



## **OFFER DOCUMENT**

Mandatory Offer by

**REPUBLIC BANK LIMITED**

to the Shareholders of

**HFC BANK (GHANA) LIMITED**

to purchase for cash

**issued ordinary shares of HFC Bank (Ghana) Limited not currently owned by Republic Bank Limited**

**OFFER PRICE: GHS 1.60 per share**

The Offer will expire at 17:00 hours (GMT) on May 7, 2015

### **Transaction Advisors:**



Serengeti Capital Partners Ltd. is registered in Ghana, company number CA-26,174 at 5 Abafun Crescent, Labone, Ghana and is licensed and regulated in Ghana by the Securities and Exchange Commission ("SEC").

Contact: E: [info@serengeticapital.com](mailto:info@serengeticapital.com); P: +233 302 768 960

### **Sponsoring Brokers:**



The Offer will be managed in conjunction with NewWorld Securities Limited, a licensed dealing member of the Ghana Stock Exchange.

Contact: E: [info@newworldgh.com](mailto:info@newworldgh.com); P: +233 302 660 163

Dated: March 23, 2015

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

This Offer Document does not constitute investment advice. It is recommended that you review this Offer Document thoroughly and completely. If you are in any doubt as to what action you should take, you should immediately seek your own independent financial advice, where appropriate, from your stockbroker, lawyer, accountant or other independent financial advisor, in order to make an informed decision in respect of the Offer itself and the contents of this Offer Document. If you have sold or otherwise transferred all your HFC Bank Shares, you should send this Offer Document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. Republic Bank makes no recommendation as to whether HFC Bank Shareholders should accept the Offer. HFC Bank Shareholders must make their own decisions whether or not to accept the Offer.

Your attention is drawn to the important considerations set out in section 9.2, the conditions applicable to the Offer set out in section 9.1, 9.3, 9.4 and 9.5 and the timetable of key events set out in the summary of actions to be taken in this Offer Document.

No person is authorized to give any information or to make any representation not contained in this Offer Document and any information or representation not contained in this Offer Document must not be relied upon as having been authorized by Republic Bank, Serengeti Capital (“Transaction Advisor”), or Reindorf Chambers (“Legal Advisor”). Neither the delivery of this Offer Document nor any sale hereunder will, under any circumstances, create any implication that the information contained in this Offer Document is correct as at any time subsequent to its date. HFC Bank Shareholders will be given notice, published in a national daily newspaper in Ghana, of any event that Republic Bank is aware that occurs during the Acceptance Period that materially affects the accuracy of the information contained in this Offer Document pertaining to Republic Bank or the Offer. This is the Offer Document that has been sent to all HFC Bank Shareholders.

Approval has been obtained from the Securities and Exchange Commission Ghana (“SEC”) for compliance with the requirements relating to the Offer Document under schedule III of the Takeover Code. As a matter of policy, the SEC assumes no responsibility for the correctness of any statements or opinions made in this Offer Document. Approval of this Offer Document is neither an indication of the merits of the Offer nor a recommendation by the SEC to HFC Bank Shareholders. In its review, the SEC examined the contents of this Offer Document to ensure that adequate disclosures have been made. HFC Bank is listed on the Ghana Stock Exchange (“GSE”). It is the current intention of Republic Bank to maintain the listing of HFC Bank on the GSE.

**To better understand the merits of this Offer Document, you should consult the independent advisor appointed by the HFC Board of Directors, or your Broker/Dealer, investment bank, or other professional investment advisor.**

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Company’s plans and objectives, to differ materially from those expressed or implied in the forward looking statements. There are several factors which could cause actual results to differ materially from those

expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

This Offer Document is available in English only. Additional copies may be obtained on any Business Day during the Acceptance Period from the registered offices of Serengeti Capital and the offices of NewWorld Securities and Legal Advisors in Ghana, the addresses of which are set out in the “Advisors to Republic Bank Limited” section of this Offer Document.

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## 1 Corporate Information of Republic Bank Limited

### Offeror

### Republic Bank Limited

Republic House  
9-17 Park Street, Port of Spain  
Trinidad and Tobago, West Indies  
Tel: +1 (868) 625-4411, 623-1056  
Fax: +1 (868) 624-1323  
Email: [email@republictt.com](mailto:email@republictt.com)  
Website: [www.republictt.com](http://www.republictt.com)

### Directors

Mr. Ronald F. deC. Harford - Chairman  
Mr. David Dulal-Whiteway - Managing Director  
Mr. Nigel M. Baptiste – Deputy Managing Director  
Mr. Derwin M. Howell - Executive Director  
Mr. Shazan Ali  
Ms. Dawn Callender  
Mr. Terrence W. Farrell  
Mr. William P. Lucie-Smith  
Mr. Russell Martineau S.C.  
Mr. Chandrabhan Sharma  
Ms. Kristine Thompson  
Ms. Alison Lewis  
Mr. Gregory Thomson  
Mr. Peter R. Inglefield

### Registered Office

Republic House  
9-17 Park Street, Port of Spain  
Trinidad and Tobago, West Indies

### Group Head Office

Republic House  
PO Box 1153  
9-17 Park Street, Port of Spain  
Trinidad and Tobago, West Indies

Tel: +1 (868) 625-4411, 623-1056  
Fax: +1 (868) 624-1323  
Email: [email@republictt.com](mailto:email@republictt.com)  
Website: [www.republictt.com](http://www.republictt.com)

**Corporate Secretary**

Ms. Jacqueline H.C. Quamina

**Assistant Secretary**

Mr. Nigel M. Baptiste

**Auditors**

Ernst & Young  
5-7 Sweet Briar Road  
St Clair  
Port of Spain  
Trinidad and Tobago, West Indies

**Attorneys-at-Law**

Pollonais, Blanc, de la Bastide & Jacelon  
Pembroke Court  
17-19 Pembroke Street  
Port of Spain  
Trinidad and Tobago, West Indies

J.D. Sellier & Company  
129-131 Abercromby Street  
Port of Spain  
Trinidad and Tobago, West Indies

Hobsons  
Hobsons Court  
13-17 Keate Street  
San Fernando  
Trinidad and Tobago, West Indies

**Registrar**

Trinidad and Tobago Central Depository Limited  
10th Floor, Nicholas Tower  
63-65 Independence Square  
Port of Spain  
Trinidad and Tobago, West Indies



## 2 Advisors to Republic Bank Limited

### Transaction Advisors

Serengeti Capital Partners Limited  
5 Abafun Crescent, Labone  
P. O. Box KIA 9276, Airport  
Accra, Ghana  
Tel: +233 302 768 960  
Fax: +233 302 768 966  
Contact Person: Francis Kalitsi  
Email: [info@serengeticapital.com](mailto:info@serengeticapital.com)

### Sponsoring Brokers

NewWorld Securities Limited  
1st Floor, NALAG House  
Behind Gulf House  
Okponglo, Accra, Ghana

P. O. Box CT 2868, Accra  
Tel: +233 302 660 163  
Fax: +233 302 670 518  
Contact Person: Tanya Malhotra  
Email: [tanya-m@newworldgh.com](mailto:tanya-m@newworldgh.com)

### Legal Advisors in Ghana

Reindorf Chambers  
20 Jones Nelson Road  
Adabraka, Accra, Ghana

Tel: +233 302 225674  
Contact Person: Sally Hayfron-Benjamin Boaten  
Email:  
[Sally.Hayfron-Benjamin@reindorfchambers.com](mailto:Sally.Hayfron-Benjamin@reindorfchambers.com)

### 3 Definitions

The following definitions apply throughout this document unless the context otherwise requires:

<b>Term</b>	<b>Definition</b>
<b>Acceptance Period</b>	the period commencing at 08:00 hours (GMT) on March 24, 2015 and ending at 17:00 hours (GMT) on May 7, 2015, such period being subject to any withdrawal of the Offer by RBL or any extension by RBL having received the necessary regulatory approvals for such extension
<b>Announcement</b>	an announcement dated April 16, 2014 made by RBL stating that it will make an Offer to all the shareholders of HFC Bank to purchase issued ordinary shares of no par value in HFC Bank
<b>Announcement Date</b>	April 16, 2014 being the date of the Announcement
<b>Business Day</b>	a day which is not a Saturday, Sunday or public holiday in the Republic of Ghana
<b>Conditions</b>	the general conditions, the general undertakings and conditions precedent set out in Section 9 of this Offer Document to which the Offer is subject
<b>Current Trading Price</b>	GHS 1.30 being the HFC stock price recorded on GSE as of March 19, 2015
<b>Final Settlement Date</b>	May 13, 2015 or such other date as the Offeror may determine and the SEC may approve
<b>Form of Acceptance</b>	the form of acceptance which is in Section 10 of this Offer Document
<b>GH¢ or GHS</b>	Ghanaian Cedi
<b>GMT</b>	Greenwich Mean Time
<b>CSD</b>	Central Securities Depository
<b>GSE</b>	The Ghana Stock Exchange
<b>GSE Rules</b>	the Rules and Regulations of the GSE
<b>HFC Bank or HFC</b>	HFC Bank (Ghana) Limited
<b>HFC Board or HFC Directors</b>	The Board of Directors of HFC
<b>HFC Bank</b>	The holders of ordinary shares of no par value in HFC and the term HFC

<b>Term</b>	<b>Definition</b>
<b>Shareholders</b>	Bank Shareholder shall be construed accordingly
<b>HFC Shares</b>	ordinary shares of no par value in the issued share capital of HFC
<b>Independent Advisor</b>	To be appointed by HFC Board
<b>Minimum Offer Price</b>	GH¢ 0.97 per HFC Share
<b>Offer</b>	the cash offer by RBL to acquire HFC Shares for the Offer Price, and otherwise on the terms and subject to the conditions more fully set out in this Offer Document, as it may be revised by RBL from time to time and approved by the relevant regulator
<b>Offer Closure Date</b>	May 7, 2015
<b>Offer Price</b>	GH¢ 1.60 per HFC Share, to be settled in cash or by way of bank transfer
<b>Registrars</b>	Universal Merchant Bank Limited
<b>SEC</b>	The Securities and Exchange Commission Ghana
<b>Sponsoring Brokers</b>	NewWorld Securities Limited
<b>RBL or Republic Bank</b>	Republic Bank Limited
<b>Takeover Code</b>	The Securities and Exchange Commission Code on Takeovers and Mergers of 2008
<b>Transaction Advisors</b>	Serengeti Capital Partners Limited
<b>USD or US\$</b>	United States Dollars
<b>NCI</b>	Non Controlling Interest

#### 4 Introduction: Letter from RBL to HFC Bank Shareholders

Republic House  
P.O. Box 1153  
9-17 Park Street  
Port of Spain, Trinidad  
West Indies.

March 23, 2015

Dear HFC Shareholders,

**AN OFFER FROM REPUBLIC BANK LIMITED TO ALL SHAREHOLDERS OF HFC BANK (GHANA) LIMITED TO PURCHASE FOR CASH ISSUED ORDINARY SHARES OF HFC BANK (GHANA) LIMITED NOT CURRENTLY OWNED BY REPUBLIC BANK**

RBL first acquired an 8.97% shareholding in HFC Bank in November 2012 through a private placement undertaken by HFC. Following this investment, it acquired a further 23.23% by way of a transfer of shares from Aureos Capital in June 2013 and then 7.96% from Union Bank plc. in September 2013. Following the acquisition from Aureos Capital, RBL made an application to the SEC for a waiver of the requirement to make a mandatory offer and made the requisite announcement dated June 7, 2013. The SEC declined to grant a waiver by letter dated June 24, 2013. Subsequently, SEC advised Republic Bank to seek Bank of Ghana's approval before beginning the process to make the mandatory offer required under Takeover Code in a letter dated July 30, 2013.

Pursuant to Takeover Code and directives from the SEC, following the approval granted by the Bank of Ghana by letters dated April 11, 2014 and April 14, 2014, Republic Bank was authorized to make an offer to all the shareholders of HFC Bank to purchase ordinary shares of no par value in HFC Bank.

Following Republic Bank's announcement of April 16, 2014 and submission of Offeror's Statement to HFC Bank dated April 28, 2014, legal actions, which were brought against Republic Bank including one by HFC Bank, have been effectively dismissed. Complaints made to the SEC have also been determined.

Republic Bank is now pleased to present to the shareholders of HFC Bank an offer document (the "Offer Document"), which provides all details and sets out formal conditions of the Offer. Republic Bank has, since its announcement of 16 April 2014, increased the indicative Offer Price from GHS 1.30 to GHS 1.60 per share.

To ascertain the financial soundness and value of this Offer, HFC Bank shareholders are advised to read this Offer Document and the statement submitted to the Board of Directors by its independent advisor, carefully, and consult a broker dealer, investment advisor or other professional duly authorized under the Securities Industry Law, 1993 (PNDCL 333) to evaluate this Offer.

Shareholders are not legally obliged to accept the Offer. Should shareholders decide to participate in this tender offer, they can do so for all or part of their entire shareholding subject to conditions set out in section 9 of this Offer Document and any other undertakings they may give or have given to Republic Bank. The requisite instructions and detailed information on the Tender Process have been provided in this Offer Document to enable all shareholders to consider the offer.

**To the best of our knowledge and belief, after making proper enquiry, the information contained in the Takeover Offer Document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeover Code.**

Yours faithfully,



---

**Mr. David Dulal-Whiteway**  
Managing Director



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**Mr. Nigel M. Baptiste**  
Deputy Managing Director

#### 4.1 The Offer

The Offer is to all the shareholders of HFC Bank (Ghana) Limited to purchase issued ordinary shares of HFC Bank (Ghana) Limited not currently owned by Republic Bank at GHS 1.60 per share. The offer price is at a premium of 65% over the minimum offer price and 23% above the current trading price. Should Republic Bank receive acceptances from HFC shareholders, such that its resultant shareholding would be in excess of 75% of HFC's total issued capital, Republic Bank will be required to undertake a pro-rata acceptance of shares to maintain a minimum public float of 25% of HFC shares in accordance with GSE listing requirements.

#### 4.2 Expected Timetable

Public Announcement of Proposed Offer	April 16, 2014
Acceptance Period Commences	08:00 GMT March 24, 2015
Acceptance Period Closes	17:00 GMT May 7, 2015
Final Settlement Date	May 13, 2015
Announcement of Offer Results	May 21, 2015

The dates indicated above are subject to change by Republic Bank Limited, which reserves the right, inter alia, to extend the period of the Offer (subject to the required regulatory approvals). Any such amendment shall be published in the Daily Graphic and the Ghanaian Times in Ghana no more than 72 hours after receiving regulatory approval for the extension.

#### 4.3 Summary of Actions to be Taken

Should you wish to accept the Offer, and you have in your possession HFC Share certificates as evidence of ownership, **COMPLETE** the Acceptance Form A, add your HFC Share certificate(s) and/or other documents of title with a valid picture ID (voter's ID, driver's license, passport or national ID card) and **SUBMIT** to the NewWorld Securities' offices on the 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra on or before 17.00 hours GMT on the Offer Closure Date.

If your shares are held in a CSD Account, **COMPLETE** the Acceptance Form B together with your statement of holdings from your Broker with a valid picture ID (voter's ID, driver's license, passport or national ID card) and **SUBMIT** to the NewWorld Securities' offices on the 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra on or before 17.00 hours GMT on the Offer Closure Date.

If your HFC Share certificate(s) and/or other documents(s) of title is/are not readily available or is/are lost, you should contact the Registrars, at 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, P.O. Box 401, Accra, Ghana (tel.+233 028 977 9802). The Registrars will provide you with a letter of indemnity, which can be collected from their offices on presentation of a suitable form of identification (i.e. a valid driver's license, voter's ID, passport or National ID card).

You should submit the letter of indemnity together with Acceptance Form A and a valid picture ID (voter's ID, driver's license, passport or national ID card) to NewWorld Securities' offices on the 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra on or before 17.00 hours GMT on the **Offer Closure Date**.

The Offer Period will remain open for 30 business days, commencing on March 24, 2015 and ending on May 7, 2015.

## 5 Offer Terms and Conditions

### 5.1 Context

Republic Bank Limited, in pursuance of its commitment to growing its footprint and supporting the financial markets in sub-Saharan Africa, particularly Ghana, invested initially in HFC Bank by participating in its private placement. Following this investment, it made two purchases from shareholders as shown in the table below:

Transaction Description	Number of shares	% Shareholding
HFC Private Placement	26,051,325	8.78
Purchased from Aureos Capital <i>(a private equity fund based in Mauritius)</i>	68,854,703	23.20
Purchased from Union Bank plc.	23,638,340	7.96
<b>Total</b>	<b>118,544,368</b>	<b>39.94</b>

*As of March 10, 2015*

### 5.2 Terms of the Offer

Republic Bank has revised the indicative Offer Price stated in the original announcement dated April 16, 2014 upwards from GHS 1.30 per share to GHS 1.60 per share. The Offer Price shall be settled in cash or by way of bank transfer. The offer price is at a premium of 65% over the minimum offer price and 23% above the current trading price.

The proposed offer is to all shareholders of HFC Bank.

### 5.3 Offer Price Analysis

Offer Price of GHS 1.60 per share is extremely attractive in light of HFC Bank's current stock price and trading multiples of banks listed on the Ghana Stock Exchange.

Minimum Offer Price as per the Takeover Code (GHS)	0.97
Offer price (GHS)	1.60
<b>Premium to Minimum Offer Price</b>	<b>64.5%</b>
Trading Date before submission of Offer Document	Mar 19, 2015
Price on this date (GHS)	1.30
<b>Premium to Current Trading Price</b>	<b>23.1%</b>
Implied Price to Sept 30, 2014 Book Value (P/BV)	2.1x



Avg. P/BV of other mid-sized GSE listed banks <sup>1</sup>	1.3x
<b>Premium to P/BV trading multiples of mid-sized banks<sup>1</sup></b>	<b>63%</b>
Implied Price to Annualized Q3 FY2014 Earnings (P/E)	9.0x
Avg. P/E of other mid-sized GSE listed banks <sup>1</sup>	6.2x
<b>Premium to P/E trading multiples of mid-sized banks<sup>1</sup></b>	<b>45%</b>

### 5.3.1 Industry Landscape

There are currently twenty-eight (28) commercial banks in Ghana out of which seven (7) are listed. The total assets for the banking industry as of December 2014 were **GHS 51.4 billion**, total deposits and shareholders' funds were **GHS 32.4 billion** and **GHS 7.3 billion** respectively, while profits after tax for the industry stood at **GHS 1.9 billion**<sup>2</sup>

Trading multiples for the listed banks are below<sup>3</sup>:

Bank	Share Price	Market Cap	Q3 2014 Book value ('000)	Annualized Q3 2014 EPS	P/E	P/B
<b>StanChart</b>	20.20	2,333,302	519,853	2.28	8.9	4.5
<b>Ecobank</b>	7.48	2,193,360	669,826	1.07	7.0	3.3
<b>GCB</b>	5.25	1,391,250	618,361	1.03	5.1	2.2
<b>CAL Bank</b>	1.00	548,260	364,275	0.26	3.9	1.5
<b>HFC Bank</b>	1.20	355,632	228,380	0.18	6.7	1.6
<b>Societe Generale</b>	1.05	350,585	209,757	0.14	7.3	1.7
<b>UT Bank</b>	0.19	86,699	136,288	0.03	7.4	0.6
<b>Average of all listed banks</b>					<b>6.6</b>	<b>2.2</b>
<b>Average of all mid-sized banks</b>					<b>6.3</b>	<b>1.3</b>
<b>Average of all mid-sized banks excl. HFC<sup>1</sup></b>					<b>6.2</b>	<b>1.3</b>

### 5.3.2 Minimum Offer Price

Per the Takeover Code, the minimum offer price shall be the highest of the following:

- Highest price paid by RBL for shares in a public/rights issue during 26 weeks prior to announcement date of the offer
- Any price paid by RBL under preferential allotment at any time during 12 months period prior to the date of closure of the offer

<sup>1</sup> Includes multiples of CAL Bank, Societe Generale and UT Bank based on Q3 2014 results and March 4, 2015 trading results

<sup>2</sup> Bank of Ghana Financial Stability Report February 2015

<sup>3</sup> Source: GSE, Stock prices as @ March 4, 2015; All figures in GHS

- Average of highest weekly prices realized by the shares of HFC Bank in the 6 months period prior to announcement date of the offer.

Minimum Offer Price Criteria	Price in GHS
Highest Price paid in public/rights issue during 26 week period prior to April 16, 2014	N/A
Price paid under preferential allotment during 12 month period prior to Offer Closure Date	N/A
Avg. highest weekly prices over 6 month period prior to April 16, 2014	0.97
<b>Highest of 3</b>	<b>0.97</b>

## 6 Confirmation of Funding Arrangements

Serengeti Capital Partners Limited has received written confirmation dated March 20, 2015 from the auditors of Republic Bank, Messrs Ernst and Young, to the effect that Republic has the necessary resources available to satisfy full acceptances of the mandatory tender offer by all shareholders of HFC Bank for a maximum aggregate purchase price of GHS 285,210,480.00 (two hundred and eighty five million, two hundred and ten thousand and four hundred and eighty Ghana Cedis) or USD 80,860,308.46 (eighty million, eight hundred and sixty thousand and three hundred and eight US Dollars and forty Cents) for all issued shares of HFC not owned by Republic Bank on the basis of a tender price of GHS 1.60 per share at an exchange rate of GHS 3.5272 to USD 1.00. As at March 10, 2015, the total number of shares in HFC Bank not held by Republic Bank amounted to 178,256,550. Republic Bank will be required to undertake a pro-rata acceptance of HFC shares to maintain a minimum public float of 25% in accordance with GSE listing requirements if it receives acceptances that would result in its shareholding exceeding 75%. In that case, the number of shares that will be purchased by Republic Bank will be 104,056,321 amounting to an aggregate purchase price of GHS 166,490,114.60 (one hundred and sixty six million, four hundred and ninety thousand and one hundred and fourteen Ghana Cedis and sixty Pesewas) or USD 47,201,778.63 (forty seven million, two hundred and one thousand, and seven hundred and seventy eight US Dollars and sixty three Cents).

**Republic Bank and Serengeti Capital Partners Limited are satisfied that the takeover offer would not fail due to insufficient financial capability of Republic Bank, and every shareholder who wishes to accept the takeover offer will be paid in full.**

*Refer to Appendix 14.3 for Letter from Auditor*

## 7 Information on Republic Bank

### 7.1 Principal Activities

Republic Bank Limited is an independent Caribbean bank with a history that spans more than 175 years of service. It has its roots in the Colonial Bank, which started business in Trinidad and Tobago in 1837, later becoming Barclays Bank Trinidad and Tobago and eventually Republic Bank Limited. It is incorporated in the Republic of Trinidad and Tobago and is authorized to carry on the business of banking.

Being one of the largest and most successful indigenous banks in the English-speaking Caribbean, Republic Bank serves retail banking customers, corporate clients and governments throughout the Caribbean. It is the parent company of the financial institutions, which comprise the Republic Bank Group, and employs over 4,000 staff members in the Caribbean countries of Trinidad and Tobago, Grenada, Guyana, Barbados and the Cayman Islands. Trinidad and Tobago is the Bank's largest market.

As at September 30, 2014, the assets of Republic Bank Limited stood at US\$ 9.4 billion, with equity at US\$ 1.4 billion and profits attributable to shareholders for the year ended September 2014 of US\$ 192.0 million.

Republic Bank is the single largest shareholder in HFC Bank (Ghana) Limited with a total of 118,544,368 ordinary shares amounting to 39.94% shareholding.

### 7.2 Board of Directors

Name	Role	Address
Ronald Frederick deC Harford	Chairman of RBL Board of Directors	12 Valleton Avenue, Maraval, Trinidad
David Dulal-Whiteway	Managing Director, RBL	4 Pineapple Place, Haleland Park, Maraval, Trinidad
Nigel Baptiste	Deputy Managing Director, RBL	#6 The Orchard, Moka, Maraval, Trinidad
Derwin Howell	Executive Director, RBL	27 La Reine Townhouses, Flagstaff Hill Residences, Long Circular Road, St James, Trinidad

Shazan Ali	Chairman & Chief Executive Officer, TOSL Engineering Ltd	31 Hafzah Avenue, Sumadh Gardens, Vistabella, San Fernando, Trinidad
William Lucie-Smith	Retired Chartered Accountant	7 Henderson Road, Maraval, Trinidad
Russell Martineau	Senior Counsel	2 Pinehurst Park, Fairways, Maraval, Trinidad
Gregory I. Thomson	Consultant	42 The Park, La Horquette, Glencoe, Trinidad
Chandrabhan Sharma	Deputy Dean, Faculty of Engineering, The University of the West Indies	#5 Sundaree Drive, Longdenville Old Rd, Enterprise, Chaguanas, Trinidad
Dawn Callender	Director, Finance & Risk Management, Power Generation Company of Trinidad & Tobago	3 Ramlogan Development, La Seiva, Maraval, Trinidad
Alison Lewis	Consultant	#5 Ben Ali Drive, St Lucien Road, Deigo Martin, Trinidad
Terrence Farrell	Consultant	Lot 32 The Park, La Horquette, Glencoe, Trinidad
Kristine Thompson	Consultant	48B Rockdale Road, Blue Range, Trinidad
Peter R. Inglefield	Consultant	16 Golf Course Drive, Moka Heights, Maraval, Trinidad

### 7.3 Major Shareholders

Shareholder	Domicile	Ownership
CLICO Trust Corporation Limited	Trinidad & Tobago	24.79%
National Insurance Board	Trinidad & Tobago	18.00%
CLICO Investment Bank Limited ( <i>in liquidation</i> )	Trinidad & Tobago	10.02%
Trintrust Limited	Trinidad & Tobago	9.23%
First Company Limited	St. Lucia	8.16%
Colonial Life Insurance Company Limited	Trinidad & Tobago	7.29%

Others	Multiple	22.51%
<b>Total</b>		<b>100.00%</b>

*As of December 1, 2014*

#### **7.4 Interest in HFC Bank (Ghana) Limited**

RBL holds 118,544,368 ordinary shares of no par value representing 39.94% of the total shareholding of HFC Bank.

RBL also holds US\$2,000,000 (two million US Dollars) unsecured floating rate redeemable convertible Loan Stock in registered units of US\$0.35 each. Each unit holds a voting right, subject to conversion criteria listed in the Convertible Loan Stock Agreement dated August 18, 2010 between HFC Bank and Aureos Africa Fund LLC, which was novated from Aureos Africa Fund LLC to Republic Bank in June 2013.

#### **7.5 Republic Bank Limited’s Strategic Vision for HFC Bank**

##### **7.5.1 Context**

From Colonial Bank in 1837 to Barclays Bank D.C.O. (Dominion, Colonial and Overseas) to local ownership and transitioning to Republic Bank in the 1980’s, Republic brings 175 years of retail and commercial banking activity, more than 30 years of merchant banking experience, almost 20 years in special project funding, 150 years in corporate banking and approximately eight years providing investment and brokerage services.

It is a leading Caribbean bank with more than 4000 staff, approximately US\$9 Billion in assets and a unified Caribbean brand that facilitates effective and efficient customer service delivery. Not only is Republic Bank rich in banking experience, it also brings significant investment capital to any market or institution that presents opportunities that are aligned to its strategic objectives.

Republic’s business model - a 51% share ownership, strong management practices buttressed by local knowledge, local participation and influence in decision making through a strong local Board of Directors - has contributed to a proven track record of successful growth via acquisition over the past 20 years. Republic has a long-term commitment to growing its presence in sub-Saharan Africa, with Ghana as its preferred base.

With a commitment to HFC Bank and Ghana through an investment of approximately US\$50 million to date, Republic Bank can accelerate HFC Bank’s growth trajectory through capacity building, sharing of best practices, stronger risk management, experienced leadership, introduction of products and services and financial support as needed, thereby increasing shareholder value and helping HFC Bank make a significant contribution to the development of the Ghanaian economy.

### 7.5.2 Strategic Vision

The directors of Republic Bank believe that Ghana will benefit economically from RBL's increased investment in HFC Bank, based on the following:

- Republic Bank is well established in home financing across the Caribbean. Its mortgage portfolio across the group is in excess of US\$1.48 Billion. With Ghana's population in excess of 25 million, RBL can provide the expertise to positively impact housing sector growth.
- Trinidad & Tobago has developed one of the world's most respected energy sector models due to its success at capturing significant value for the domestic market. RBL has been a major partner in this model for over 60 years. Establishing the financing for downstream development is a key factor and the primary opportunity to retain value within the local economy. Republic Bank's expertise includes funding off-shore drilling rigs, pipelines, production barges, and tank farm construction/ fabrication, as well as the various support industries such as maintenance, catering, and cleaning services among others.
- Enhancing capability to syndicate large, cross-border loans – RBL has, for over twenty (20) years, syndicated large loans through the Trade Finance Department and has numerous cross-border loans on its balance sheet in the Caribbean and Latin America.
- The dynamic nature of modern banking requires a corps of skilled personnel across all areas of operation. Republic Bank is committed to capacity building through continuous training of staff. Over the past five (5) years, more than US\$5 million has been invested in the development of its human capital across all markets as a driver of economic achievement.

Republic Bank recognizes that building successful societies requires a combined approach of social and economic development. Improving the lives of those in the markets within which it operates is seen as a moral imperative. A commitment to corporate social responsibility (CSR) has resulted in an investment by the Group of more than US\$17 million over the past five (5) years with a focus on health and poverty alleviation, youth development through education, sport and culture.

### 7.5.3 Restructurings

Republic Bank will give consideration to any major restructuring initiatives recommended by HFC's management and board of directors. Any such restructuring would be subject to the approval of HFC's shareholders and the Bank of Ghana.

### 7.5.4 Long-term justification for the transaction

Republic Bank has a long-term commitment to growing its presence in sub-Saharan Africa with Ghana as its preferred base and sees its presence as a conduit for trade and investments between the Caribbean and Ghana. Ghana is a high-growth economy with a banking sector that has experienced significant growth in the past decade. Ghana is a key banking jurisdiction in Africa and also part of the global banking industry. Republic Bank believes that this transaction will stimulate the business climate and heighten interest in foreign direct investment in Ghana.

#### **7.5.5 Continued employment**

Republic Bank has no intention to reduce HFC Bank's staff and in so far as possible, will retain the existing organizational structure.

#### **7.5.6 Service Contracts**

As at the date of this Offer Document, there are no service contracts with any directors of the Offeror or any of its subsidiaries.

*Refer to Appendix 14.1 for RBL's audited financial statements*

## 8 Information on HFC Bank

### 8.1 Principal Activities

HFC Bank Ghana Limited, formerly Home Finance Company was incorporated on May 7, 1990 under the Companies Code, 1963 (Act 179), and commenced business on December 2, 1991 as a licensed mortgage Finance Institution.

The Government of Ghana, Social Security and National Insurance Trust (“SSNIT”) and Merchant Bank (Ghana) Limited promoted the Company to implement the pilot housing finance project which was funded by the International Development Association (“IDA”) (World Bank), and the Government under a development credit agreement dated December 21, 1990.

The Bank of Ghana licensed HFC as a Non-Banking Financial Institution on August 1, 1994. It became a public limited liability on October 5, 1994 and subsequently listed on the Ghana Stock Exchange on March 17, 1995.

On November 17, 2003 the Bank of Ghana issued HFC a universal banking license culminating in the company changing its name to HFC Bank (Ghana) Ltd. The bank’s business ranges from Retail Banking, International Trade Services, Corporate Banking, Mortgage and Consumer Loans as well as E-banking and Private Banking.

HFC Bank Ghana Limited has the following subsidiaries:

- HFC Investment Services Limited, a wholly owned subsidiary of the Bank;
- HFC Realty Limited, a wholly owned subsidiary of the Bank;
- HFC Brokerage Services Limited, a wholly owned subsidiary of HFC Investments Services Limited;
- Boafo Microfinance Services Limited, a company in which the Bank has 51% equity holding;
- HFC Capital Partners Limited, a wholly owned subsidiary of the Bank;
- UG-HFC, a company in which the Bank has 60% equity holding.

Currently the bank has a branch network of 35 with 25 onsite and offsite ATMs. The total assets of HFC Bank as at September 2014 stand at ~GHS 1.3 billion.

### 8.2 Board Directors<sup>4</sup>

Name	Role
Mrs. Muriel Edusei (Chairman)	Regional Manager (Anglophone West Africa of Oikocredit international) – Retired
Mr. Asare Akuffo	Managing Director, HFC
Mr. Osei Asafo-Adjei	Executive Director Corporate Banking, HFC

<sup>4</sup> As at the date of this Offer Document, the issue of whether or not Mr. Charles Ofori-Acquah is still a director of HFC Bank (Ghana) Limited has been subject to dispute. It has been agreed that the Bank of Ghana will resolve the matter. Provided that all relevant parties comply with the determination by the Bank of Ghana, Republic Bank has instructed its solicitors to take the requisite steps to terminate pending litigation relating to it.



Mr. Robert Le Hunte	Director African Operations, RBL
Mr. David Dulal-Whiteway	Managing Director, RBL
Ms. Rebecca Lomo	Head of Internal Audit, SSNIT
Prof. Joshua Alabi	Vice-Chancellor, University of Professional Studies, Chairman, Board of Trustees, SSNIT
Mr. Francis Koranteng	Managing Partner, F. Koranteng Consulting; Executive Director, 3A Consulting Ghana Ltd

### 8.3 Major Shareholders

Shareholder	Ownership
Republic Bank Limited	39.94%
Social Security and National Insurance Trust	26.14%
Ghana Union Assurance Company	10.91%
Addo, Augustine Kwame	6.75%
Ghana Cocoa Board	6.11%

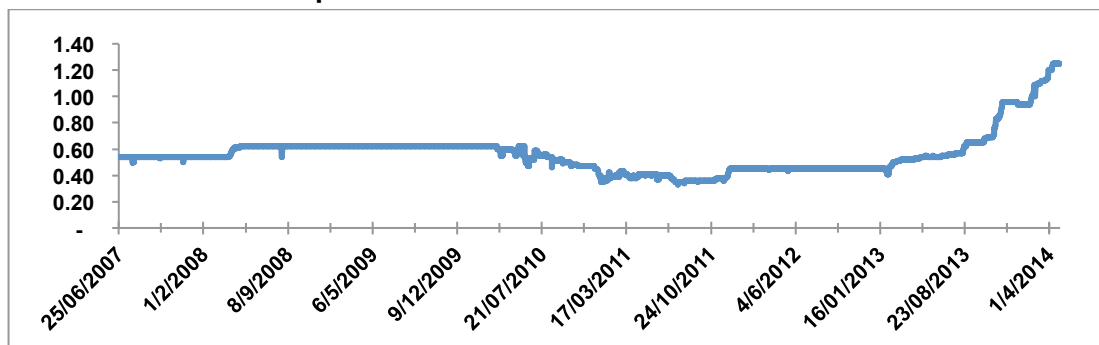
*As of December 18, 2014*

### 8.4 Directors interest in HFC Bank<sup>5</sup>

Name of Director	OWNERSHIP
Mr. Asare Akuffo	0.338%
Mr. Osei Asafo-Adjei	0.027%
Mr. Francis Koranteng	0.004%

*As of December 18, 2014*

### 8.5 Historical Stock performance on GSE



<sup>5</sup> As at the date of this Offer Document, the issue of whether or not Mr. Charles Ofori-Acquah is still a director of HFC Bank (Ghana) Limited has been subject to dispute. It has been agreed that the Bank of Ghana will resolve the matter. Provided that all relevant parties comply with the determination by the Bank of Ghana, Republic Bank has instructed its solicitors to take the requisite steps to terminate pending litigation relating to it.

## 8.6 Highest Weekly Closing Prices Prior to Announcement

<b>Week #</b>	<b>Week ending</b>	<b>Highest Price (GHS)</b>
1	18-Oct-13	0.69
2	25-Oct-13	0.69
3	1-Nov-13	0.69
4	8-Nov-13	0.78
5	15-Nov-13	0.83
6	22-Nov-13	0.90
7	29-Nov-13	0.96
8	5-Dec-13	0.96
9	13-Dec-13	0.96
10	20-Dec-13	0.96
11	27-Dec-13	0.96
12	3-Jan-14	0.96
13	10-Jan-14	0.96
14	17-Jan-14	0.94
15	24-Jan-14	0.94
16	31-Jan-14	0.94
17	7-Feb-14	0.94
18	14-Feb-14	1.01
19	21-Feb-14	1.09
20	28-Feb-14	1.10
21	7-Mar-14	1.11
22	14-Mar-14	1.12
23	21-Mar-14	1.13
24	28-Mar-14	1.20
25	4-Apr-14	1.22
26	11-Apr-14	1.25
<b>Average</b>		<b>0.97</b>

*Refer to Appendix 14.2 for HFC's audited financial statements*

## **9 Conditions of the Offer**

### **9.1 Conditions Precedent**

There are no conditions precedent to the Offer.

### **9.2 Regulatory Considerations**

Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738)

Section 34 of Act 673 prohibits a person who has a significant shareholding in a bank from selling or disposing of that interest without the prior approval in writing of the Bank of Ghana. A significant shareholding is a direct or indirect holding in a bank (a) which represents ten per cent or more of the capital or of the voting right, or (b) which makes it possible to exercise a significant influence over the management of the bank in which a holding subsists.

Section 36 of Act 673 prohibits a person from acquiring a controlling interest in a bank without the approval of the Bank of Ghana.

While RBL has obtained the approval of the Bank of Ghana to acquire a majority shareholding in HFC Bank, an HFC Shareholder, which has and wishes to dispose of 10% or more of the shares of HFC will have to obtain the approval of the Bank of Ghana to do so. The application for such an approval is required to be made by HFC.

The Bank of Ghana has pursuant to its letters dated April 11 and April 14, 2014 granted its approval to RBL to acquire a majority shareholding in HFC Bank, subject to ensuring the entitlement of all shareholders and transparency of the process.

The Central Bank of Trinidad and Tobago has pursuant to its letter dated April 16, 2014 granted its approval to RBL to acquire a majority shareholding in HFC Bank.

### **9.3 Continued Listing on the Ghana Stock Exchange**

Republic Bank intends to maintain the listing of HFC Bank on the GSE and will comply with the relevant requirements of its Listing Rules in this regard. Should Republic Bank receive acceptances from HFC shareholders, such that its resultant shareholding would be in excess of 75% of HFC's total issued capital, Republic Bank will be required to undertake a pro-rata acceptance of shares to maintain a minimum public float of 25% of HFC shares in accordance with GSE listing requirements.

#### **9.4 No rights of withdrawal**

All acceptances of the Offer shall be irrevocable.

#### **9.5 General**

All communications, notices, certificates, documents of title, other documents and remittances to be delivered by, or to, or sent to, or from any HFC Shareholder, or as they may direct, will be delivered by, or to, or sent to, or from them (or their designated agent) at its risk.

Any omission to dispatch this Offer Document to, or any failure to receive it by, any HFC Shareholder to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.

The instructions, authorities, terms and provisions contained in or deemed to be incorporated in the rest of this Offer Document and the Acceptance Form constitute part of the terms of the Offer.

The Offer, all duly completed Acceptance Forms, and all contracts arising from or pursuant to the Offer and all actions made or taken or deemed to have been made or taken under any term of the Offer shall be governed by and construed in accordance with Ghanaian law.

## 10 Acceptance of the Offer

Each HFC Shareholder by whom, or on whose behalf, an Acceptance Form is executed irreversibly undertakes, authorizes, represents, warrants and agrees to and with RBL (so as to bind it and its successors and assigns) that:

- i. they are irrevocably and unconditionally entitled to transfer the legal and beneficial ownership of the HFC Shares inserted in the Acceptance Form and the HFC Shares in respect of which the Offer is accepted are sold free from all liens, charges, encumbrances, equities and other interests and together with all rights now or subsequently attaching to them;
- ii. they have fully complied with the laws of any relevant jurisdiction in connection with the Offer;
- iii. the execution of the Acceptance Form shall be considered a valid acceptance of the Offer in respect of the number of HFC Shares inserted in the Acceptance Form, and subject to the terms and conditions set out or referred to in this Offer Document and that such acceptance shall be irrevocable;
- iv. the execution of the Acceptance Form shall constitute an irrevocable undertaking in favor of RBL to execute all or any documents and/or give any such further assurance as may be necessary to enable RBL to obtain the full benefit of the terms of the Offer and/or to perfect any of the authorizations expressed to be given hereunder;
- v. the receipt of the Offer Price for the HFC shares tendered (less the applicable commissions and levies in each case) constitutes a full and final acceptance of the HFC Shareholder's relinquishment of its rights under the Offer; and
- vi. payment of the Offer Price (less the applicable commissions and levies in each case) into the bank account chosen by the HFC Shareholder in the Acceptance Form constitutes full and final discharge of the Offer Price.

### 10.1 Completion of Forms

To accept the Offer for any of your HFC Shares, you must complete the Acceptance Form directly in accordance with the instructions set out in section 10.4.

### 10.2 Submission of Forms

If you are in possession of Share Certificates:

A properly completed and duly executed **Acceptance Form A**, together with the **share certificate(s)** and/or other document(s) of title for your HFC Shares, where applicable with a valid picture ID (voter's ID, driver's license, passport or national ID card), should be returned to the Receiving Agent, NewWorld Securities Limited, 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra, P.O. Box CT 2868, Accra as soon as possible but in any event so as to be received no later than the Offer Closure Date.

In the event that your Share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, please contact the Registrars, Universal Merchant Bank at 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, P.O. Box, GP 401, Accra Ghana for an indemnity form to be issued as soon as possible. You should submit the **indemnity form** together with the completed and signed **Acceptance Form A** with a valid picture ID (voter's ID, driver's license, passport or national ID card) to NewWorld Securities Limited, 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra, P.O. Box CT 2868, Accra so as to arrive no later than the Offer Closure Date.

If your shares are held in a CSD account:

A properly completed and duly executed **Acceptance Form B**, together with your **statement of holdings in CSD** and/or other document(s) of title for your HFC Shares and a valid picture ID (voter's ID, driver's license, passport or national ID card), where applicable, should be returned to the Receiving Agent, NewWorld Securities Limited, 1<sup>st</sup> Floor, NALAG House, behind Gulf House, near the Tetteh Quarshie Interchange, Okponglo, Accra, P.O. Box CT 2868, as soon as possible but in any event so as to be received no later than the Offer Closure Date.

The method of delivery of Acceptance Forms together with the other document(s) of title is at the election and risk of each accepting HFC Shareholder. If delivery is by mail, HFC Shareholders are advised to use registered mail and obtain appropriate insurance. In all cases, sufficient time must be allowed to ensure delivery to the Receiving Agent at the address stated no later than on the Offer Closure Date.

### **10.3 Special procedures for non-residents of Ghana**

If you receive a copy of this Offer Document and/or the Acceptance Form in any jurisdiction other than Ghana, **please do not treat it as constituting an invitation or offer to you**, unless in the relevant jurisdiction the Offer could lawfully be made to, and accepted by you. If you are a shareholder outside of Ghana and are subject to the laws of the jurisdiction in which you find yourself, it is your responsibility if you receive a copy of this Offer Document and/or the Acceptance Form and wish to accept the Offer to satisfy yourself as to the full observance of the laws of the relevant jurisdiction in connection therewith. This includes obtaining any Government or other consents and compliance with other necessary formalities, and paying any transfer or other taxes or duties required to be paid in such jurisdictions in respect of the Offer.

## 10.4 Tender Process

Accepting HFC Shareholders are likely to fit into three scenarios of the tender process, which are:

### Scenario 1 - HFC Shareholders holding paper certificates

- Submit completed **Acceptance Form A** together with the original copy of the share certificate and/or other documents with a valid picture ID (voter's ID, driver's license, passport or national ID card) to NewWorld Securities Limited at the address stated in the "Advisors to Republic Bank Limited" section of this Offer Document
- The submitted **Acceptance Form A** will be verified and a counterfoil will be detached for the respective HFC Shareholder's records
- Copies of **Acceptance Form A** and share certificates and/or other documents will be forwarded to the Registrar for verification
- Registrar shall issue a Transfer Receipt ("TR") covering all submitted valid share certificates that are accepted to allow the relevant shares to be deposited into Republic Bank Limited's CSD account
- On the successful transfer of the tendered shares to Republic Bank Limited, payment for the tendered shares will be effected on the Final Settlement Date.

### Scenario 2 - HFC Shareholders who have CSD accounts with a broker other than the Sponsoring Broker

- Submit completed **Acceptance Form B** for "CSD account holders" to NewWorld Securities Limited at the address stated in the "Advisors to Republic Bank Limited" section of this Offer Document
- The submitted **Acceptance Form B** will be verified and a counterfoil will be detached for the respective HFC Shareholder's records
- NewWorld Securities in conjunction with your stockbroker will execute an inter-account transfer to Republic Bank Limited's CSD account, details of which are presented on the **Acceptance Form B**
- The CSD will authorize the inter-account transfer of all tendered shares accepted
- On the successful transfer of the tendered shares to Republic Bank Limited, payment for the tendered shares will be finalized and effected on the Final Settlement Date.

### Scenario 3 - HFC Shareholders who have CSD accounts with the Sponsoring Broker

- Submit completed **Acceptance Form B** for "CSD account holders" to NewWorld Securities at the address stated in the "Advisors to Republic Bank" section of this Offer Document
- The submitted **Acceptance Form B** will be verified and a counterfoil will be detached for the respective HFC Shareholder's records

- NewWorld Securities will effect an inter-account transfer to Republic Bank Limited’s CSD Account based on acceptance of tendered shares, details of which will be presented on the **Acceptance Form B**
- On the successful transfer of the tendered shares to Republic Bank Limited, payment for the tendered shares will be effected on the Final Settlement Date.

## 11 Settlement Procedures

Subject to the Conditions set out in Section 9 being fulfilled or waived by Republic Bank, as the case may be and further subject to the receipt of the Acceptance Forms and share certificate(s)/statement of holdings in the CSD and/or other document(s) of title, settlement shall be made in full to the accepting HFC Shareholder on the basis of delivery versus payment. The tendered shares are deemed delivered when they have been effectively transferred to the CSD account of Republic Bank Limited.

All payments to HFC Shareholders will be made on the Final Settlement Date and will be net of brokerage commissions and regulatory levies in accordance with the Listing Rules of the GSE. For the avoidance of doubt, brokerage commissions and regulatory levies shall be borne by each accepting HFC Shareholder. A total fee of 2.00% of the tendered share value will be deducted from proceeds due all HFC Shareholders and made up as follows:

Type of Levy	% of Settlement Value
GSE Levy on transaction	0.35%
SEC Levy on transaction	0.15%
CSD Levy on transaction	0.15%
Market Development Levy	0.05%
Brokerage commission	1.30%
<b>Total</b>	<b>2.00%</b>

### 11.1 Delivery vs. Payment

#### Handling of the Offer

The duly completed acceptance form together with the necessary documents (share certificates, indemnity forms for lost certificates, transfer or balance receipts) with a valid picture ID (voter’s ID, driver’s license, passport or national ID) for Shareholders who are yet to be registered on the CSD, will first be forwarded by the Receiving Agent to the Registrars for verification and subsequent registration in RBL’s name.

#### 11.1.1 Payment by Cheque



All payments other than bank transfers will be effected by cheques issued in favor of the Shareholder or, in the case of joint Shareholders, in their joint names or in the name of one of them on the written instructions of all the joint holders.

### **11.1.2 Payment by Bank Transfer**

If you prefer to be paid through a transfer into your bank account, please ensure that you indicate the bank's name, branch, the account number and the account name in the space provided on the Acceptance Form.

### **11.2 Tax Considerations**

As at the date of the Offer Document, equities traded on the GSE are not subject to any capital gains tax in Ghana.

### **11.3 Lapse of the Offer**

If the Offer lapses, the share certificate(s) and/or other document(s) of title in respect of the HFC Shares that have been assented to under the Offer but have not been delivered to Republic Bank will be returned by post within 21 days of the Offer lapsing to the person or agent whose name and address is set out in the Acceptance Form.

## 12 Legal Opinion on Offer by Reindorf Chambers

### REINDORF CHAMBERS LEGAL PRACTITIONERS

PARTNERS : Fu E. Tsikata - Doe Tsikata - Ekua Hayton-Benjamin - Kizzita Mensah

Reindorf Chambers  
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To: The Director-General  
Securities and Exchange Commission  
30, 3<sup>rd</sup> Circular Road, Cantonments  
P.O. Box CT 6182

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

Date: 23 March 2015

Dear Sirs,

#### Republic Bank Limited ("Republic Bank") – Mandatory Offer to acquire shares in HFC Bank (Ghana) Limited

##### 1. Introduction

##### 1.1 Basis of Instructions

We have acted as advisors to Republic Bank in connection with its mandatory offer to all of the shareholders of HFC Bank (Ghana) Limited ("HFC Bank") for the purchase by it of all the shares of HFC Bank not currently owned by Republic Bank ("the Offer").

##### 1.2 Documents examined

In arriving at the opinions expressed below, we have examined and relied upon the following documents:

- 1.2.1 the letters from the Bank of Ghana to Republic Bank dated 11 April and 14 April 2014 approving the Offer.
- 1.2.2 the Announcement of the Offer dated 16 April 2014.
- 1.2.3 Republic Bank's Statement dated 28 April 2014.
- 1.2.4 the resolution of the Board of Directors of Republic Bank dated 28 April 2014 approving the Offer.

Reindorf Chambers is part of DLA Piper Group, an alliance of legal practices

- 1.2.5 Letter dated 20 March 2015 from Ernst and Young, auditors to Republic Bank confirming that Republic Bank has the necessary resources to enable it to satisfy in full acceptances of the Offer by all of the shareholders of HFC Bank.
- 1.2.6 A letter dated 20 March 2015 from the Securities and Exchange Commission approving the Offer Document.
- 1.2.7 The Offer Document to be issued to all the shareholders of HFC Bank for the mandatory offer by Republic Bank to purchase all shares in HFC Bank not currently owned by it.

We have also examined such other documents and made such investigations as we have considered necessary for the purposes of giving this opinion.

## **2 Opinion**

Based on the foregoing and subject to the assumptions and qualifications set out in 3 and 4 below, we are of the opinion that:

### **2.1 Corporate Authorisations**

Republic Bank has the necessary corporate power to execute, deliver, exercise its rights under and perform its obligations under the Offer Document, and the execution, delivery and performance of such document have been duly authorised by appropriate corporate authorisations.

### **2.2 Approvals and Consents**

Republic Bank has obtained all the necessary regulatory and statutory approvals, consents, or authorisations of any governmental or other authority that are necessary or advisable that it obtains in connection with the Offer.

### **2.3 The Offer Document**

The Offer Document complies with the requirements of the Securities and Exchange Code on Takeovers and Mergers (the "Takeover Code") and with all applicable disclosure requirements of Ghanaian law. The Offer Document has been approved by the Securities and Exchange Commission in accordance with its powers under section 9 of the Securities Industry Law, 1993 (P.N.D.C. Law 333) and the Takeover Code.

### **2.4 Registrations and Filings**

All statutory or regulatory registrations and filing requirements necessary or advisable in relation to or in connection with the issue of the Offer Document have been complied with by Republic Bank.

### 3 Assumptions

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

- 3.1 All original documents supplied to us are complete, authentic, duly authorised and up to date, and that all copy documents supplied are complete and conform to the originals;
- 3.2 All signatures appearing on documents submitted to us as originals or copies of originals are genuine and the persons or person who signed the document was or were duly authorised to do so.

This opinion is limited to matters of Ghanaian law in force on the date hereof. We express no opinion with respect to the law of any other jurisdiction. This opinion letter is governed by Ghanaian law.

**Yours faithfully,**



Fui S. Tsikata

REINDORF CHAMBERS

## **13 General Information**

### **13.1 Arrangements with HFC Directors and Holders of Voting Shares**

Republic Bank has no arrangement with any person acting in concert with it and any of the directors, past directors, holders of voting shares or past holders of voting shares having any connection with or dependent upon the takeover offer.

### **13.2 Transfer of Voting Shares**

Republic Bank has no arrangement to transfer any voting shares acquired in pursuance of the takeover to any other person.

### **13.3 Transactional History of Voting Shares**

No party whose holdings are required to be disclosed has dealt in the voting shares of HFC Bank during the period commencing six months prior to the beginning of the offer period.

### **13.4 Settlement of Shareholder Entitlements**

Any settlement of the consideration to which any holder is entitled under the takeover offer will be implemented in full accordance with the terms of the takeover offer without regard to lien, right of set-off, counter claim, or other analogous rights to which Republic Bank may otherwise be or claim to be entitled as against the holder.

### **13.5 Impact of Mandatory Tender on RBL Director Emoluments**

The emoluments of the Offeror's directors shall not be affected by the acquisition of HFC Bank.

## 14 Appendix

### 14.1 RBL Audited Financial Statements

**Republic Bank Limited**  
**Consolidated Statement of Financial Position**  
As at 30 September

	2012	2013	2014
	Restated	Restated	
	USD '000	USD '000	USD '000
<b>ASSETS</b>			
Cash and cash equivalents	76,798	82,022	89,106
Statutory deposits with Central Banks	626,636	675,112	762,136
Due from banks	1,139,536	1,439,335	1,315,584
Treasury Bills	758,081	891,778	930,912
Investment interest receivable	12,382	10,204	11,372
Advances	3,677,850	3,932,236	4,271,500
Investment securities	1,228,418	1,266,992	1,302,222
Investment in associated companies	32,676	69,399	54,537
Premises and equipment	245,790	246,823	248,057
Goodwill	76,653	75,725	47,447
Pension assets	199,517	201,475	204,897
Deferred tax assets	20,663	22,278	29,031
Taxation recoverable	7,852	7,329	7,820
Other assets	40,224	56,535	85,099
<b>TOTAL ASSETS</b>	<b>8,143,076</b>	<b>8,977,245</b>	<b>9,359,721</b>
<b>LIABILITIES AND EQUITY</b>			
Due to banks	13,329	11,429	11,028
Customers' current, savings and deposit accounts	5,850,272	6,559,821	6,900,314
Other fund raising instruments	424,575	530,568	529,351
Debt securities in issue	195,673	191,514	168,178
Pension liability	8,929	7,844	9,029
Provision for post-retirement medical benefits	35,041	47,502	66,764
Taxation payable	16,529	25,086	11,515
Deferred tax liabilities	74,609	76,705	73,784
Accrued interest payable	9,921	8,097	6,399
Other liabilities	171,851	191,697	204,530
<b>TOTAL LIABILITIES</b>	<b>6,800,729</b>	<b>7,650,263</b>	<b>7,980,892</b>
<b>EQUITY</b>			
Stated capital	99,079	101,273	111,121
Statutory reserves	140,799	166,528	189,549
Other reserves	123,630	163,953	117,346
Retained earnings	873,684	849,073	912,033
<b>Attributable to equity holders of the parent</b>	<b>1,237,192</b>	<b>1,280,826</b>	<b>1,330,048</b>
Non-controlling interest	105,155	46,155	48,780
<b>TOTAL EQUITY</b>	<b>1,342,348</b>	<b>1,326,981</b>	<b>1,378,829</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,143,076</b>	<b>8,977,245</b>	<b>9,359,721</b>

**Republic Bank Limited**  
**Consolidated Statement of Income**  
**for the period ended 30 September**

	2012	2013	2014
		Restated	
	USD '000	USD '000	USD '000
Interest income	389,675	392,680	393,614
Interest expense	(55,439)	(52,494)	(47,321)
<b>Net interest income</b>	<b>334,237</b>	<b>340,186</b>	<b>346,293</b>
Other income	172,395	196,031	232,155
	<b>506,631</b>	<b>536,217</b>	<b>578,449</b>
Operating expenses	(252,723)	(267,059)	(321,851)
Share of (losses)/profits of associated companies	1,909	(9,411)	7,671
<b>Operating profit</b>	<b>255,817</b>	<b>259,748</b>	<b>264,269</b>
Loan impairment expense	(16,183)	(17,175)	(19,356)
<b>Net profit before taxation</b>	<b>239,634</b>	<b>242,573</b>	<b>244,913</b>
Taxation expense	(48,037)	(58,824)	(52,923)
<b>Net profit after taxation</b>	<b>191,597</b>	<b>183,748</b>	<b>191,989</b>
<b>Attributable to:</b>			
Equity holders of the parent	181,032	179,560	186,318
Non-controlling interest	10,565	4,188	5,671
	<b>191,597</b>	<b>183,748</b>	<b>191,989</b>
Earnings per share (\$)			
Basic	\$1.14	\$1.12	\$1.16
Diluted	\$1.14	\$1.12	\$1.15
Weighted average number of shares ('000)			
Basic	158,797	160,294	160,918
Diluted	158,842	160,768	161,467

**Republic Bank Limited**
**Consolidated Statement of Cash Flows for the period**

	2012	2013	2014
	US\$ '000	Restated US\$ '000	US\$ '000
<b>Operating activities</b>			
Profit before taxation	239,634	242,573	244,913
Adjustments for:			
Depreciation	23,425	24,057	23,542
Loan impairment expense, net of recoveries	16,183	8,900	18,717
Goodwill impairment expense	-	-	28,883
Investment securities impairment expense	1,207	8,275	639
Translation difference	(1,453)	317	(1,597)
Loss on sale of premises and equipment	281	483	824
Realised (gain)/loss on investment securities	-	3,993	(35,737)
Share of net loss/(profits) of associated companies	(1,909)	9,411	(7,671)
Stock option expense	1,065	1,020	1,272
Increase in employee benefits	(4,675)	3,831	18,556
Increase in advances	(242,817)	(308,160)	(309,092)
Increase in customers' deposits	568,267	892,542	253,751
Increase in statutory deposits with Central Banks	(86,796)	(56,127)	(78,352)
Increase in other assets and investment interest rec	(8,024)	(14,787)	(28,670)
Increase in other liabilities & accrued interest pay.	11,482	20,371	8,709
Taxes paid, net of refund	(54,832)	(50,699)	(69,463)
<b>Cash provided by operating activities</b>	<b>461,038</b>	<b>785,999</b>	<b>69,224</b>
<b>Investing activities</b>			
Purchase of investment securities	(555,945)	(510,982)	(668,469)
Redemption of investment securities	423,601	447,966	644,172
Purchase of interest in associated companies	-	(46,452)	-
Acquisition of non-controlling interest	-	(82,625)	-
Dividends from associated companies	469	516	1,521
Additions to premises and equipment	(24,084)	(31,463)	(31,666)
Proceeds from sale of premises & equipment	1,049	743	7,878
<b>Cash used in investing activities</b>	<b>(154,909)</b>	<b>(222,297)</b>	<b>(46,565)</b>
<b>Financing activities</b>			
Decrease in balances due to other banks	(16,173)	(1,741)	(530)
Repayment of debt securities	(1,677)	(1,792)	(25,332)
Proceeds from share issue	3,880	2,378	7,305
Shares purchased for profit sharing scheme	-	-	(11,093)
Allocation of shares to profit sharing plan	7,062	7,450	8,147
Dividends paid to shareholders of the parent	(100,409)	(106,553)	(106,985)
Dividends to non-controlling shareholders of subsidi	(3,911)	(4,061)	(2,434)
<b>Cash used in financing activities</b>	<b>(111,228)</b>	<b>(104,319)</b>	<b>(130,921)</b>
<b>Net increase in cash and cash equivalents</b>	<b>194,902</b>	<b>459,383</b>	<b>(108,261)</b>
Net foreign exchange difference	(637)	873	3,819
Cash and cash equivalents at beginning of year	1,603,501	1,797,766	2,258,021
<b>Cash and cash equivalents at end of year</b>	<b>1,797,766</b>	<b>2,258,021</b>	<b>2,153,579</b>



**Republic Bank Limited**
**Consolidated Statement of Changes in Equity for the year ended 30 Sept.**

	Stated Capital USD '000	Statutory Reserve USD '000	Other Reserves USD '000	Retained Earnings USD '000	Total to Equityholders USD '000	NCI USD '000	Total Equity USD '000
<b>Balance 01/10/2011</b>	<b>94,672</b>	<b>110,747</b>	<b>83,641</b>	<b>835,335</b>	<b>1,124,395</b>	<b>98,517</b>	<b>1,222,912</b>
Total comprehensive income for the year	-	-	33,672	182,805	216,478	10,715	227,193
Issue of shares	3,918	-	-	-	3,918	-	3,918
Share-based payment	1,076	-	-	-	1,076	-	1,076
Unallocated shares	-	-	7,132	-	7,132	-	7,132
Transfer from contingency reserve	-	-	(296)	296	-	-	-
Transfer to statutory reserves	-	30,738	-	(30,738)	-	-	-
Other	-	-	-	112	112	-	112
Dividends paid to parent	-	-	-	(101,393)	(101,393)	-	(101,393)
Dividends paid to NCI	-	-	-	-	-	(3,949)	(3,949)
<b>Balance at 30/09/2012</b>	<b>99,666</b>	<b>141,486</b>	<b>124,149</b>	<b>886,417</b>	<b>1,251,717</b>	<b>105,283</b>	<b>1,357,000</b>
Impact of adopting IAS 19 (revised)	-	-	-	(7,464)	(7,464)	477	(6,987)
Translation differences	(587)	(687)	(518)	(5,270)	(7,061)	(605)	(7,666)
<b>Restated Balance 30/09/2012</b>	<b>99,079</b>	<b>140,799</b>	<b>123,630</b>	<b>873,684</b>	<b>1,237,192</b>	<b>105,155</b>	<b>1,342,348</b>
Total comprehensive income for the year	-	-	3,147	176,635	179,782	3,285	183,067
Issue of shares	2,375	-	-	-	2,375	-	2,375
Share-based payment	1,019	-	-	-	1,019	-	1,019
Unallocated shares	-	-	7,441	-	7,441	-	7,441
Transfer from contingency reserve	-	-	31,231	(31,231)	-	-	-
Transfer to statutory reserves	-	27,433	-	(27,433)	-	-	-
Acquisition of NCI	-	-	-	(25,574)	(25,574)	(56,956)	(82,530)
Dividends	-	-	-	(106,430)	(106,430)	-	(106,430)
Dividends paid to NCI	-	-	-	-	-	(4,056)	(4,056)
Translation differences	(613)	(1,018)	(978)	(5,308)	(7,918)	(668)	(8,586)
<b>Balance 30/09/2013</b>	<b>101,273</b>	<b>166,528</b>	<b>163,953</b>	<b>849,073</b>	<b>1,280,826</b>	<b>46,155</b>	<b>1,326,981</b>
Total comprehensive income for the year	-	-	(43,629)	180,189	136,560	4,543	141,102
Issue of shares	7,376	-	-	-	7,376	-	7,376
Share-based payment	1,285	-	-	-	1,285	-	1,285
Shares purchased for profit sharing scheme	-	-	(11,201)	-	(11,201)	-	(11,201)
Allocation of shares	-	-	8,227	-	8,227	-	8,227
Transfer to contingency reserve	-	-	(1,923)	1,923	-	-	-
Transfer to statutory reserves	-	21,070	-	(21,070)	-	-	-
Dividends	-	-	-	(108,028)	(108,028)	-	(108,028)
Dividends paid to NCI	-	-	-	-	-	(2,458)	(2,458)
Translation differences	102,460	168,478	165,873	859,018	1,295,829	46,695	-
<b>Balance 30/09/2014</b>	<b>111,121</b>	<b>189,549</b>	<b>117,346</b>	<b>912,033</b>	<b>1,330,048</b>	<b>48,780</b>	<b>1,378,829</b>

## 14.2 HFC Bank Audited Financial Statements

### Consolidated Statements of Financial Position as at 31 Dec.

	2009	2010	2011	2012	2013	Q3 2014
	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000
<b>Assets</b>						
Cash & balances with Bank of Ghana	24,384	32,376	68,772	71,930	184,337	160,996
Due from other banks	10,950	33,490	40,632	60,105	55,071	133,471
Government securities	21,902	76,064	70,049	67,716	128,783	163,308
Pledged assets (Repos)	17,750	8,000	6,500	6,500	6,000	8,000
Loans and advances to customers	160,189	179,130	206,358	330,164	515,708	645,709
Loans to financial institutions	1,617	3,072	3,460	3,561	3,611	14,022
Investment securities	721	65	1,000	2,562	2,515	1,422
Other investments	5,258	5,083	5,556	7,298	22,695	20,899
Other assets	8,863	11,824	18,135	24,059	40,049	53,998
Derivative Asset	-	-	-	4,561	7,502	-
Investment in venture capital trust	-	-	1,062	1,804	9,706	12,552
Property and equipment	8,724	14,653	13,372	14,362	18,143	52,538
Intangible Assets - Goodwill	-	-	-	-	3,931	3,332
Current income tax assets	744	734	404	602	960	1,131
<b>Total assets</b>	<b>261,102</b>	<b>364,493</b>	<b>435,301</b>	<b>595,226</b>	<b>999,011</b>	<b>1,271,379</b>
<b>Liabilities and equity</b>						
Deposits from customers	122,705	156,535	230,303	312,380	453,589	538,913
Deposits from banks & financial institutions	21,178	28,519	39,557	44,845	41,937	36,445
Due to other banks	14,000	36,000	10,000	-	35,000	79,020
Other liabilities	8,965	10,551	15,258	21,076	63,194	157,238
Derivative Liability	-	-	-	4,411	6,898	-
Bonds	46,965	50,717	56,234	58,128	67,437	111,787
Borrowings	13,379	8,359	5,637	20,901	157,415	117,493
Deferred tax	660	1,808	1,110	539	809	773
<b>Total liabilities</b>	<b>227,852</b>	<b>292,489</b>	<b>358,100</b>	<b>462,280</b>	<b>826,281</b>	<b>1,041,669</b>
<b>Equity</b>						
Stated capital	17,241	44,798	45,001	95,127	95,127	95,424
Income surplus account	3,715	5,570	11,593	5,669	19,871	30,909
Statutory reserve fund	9,890	11,529	13,202	19,715	40,845	53,734
Capital surplus account	562	4,634	4,634	4,634	4,634	32,221
Housing development assistance reserve	744	744	744	744	744	744
Regulatory credit risk reserve	1,239	4,097	1,403	6,280	10,281	15,155
Other reserve	25	428	194	194	194	194
<b>Total equity before NCI</b>	<b>33,417</b>	<b>71,800</b>	<b>76,770</b>	<b>132,363</b>	<b>171,695</b>	<b>228,380</b>
Non controlling interest (NCI)	(167)	204	431	583	1,035	1,331
<b>Total equity</b>	<b>33,249</b>	<b>72,004</b>	<b>77,201</b>	<b>132,946</b>	<b>172,731</b>	<b>229,710</b>
<b>Total liabilities and equity</b>	<b>261,102</b>	<b>364,493</b>	<b>435,301</b>	<b>595,226</b>	<b>999,011</b>	<b>1,271,379</b>

All figures represent audited financials except Q3 2014

**Consolidated Statements of Comprehensive income**

	2009	2010	2011	2012	2013	Q3 2014
	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000
Interest income	49,204	54,418	58,995	68,768	119,959	127,834
Interest expense	(27,456)	(21,591)	(19,256)	(23,305)	(39,307)	(43,078)
<b>Net interest income</b>	<b>21,748</b>	<b>32,827</b>	<b>39,739</b>	<b>45,463</b>	<b>80,652</b>	<b>84,757</b>
Fee and commission income	6,724	7,722	10,531	17,219	25,582	25,345
Fee and commission expense	(306)	(319)	(92)	(284)	(650)	(585)
<b>Net fee &amp; commission income</b>	<b>6,418</b>	<b>7,403</b>	<b>10,439</b>	<b>16,934</b>	<b>24,932</b>	<b>24,760</b>
Other operating income	108	136	2,264	3,960	5,756	7,189
Trading Income	1,621	1,927	1,800	4,951	16,427	23,718
<b>Operating income</b>	<b>29,895</b>	<b>42,293</b>	<b>54,242</b>	<b>71,309</b>	<b>127,768</b>	<b>140,423</b>
Operating expenses	(22,576)	(29,763)	(40,708)	(47,943)	(67,461)	(77,820)
Impairment charge for credit losses	(1,995)	(1,999)	(2,217)	(5,566)	(10,183)	(13,157)
<b>Operating profit</b>	<b>5,324</b>	<b>10,531</b>	<b>11,318</b>	<b>17,800</b>	<b>50,124</b>	<b>49,446</b>
Other income	1,720	2,868	3,157	1,016	1,934	1,215
<b>Profit for the year</b>	<b>7,044</b>	<b>13,400</b>	<b>14,474</b>	<b>18,817</b>	<b>52,059</b>	<b>50,661</b>
National Stabilisation Levy	(158)	(643)	(701)	-	(1,298)	(2,034)
Tax expense	(1,117)	(4,120)	(2,920)	(3,393)	(10,976)	(9,044)
<b>Profit after tax</b>	<b>5,769</b>	<b>8,636</b>	<b>10,853</b>	<b>15,424</b>	<b>39,785</b>	<b>39,583</b>
Other comprehensive income, net of tax	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>5,769</b>	<b>8,636</b>	<b>10,853</b>	<b>15,424</b>	<b>39,785</b>	<b>39,583</b>
Attributable to:						
Equity holders of the parent	5,790	12,337	10,627	15,272	39,332	39,288
Non controlling interest	(21)	371	226	152	453	295
	5,769	12,708	10,853	15,424	39,785	39,583
Basic EPS (Ghana pesewa)	4.52	4.71	5.92	7.90	13.27	17.78
Diluted EPS (Ghana pesewas)	4.24	4.34	5.64	7.52	13.02	17.46

All figures represent audited financials except Q3 2014

### 14.3 Confirmation of Funds by Independent Auditors



Ernst & Young  
P.O. Box 158  
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Trinidad

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Fax: +1 868 622 1153  
ey.com

NG/am  
as

Mr. Francis Kalitsi  
Serengeti Capital  
5 Abafun Crescent  
Accra, Ghana

March 20, 2015

Dear Mr. Kalitsi:

We understand that Republic Bank Limited is in the process of preparing a takeover bid to acquire a maximum of 178,256,550 shares in HFC Bank (Ghana) Limited representing 60% of its total outstanding shares. HFC Bank (Ghana) Limited is a company listed on the Ghana Stock Exchange. We have been told that Republic Bank Limited will offer GHS 1.60 per share with a maximum aggregate purchase price of approximately GHS 285,210,480.00 or US\$ 80,860,308.46 at an exchange rate of GHS 3.5272: US\$ 1.00.

We further understand that the Securities and Exchange Commission of Ghana's Code on Takeovers and Mergers of January 2008 requires your auditors to confirm that Republic Bank Limited has the necessary resources available to it to satisfy the acceptance of a mandatory offer to all the shareholders of the HFC Bank (Ghana) Limited who accept this offer.

We hereby confirm that Republic Bank Limited has, as at the date of this letter, the necessary resources available to it to satisfy full acceptances of an offer to all of the other shareholders of HFC Bank (Ghana) Limited on the basis of a price of GHS 1.60 per share.

Yours sincerely



Nicholas Gomez  
Country Managing Partner  
On behalf of Ernst & Young

Copy to: Mr. Nigel Baptiste - Executive Director - Republic Bank Limited

A member firm of Ernst & Young Global Limited

## 14.4 Tender Documents

### 14.4.1 Instructions

Please use block capitals and follow the instructions as listed below. Return the completed Acceptance Form and the relevant Share certificate(s)/statement of holdings in CSD and/or other relevant documents of title (balance receipts, transfer receipts and or indemnity in lieu of lost certificates) with a valid picture ID (voter's ID, driver's license, passport or national ID) NewWorld Securities Limited whose address is set out in "Advisors to Republic Bank" section of the Offer Document:

1. Please fill in your name(s) and title exactly as the name(s) appear(s) on your HFC Share certificate(s) or on your CSD account.
2. Fill in your full postal address as it appears on the HFC Share certificate(s) or CSD account unless it has changed. If your address has changed, please use the new address, which must have already been communicated to the Registrars and your stockbroker. In case the Registrar or your stockbroker has not been informed of a change of address kindly contact them and complete a change of address form before submitting your Acceptance Form to the Receiving Agent.
3. Make sure that you fill in the HFC Share certificate number(s), total number of HFC Shares represented by the certificate(s) and the number of HFC Shares you are tendering under the Offer. If you only tender part of the shares on your certificate or Republic Bank is required to accept pro-rata tendered shares, a letter indicating your balance, will be issued and sent to you by the Registrars after the closure of the offer.
4. If your HFC Shares are in the depository, fill in the name of the broker, total number of Shares in the CSD and your CSD number and the number of HFC shares you are tendering under the Offer.
5. If the HFC shares tendered are jointly owned, all the owners will constitute the joint transferors and must indicate their names and sign or thumbprint (as the case may be) in the appropriate place beside their names. Please sign or thumbprint the Acceptance Form using the same as you used when you initially purchased or applied for the HFC Shares being tendered under the Offer. By signing or thumbprinting the Acceptance Form, you will be tendering the Offer Shares under the terms and conditions set out in this Offer Document and on the Acceptance Form. Legal action may be taken against anyone who knowingly makes a false declaration. This applies whether the acceptance of the Offer is made solely or jointly with other persons.

The Acceptance Form may be signed by someone else on your behalf if he/she is duly authorized to do so. An agent must enclose the original power of attorney (or a

copy certified by a Notary Public) appointing him/her unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

If the sole holder of any HFC Shares has died, provided the Registrar has been served with probate or letters of administration, the Acceptance Form must be signed by the legal personal representative(s) of the deceased. If probate or letters of administration have been granted but not registered with the Registrars, the legal personal representative(s) may sign the Acceptance Form and forward it to the Registrars together with the HFC Share certificate(s) or other relevant document(s) of title, and a copy of the probate or letters of administration as soon as possible. If probate or letters of administration have not been granted, the legal personal representative(s) should sign the Acceptance Form and forward it to the Registrars with the HFC Share certificate(s) or other relevant document(s) of title. However, a copy of the probate or letters of administration must be lodged with the Registrars before settlement of the consideration due under the Offer can be made to the legal personal representative(s).

If one of the joint holders has died, the requirements of the above paragraph must be complied with and the surviving Shareholder(s) must sign the Acceptance Form.

6. Kindly provide your bank account details if you want the proceeds from your tendered shares in to be paid directly into your bank account.

Photocopies of the Acceptance Form will be considered invalid and will not be accepted. If you need assistance in completing the Acceptance Form, contact the Receiving Agent immediately.

### **Guide to completing the Acceptance Form (Institutions)**

You need to follow all the instructions for individuals as set out above as well as filling in your company/institution's name and address, as they appear on the share Certificates or statement of holdings in CSD relating to the HFC Shares that are being tendered. Authorized signatories of companies/institutions should sign as appropriate, and the forms must have the company stamp.

**14.4.2 Forms**
**ACCEPTANCE FORM A**
*(HFC Shareholders with paper certificates)*
**Tender Offer from Republic Bank Limited to ALL Shareholders of HFC Bank (Ghana) Limited**

Offer price GHS 1.60 per share

Offer open from 24/03/15 to 07/05/15 between the hours of 08:00 and 17:00 GMT

Sponsoring Broker: NewWorld Securities, 1st Floor, NALAG Hse, Near Tetteh Quarshie Interchange, Accra. Tel: 0302 660 163

Transaction Advisor: Serengeti Capital Partners, 5 Abafun Crescent, Labone, Ghana. Tel: 0302 768 960

<b>Shareholder Details (BLOCK CAPITAL)</b>		<b>Details of Certificates (Attach additional signed list if necessary)</b>	
Name: .....		Certificate Number(s):	
Address: .....		No. of shares on certificate:	
.....		No. of Shares Tendered:	
Tel:.....			
Email:.....			
<b>Payment details:</b>		<b>Bank Transfer:</b>	
Cheque			
Account Name:			
Name of Bank:		Branch:	
Account No.:		Branch Code:	
<b>Declaration</b>			
I/We warrant that I/We have full power and authority to tender, sell, assign and transfer the shares tendered hereby, and that, when the same are accepted for payment and paid for by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim.			
This acceptance is made in accordance with the terms and conditions set out in the Offer Document.			
<b>To be completed by NewWorld Securities Limited and detached for the applicant</b>			
<b>Shareholder Details (BLOCK CAPITAL)</b>		<b>Details of Certificates (Attach additional signed list if necessary)</b>	
Name: .....		Certificate Number(s):	
Address: .....		No. of shares on certificate:	
.....		No. of Shares Tendered:	
<b>Signature/</b>		<b>Stamp</b>	
<b>Thumbprint</b>			
		<b>Date...../...../2015</b>	

**ACCEPTANCE FORM B**

*(HFC Shareholders with CSD Accounts)*

Tender Offer from Republic Bank Limited to ALL Shareholders of HFC Bank (Ghana) Limited

Offer price GHS 1.60 per share

Offer open from 24/03/15 to 07/05/15 between the hours of 08:00 and 17:00 GMT

Sponsoring Broker: NewWorld Securities, 1st Floor, NALAG Hse, Near Tetteh Quarshie Interchange, Accra. Tel: 0302 660 163

Transaction Advisor: Serengeti Capital Partners, 5 Abafun Crescent, Labone, Ghana. Tel: 0302 768 960

<b>Shareholder Details (BLOCK CAPITAL)</b>	
Name: .....	
Address: .....	
Tel: .....	
Email: .....	
<b>CSD Account Information</b>	
Name of Broker: .....	
CSD Account No. ....	
No. of Shares owned: .....	
No. of Shares Tendered: .....	
<b>Payment details:</b>	<b>Cheque:</b> <input type="checkbox"/>
	<b>Bank Transfer:</b> <input type="checkbox"/>
Account Name:	
Name of Bank:	Branch:
Account No.:	Branch Code:
<b>Receiving Participants Details</b>	
Receiving Participant Name: <b>NewWorld Securities Limited</b>	Receiving Participant Member Code: <b>MEM010</b>
Receiving Client Account Name: <b>Republic Bank Limited</b>	Receiving Client Account No. <b>347</b>
<b>Declaration</b> I/We warrant that I/We have full power and authority to tender, sell, assign and transfer the shares tendered hereby, and that, when the same are accepted for payment and paid for by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim.	
This acceptance is made in accordance with the terms and conditions set out in the Offer Document.	
<b>To be completed by NewWorld Securities Limited and detached for the applicant</b>	
<b>Shareholder Details (BLOCK CAPITAL)</b>	
Name: .....	
Address: .....	



<b>CSD Account Information</b>	
Name of Broker:.....	
CSD Account No.....	
No. of Shares owned:.....	
No. of Shares Tendered:.....	
<b>Signature/</b>	<b>Stamp</b>
<b>Thumbprint</b>	<b>Date...../...../2015</b>