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

4.1.2 Bayport 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, Bayport has all the necessary power and authority to own its property and assets and to carry on its businesses 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, Bayport (or to take any analogous action) nor has a

moratorium been declared on the payment of any indebtedness of Bayport.

4.2 Powers and Authorisations

Bayport:

- 4.2.1** is duly licensed as a non-bank financial institution by the Bank of Ghana;
- 4.2.2** has the power to enter into, and perform its obligations under, the Programme Documents;
- 4.2.3** has taken all necessary action to authorise the entry into, and performance of its obligations under, the Programme Documents; and
- 4.2.4** has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Programme Documents.

4.3 Regulatory Approvals and Consents

- 4.3.1** The approval of the Securities and Exchange Commission is required for the public offer of the Notes.
- 4.3.2** The approval of the Ghana Stock Exchange is required for the GAX Listing.
- 4.3.3** The approval of the Bank of Ghana is required for the conversion of Bayport into a public company and the adoption of the Regulations.
- 4.3.4** Apart from the approvals referred to under paragraph 5.3.1 to paragraph 5.3.3, no other regulatory approvals, consents or licenses or authorisations are required or advisable under Ghanaian law for the establishment of the Note Programme, the issuance of the Notes thereunder or the GAX Listing.

4.4 Programme Memorandum and the Notes

- 4.4.1** The Programme Memorandum 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.
- 4.4.2** The Programme Documents and the Notes constitute the legal, valid and binding obligations of Bayport, enforceable in accordance with their terms in Ghana.

- 4.4.3** The claims of the Noteholders against Bayport under the Programme Memorandum rank and (subject to any changes in the laws of Ghana after the date of this opinion) will rank, at least, equally and rateably *pari passu* with all present and future unsecured and unsubordinated indebtedness of Bayport other than any such indebtedness which is then mandatorily preferred by virtue of any provision of the bankruptcy, insolvency and similar laws of general application in Ghana.

4.5 Contractual Obligations

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

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 issue of the Notes pursuant to the GAX Listing does not contravene any provision of the Regulations.
- 4.6.4** The Note Programme does not contravene any provision of the Regulations or any applicable laws in Ghana.

4.7 Taxes and Stamp Duty

- 4.7.1** The statements in the Programme Memorandum regarding taxation in Ghana are correct in all material respects.
- 4.7.2** Interest payments under the Notes will be subject to withholding tax of 8%, except in relation to Noteholders who are exempt from withholding tax.
- 4.7.3** Each of the Agency Agreement and the Trust Agreement is subject to a nominal stamp duty, at a rate of GHS 0.50, by the Land Valuation Division of the Lands Commission of Ghana in accordance with the Stamp Duty Act, 2005 (Act 659) in order to be admissible in evidence, and enforceable, in the courts of Ghana.

4.8 Registrations and Filings

No registration or filing is required at any registry in Ghana in order for any of the Programme Documents to be valid, binding and enforceable in accordance with their respective terms.

Yours faithfully,



Bentsi-Enchill, Letsa & Ankomah

Schedule A

Assumptions

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

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. each of the written resolutions of the board of directors of Bayport was duly executed by all the directors of Bayport and all requirements relating to disclosure of interest and due consideration of the commercial interests of Bayport were complied with;
3. each of the written resolutions of the shareholders of Bayport was duly executed by all the shareholders of Bayport after the board of directors of Bayport fully disclosed all material details relating to the transaction; and
4. all disclosures made to us by Bayport and its officers as reflected in the Programme Memorandum are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

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

17 GENERAL INFORMATION

17.1 AUTHORISATION

The establishment of the Programme and the issue and listing of Notes under the Programme have been duly authorised by a resolution of the board of directors of the Issuer dated October 26, 2015 and a resolution of the shareholders of the Issuer dated October 26, 2015. This Prospectus has been approved by the SEC. The listing of any relevant Series or Tranche of Notes has been approved by the GSE.

17.2 LISTING OF NOTES

The Notes will be listed on the GAX.

17.3 DOCUMENTS AVAILABLE

As long as any Notes are outstanding, copies of the following documents will be available in physical form for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours (except on Saturdays, Sundays and public holidays):

- (a) the Regulations or other incorporation documents of the Issuer;
- (b) the board and shareholder resolutions of the Issuer approving the Programme and the issue of the Notes;
- (c) when published, the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements of the Issuer, together with any audit or review reports prepared in connection therewith;
- (d) the Trust Agreement;
- (e) the Agency Agreement;
- (f) this Prospectus;
- (g) when published, any future prospectuses, information memoranda, supplements and Applicable Pricing Supplements;
- (h) the audited annual financial statements of the Issuer for the period ended 31 December 2014;
- (i) the prospective financial information on the Issuer for five (5) years ending 2020;
- (j) the legal opinion of Bentsi-Enchill, Letsa & Ankomah as to compliance of the Programme with Ghanaian law requirements;

- (k) the report of EY as Reporting Accountants to the Programme;
- (l) the Global Note Certificate for each Series or Tranche of Notes held by the Note Trustee on behalf of Noteholders; and
- (m) any further documents incorporated into this Prospectus by reference.

17.4 CLEARING SYSTEM

The Notes have been accepted for clearance through the CSD system. The appropriate ISIN Code for each Tranche or Series of Notes will be specified in the Applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the Applicable Pricing Supplement.

The address of the CSD is:

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

17.5 MATERIAL CHANGE

Save as disclosed in the Prospectus, there has been no significant or material adverse change in the prospects, nor any significant change in the financial or trading position, of the Issuer since December 31, 2014.

17.6 LITIGATION

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

17.7 CONFLICTS OF INTEREST

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

17.8 REPORTING ACCOUNTANTS

The Issuer's financial statements for the years ended 31 December 2014 and 2013 were prepared in accordance with IFRS and were audited by Deloitte. EY have acted as Reporting Accountants to this Programme.

17.9 EXCHANGE CONTROLS

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

For and on behalf of the Issuer on 10 December 2015

.....
Kofi Adu-Mensah
Director

.....
Angela Leibel
Director

APPENDIX A: FORM OF APPLICABLE PRICING SUPPLEMENT

DATE: [●]

BAYPORT FINANCIAL SERVICES GHANA LIMITED

*Incorporated as a public company in the Republic of Ghana with registration number
CS691702015*

**Issue of GHS [●] [Title of Notes] (the Notes)
under the GHS 200,000,000 Domestic Medium Term Note Programme**

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated [●] 2015 [and the supplement[s] to it dated [●] [and ●] which [together] constitute[s] a prospectus] (the **Prospectus**). This document constitutes the Applicable Pricing Supplement of the Notes and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Applicable Pricing Supplement and the Prospectus.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Applicable Pricing Supplement.]

1.	Issuer:	Bayport Financial Services Ghana Limited
2.	(a) Series Number:	[●]
	(b) Tranche Number:	[●]
	[(c) Date on which Notes will be consolidated to form a single series:]	[The Notes will be consolidated and form a single Series on <i>[insert date of consolidation]</i> / Not Applicable]
3.	Currency:	[●]
4.	Aggregate Nominal Amount:	
	(a) Series:	[●]
	(a) Tranche:	[●]
5.	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i>] ³

³ Only applicable for additional tranches.

6.	Specified Denomination:	[●]
7.	Calculation Amount:	[●]
8.	Issue Date:	[●]
9.	Interest Commencement Date:	[Issue Date/ <i>specify</i> /Not Applicable]
10.	Maturity Date:	[<i>specify date</i>] ⁴ [<i>specify date</i>]] ⁵
11.	Interest Basis:	[●]% Fixed Rate [●] month [GOG treasury bill rate] +/- [●]% Floating Rate [zero-coupon]
12.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [par / [●]% of their nominal amount].
13.	Redemption Options:	[Issuer Call / Not Applicable]
14.	Status of the Notes:	[Senior / subordinated] ⁶

INTEREST PROVISIONS

15.	Fixed Rate Provisions:	[Applicable/Not Applicable] ⁷
(a)	Rate of Interest:	[●]% <i>per annum</i>
(b)	Interest Payment Date(s):	[●] in each year up to and including the Maturity Date [There will be a [short/long] [first/final] interest period from, and including, the [Interest Commencement Date/[●] to, but excluding, [●]/the Maturity Date] (the Stub Period)
(c)	Fixed Coupon Amount:	[GHS] [●]
(d)	Broken Amounts:	[In respect of the Stub Period, [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] [Not Applicable]

⁴ Applicable to fixed rate Notes only.

⁵ Applicable to floating rate Notes only.

⁶ If senior, refer to items 21-23 of this Applicable Pricing Supplement to apply/disapply security provisions accordingly.

⁷ If the Notes are not fixed rate, mark "Not Applicable" and delete (a)-(f).

(e)	Day Count Fraction:	[●]
(f)	Determination Date(s):	[●] in each year / Not Applicable]
(g)	Business Day Convention	Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(h)	Calculating Agent	[Fidelity Bank Ghana Limited]
16.	Floating Rate Provisions:	[Applicable/Not Applicable] ⁸
(a)	Specified Interest Period(s) / Specified Interest Payment Dates:	[●] [There will be a [short/long] [first/final] interest period from, and including, the [Interest Commencement Date/●] to, but excluding, [●]/the Maturity Date] (the Stub Period)]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(c)	Additional Business Centre(s):	[●]
(d)	Manner of determination of Interest rate and Interest Amount:	Screen Rate Determination
(e)	Calculating Agent]):	[Fidelity Bank Ghana Limited]
(f)	Screen Rate Determination:	[Applicable/Not Applicable]
(i)	Reference Rate:	[●] month [<i>currency</i>][GOG treasury bill rate]
(ii)	Relevant Time:	[●] [a.m./p.m.][Accra]
(iii)	Relevant Financial Centre:	[Accra]
(iv)	Interest Determination Date(s):	[●]
(v)	Relevant Screen Page:	[●]
(vi)	Interpolation for	[Applicable/Not Applicable]

⁸ If the Notes are not floating rate, mark “Not Applicable” and delete (a)-(k).

Stub Period:

(g)	Margin:	[+/-] [●]% <i>per annum</i>
(h)	Day Count Fraction:	[●]
(i)	Maximum Interest Rate	[Applicable/Not Applicable]
(j)	Minimum Interest Rate	[Applicable/Not Applicable]
16.	Zero-coupon Note Provisions:	[Applicable/Not Applicable] ⁹
(a)	Accrual Yield:	[●]% <i>per annum</i>
(b)	Reference Price:	[●]
(c)	Day Count Fraction in relation to early Redemption Amounts:	[●]

REDEMPTION PROVISIONS

17.	Notice periods for Condition 7.2:	Minimum period: [●] days Maximum period: [●] days
18.	Issuer Call	[Applicable/Not Applicable]
19.	Final Redemption Amount:	[●]
20.	Early Redemption Amount payable on redemption for taxation reasons or an Event of Default:	[●]

GENERAL PROVISIONS

21.	Form of Notes:	With the exception of the Global Note Certificate issued in respect of this Series or Tranche under this Applicable Pricing Supplement, all Notes will be in dematerialised form and electronically registered on the CSD
22.	Additional Financial Centres:	[●] / Not Applicable]
23.	Note Trustee Details:	[Fidelity Bank Ghana Limited]
24.	Governing Law	Ghanaian law
25.	Date of receipt of approvals for	(NB: only relevant where corporate approval is

⁹ If the Notes are not zero coupon, mark “Not Applicable” and delete (a)-(c).

	issuance by board of directors and shareholders:	required for the particular series or tranche)
26	Method of Distribution:	[•]
27	Additional Selling Restrictions:	[•]
28	Settlement Procedures and Instructions:	[•]
29	Bank Account for payments in respect of Notes	[•]
30	Tax	[Interest earned on Notes is subject to 8% withholding tax unless exempted by law]

Signed on behalf **Bayport Financial Services Ghana Limited**

By:

Duly authorised

Print name:

PART B – OTHER INFORMATION

1. Listing: The Notes will be listed on the Ghana Alternative Market
2. Ratings: The Notes will not be rated
3. Operational Information:
 - (a) ISIN Code: [•]
 - (b) Additional agents: [•] / Not Applicable
 - (c) Other information: [•] / Not Applicable
4. Additional Information: [•] / Not Applicable

SALIENT DATES AND TIMES

Offer Opens:

Offer Closes:

Allotment Date:

Payment Date:

Issue Date:

Delivery Date:

Listing on the GAX:

All application forms are to be received by the Dealers at their Specified Offices before [*].

All applicants will be notified by fax or telephone of their allotment by no later than [*].

Payment for good value by Successful Applicants must be received by [*].

The Notes will be issued by the Issuer by [*].

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

Issued Notes will be listed for trading with 2 business days of issue date.

MATERIAL ADVERSE STATEMENT

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

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

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

RESPONSIBILITY STATEMENT

The Issuer and its board of directors accepts responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Prospectus [and the supplemental Prospectus] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf Bayport Financial Services Ghana Limited

By:

Duly authorised

Print name:

By:

Duly authorised

Print name:

APPENDIX B: APPLICATION FORM

APPLICATION FORM

your future now



BAYPORT FINANCIAL SERVICES GHANA LIMITED

(Incorporated as a public company with limited liability in the Republic of Ghana with registration number [•])

APPLICATION FORM FOR TRANCHE/SERIES [•]

Issue of [•] Year [•] Rate [•] [•] Notes

Under the GHS[•] Million Note Programme

Applicants must complete all sections of the application form. Please read the Section E 'Notes and Instructions for Completing Application Form' below for guidance. Application lists will close at [•] hrs GMT on [•] [•], [•].

SECTION A

Name of Applicant	
Postal Address (P. O. Box or Private Bag)	
Name of Contact Person	
Telephone number	
Facsimile number	
E-mail address	
Tax Status (Y/N)	
<i>Central Securities Depository Account Details:</i>	
Depository Participant Code	
Depository Account Number	
Account Type	

SECTION B (Subscription Amount)

	A Nominal Value (GHS)	B Issue Price (%)	C Total Consideration (C = A x B)
Amount applied for		[•]	

SECTION C (Declaration)

To: The Board of Directors of Bayport Financial Services (Ghana) Limited

I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant stated in Section A overleaf ("the Applicant"), and on behalf of the Applicant irrevocably and unconditionally apply for and agree to take up the nominal value of the Notes stated in Column "A" in Section B overleaf at the price stated in Column B in Section B, or any lesser nominal value of the Notes that may be allotted to the applicant in terms of the Trust Deed dated [•]. Where a lesser nominal value of the Notes is allotted to the Applicant, I agree that the relevant amount payable by the Applicant in terms of Column "C" in Section B overleaf will be reduced pro rata to the lesser nominal value so allotted. I/We acknowledge that the Applicant will be unconditionally liable for payment in respect of the Notes allotted and that such payment will be made in full accordance with the payment procedures set out under page [• "Subscriptions and Sale " of the Programme Memorandum by [•]hrs on [•] [•], [•].

Signature:

Full Name:

Capacity:

Date:

SECTION D (Instructions: Payment of Entitlements)

Interest payments and the principal repayment in respect to the Notes and refunds, if any, that are due in respect of bids where payments have been made at the time of application are to be made to:

(a) At (postal address):

City:
Region:
(b) Or into my Current Account (Account Details for the CSD Account):
Name of Bank:
Bank Branch:
Bank Account Number:
Sort Code:
SWIFT Code:
<i>Complete only (a) or (b). If both are completed, effect will be given to (b)</i>

SECTION E (Notes and Instructions for Completing Application Form)

1. Completing this form:

- A. All alterations to this application form must be authenticated by full signature. All applications must be made without conditions stated by the applicants.
- B. Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.
- C. All Applicants must open and maintain a Central Securities Depository account for the entire duration of the Notes.
- D. Guide to Completing the Application Form:

Section A:

Provide the following details:

- i. Full Name of Applicant
- ii. Postal Address e.g. P. O. Box 1235
- iii. Name of Contact Person if the applicant is not the same person completing the forms in the case of individuals or representative of an institutional applicant.
- iv. Telephone Number on which the applicant can be contacted e.g. 0302-123456
- v. Facsimile Number in the same format as Telephone Numbers
- vi. E-mail Address to receive communication regarding this offer such as Allotment Notification etc.

- vii. Tax Status: State your tax status as either 'Y' if the applicant is subject to pay Withholding Tax or 'N' if exempted by law. For guidance, mutual funds licensed by the SEC or approved Pension Fund Schemes licensed by the NPRA of Ghana are exempted by law from paying withholding tax on interest income.
- viii. Central Securities Depository Account Details:
 - Depository Participant Code e.g. ABC-P, BCDN-C etc.
 - Depository Account Number e.g. 11223344
 - Client Type: Local Individual (LI), LC (Local Company), FI (Foreign Individual), FC Foreign Company (FC).

Section B (Subscription Amount)

- Amount applied must be in lots of GHS[•].
- Nominal Amount of the Application
- Issue Price for [] is [•]%
- Total Consideration: Nominal Amount x Issue Price

Section C (Declaration)

Applications are made subject to the provisions of the Programme Memorandum to which this form is attached. This must be completed by the applicant if an individual or his/her attorney if one has been appointed or the authorised representatives of a legal person or institutional investor.

Section D (Instructions for the Payment of Entitlement)

The applicant must provide information instructions relating to the payment of entitlements from the investment (coupon and principal) by the paying agent. Only 1 of the 2 two options provided should be selected by the applicant:

- i. Warrant or Cheque mailed to the address provided by the applicant. The Paying Agent will not be liable for the risks associated with this method of receiving entitlements paid by the issuer.
- ii. Bank Account: All applicants should confirm the details of the bank account details from the depository member who set-up their CSD account. The Paying Agent will be said to have paid entitlements due an applicant to the bank account information provided by the note registrar (Central Securities Depository).

E. Photocopies or other copies of an application form shall not be accepted.

F. Applications are irrevocable and shall not be withdrawn or amended without the written consent of the Issuer. The Issuer reserves the right to accept or reject any application in whole or in part. The Issuer will notify successful applicants or the relevant Placing Agent of amounts allotted to them no later than [•]hrs (GMT) on [•] [•], [•].

2. Acceptance

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

3. Settlement Procedure

Payment of the subscription price for the Notes shall be made either:

- a. By a banker's cheque drawn in favour of the [•] Note Programme, such cheque is to reach the Dealer no later than [•]hrs (GMT) on [•] [•], [•] against delivery of a deposit slip; or
- b. By bank transfer/remittance, to be made on the instructions of the successful applicant to his bank for the funds to be credited to the Issuer's Note Programme GHS Account with details below by [•]hrs (GMT) on [•] [•], [•]:

Account Name	Bayport Financial Services Note Programme- Collection Account
Name of Bank	Fidelity Bank Ghana Ltd
Branch	Ridge Branch
Branch Sort Code	240101
Account Number	1300-032-081-112
SWIFT Code	FBLIGHAC

4. Delivery of Notes

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

5. General

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

APPENDIX C: FORM OF GLOBAL NOTE CERTIFICATE



BAYPORT FINANCIAL SERVICES GHANA LIMITED

Incorporated as a public limited liability company in the Republic of Ghana with registration number CS691702015

CERTIFICATE
NUMBER

SERIES NUMBER

TRANCHE NUMBER

GHS 200,000,000 NOTE PROGRAMME

Issue of Senior/Subordinated (Floating/Fixed Rate) Notes Due.....

This Note Certificate certifies that

[Note Trustee Name and address]

holds this certificate on behalf of Noteholders specified in the Register dated {xxx} (the “**Noteholder**”) are, as at the date hereof, registered as the holder of [principal amount] of [Senior/Subordinated] [Floating/Fixed]Rate Notes referred to above (the “**Notes**”) of Bayport Financial Services Ghana Limited (the “**Issuer**”). The Notes are subject to the terms and conditions (the “**Conditions**”) in the Prospectus dated [●]. Expressions defined in the Conditions have the same meanings in this Note Certificate.

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

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

For the purposes of this Note Certificate, (a) the holder of the Note(s) represented by this Note Certificate is bound by the provisions of the Prospectus, the Trust Agreement, the

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

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

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

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

BAYPORT FINANCIAL SERVICES GHANA LIMITED

By:

Duly authorised signatory

By:

Duly authorised signatory

CERTIFICATE OF AUTHENTICATION

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

By:

Duly authorised signatory

By:

Duly authorised signatory