THE REPUBLIC OF GHANA

Global Medium Term Note Programme

Under this Global Medium Term Note Programme (the "**Programme**"), the Republic of Ghana (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).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes" and "Registered Notes**").

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the Financial Conduct Authority (the "FCA") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of the Notes.

Application has been made to the FCA for Notes issued under the Programme during the period of twelve (12) months from the date of this Base Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, "**MiFID II**").

This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area ("**EEA**") and/or the United Kingdom and/or offered to the public in the EEA and/ or the United Kingdom and/or offered to the public other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/ or the United Kingdom and/or offered to the public in the EEA and/ or the United Kingdom other than in circumstances where an exemption is available under Article 1(4) and/or Article 3(2) of the Prospectus Regulation. Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the FCA and, where listed, the London Stock Exchange.

Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Transfer and Selling Restrictions*".

Although the Notes may not be offered or sold to the public within Ghana, the Issuer may apply for Notes issued under the Programme to be eligible for trading or listed on the Ghana Stock Exchange. The Notes will not, however, be traded or cleared through the Ghana Stock Exchange.

The Issuer has been rated B3 by Moody's Investors Service, Inc. ("**Moody's**"), B by Fitch Ratings Ltd ("**Fitch**") and B by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Each of Fitch and Standard & Poor's is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"). Moody's is not established in the European Union and has not applied for registration under the CRA Regulation. However, Moody's Investors Service Ltd. (an entity which is established in the European Union and registered under the CRA Regulation) has endorsed the ratings of Moody's, in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Notes issued under the Programme may be rated or unrated by either/any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR or EURIBOR as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrators of EURIBOR and LIBOR are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

Arrangers and Dealers

BofA Securities **J.P. Morgan** **Morgan Stanley** **Standard Bank** **Standard Chartered Bank**

Dealers

Databank Brokerage **IC Securities** **Fidelity Bank Ghana Limited** **GCB Bank Limited** **Strategic African Securities**

The date of this Base Prospectus is 3 February 2020.

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Any information on websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

Certain information under the heading "*Book-entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Arrangers or Dealers has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability (whether arising in tort or contract or otherwise) is accepted by the Arrangers or Dealers, or any director, officer, employee, agent or affiliate (as defined in Rule 405 of the Securities Act) of any such person, as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. To the fullest extent permitted by law, none of the Arrangers or the Dealers accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arrangers or the Dealers or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arrangers and each of the Dealers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

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 Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arrangers or any of the Dealers.

Neither this Base Prospectus 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, any of the Arrangers or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base 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, any of the Arrangers or any of the Dealers to any person to subscribe for or to purchase any Notes.

None of the Arrangers, Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date 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. The Arrangers and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

GENERAL INFORMATION

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers and the Dealers do not represent that this Base 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, the Arrangers or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base 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 Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Belgium), the United Kingdom, Ghana, the United Arab Emirates (excluding the Dubai International Financial Centre (the "**DIFC**")), the DIFC, Singapore, Japan, The People's Republic of China (the "**PRC**") and the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), see "*Transfer and Selling Restrictions*".

This Base Prospectus has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or its equivalent in any other currency) will (i) only be admitted to trading on a regulated market (as defined in MiFID II), or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public in an EEA Member State and/or the United Kingdom pursuant to an exemption under Article 1(4) of the Prospectus Regulation.

If a jurisdiction requires that an offer of Notes described herein be made by a licensed broker or dealer (including, but not limited to, the United States) and an Arranger or Dealer or any affiliate of the applicable Arranger or applicable Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of the Issuer or holders of the applicable Notes in such jurisdiction.

The Notes may not be a suitable investment for all investors. Generally, investment in emerging markets such as Ghana is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Potential investors are urged to consult their own legal and financial advisers before making an investment in any Notes.

Such risks include, but are not limited to, higher volatility and more limited liquidity in respect of any Notes, a narrow export base, budget deficits, lack of adequate infrastructure necessary to accelerate economic growth and changes in the political and economic environment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than more mature markets, which could affect the ability of governments to meet their obligations under issued securities.

Potential investors should also note that emerging markets such as Ghana are subject to rapid change and that the information set out in this Base Prospectus may become out-dated relatively quickly.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) 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 in this Base Prospectus or any applicable supplement;

(ii) 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;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

SINGAPORE: NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has, unless otherwise specified before an offer of Notes, determined the classification of all Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

U.S. INFORMATION

The Notes have not been registered with, recommended by or approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act ("**Rule 144A**") or any other available exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

ENFORCEMENT OF CIVIL LIABILITIES

The Republic of Ghana

The Republic of Ghana is a foreign sovereign state. Consequently, due to the general international law principle of state immunity which applies to every sovereign state, it may be difficult for investors to obtain or realise upon judgments of courts in England or the United States against the Republic. The Republic has submitted to the jurisdiction of the courts of England and waived any immunity from the jurisdiction (including sovereign immunity) of such courts and any objection to venue, in connection with any action arising out of or based upon any Notes brought by any holder of any Notes. Investors may effect service of process within the United Kingdom upon the Republic through its High Commissioner in London. The Republic has not, however, waived immunity from execution or attachment in respect of certain of its assets. See "*Terms and Conditions of the Notes—Governing Law and Submission to Jurisdiction—Consent to Enforcement and Waiver of Immunity*".

The Republic's waiver of immunity is, therefore, limited. Such a waiver constitutes only a limited and specific waiver for the purposes of any Notes, and under no circumstances shall it be interpreted as a general waiver by the Republic or a waiver with respect to proceedings unrelated to any Notes.

The enforceability in Ghana of final judgments of English courts is subject to the rules governing enforcement in Ghana of civil judgments of foreign courts specified in the Courts Act, 1993 (Act 459) as amended ("**Act 459**"), the Foreign Judgments and Maintenance Orders (Reciprocal Enforcement) Instrument, 1993 (L.I. 1575) ("**L.I. 1575**") and conditional upon, and subject to compliance with the procedural requirements in the High Court (Civil Procedure) Rules, 2004 (C.I. 47), as amended ("**C.I. 47**"). In accordance with Act 459 and L.I. 1575, the courts of Ghana would recognise and enforce a judgment obtained in the following courts of the United Kingdom, and duly registered with the High Court of Ghana: the High Court of England, the High Court of Northern Ireland and the Court of Session in Scotland.

In addition, the courts of Ghana would recognise and enforce a judgment obtained in the named courts of certain countries specified in L.I 1575 including, *inter alia*, the following countries and named courts, and which are duly registered with the High Court of Ghana:

(a) in France, the Cours De Cassation and the Cours D'Appel;

(b) in Italy, the Corte D'Appello and the Corte Di Cassazione; and

(c) in Spain, the Tribunal Supreme, the Audiencia Territorial, the Juez de Primera and the Instencia.

In all cases, Judgments of the courts to which an appeal lies from these courts may also be enforced by registration in Ghana.

To be capable of enforcement by registration, the foreign judgment:

(a) must be final and conclusive between the parties;

(b) must fulfil all legal formalities required for its enforceability under the laws of the country in which the judgment was given;

(c) must conform with public policy of the Republic;

(d) there must be payable under it a sum of money, not being a sum payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty; and

(e) must have been given after the coming into operation of the order directing that judgments from that country may be enforced by registration.

In respect of the aforementioned provisions, a judgment is deemed to be final and conclusive even though an appeal may be pending against it or that it may still be subject to appeal in the original court.

The courts of Ghana would not recognise or enforce a judgment obtained from a court in other jurisdictions, including the United States, unless new proceedings are instituted in Ghana, and the merits of the judgment are re-examined.

The Issuer has not consented to service in the United States, or waived sovereign immunity with respect to actions brought against it, under United States federal or State securities laws.

Ghanaian courts may enter and enforce judgments in Ghana Cedi or in foreign currency. Choice of law clauses made by parties to a transaction are recognised under Act 459; however, under the Evidence Act, 1975 (NRCD 323), (the "**Evidence Act"**), foreign law is presumed to be the same as Ghana law. Consequently, the party alleging the difference between Ghana law and the foreign law has the burden of rebutting the presumption. In original actions brought before Ghanaian courts, there is doubt as to the enforceability of liabilities based on the US federal securities laws. US federal securities laws must be specifically pleaded as the governing law in proceedings before a Ghanaian court.

PRESENTATION OF STATISTICAL AND OTHER INFORMATION

Annual information presented in this Base Prospectus is based upon the calendar year (which is the fiscal year for the Republic), unless otherwise indicated. Certain figures included in this Base Prospectus have been subject to rounding adjustments; 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 the sum of the figures which precede them. Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Republic, including the Ministry of Finance, the Bank of Ghana (the "**BoG**"), Ghana Statistical Service, the National Development Planning Commission (the "**NDPC**") and Ghana Investment Promotion Centre. Some statistical information has also been derived from information publicly made available by third parties such as the International Monetary Fund (the "**IMF**") and the World Bank (the "**World Bank**"). Where such third party information has been so sourced, the source is stated where it appears in this Base Prospectus. The Republic confirms that it has accurately reproduced such information and that, so far as it is aware and is able to ascertain from information published by third parties, it has omitted no facts which would render the reproduced information inaccurate or misleading.

Information contained herein that is identified as being derived from a publication of the Republic or one of its agencies or instrumentalities is included herein on the authority of the Republic as an official public document of the Republic. All other information contained herein with respect to the Republic is included as an official public statement made on the authority of the Minister for Finance of the Republic.

Similar statistics may be obtainable from other sources, but the date of publication, underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. In addition, statistics and data published by one ministry or agency may differ from similar statistics and data produced by other agencies or ministries due to differing underlying assumptions, methodology or timing of when such data are reproduced. Certain historical statistical information contained herein is provisional or otherwise based on estimates that the Republic and/or its agencies believe to be based on reasonable assumptions. The Republic's official financial and economic statistics are subject to internal review as part of a regular confirmation process. Accordingly, the financial and economic information set out in this Base Prospectus may be subsequently adjusted or revised. While the Republic does not expect such revisions to be material, no assurance can be given that material changes will not be made.

In November 2010, Ghana Statistical Service rebased its national accounts, changing the base year from 1993 to 2006, which led to changes in the size of the GDP, growth rates, contributions by sector and related indicators that use the GDP. In 2018, Ghana Statistical Service rebased the GDP base year to 2013, which involved adoption of the UN 2008 System of National Accounts (2008 SNA) and the International Standard Industrial Classification revision four (ISIC Rev.4) as recommended by the United Nations Statistical Division ("**UNSD**"). See "*The Economy—Principal Sectors of the Economy*". The UNSD recommends that countries rebase GDP every five years to ensure that national accounts statistics present the most accurate reflection of the economy as possible. Accordingly, Ghana Statistical Service intends to complete the next rebasing exercise in 2022.

Certain 2019 figures in this Base Prospectus are stated as a percentage of GDP for the year. At the date hereof, full year GDP data for 2019 is not yet available and these ratios are calculated using an estimate of GDP for year-end 2019 based on a specific formula. The year-end estimate is calculated using GDP data for the first half of 2019 published by the Ghana Statistical Service, an analysis of the GDP trends for the second half of 2018, a gap analysis of what would be required to attain the original 2019 GDP estimation, and information from the industry, agriculture and service sector covering GDP for the third quarter of 2019. Whilst this information contains an element of estimated economic performance for the last quarter of the year, based on the methodology applied, the Issuer believes this formula provides a reasonable basis for estimating key economic indicators. However, as there is an element of this data that is estimated, these figures may differ materially from actual numbers once published.

All references in this document to "Ghana Cedi", "Cedi" and "GHS" are to the currency of the Republic of Ghana; to "US Dollars", "US$" and "$" are to the currency of the United States of America; to "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty of European Union; and to "Ghanaian Authorities" are to the Ghanaian Ministry of Finance, the Bank of Ghana and the Ghanaian Statistical Service. For ease of information, certain financial information relating to the Republic of Ghana included herein is presented as translated into US Dollars at the US Dollar/Ghana Cedi rates of exchange which the Republic deems appropriate. Unless otherwise specified, such rates were applicable as of the end of such specified period(s). To the extent that the Republic has calculated US Dollar values, as well as ratios and percentages derived from these values, using period-end Cedi/US Dollar exchange rates rather than average exchange rates, these calculations will have resulted in different US Dollar values than if it had used average exchange rates. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into US Dollars at that or any other rate. References to "SDR" are to the Special Drawing Right, a unit of account having the meaning ascribed to it from time to time by the Rules and Regulations of the IMF. References to "Ghana" or the "Republic" are to the Republic of Ghana and to the "Government" are to the Government of Ghana.

Certain figures included in this Base Prospectus differ from previously published figures for a number of reasons, including continuing implementation of a debt management system and ongoing statistical revisions. Also, certain monetary amounts included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "**FDI**" refers to Foreign Direct Investment;
- "**GDP**" refers to the gross domestic product;
- "**IMF**" refers to the International Monetary Fund;
- "**LPG**" means liquefied petroleum gas;
- "**mbpd**" refers to million barrels per day;
- "**OPEC**" refers to the Organisation of the Petroleum Exporting Countries;

- "**UN**" refers to the United Nations;
- "**United States**" or the "**US**" refers to the United States of America;
- "**US Dollars**", "**US$**" and "**$**" refer to the lawful currency of the United States of America;
- "**VAT**" refers to value added tax; and

References to a "**billion**" are to a thousand million.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements are statements that are not historical facts and include statements about the Republic's beliefs and expectations. These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. Although the Republic believes that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will be realised.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in this Base Prospectus identifies important factors that could cause such differences, including, but not limited to, the following adverse external factors, such as:

- the impact of changes in international oil prices;
- the impact of decreases or fluctuation in oil production;
- the impact of changes in other international commodity prices including cocoa and gold;
- interest rates in financial markets outside Ghana;
- the impact of changes in the credit rating of Ghana;
- economic conditions in Ghana's major export markets;
- the impact of possible future regional instability;
- changes in the amount of remittances from non-residents; and
- the decisions of international financial institutions and donor countries regarding the amount and terms of their financial assistance to Ghana,

as well as internal factors, such as:

- general economic, political and business conditions in Ghana;
- present and future exchange rates of the Ghanaian currency;
- the levels of foreign currency reserves;
- the impact of changes in other international commodity prices including cocoa and gold;
- the ability of Ghana to implement important economic reforms, including implementation of the economic programme with the IMF;
- the ability of operators of Ghana's offshore oil fields to resolve logistical and infrastructural issues to enable commercial production free from unscheduled disruption;

- the level of domestic and external debt;
- the levels of domestic interest rates;
- domestic inflation;
- the ability of Ghana to monetise oil and gas reserves;
- the ability of Ghana to resolve its on-going power shortages;
- the ability of Ghana to stabilise the financial position of state-owned enterprises which operate in the power sector;
- the impact of possible future social and political unrest;
- the impact of natural disasters, health epidemics and agricultural blights;
- the ability of Ghana to upgrade its infrastructure; and
- the levels of foreign direct and portfolio investment.

The sections of this Base Prospectus entitled "*Risk Factors*", "*The Republic of Ghana*", "*The Economy*", "*Foreign Trade and Balance of Payments*", "*Public Finance*", "*Monetary System*", and "*Public Debt*" contain forward-looking statements, as well as a more complete discussion of the factors that could adversely affect the Republic. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Prospectus may not occur.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Republic does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations. All subsequent written and oral forward-looking statements attributable to the Republic or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Prospectus.

EXCHANGE RATE INFORMATION

The currency of Ghana is the Cedi. The following table sets forth information on the weighted average transaction exchange rates between the Cedi and the US Dollar for each of the periods specified.

	Average	**High**	**Low**	**Period End**
		(GHS:US$1.00)		
2013	1.96	2.20	1.88	2.20
2014	2.94	3.20	2.39	3.20
2015	3.77	4.33	3.24	3.79
2016	3.91	4.20	3.78	4.20
2017	4.35	4.60	4.16	4.42
2018	4.59	4.82	4.40	4.82
2019	5.25	5.53	5.09	5.53

Source: BoG

As at 24 January 2020, the US Dollar to Ghana Cedi exchange rate was GHS5.52:US$1.00.

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Documents Incorporated By Reference

The following documents (or information set out at the pages specified therein) which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the FCA shall be incorporated in, and form part of, this Base Prospectus:

- the Terms and Conditions of the Notes contained in the Base Prospectus dated 18 March 2019, pages 41 to 80 (inclusive) (at: http://www.rns-pdf.londonstockexchange.com/rns/2075T_1-2019-3-18.pdf).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any part of a document referred to herein that is not incorporated by reference is either not relevant for an investor or is otherwise covered elsewhere in this Prospectus.

This Base Prospectus contains references to certain websites. No such website, nor any information contained on any such website, is incorporated in this Base Prospectus, and such websites and information do not form part of this Base Prospectus.

Supplemental Prospectuses:

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

OVERVIEW OF THE PROGRAMME

The following is an overview of certain information contained elsewhere in this Base Prospectus. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the "**Delegated Regulation**").

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer	The Republic of Ghana
Issuer Legal Entity Identifier….	213800PP4399SNNXZ126
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description	Global Medium Term Note Programme
Arrangers and Dealers	J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc The Standard Bank of South Africa Limited Standard Chartered Bank
Dealers	Databank Brokerage Limited Fidelity Bank Ghana Limited GCB Bank Limited IC Securities (Ghana) Limited Strategic African Securities Limited and any other Arrangers and/or Dealers appointed in accordance with the Programme Agreement.
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 (see "*Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see

	"*Transfer and Selling Restrictions*".
Fiscal Agent, Transfer Agent and Exchange Agent	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Europe AG
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, the Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the reference rate set out in the applicable Final Terms. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes

Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest.

Redemption

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The minimum denomination of each Legended Note will be U.S.$200,000 or its approximate equivalent in other Specified Currencies.

Benchmark Discontinuation

If "Benchmark Discontinuation" is specified to be applicable in the applicable Final Terms in relation to a Floating Rate Note, in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 5.3.

Taxation

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Events of Default

The terms of the Notes will permit the acceleration of the Notes following the occurrence of certain events of default as further described in Condition 10.

Status of the Notes	The Notes and any relative Coupons constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law; *provided*, *however*, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due on the Notes and vice versa.
Meetings of Noteholders, Modification and Waivers	The terms of the Notes contain a "**collective action**" clause, which permits defined majorities to bind all Noteholders. If the Issuer issues debt securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Notes, the Notes would be capable of aggregation for voting purposes with any such debt securities, thereby allowing "cross-series" modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on). See Condition 15 and "*Risk Factors—Risks Related to Notes Generally—The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.*"
Rating	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing	Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. The Issuer may apply for Notes issued under the Programme to be eligible for trading or listed on the Ghana Stock Exchange.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium), the United

	Kingdom, Ghana, the United Arab Emirates (excluding the Dubai International Financial Centre (the "**DIFC**")), the DIFC, Singapore, Japan, PRC and Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Transfer and Selling Restrictions*".
United States Selling Restrictions	Regulation S, Category 1. Rule 144A, TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RECENT DEVELOPMENTS

The following is an overview of certain changes since 30 September 2019. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Base Prospectus. Prospective investors should also carefully consider the information set out in the section entitled "Risk Factors" in this Base Prospectus prior to making an investment decision. Capitalised terms not otherwise defined in this overview have the same meaning as elsewhere in this Prospectus. See "Republic of Ghana", "Economy", "Balance of Payments and Foreign Trade", "Monetary and Financial System", "Public Finance" and "Public Debt" for a more detailed description of the Issuer.

Statistical Data

Based on the provisional data published by Ghana, at the end of December 2019:

- the fiscal deficit amounted to GHS16,726.7 million in 2019, equivalent to 4.8 per cent. of GDP;
- the primary balance recorded a surplus of 0.9 per cent. of GDP in 2019, compared to 1.4 per cent in per cent. in 2018;
- following a decline in September 2019, the average rate of inflation rose to 8.2 per cent. in November 2019 but decreased to 7.9 per cent at the end of 2019, driven mainly by a decline in food prices;
- the NPL ratio in the banking sector reduced to 13.9 per cent at the end of 2019 (following the write-off of loans that have been in the loss category of the banks for over two years) from 17.3 per cent as at 30 October 2019;
- at the end of October 2019, gross international reserves stood at US$8.09 billion, sufficient to cover 3.9 months of imports, compared to the US$6.35 billion or 3.3 months import cover recorded in the same period of 2018. As at the end of December 2019, gross international reserves increased to US$8.4 billion, sufficient to cover 4.0 months of imports;
- measured as a percentage of GDP, total public debt increased from approximately 60.3 per cent. of GDP at the end of September 2019 to approximately 62.1 per cent. (or 59.0 per cent. excluding the financial sector bailout) at the end of November 2019; and
- for the year 2019, the Cedi depreciated by a further 12.9 per cent. against the US Dollar compared to 8.4 per cent. in 2018.

This statistical data is provisional or otherwise based on estimates that the Republic and/or its agencies believe to be based on reasonable assumptions. All such data is provided as at and in respect of the period most recently available. In addition, data presented as a percentage of GDP, has been based on the estimates of nominal GDP for 2019. Accordingly, such financial and economic information for periods of 2019 set out in this Base Prospectus may be subsequently adjusted or revised and may differ from previously published financial and economic information. While the Republic does not expect the estimates to be materially different, no assurance can be given that material changes will not be made.

Tender Offer

On 28 January 2020, Ghana launched a tender offer in relation to its outstanding U.S.$1,000,000,000 7.875 per cent. Notes due 2023 (the "**2023 Notes**") and U.S.$1,000,000,000 8.125 per cent. Amortising Notes due 2026 (the "**2026 Notes**") on the terms and subject to the conditions (including a new financing condition) set out in a tender offer memorandum dated 28 January 2020 (the "**2020 Tender Offer**"). Under the 2020 Tender Offer, Ghana invited holders to tender their 2023 Notes and 2026 Notes for purchase by the Republic at a purchase price of U.S.$1,127.50 per U.S.$1,000 in nominal amount of the 2023 Notes and U.S.$1,121.25 per U.S.$1,000 in nominal amount of the 2026 Notes, in each case together with an accrued interest payment, subject to an aggregate maximum purchase price (excluding accrued interest) for the 2023 Notes and 2026 Notes of U.S.$500,000,000 (which may be increased or decreased by Ghana at it sole and absolute discretion). To the extent the 2020 Tender Offer is completed, the Republic intends to finance the purchase of such 2023 Notes and/or 2026 Notes from the proceeds of Notes raised under the Programme.

Bridge Loan Facility

The Republic is in the process of negotiating a US$500 million bridge loan facility (the "**Bridge Loan Facility**") with a syndicate of banks, including Standard Chartered Bank and The Standard Bank of South Africa Limited, who are also acting as Dealers under the Programme. The Bridge Loan Facility, if finalised and drawn down in whole or in part, is intended to fund or refinance various infrastructure development projects, as approved in the 2020 Budget, and outstanding amounts drawn under the Bridge Loan Facility will be repaid out of the proceeds of the first issuance of Notes under the Programme following the date of this Base Prospectus.

RISK FACTORS

The Issuer believes that the following factors may affect Ghana's economy, its fiscal position and its ability to fulfil its obligations under Notes issued under the Programme. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay principal, interest or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding Notes issued under the Programme comprise an exhaustive list of the risks inherent in investing in such Notes, and the Issuer may be unable to pay amounts due on the Notes for reasons not described below. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus prior to making any investment decision.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH GHANA

Risks related to Ghana's global position as an emerging market issuer

An investment in securities issued by a developing country such as Ghana is subject to substantially greater risks than an investment in a more developed country

Investing in securities involving emerging markets, such as Ghana, generally involves a higher degree of risk than investments in securities of corporate or sovereign issuers from more developed countries. These higher risks include, but are not limited to, higher volatility and limited liquidity, as well as risks relating to the issuers themselves, including, but not limited to, narrow export bases and instability and changes in the social, political, legal and economic environment. Such economies are also characterised by high levels of public debt resulting in high debt to GDP ratios and debt service costs as a percentage of revenue that can mean countries can face debt distress with even relatively small changes in their financial or economic position. Emerging markets can also experience corruption of government officials and misuse of public funds more often than more developed markets. All of these circumstances whether individually or combined could affect the ability of an emerging market issuer to meet its obligations under securities that it has issued. As a consequence, an investment in securities issued by Ghana such as the Notes under the Programme carries risks that are not typically associated with investing in securities issued in more developed markets.

Ghana's economy is susceptible to adverse developments similar to those suffered by other emerging market countries. Investors should also note that emerging markets such as Ghana are subject to rapid change and that the information set out in this Base Prospectus may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment in the Notes is appropriate. Investing in emerging markets, such as Ghana, is only suitable for sophisticated investors who fully appreciate the significance of the risks involved and investors are urged to consult their own legal and financial advisers before making an investment in the Notes.

Emerging markets, including Ghana, have been and may continue to be significantly affected by the state of the global economy, including by volatility in global commodity prices and any material increase in the cost of essential imports. Additionally, disruptions in the international capital markets, central bank intervention, global trade disputes and changing regulatory environments can lead to reduced liquidity and increased credit risk premiums for certain market participants and result in a reduction of available financing. Countries located in emerging markets may be particularly susceptible to these disruptions and changes and also to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty and an increase in the perceived risks associated with investing in such countries. Any of the aforementioned risks could have a negative effect on the Ghanaian economy, and on Ghana's ability to meet its debt obligations, including those under the Notes.

Risks related to Ghana's financial condition and economic development from domestic events, exposures or factors

Failure to address challenges in the energy sector could impede economic growth and create a significant burden on an already strained fiscus

In the period running up to 2014, Ghana had experienced increasingly severe electricity supply challenges resulting in regular load shedding which hampered economic growth. These supply challenges were caused by a number of factors, including reduced generation availability due to disruptions to supplies of gas and LCO, limiting thermal and droughts affecting hydro production. In addition, Ghana suffered from particularly high levels of losses in the distribution system due to ageing infrastructure and electricity theft, as well as high levels of non-payment under supply contracts. This combined with a non-cost reflective tariff structure compounded the financial problems in the energy sector faced by the state-owned electricity companies. See *"Risk Factors – The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*".

In order to address these challenges and to continue to push on Ghana's commitment to provide universal access to electricity under the National Electrification Scheme, the Government sought to rapidly expand its available generating capacity to provide a reliable electricity supply to meet the country's growing energy demands, which included signing of various contracts with independent power producers ("**IPPs**") to provide power using "take or pay" power purchase agreements ("**PPAs**"), which were procured through state-owned energy companies and the Ministry of Energy.

A fragmented and uncoordinated approach across government agencies while procuring sufficient generating capacity, without necessarily fully taking into account planned but uninstalled capacity, has led to contracting of generation capacity well beyond existing or medium term demand. Ghana now has installed capacity that is almost double its peak demand, with installed capacity of approximately 5,082 MW as at mid-2019 and peak demand of approximately 2,700 MW, and demand is not expected to meet supply until the latter part of this decade, based on a number of assumptions that may or may not prove to be accurate. This is further compounded by the fact that Ghana has also contracted for the supply of 290 MMScf/d of gas, with 160 MMscf/d on firm basis, excluding the volume of supply under the LNG Contract with TLNG which is set to be effective in 2020, to fuel thermal power plants. The estimated demand is calculated based on a number of factors such as increase in the offtake capacity of IPPs, which the Government is seeking to improve through the reverse flow of gas by the WAGP, which may or may not materialise. To the extent increased demand does not materialise, the existing, or and any future, contracted supply of LNG on a "take or pay" basis could increase the financial challenges faced by the Government in the energy sector.

Although current generation capacity exceeds domestic demand, low transmission connectivity and distribution losses mean that approximately 15 per cent. of the population do not currently have access to the electricity grid and that the Government is unable to accommodate competitive access to export markets to fully capitalize on its generating potential. Improving the country's infrastructure involves significant capital expenditure, which was cut back in recent years to ease Ghana's budgetary pressure and reduce the fiscal deficit. Going forward, the Government intends to develop the transmission network to minimise transmission losses and expand the distribution infrastructure but there can be no assurance that the Government may be able to obtain the necessary resources, or be able to adequately finance these initiatives, to achieve its targets or effectively expand its grid system. Failure to improve the connectivity may restrict Ghana's long-term economic growth.

As at the end of 2019, power sector arrears, due to both SOEs and IPPs, are estimated at GHS 5.78 billion (approximately US$1.03 billion), which includes payments for both excess capacity and consumed capacity. These estimated arrears are based on unaudited numbers and are, therefore, subject to change based on ongoing reconciliation with payments previously made to the IPPs and fuel suppliers. Given the financial state of the SOEs operating in the energy sector, the Government was required to guarantee such payments to the IPPs, and so a failure by the SOEs to make payment directly or funded by Government, would trigger the guarantee extended by the Government in support of such contracts.

Whilst the Government is reviewing some of the previously signed PPAs in order to see whether it would be appropriate to reschedule project commencement dates to synchronise with its medium-term power supply plan and mitigate the fixed cost exposures the SOEs have under such "take or pay" contracts, until it is able to address these and other issues related to energy and gas supply in the country, the potential financial impact under these contracts while there continues to be excess capacity are significant.

According to Government estimates, if it were to take no action to address the financial impact of the PPAs, the accumulated cost to the Government on the basis of estimates as of May 2019, would increase to more than U.S.$12.5 billion by 2023, or approximately 25 per cent of expected nominal GDP in 2019. Taking into account expected growth in the economy, this is estimated by the Government's Energy Sector Recovery Program ("**ESRP**") to equate to equivalent of 14 per cent. of GDP in 2023, which would put significant further strain on the fiscus and on debt sustainability over the period. To address these challenges, the Government has established an Energy Sector Recovery Task Force ("**ESTF**") under the ESRP, whose efforts in the past year have been focused on achieving a managed transition towards a more balanced and sustainable energy sector. However, as at the date of this Base Prospectus, while the Government is actively working with all stakeholders as a priority to resolve the issues in a fair and transparent way, no final resolution has been approved. The ESRP, a multiyear programme developed with assistance of the World Bank, contains a series of measures to be implemented over the next five years which are aimed towards achieving greater balance between supply and demand of power and gas. If the measures set out in the ESRP can be implemented, the IMF estimates that annual energy sector payments in the budget would average about one per cent of GDP, which is significantly lower than the cost to the budget if the Government were to do nothing to address these issues.

However, these estimates are predicated on the reforms set out in the ESRP, which are based on certain assumptions, including with respect to oil prices, estimates of demand for power within the forecast periods and upward adjustments of tariffs. These assumptions may not materialise. For instance, any material upward adjustment in tariffs could impact the affordability of electricity and result in lower consumer demand for power. Moreover, no assurances can be given that Ghana will be able to obtain the necessary funding or resources to achieve the stated objectives under the ESRP or to effectively reform the power sector, or that the reforms will not cost significantly more than currently estimated.

The challenges the Government faces in the power and gas sectors are complex. The occurrence of any of the developments mentioned above or a failure to successfully implement all or a part of the power sector reforms and development plan and address the significant deficiencies in Ghana's power generation, transmission and distribution infrastructure could lead to lower GDP growth, hamper the development of the economy and adversely affect the financial condition of the Republic and its ability to meet its debt obligations, including in relation to Notes issued under the Programme.

The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy

In addition to the current financial challenges faced in the energy sector caused by multiple PPAs and LNG Contract signed in recent years and excess generation and supply capacity issues referred to above, the state-owned energy companies in Ghana incurred significant debts in the past due to structural deficiencies in the energy sector. This has impacted the financial sector as commercial banks were heavily exposed to companies operating in the energy sector and, ultimately the Government, which has had to bail out both the state-owned energy companies that incurred such debts and the banks that lent to them.

Despite recent tariff increases, electricity prices in Ghana continue to be low as the tariff methodology does not include, or take into account, the capacity charges for excess capacity. Moreover, non-payment of utility bills by government entities, which comprised 40 per cent. of outstanding arrears in late 2018, contributed to the sector's financial difficulties. As a result of the below cost-recovery pricing and low collection rates built up over time, the state-owned electricity generation, transmission and distribution companies in Ghana, the Volta River Authority ("**VRA**"), the Electricity Company of Ghana ("**ECG**") and the Ghana Grid Company ("**GRIDCo**") incurred significant levels of debt, financial losses and payment arrears owed to fuel suppliers and IPPs.

According to the BoG, the three SOEs, VRA, GRIDCo and ECG, had incurred approximately GHS1,120.74 billion in debt owed to Ghanaian banks as at 30 August 2019. The BoG estimates that the overall energy sector accounted for approximately 0.97 per cent. of total Ghanaian banking assets as at 30 August 2019. Whilst such energy sector debts are not recorded as direct liabilities in the Government's central budget, it impacts the Government's budget as the Government has historically provided financial support to keep these entities operational in the form of funding emergency fuel purchases, executing on-lending arrangements and making payments under the PPAs to the IPPs. The limited capacity of the SOEs to service their debts has also exposed the domestic banking sector to credit and liquidity risks, and significantly impacted the balance sheets of some banks. See "*—Ghana's financial sector challenges could have a material adverse impact on the economy*".

In 2015, the Government recognised that this situation could not continue and that if the SOE dependence on Government subsidies was not reduced, the operational viability of these companies would not be sustainable in the future. As a result, the Energy Sector Levies Act, 2015 (Act 899), as amended by the Energy Sector Levy (Amendment) Act 2017 (Act 946) and the Energy Sector Levies (Amendment) Act, 2019 (Act 997) ("**ESLA**") was passed which permitted the Government to establish a debt issuance vehicle to raise debt that would be serviced by levies applied to petroleum products supplied in Ghana. See "*The Economy—Principal Sectors of the Economy—the Energy Sector*" for a description of the ESLA Bond Programme.

While the ability to monetise future revenues from the ESLA levies has, to some extent, reduced the debt of SOEs, there can be no assurance that the Government's strategy to address the financial position of energy sector SOEs or the key reforms it has implemented to improve the operational and financial performance of VRA, ECG and GRIDCo, will be successful. In addition, the use of funds from levies to service the SOEs' debts reduces the revenue from ESLA levies that may otherwise be available to fund capital expenditure within the sector, in line with the objectives of ESLA. The Government may have to use other resources for capital expenditure projects, which could limit its ability to support other budgetary needs. If the funds received from levies is not sufficient to service the ESLA bonds, the Government may have to seek other resources to make up for any shortfall.

In addition, whilst the ESLA Bond Programme has helped to reduce the impact of these legacy loans on the banking sector, the financial position of VRA, ECG and GRIDCo continue to pose significant risks to the banking sector in Ghana. Resident commercial banks have extended substantial loans and advances to each of these companies and, as a result of this exposure, the financial strength of these state-owned companies has had and may continue to have a corresponding impact on the financial health of the banking sector. See "*Monetary and Financial System - The Financial Sector and Capital Markets – The Banking Sector*". Low levels of fee collections in the utility sector could lead to fresh liabilities building up in the energy-related SOEs. If further debts are identified in energy-related SOEs or other SOEs (other than the identified legacy power debt), this could potentially increase the government's contingent liabilities and put further pressure on debt sustainability. Furthermore, continued elevated levels of exposure to such debts in the domestic banking sector may require the Republic to further support the banking sector, potentially impacting its ability to service its debt and impacting its overall debt sustainability.

If the Government is unable to successfully implement its reforms of VRA, ECG and GRIDCo or otherwise restore their financial viability, the energy and financial sectors, the Ghanaian economy and the Government's ability to service its debt, including Notes issued under the Programme, may be materially and adversely affected.

Ghana's financial sector challenges could have a material adverse impact on the economy

Financial stability remains central to the Government's economic development agenda, and reforms are underway to enhance the resilience of the financial system. Faced with legacy problems in the banking sector including poor asset quality, insolvency, and liquidity challenges, the BoG began a banking sector clean-up exercise in August 2017. In 2017 and 2018, the Government spent a total GHS11.7 billion to safeguard the deposits held by universal banks that were resolved by BoG and to set up the Consolidated Bank which assumed the deposits and selected assets and liabilities of the five banks whose operating licenses were revoked.

Despite this intervention, the asset quality of the banks remains a concern. While credit growth has started to recover as banks continue to repair their balance sheets, the aggregate non-performing loans ("**NPLs**") ratio plateaued at around 17.3 per cent. as at 31 October 2019, following a sharp decline in 2018. The large share of loans classified as 'NPLs' indicate banks' inability to effectively recover distressed loans and suggests that further write-offs may be needed to help strengthen banks' balance sheets. NPLs are particularly high for the electricity, gas and water and agricultural sectors (32.1 per cent. and 27.6 per cent., respectively) as of October 2019, with two state-owned banks (i.e. National Investment Bank and Agricultural Development Bank) recording some of the highest NPL ratios of the banking system.

In addition, the performance of non-banking financial institutions in 2019 has been mixed, with persistent losses for specialized deposit-taking institutions ("**SDIs**") and signs of distress for asset fund managers. Ghana has a large universe of non-bank deposit taking institutions that traditionally served individuals and SMEs which otherwise did not have direct access to mainstream banks. These SDIs, which collectively accounted for almost 9 per cent of financial sector assets as at October 2019, include microfinance and micro credit companies, rural and community banks, savings and loans companies and finance houses.

In May 2019, the BoG announced the license revocation of nearly 386 microfinance and microcredit companies, many of which had already ceased operations without settling deposit balances. In August 2019, the BoG intervened in 8 finance houses and 15 saving and loans companies that were unable to address longstanding shortcomings, including breaches of statutory capital requirements, excessive risk-taking, financing of related-party transactions with depositor funds, under provisioning, persistent loss-making and weak board oversight and accountability, with prudential concerns in some cases going back multiple years.

While the costs of reimbursing depositors (initially up to GHS20,000 per account) remains to be determined as validation of deposit balances is still ongoing, initial estimates (excluding potential recoveries) indicate a total reimbursement cost of GHS 2.4 billion in 2020. Additional costs may stem from the possible compensation of investors of distressed fund managers following 53 license revocations by the Securities and Exchange Commission (which is estimated at a fiscal cost of GHS1.5 billion), ongoing litigation linked to the banking sector clean-up, contagion risks stemming from cross-sectoral exposures (for example banking sector exposures to failed SDIs and distressed fund managers) and recapitalization of state-owned banks.

At the same time, the banking sector continues to be impacted by problems in the wider economy and in particular its exposure to SOEs in the energy sector, which may continue to materially and adversely affect the liquidity, business activity and financial condition of Ghana's banks, which, in turn, may restrict credit growth and hinder business activity generally. Should the recent initiatives introduced by the BoG fail to achieve the desired results, weakness in the financial sector may continue to have a material adverse effect on investment and confidence in, and the performance of, the Ghanaian economy. In addition, the ability of the Government to provide further financial support to the financial sector may be limited in light of the financial resources available to the Government.

High levels of debt, interest costs and continued borrowing could have a material adverse effect on Ghana's economy and its ability to service its debt, including the Notes issued under the Programme

Measured as a percentage of GDP, total public debt of Ghana increased from approximately 42.9 per cent. of GDP in 2013 to approximately 57.9 per cent. in 2018 and to 60.3 per cent. of GDP at the end of September 2019. At the end of November 2019, total public debt stood at approximately 62.1 per cent. GDP based on preliminary estimates.

During the first nine months of 2019, Ghana's debt stock rose to US$39.2 billion as at 30 September 2019, of which approximately US$19.1 billion comprises domestic debt and approximately US$ 20.1 billion was external. In addition, to the extent the Government faces further challenges in the energy and financial sectors that have not been budgeted for, the Republic may need to raise additional debt to fund such unbudgeted amounts. Debt service (interest and principal repayments) as a percentage of total Government revenue reached 44 per cent. for the year ended 31 December 2018, compared to 47 per cent. in 2017, and the Government expects that debt servicing costs as a percentage of total revenues in 2019 will account for approximately 60 per cent. of total revenues, compared to a budgeted amount of 52.1 per cent.

According to the most recent Debt Sustainability Analysis published by the IMF in November 2019, Ghana's external and overall debt are at high risk of debt distress. While the IMF concluded that Ghana's debt is considered sustainable due to favourable market access, Ghana's commitment to macro-economic stability and fiscal discipline, and the potential for further fiscal consolidation, with debt service continuing to absorb more than a third of Government revenues, the risk of distress remains high under both the baseline and all shock scenarios that the IMF uses while looking at the components of debt when it prepares an analysis of a country's debt sustainability. While the Government has concluded its own debt sustainability analysis where its focus on continued efforts to expand the tax base, improve tax compliance, strengthen revenue generation and tighten expenditure management and the implementation of the flagship programmes of the Government as well as prudent risk management and accountability in managing public debt are expected to result in a lower risk of debt distress than indicated by the IMF, any significant future domestic or external borrowings beyond sustainable thresholds, including the issuance of further external debt in the international capital markets (including any Notes offered under the Programme), could increase Ghana's risk of debt distress, including risks related to those Notes. See "*Public Debt – Debt Sustainability Analysis*".

Fiscal Deficit and Overall Debt Levels

The Government has identified high interest costs and, in particular, high interest costs on domestic debt, as a major contributory factor to Ghana's fiscal deficit given its relatively high debt service cost as a percentage of Government revenues. At the end of September 2019, the average interest rate on domestic debt was approximately 16.8 per cent. per annum and the average interest rate on external debt was approximately 5.1 per cent. per annum. High interest rates limit the availability of funding that Ghana could otherwise use for economic development. In addition, (i) Ghana's historic dependence on external debt (which represented 51.4 per cent. of Ghana's total public debt as at 30 September 2019) and the increased cost of Ghana's foreign currency borrowings in Cedi terms (due to the depreciation of the Cedi) in recent years and (ii) the high cost of funding from domestic markets, may lead to a significant increase in external indebtedness and higher related interest costs, as the Government seeks to fund Ghana's fiscal deficit or significant off-budget capital expenditure plans.

In addition, Ghana is exposed to a high degree of refinancing risk in respect of its public debt. As at 30 September 2019, approximately 16.4 per cent. of the Republic's total public debt and 33.7 per cent. of its domestic debt comprised of debt maturing in one year or less, compared to 17.6 per cent and 28.4 per cent., respectively, as at 31 December 2018, 17.7 per cent. and 29.5 per cent., respectively, as at 31 December 2017 and 28.1 per cent. and 54.5 per cent., respectively, as at 31 December 2016. Given the relatively short maturity structure of domestic borrowing, a large percentage of which is debt owed to non-residents, including in the domestic markets, any deterioration in financing conditions as a result of market, economic or political factors (including increases in interest rates in the United States) which may be outside the Republic's control is likely to make it more difficult for Ghana to refinance its indebtedness on favourable terms, or at all, and increase the risk that foreign investors may be less likely to reinvest maturing debt in those circumstances. This could have a negative effect on the economy and, as a result, have a material adverse effect on Ghana's capacity to service Notes issued under the Programme.

Financial and Energy Sector Costs

Ghana's total debt (excluding ESLA Bonds, Sinohydro and debt of SOEs) stood at approximately 62.1 per cent. (or 59.0 per cent. excluding the financial sector bailout) of GDP at the end of November 2019, driven in part by the exceptional energy and financial sector costs incurred by the Government as part of its recent efforts to maintain the stability of the financial and energy sector. See "*Monetary and Financial System - The Financial Sector and Capital Markets*". See "*—Ghana's financial sector challenges could have a material adverse impact on the economy*", "*—Failure to address challenges in the energy sector could impede economic growth and create a significant burden on an already strained fiscus*" and "*—The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*". Any significant future domestic or external borrowings beyond sustainable thresholds to finance the budget deficit or provide financial support to effectively reform the energy or financial sector, including the issuance of further external debt in the international capital markets (including any Notes offered under the Programme) or crystallisation of the significant contingent liabilities in the energy and financial sectors, could increase Ghana's risk of debt distress, including risks related to those Notes. See "*—Failure to address challenges in the energy sector could impede economic growth and create a significant burden on an already strained fiscus*". In addition, elevated debt burden and fiscal risks from the financial and energy sectors may limit policy options to deal with challenges to the economy and reduce the availability of funds to meet other capital investments needed for economic growth.

Accordingly, if the Government does not carefully manage its debt strategy, debt levels and interest costs may rise to an unsustainable level, which may negatively impact Ghana's sovereign credit rating and may impair its ability to service its debt, including any Notes issued under the Programme. See "*—If the Government is unable to achieve budgetary targets and limit Ghana's fiscal deficit, Ghana's economic growth may be adversely affected*".

If the Government is unable to achieve budgetary targets and limit Ghana's fiscal deficit, Ghana's economic growth may be adversely affected

Ghana has experienced fiscal deficits since 2012. High levels of Government expenditure, particularly on public sector wages, interest payments and spending on flagship government social programs, coupled with shortfalls in the mobilisation of Government revenue, grants and disbursements from development partners, have exacerbated the deficits in the past.

Ghana's tax revenue as a percentage of GDP is one of the lowest of its peer groups, with tax revenue accounting for approximately 13 per cent. of GDP in 2019 and 12.6 per cent. of GDP in 2018. According to the Organisation for Economic Co-operation and Development, the average across Africa in 2018 was 18.2 per cent. of GDP. The combination of low tax revenue coupled with high debt service costs puts a further strain on debt affordability for Ghana, which is why revenue mobilisation, including focusing on improving tax revenues and expanding the tax net is a key priority for the Government.

To address these shortcomings, the Government has introduced reforms to broaden the tax base and address structural weakness in tax administration in order to improve tax collections and strengthen tax compliance and has abolished broad tax exemptions, which were the main contributory factors to Ghana's fiscal deficit. See "*Public Finance—Revenues and Grants*". There can be no assurance that Government reforms introduced to improve tax revenue collection will be successful and that they may serve to reduce the Government's fiscal burden.

Although Ghana's fiscal deficit, which stood at 11.5 per cent. of GDP in 2012 (on an un-rebased basis), decreased between 2012 and 2015, revenue shortfalls and large expenditure overruns in 2016, in particular in the run up to the 2016 election, resulted in a fiscal deficit of 6.5 per cent. of GDP in that year, against a revised budget target of 3.9 per cent. of GDP. The fiscal deficit subsequently declined to 4.8 per cent. of GDP in 2017. The revised 2018 budget targeted an overall budget deficit of 3.7 per cent. of GDP for 2018, with the fiscal deficit standing at 3.9 per cent. at the end of 2018. While the revised 2019 budget targets a fiscal deficit of 4.5 per cent. of GDP, the fiscal deficit at the end of 2019 stood at 4.8 per cent of GDP. The higher-than-budgeted fiscal deficit in 2019 resulted from revenue underperformance and expenditure overruns incurred in connection with the costs associated with front-loading certain initiatives related to the Government's priority programmes, as well as higher military costs incurred in connection with emerging security challenges in the region and from payments to the 2019 ECOWAS security budget.

The 2020 budget targets a fiscal deficit of 4.7 per cent. of GDP, which the Government expects will be financed from domestic and foreign sources, including issuances under the Programme. The budgeted fiscal deficit for 2020 is within the limit of 5 per cent. set under the recently enacted Fiscal Responsibility Act, 2018 (Act 982) (the "**Fiscal Responsibility Act**") which was passed to ensure fiscal discipline, prevent fiscal slippages and improve fiscal and debt sustainability. Whilst there is now a limit prescribed by the Fiscal Responsibility Act, with measures which promote accountability, as Parliament is able to censure the Minister of Finance if the limit is breached, there are provisions under the Fiscal Responsibility Act that do permit this to be breached, for example if there are circumstances of force majeure, severe economic shocks (including commodity and oil price shocks), and periods when GDP growth rate is 1 per cent. or below. Whilst the Fiscal Responsibility Act and related provisions seek to prevent instances of overrun that have occurred in the past, historically, large fiscal deficits have materialised in election years, and there is no guarantee that larger deficits will not materialise with the current financial challenges faced in the energy and financial sectors. If the revenue underperformance witnessed through part of 2019 were to be repeated or tax mobilisation is not improved, and if there are political spending pressures in the run-up to the 2020 elections, there may be fiscal slippages in 2020 resulting in a higher deficit.

If the Government is not able to implement policies and reforms to achieve budgetary targets and limit Ghana's fiscal deficit, it could have an adverse effect on the Ghanaian economy, in particular its ability to fund capital expenditure which could limit growth in the economy. See "*—Failure to implement economic and fiscal reforms may have a negative effect on the performance of the economy*".

Failure to contain growth in public sector wages and addressing historic arrears could increase the fiscal deficit and reduce available funding for other areas of Government expenditure

In addition to high interest costs, the largest expenditure item for the Government continues to be compensation paid to public sector workers, with the public sector wage bill having increased considerably in recent years, accounting for 5.6 per cent. of GDP in 2017, 5.8 per cent. of GDP in 2018 and 5.6 per cent. of GDP in the first nine months of 2019 based on preliminary estimates.

One of the primary drivers of the increase in public sector pay was the decision in 2010 to organise all public sector pay structures together under the Single Spine Salary Structure ("**SSSS**"). When it implemented the SSSS, the Government raised wages for public sector employees. The resultant realignment in wages added materially to Government expenditure, and also contributed to unanticipated accrual of arrears to certain sectors of the Government workforce.

In 2017, the Government conducted an audit through the Auditor General to quantify the total amount of arrears that accumulated at the end of 2016. Approximately GHS11.2 billion in arrears was identified, GHS6.7 billion of which was validated by the Auditor General.

The Government agreed to settle all arrears by the end of 2020. Clearing these arrears will necessarily reduce the availability of funds to meet other Government expenditures, including compensation, if fiscal consolidation objectives are to be achieved. This may also limit funding available for certain capital investments needed for economic growth.

The Government has sought to contain pressures on wages by taking measures to lower the public sector wages to tax revenue ratio, including reductions in public sector employment in addition to decreases in remuneration. Resistance to these reforms by those who will be immediately affected could lead to protests, demonstrations and strikes. Any such instability in the civil service sector could weaken the economy, although if the Government fails to continue to implement reforms to the wage bill, the Government's fiscal position could again deteriorate which may have negative effects on the economy and, as a result, a material adverse effect on Ghana's capacity to service Notes issued under the Programme.

In addition, expenditure on pensions are expected to increase over the next few years due to the increasing number of public sector workers retiring with higher salaries and the increasing life expectancy of those already on pensions. Any such increases could further increase Government expenditure as the social security system managed by Social Security and National Insurance Trust ("**SSNIT**") is based on current financing, where the Government makes contributions to SSNIT as social security payments on behalf of public sector employees. Any significant additional expenses related to social benefits (including pensions for the public sector work force) may adversely affect Ghana's fiscal position.

Continued depreciation in the Cedi could materially impair the Republic's ability to service its debt, including the Notes

The external value of the national currency, the Ghana Cedi, is generally determined on the basis of supply and demand conditions in the global foreign exchange market. The BoG intervenes to support the foreign exchange market when necessary in order to maintain orderly conditions. Ghana's major export revenues are US Dollar denominated and, in recent years, the Cedi has depreciated significantly against the US Dollar. In 2014, the Cedi depreciated by 31.3 per cent. against the US Dollar, while in 2015 the

Cedi depreciated by 15.7 per cent. against the US Dollar. In 2016 and 2017, the depreciation of the Cedi against the US Dollar slowed from 9.6 per cent. to 4.9 per cent. as a result of a tight monetary policy stance and improved foreign exchange inflows, but the strengthening of the US Dollar in 2018 exerted pressure on many emerging market economies, including Ghana, and the Cedi depreciated by a further 8.4 per cent. against the US Dollar in 2018 and 12.9 per cent. in 2019. The Cedi depreciated by 5.18 per cent. in the first quarter of 2019 due to market uncertainties surrounding Ghana's successful completion of the IMF programme, high demand for foreign exchange to cover non-resident investor coupon and repatriation of bond maturities. In the second quarter and the third quarter of 2019, the currency was stable due to inflows from Eurobond issuance in March that was supported by inflows from the gold, oil and cocoa sectors. In the last quarter of the 2019, the Cedi lost value by 3.93 per cent. against the US Dollar due to increased corporate demand, investor concerns about the fiscal outlook for 2019 and a statistical adjustment to realign the exchange rates which resulted in a faster depreciation of the Cedi in the latter part of November and the first-half of December.

Further depreciation of the Cedi against the US Dollar, or any volatility in the exchange rate in the run-up to the 2020 elections when it is more susceptible to losing value, or a decline of the level of foreign reserves as a result of the BoG's intervention in the currency markets, could materially impair the Republic's ability to service its external debt, 31 per cent. of which was, as at 30 September 2019, denominated in US Dollars, as well as its domestic debt, of which 25.3 per cent was held by non-Ghanaian residents as at 30 September 2019. Ghana has a relatively high fiscal deficit, limited foreign-exchange reserves and high dependence on commodity exports, which puts further pressure on the Cedi which ultimately could result in decline of foreign reserves. As a result, when combined with weak commodity prices and low production levels, and because Ghana pays for its key imports, such as oil, in US Dollars, the Cedi will likely remain vulnerable to external shocks which could lead to a sharp decline in its value and pressure on Ghana's balance of payments. A continued decline in the Cedi could materially impair the Republic's ability to service its debt, including in respect of Notes issued under the Programme.

High inflation could have a material adverse effect on Ghana's economy

Historically, inflation in Ghana has fluctuated significantly from year to year. The annual inflation rate was 17.0 per cent. as at 31 December 2014, and increased to 17.7 per cent. as at 31 December 2015, primarily due to increased utilities tariffs and fuel prices and the significant depreciation of the Cedi over the period. Since the end of 2015, whilst inflation levels continue to remain elevated, a tight monetary policy stance from the BoG and increased exchange rate stability, has seen levels decrease to 15.4 per cent. as at 31 December 2016, 11.8 per cent. as at 31 December 2017 and 9.4 per cent. as at 31 December 2018.

In August 2019, the Ghana Statistical Service introduced a rebased calculation of the CPI which, along with other changes, moved the CPI base year for average prices from 2012 to 2018. Based on the new methodology, the year on year inflation as at 31 December 2019 was 7.9 per cent, which was within the Republic's target tolerance band for inflation of 8±2. However, whilst inflation levels are within target ranges, given the CPI rebasing it does not necessarily indicate that the inflationary pressures have improved and that inflation levels may increase in the future.

The impact on inflation from essential imports, such as food and fuel, is beyond Ghana's control. The inflation rate may rise again in the future in light of growing domestic demand and rising commodity prices, however, the conversion of most of the IPPs from diesel and LCO to gas which is domestically produced has reduced the import quantities. Significant inflation could have a material adverse effect on Ghana's economy and its ability to meet its debt obligations, including in respect of Notes issued under the Programme.

For more information on historical inflation rates, please see "*Monetary and Financial System—Monetary Policy—Inflation*".

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

In order to address the ongoing challenges affecting the Ghanaian economy, the Government continues to implement a wide range of economic and fiscal reforms in order to improve macroeconomic imbalances in response to the significant pressures which its economy is facing. The framework for these economic and fiscal reforms is set forth in the Coordinated Programme of Economic and Social Development Policies 2017 – 2024 ("**CPESDP 2017-2024**"), the Agenda for Jobs: Creating Prosperity and Equal Opportunity for All (the "**Agenda for Jobs**"), the One District, One Factory Programme, the Ghana Beyond Aid Programme, the Energy Sector Recovery Programme ("**ESRP**"), the Public Financial Management Act, 2016 (Act 921) (the "**PFMA**") and the accompanying Public Financial Management Regulation, 2019 (L.I. 2378) and the Fiscal Responsibility Act. For more information on these economic and fiscal reforms, please see "*Economy —General*" and "*Public Finance — Budget Process*". In particular, these reforms include broadening the tax base and facilitating revenue collection amongst Ghana's informal economy, reviewing the existing system of tax reliefs and exemptions to improve efficiency and eliminate exploitation, promoting private sector growth through industrialisation, strengthening revenue mobilisation and improving fiscal and debt sustainability. 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 or that there will be no delays or only partial implementation of these reforms and policies.

The achievement of medium-to-long-term objectives for economic and fiscal reforms, such as those set forth in the flagship programmes of the Republic, depends on a number of factors, including political support across Ghana's society and multiple government administrations, adequate funding, power sector reform, availability of human capital and significant coordination. These plans also require significant funding, both domestic and international. If fiscal resources prove inadequate and borrowing in the amounts required is not feasible, it may not be possible to pursue all of the contemplated public projects.

The governmental objectives for economic and fiscal reforms, including those objectives set forth in the flagship programmes of the Republic and ESRP, are based on certain assumptions, including with respect to oil prices and production, estimates of consumer demand for power within the Government's forecast periods, GDP growth, inflation, external debt and fiscal deficit. These assumptions may not materialise, which may result in Ghana failing to achieve its stated objectives. Failure to achieve one or more of the objectives or complete certain public capital projects may make it difficult to achieve other stated objectives, and Ghana's ability to achieve its strategic objectives may be affected by many factors beyond its control.

If the Government is not able to fund or implement the medium-term objectives contained in its flagship programmes, or if there is a delay in such funding or implementation, then the Government may not be able to meet its long-term strategic objectives, which could result in an adverse effect on the economy of Ghana and its ability to repay the Notes issued under the Programme.

In addition, whilst Ghana has experienced a long period of relative political stability since the establishment of the fourth Republic in 1992, there is no assurance that this will continue in the future. Political instability in the executive or legislative branches could hamper efforts to implement necessary reforms or result in a reversal of key political initiatives by future administrations. Any significant changes in the political climate in Ghana, including changes affecting the stability of the 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 and, as a result, a material adverse effect on Ghana's capacity to service Notes issued under the Programme.

If Ghana is not able to invest significantly in its infrastructure, its economic growth targets may not be achievable

Ghana has an infrastructure deficit and, as such, needs to develop infrastructure in areas of high need such as utilities, roads, railways and ports, to help facilitate higher private sector investment in the economy and increase productivity. Many economic activities, including agriculture, mining, processing, development and exploration, depend to varying degrees on adequate infrastructure. In particular, deficiencies have been identified as a major constraint to increasing traditional as well as non-traditional agricultural and mineral exports. In 2010, the Government adopted a growth strategy, the GSGDA, followed by the adoption of the successor GSGDA II in 2014 and the subsequent Agenda for Jobs in

2018. In connection with these growth strategies, Ghana has initiated a comprehensive programme that aims to reduce poverty and accelerate economic growth through improvements in transportation procedures and infrastructure. See "*The Economy—General— Ghana Shared Growth and Development Agenda I and II and Agenda for Jobs*" and "*The Economy—Infrastructure and Transport*" for more information.

However, despite these plans, due to, among other things, declining economic conditions, labour inefficiency, inadequate resources, equipment failure and overall reductions in capital spending as part of its efforts to manage the fiscal deficit, the Government has not been able to achieve all of its infrastructure targets. In order to try and address this, the Government has prioritised infrastructure development in the 2019 and 2020 budgets. Examples include the US$2 billion deferred loan agreement with Sinohydro Corporation for the construction of certain infrastructure projects. See "*Republic of Ghana – Asia Relations*".

Given the fiscal challenges the Government is facing and the requirement to manage within the framework of the Fiscal Responsibility Act, the Government has sought to look at alternative financing methods to address the gap in infrastructure funding. The Sinohydro agreement is an example of such an arrangement. Instead of an outright loan, the agreement is structured such that refined bauxite will be supplied under an off-take agreement, part of the proceeds of which will be used to service the debt. The crystallisation of debt will only occur once the completed infrastructure has been handed over by Sinohydro Corporation. However, if the value of bauxite decreases, the Republic may have to supply higher volumes of bauxite than anticipated or find alternative means of repayment to service the loan. Whilst the Sinohydro loan, which is yet to be incurred, is not currently treated as external debt, depending on various factors and future events and as a result of the deferred payment structure, the loan could in the future become a contingent liability of the Government, which may adversely affect the Republic's ability to meet its debt obligations, including in respect of Notes issued under the Programme. See "- *High levels of debt, interest costs and continued borrowing could have a material adverse effect on Ghana's economy and its ability to service its debt, including the Notes issued under the Programme*", "*The Republic of Ghana – International Relations – Asia Relations*" and "*The Economy – Principal Sectors of the Economy – Industry – Mining and Quarrying*".

In addition, whilst alternative financing structures may reduce the perceived amount of public debt today, the arrangements could be treated differently by agencies including the IMF and the international rating agencies when assessing the countries overall debt and debt service capability, including potential contingent liabilities. Further, whilst transactions which look to securitise or monetise future Government revenue streams may provide funding in the short term that does not need to be financed from revenue, it can lead to a reduction in future available revenue to the Government from such assets. If the other initiatives of the Government to mobilise revenue including through tax reforms do not materialise, the country could see its non-tax revenues fall in the future further compounding the future possibility of debt distress.

If the Government does not achieve stated infrastructure objectives, the Government might not be able to meet estimates for GDP growth within the Government's forecast periods. A failure to improve Ghana's infrastructure in order to support growth in the key sectors of its economy may constrain Ghana's overall economic growth, which may in turn impair Ghana's ability to meet its debt obligations, including in respect of Notes issued under the Programme.

A significant portion of the Ghanaian economy is informal and is not fully recorded

A significant portion of the Ghanaian workforce is comprised of the informal, or shadow, economy. According to the 2015 Ghana Labour Force Survey, the informal sector employed 90 per cent. of the workforce, and therefore accounted for a significant portion of Ghana's nominal GDP. The informal economy is not fully recorded and is not taxed at all or is only partially taxed, resulting in not only lack of revenue for the Government but also ineffective regulation, unreliability of statistical information (including the understatement of GDP and the contribution to GDP of various sectors) and inability to monitor or otherwise regulate a large portion of the economy. Lack of effective regulation and enforcement in this sector also gives rise to other issues including health and safety issues. The 2020 Budget does not envisage any new taxes or increase in tax rates and there can be no assurance that the

Government will be successful in enforcing greater tax compliance due in large part to the significant informal sector. The roll out of a national ID which is currently ongoing will assist in accomplishing this. Whilst growing the tax base is a key priority for the Government, the inability to increase tax revenues to reduce the growing fiscal deficit may have negative effects on the economy and, as a result, a material adverse effect on Ghana's capacity to service its debt, including in respect of Notes issued under the Programme.

Ghana suffers from poverty and unemployment

Despite generally strong macroeconomic performance over the past decade, poverty remains high in Ghana. In the 2019 update to the Human Development Report, published by the United Nations Development Programme ("**UNDP**"), Ghana's ranking in the Human Development Index ("**HDI**"), a composite measure of life expectancy, education and incomes, was 142 out of 189 countries and territories, based on an HDI of 0.596, which is above the Sub-Saharan African average of 0.541. Based on the most recent data available, the UNDP Human Development Report indicated a life expectancy at birth in Ghana of approximately 63.8 years with expected years of schooling at 11.5 years and a gross national income per capita of US$4,099.

According to the latest employment data available from the Ghana Statistical Service, the 2015 Labour Force Report, the unemployment rate was 11.9 per cent., with unemployment among 15 – 24 year olds estimated to be 38.9 per cent. If high levels of poverty and unemployment are not addressed, they could continue to be a source of political and social instability in the country. Furthermore, failure to reduce poverty and unemployment may individually or in the aggregate have negative effects on the Ghanaian economy and, as a result, a material adverse effect on Ghana's capacity to service Notes issued under the Programme.

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 has implemented and is pursuing major initiatives to prevent and fight corruption and unlawful enrichment, including passing the Special Prosecutor Bill in July 2017 and the subsequent appointment in early 2018 of a new independent special prosecutor charged with pursuing corruption in the public sector, corruption remains a key issue in Ghana, as it is in many other countries.

Ghana is ranked 78 out of 180 countries in Transparency International's 2018 Corruption Perceptions Index and placed 118 out of 190 in the World Bank's Doing Business 2020 report. Fighting corruption and money laundering are key priorities for Ghana, and over the years, the Government has made steady progress in improving accountability, governance standards and the legislative framework in Ghana.

Despite these efforts, Ghana still faces challenges in tackling corruption and money laundering, and in October 2018, the Financial Action Task Force ("**FATF**") established by the G-7 countries included Ghana on their grey list of jurisdictions with strategic deficiencies in their anti-money laundering and counter-terrorist financing regimes. Whilst Ghana has committed to work with the FATF and the Inter-Governmental Action Group against Money Laundering in West Africa ("**GIABA**"), which was established by ECOWAS in 2000, to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, no assurance can be given that it will be successful in implementing such measures or in what timeframe. See "*Monetary and Financial System - The Banking Sector - Anti-Money Laundering and Combatting the Financing of Terrorism*".

Corruption in the public sector and any future allegations or perceived risk of corruption in Ghana, irrespective of whether such allegations prove to be factual or unfounded and whether honestly made or politically motivated, may have a negative effect on Ghana's ability to attract foreign investment. Also, while the Government has implemented several reforms with the aim of the increasing the efficiency of its domestic measures, there can be no certainty that the ongoing reforms will produce the desired result or that the new strategies will prove successful. A combination of all or some of these factors may have negative effects on economic conditions in Ghana. See "*Republic of Ghana – Anti-corruption*".

Ghana's oil, mining and cocoa sectors may create environmental hazards.

Ghana’s oil and mining sectors represent a growing part of Ghana’s economy. Oil exploration and extraction and mining activities create and increase the risk of environmental hazards, in particular, in the case of oil exploration and extraction, of oil spills and pollution of both onshore and offshore environments and, in the case of mining, the silting of rivers due to erosion of mine soil waste and residue minerals washed into the rivers. In addition, whilst extractive industries are regulated in Ghana, illegal mining continues to be a problem in the country which not only affects the revenue the Government can attract from these activities but can also mean best practices are not followed when conducting illegal activity, further compounding the potential adverse impact on the environment.

In addition, non-sustainable practices in the cocoa sector, may increase the risk of environmental hazards as a result of poor quality fertilizers and pesticides used in the production methods, which could put Ghana’s natural resources (including its cocoa producing crops) under increasing pressure and compound the potential adverse impact on the environment. As with all other mining and oil exploration and agricultural producing countries, there can be no guarantee that an incident causing significant environmental damage in Ghana will not occur, which could have an adverse effect on the stability and growth of these sectors in Ghana and on the Ghanaian economy.

Financial and statistical information may differ from that produced by other sources, may be incomplete, delayed or inconsistent and is subject to revision, amendment and adjustment

A range of Government ministries, along with the BoG, produce statistics relating to Ghana and its economy. As is common in many developing economies, the size of the informal economy in Ghana may lead to material omissions or misstatements in the statistical data prepared by the ministries. See “*—A significant portion of the Ghanaian economy is informal and is not fully recorded*”. In addition, comparing national and international data sources can result in inconsistencies of methodology and presentation. Prospective investors should be aware that figures relating to Ghana’s GDP and many other aggregate figures cited in this Base Prospectus may be subject to some degree of uncertainty. Some of the statistics contained in this Base Prospectus may be indicated as estimated or provisional figures that are subject to later revision. In addition, the Republic’s financial and economic statistics are subject to review as part of a regular confirmation process. Accordingly, such data and statistics may differ from information previously published by the Issuer or Government ministries, and are subject to further adjustment, amendment or revision, whether as part of regular review or otherwise. No assurance can be given that such adjustment, amendment or revision may not be material. Prospective investors should be aware that none of the statistical information in this Base Prospectus has been independently verified.

In line with recommendations from the United Nations Statistics Division (the “**UNSD**”) that countries rebase GDP every five years, in September 2018, Ghana Statistical Service completed the rebasing of the GDP base year to 2013, restating GDP for the years 2013 to 2017. The rebasing resulted in the economy increasing by approximately a quarter. Such increases in the recorded economy does have the impact of reducing indicators benchmarked against economic metrics, for example the debt-to-GDP ratio, which consequently reduced as a percentage of the restated GDP figures. However, reductions in such ratios due to GDP rebasing do not indicate that the Government’s revenue generating capability or fiscal sustainability have improved, and certain financial metrics which do not take in to account economic data (for example, debt service as a percentage of revenue) are not impacted by the re-basing. See “*Presentation of Statistical and Other Information*”.

Furthermore, standards of accuracy of statistical data may vary from ministry to ministry and from period to period due to the application of different methodologies. Certain of these statistics may be more limited in scope, less accurate, reliable and/or consistent in terms of basis of compilation with international standards.

Although, significant efforts have been made to improve the compilation of Ghana’s data in recent years to meet international standards, including through technical assistance provided by the IMF, deficiencies remain in the quality and timeliness of certain data. In its report of December 2019 concluding the 2019 Article IV consultation with Ghana, the IMF commented that there is a need for improved reporting on public finance and public debt. For instance, the Government’s public debt figures do not cover certain activities, specifically borrowings that are undertaken through the statutory funds or by state-owned enterprises. An example of this is the Sinohydro agreement structured as an offtake for bauxite, where the loan is serviced by sales of bauxite to Sinohydro rather than direct payment obligations by the Government. See "*Public Debt —Borrowings of State-Owned Enterprises and Statutory Funds*".

Whilst the Government has concluded the appropriateness of excluding these items in calculating total public debt due to the nature of the agreements under which they have been included, according to the IMF they could contribute to public debt depending on the terms of those agreements if certain events were to materialise, and as such, may suggest that the outstanding balance of public debt may be underestimated. Accordingly, there may be material differences between statistical data set forth in this Base Prospectus and actual results, and between the statistical data set forth in this Base Prospectus and corresponding data published by the IMF or rating agencies when looking at Ghana's public debt data.

In this Base Prospectus, data is presented as provided by the relevant ministry to which the data is attributed, and no attempt has been made to reconcile such data to the data compiled by other ministries or by other organisations, such as the IMF and World Bank.

The Republic has significant debt exposure to multilateral lending institutions with de facto "preferred creditor status" over other creditors, including the Noteholders

The Republic has significant debt exposure to multilateral lending institutions. Such multilateral creditors include the International Development Association ("**IDA**"), the IMF and the African Development Bank, in respect of which the Republic's outstanding external public indebtedness stood, respectively, at approximately US$3,898.2 million, US$1,098.5 million and US$1,088.6 million as at 30 September 2019, representing 19.3 per cent., 5.4 per cent., and 5.4 per cent. of total external indebtedness, respectively. See "*Public Debt—External Debt*". Sovereign debtors, incentivised by the often favourable lending policies of such institutions and their enduring and important role as concessional lenders and advisors to sovereigns, may place priority on debt repayments to multilateral institutions over other private or official creditors during times of debt distress. Accordingly, should the Republic default on its sovereign debt obligations, there is a possibility that the Republic would choose to prioritise the repayment of moneys owed to such multilateral creditors over holders of Notes issued under the Programme. Accordingly, the Republic's significant exposure to multilateral lenders with de facto preferred creditor status could affect the extent to which Noteholders would recover their investment were the Republic to default on its debt obligations.

Risks related to Ghana's financial condition and economic development from external events, exposures or factors

Ghana's economy is heavily export oriented and global demand or fluctuation in prices of its main exports, such as gold, cocoa and more recently oil, or volatility in the production of these commodities could adversely affect Ghana's economy

Ghana's economy is heavily export oriented, with gold, cocoa and more recently oil exports accounting for 81.6 per cent. (US$16.7 billion) of export earnings in 2018. In the nine month period ended 30 September 2019, gold exports amounted to US$4.65 billion, crude oil exports amounted to US$3.43 billion and cocoa beans and product exports amounted to US$1.57 billion, representing 39.7 per cent., 29.3 per cent. and 13.5 per cent. of total exports, respectively. Gold, crude oil and cocoa beans accounted for 6.81 per cent., 5.02 per cent. and 2.3 per cent., respectively, of Ghana's GDP (at basic prices) for the nine month period ended 30 September 2019, compared to 6.54 per cent., 5.16 per cent. and 2.4 per cent., respectively, for the year ended 31 December 2018.

Crude oil accounted for 22.5 per cent. and 30.6 per cent. of Ghana's export earnings in 2017 and 2018, respectively. Crude oil exports increased significantly between the period 2017 to 2018, due to improvements in both the price and volume of oil exported. Oil sector revenues accounted for 6.1 per cent., 9.4 per cent. and 9.2 per cent. of total revenues in 2017, 2018 and 2019, respectively.

Crude Oil

Following the commencement of commercial production of crude oil in 2011, Ghana began exporting crude oil, and export earnings from crude oil now account for an increasing portion of the country's export earnings and a growing percentage of GDP. While oil has only recently become a significant contributor to Ghana's public revenues, it is expected to become more important in the future, with Government revenues being increasingly dependent on returns from the oil and gas sector which arise from sales of crude oil and gas, royalties and taxes and fees.

Oil prices are affected by numerous factors over which Ghana has no control, such as competition from other producing countries and consumer demand, as well as international or regional political and economic events. In recent years, there have been significant fluctuations in world oil prices, with a sharp downward trend between 2014 and early 2016. Since then, crude oil prices have increased gradually, although it remains significantly lower than the high prices seen in 2014. According to the BoG, crude oil prices declined from US$111.97 per barrel in June 2014 to US$62.36 per barrel in December 2014 and US$38.92 in December 2015 before increasing over the next few years to US$62.3 per barrel in September 2019. The decline in crude oil prices between 2014 and 2016 contributed to a significant decline in the value of Ghana's crude oil exports from US$3,725.0 million in 2014 to US$1,345.2 million in 2016. Conversely, as Ghana relies on imported crude oil and refined products to meet domestic demand, a significant rise in oil prices would result in a higher cost of imports for Ghana. See "*—Ghana relies almost exclusively on imported crude oil and refined oil and petroleum products for domestic consumption and is vulnerable to oil price increases and volatility*".

While Ghana is currently exempt from any caps on production set by Organisation of the Petroleum Exporting Countries ("**OPEC**"), the possible future imposition by OPEC of caps on Ghana's oil production as part of OPEC's attempt to support oil price by reducing excess availability of crude oil in world markets, could limit Ghana's oil production and reduce export earnings as a result.

In addition, many countries are actively seeking to develop alternative sources of energy and to reduce their dependence on oil as a source of energy. Any long-term shift away from fossil fuels could adversely affect oil prices and oil demand and the resulting oil revenue of Ghana. Ghana's export revenues may also be adversely affected by the level of production of oil in Ghana. The level of oil production compared to the potential resources is subject to many uncertainties. Changes in oil production quotas by OPEC or changes in the regulatory framework for oil production in Ghana, as well as other factors such as any economic or political instability, may affect the level of oil production in Ghana.

The level of production is also subject to investment in the oil sector, which in turn is subject to various factors, such as the demand for, and price of, oil and return on investment in the oil sector. In addition, Ghana has suffered several production outages in recent years, including as a result of a dispute with Côte d'Ivoire regarding the TEN field until late 2017, shutdowns at the Jubilee field in 2018 and lower than expected production levels at Jubilee and TEN fields in 2019 due to certain technical issues with production and rising gas to oil ratio at those fields. As a result, reduction in oil production has adversely affected Government revenues in the past and no assurance can be given that future disruption to production may not continue to do so in the future.

Gold

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 well as taxes paid by gold companies. Historically, the market price for gold has fluctuated (between a low of US$1,195 per ounce and a high of US$1,573 per ounce between 2013 and 2019, according to the London Bullion Market Association) and has been affected by numerous factors over which Ghana has no control, including demand for gold for industrial uses and for use in jewellery, actual, expected or rumoured purchases or sales of gold by central banks and speculative trading activities in gold.

In addition, gold is sold throughout the world principally in US Dollars, but the production costs of the Ghanaian producers are incurred principally in Cedi. If in the future the Cedi were to appreciate against the US Dollar, this may materially increase the production costs per ounce in US Dollar terms or decrease export revenues from gold sales. Ghana's export earnings are also affected by the level of production of gold. Gold production levels are subject to operating risks at the mines which are outside the control of the Republic.

On 28 September 2018, the Minerals Income Investment Fund Act, 2018 (Act 978) (the "**Fund Act**") was passed in Parliament. The Minerals Income Investment Fund ("**MIIF**"), which was established in 2018 by the Fund Act, was created to hold and manage the mining company equity interests of the Republic, receive mineral royalty revenues due from mining operations, and provide for the management and investment of the assets of the MIIF. One of the key objectives of the MIIF is to establish and implement a policy that will monetise Ghana's mineral royalties, including, among others, by way of the incurrence of bank financing or the issuance of debt or equity securities, which may also include a potential listing on one or more stock exchanges. In the event such royalties are monetised, future revenues from gold royalties may be reduced.

<u>*Cocoa*</u>

Since independence in 1957, Ghana's economic success has been heavily influenced by its agricultural sector, in particular cocoa. According to International Cocoa Organisation ("**ICCO**"), Ghana is the world's second largest cocoa producer behind Côte d'Ivoire, and together the countries accounted for over 63 per cent. of global cocoa production as at September 2019. While decreasing as a percentage of export revenues over the last few years, agriculture, and in particular, cocoa, continues to represent a material portion of Ghana's GDP, accounting for 19.7 per cent. for the year ended 31 December 2018 and 17.8 per cent. for the nine months ended 30 September 2019, and the sector remains one of the principal employers in the country.

As is the case with other commodities, cocoa prices are subject to fluctuations in response to changes in the supply and demand, market uncertainty and a variety of additional factors that are beyond the Republic's control. Cocoa prices have fluctuated significantly in the past and may do so in the future. According to the ICCO, the average monthly cocoa price reached a peak of US$3,345.65 per tonne in December 2015, but has since gradually declined to US$2,287.80 per tonne in December 2016 and US$1,917.68 per tonne in December 2017, and continued to increase to US$2,208.41 per tonne and US$2,304.41 per tonne in December 2018 and as at September 2019, respectively. For the 2017/2018 crop season, the Government, through the Ghana Cocoa Board ("**Cocobod**"), decided to maintain the producer price of cocoa at GHS7,600 per tonne, despite the recent decline in international cocoa prices. Although Cocobod utilised a stabilisation fund to implement this price-stabilisation policy, the decline in international cocoa prices below the maintained producer price resulted in the depletion of this fund. To the extent that future market prices fall again, this price-stabilisation policy may not be sustainable in the future.

In October 2017, Ghana and Côte d'Ivoire announced their intention to work together to address the unfavourable global cocoa pricing regime and reduce the vulnerability of both nations to the volatility of the cocoa markets. Since then Ghana and Côte d'Ivoire have had discussions on marketing collaboration with the objective of achieving remunerative prices for cocoa farmers. With the aim to ease pervasive poverty, Côte d'Ivoire and Ghana introduced the Living Income Differential ("**LID**") of US$400 per tonne in July 2019 on all cocoa sales, commencing from 2020/2021 crop season. The expected increase in prices may serve as incentive for farmers to increase production, causing the price in cocoa to fall. As cocoa production is vulnerable to the level of the purchase price paid to producers, there is no assurance that the fluctuations in cocoa price will continue to allow the high remuneration levels required to incentivize the cocoa producers.

Weather conditions have also historically caused volatility in agricultural commodities (including cocoa beans) by causing crop failures or significantly reduced harvests, which can adversely affect the supply of Ghana's agricultural commodities. See "*—Natural disasters such as floods and droughts have negatively affected the Republic in the past and may negatively affect it in the future*". The supply of agricultural commodities (including cocoa beans) can also be affected by factors such as plant disease, crop yields and fires. In the 2018/2019 crop season, cocoa production decreased by 10.3 per cent. to 811,250 tonnes from 904,740 tonnes in 2017/2018 as a result of cocoa swollen shoot disease in the highest production region coupled with unfavourable weather.

Any significant decrease in the production, demand for or price of gold, cocoa, oil or other agricultural commodities on which Ghana relies, could have a material adverse effect on the Government revenues and could impact the Republic's ability to service Notes issued under the Programme. Finally, whilst

Ghana's recent efforts to develop an export-led industrialization economy through "Ghana Beyond Aid" agenda may lower these risks over the medium term, if Ghana is unable to diversify its economy away from exports of raw materials—cocoa, gold, and, increasingly, oil and gas, there is a risk that a decrease in the production of, or prices for, these commodities could significantly reduce Ghana's foreign exchange earnings, result in significant trade deficits and lower economic growth and lead to exchange rate depreciation. See "*Continued depreciation in the Cedi could materially impair the Republic's ability to service its debt, including the Notes*".

Ghana's location in West Africa means it is vulnerable to regional economic and political events in neighbouring and other emerging markets, including those in sub-Saharan Africa and Saharan Africa, which may negatively affect investment in Ghana

Economic, security or health distress in Ghana's neighbours and nearby emerging market 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 Notes issued under the Programme 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, terrorism and conflict, including violence by militant groups, such as Boko Haram, corruption, the outbreak of disease, including Ebola, and poor infrastructure.

The perception of regional instability and insecurity has been exacerbated by the presence of Boko Haram in northeast Nigeria, as well as terrorist attacks by so-called Islamic State, al-Qaeda in the Islamic Maghreb and Boko Haram and groups claiming affiliation with them in Mali, Burkina Faso, Côte d'Ivoire and Niger since 2015 and due to the recent violence and emerging security challenges in the region which required the establishment of special forces units along the northern border. In the first half of 2019, the Government's expenditures on goods and services were significantly higher than projected mainly on account of security related expenses to reinforce Ghana's borders from terrorist attacks.

These regional threats and fragility among Ghana's neighbours and partner countries could have an adverse effect on Ghana's economy and its ability to engage in international and regional trade which could, in turn, affect its ability to meet its financial obligations generally and the Government's ability to service Notes issued under the Programme.

Ghana relies almost exclusively on imported crude oil and refined oil and petroleum products for domestic consumption and is vulnerable to oil price increases and volatility

Ghana emerged as a new oil producer in December 2010 and anticipates further development at the oilfields that have recently been discovered. Although Ghana has commenced oil production from its own reserves, Ghana exports almost all of the oil it produces and continues to rely almost exclusively on imported crude oil and refined oil and petroleum products to meet its energy and transport requirements. Prior to 2009, Tema Oil Refinery ("**TOR**"), Ghana's sole refinery, refined the bulk of the domestic market crude oil. However, in recent years, Ghana has imported mostly refined products to serve the domestic market because TOR has suffered sustained periods of inactivity, including for most of 2018 and a limited period in 2019. See "*The Economy— Principal Sectors of the Economy—Industry—Oil and Gas*". As Ghana is dependent on both exporting crude oil and importing petroleum products, a rise in the international price of oil significantly affects the Republic's economy because, among other things, a higher oil price increases the Republic's costs of imports and thereby increases the Republic's trade and current account deficits and exerts upward pressure on prices and inflation. If the Republic fails to manage investment in and development of its oil and gas sector, including its refining capacity, it will continue to depend on imported oil. See "*The Economy—Principal Sectors of the Economy—Industry—Oil and Gas*".

Oil prices and markets historically have been volatile and such volatility is likely to continue in the future. See "*—Ghana's economy is largely dependent on commodities such as gold, cocoa and more recently oil, and volatility in the production or prices of these commodities could adversely affect Ghana's economy*". Prices of oil are subject to wide fluctuations in response to relatively minor changes in the supply of, and demand for, oil, market uncertainty and a variety of additional factors that are beyond the Republic's control. These factors include, but are not limited to, political conditions in the Middle East and other oil-producing regions, economic and political decisions of OPEC and other oil producing nations to decrease or increase production of crude oil, domestic and foreign supplies of oil, consumer demand, environmental conditions, weather conditions, domestic and foreign Government regulations, transport costs, the price and availability of alternative fuels, global environmental and overall economic conditions.

International oil prices are typically denominated in US Dollars, and so prolonged weakness in the exchange rate of the Ghana Cedi against the US Dollar will increase the local cost of petroleum and other oil-based products, even if there is no change in the international price of oil. Should oil prices increase, or prolonged weaknesses in the Cedi to US Dollar exchange rate occur, such events could have a material adverse effect on Ghana's economy.

Natural disasters such as floods and droughts have negatively affected the country and wider region in the past and may negatively affect it in the future

Like other countries in Africa and globally, 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 the Republic's budgetary position and, as a result, may impair the Republic's ability to service its debt, including in respect of Notes issued under the Programme.

Diseases and other health problems present in Ghana and the wider West African region could impact the population creating health challenges and associated costs that adversely affect Ghana's economy

Malaria, HIV/AIDS, tuberculosis (which is exacerbated in the presence of HIV/AIDS) and typhoid present major healthcare challenges in Ghana and other West African countries. Malaria is one of the leading causes of premature death in Ghana, with approximately 4.5 million reported cases in 2016, and the treatment and prevention of the disease imposes substantial costs to individuals and to the Government. According to the Joint United Nations Programme on HIV/AIDS ("**UNAIDS**"), the body coordinating the international fight against HIV/AIDS, adult HIV/AIDS prevalence in Ghana was estimated at 1.7 per cent. in 2018. There can be no assurance that the prevalence of malaria, HIV/AIDS, typhoid or other diseases in Ghana will not have a material adverse effect on Ghana's economy and on its capacity to service its debt, including the Notes. See "*The Republic of Ghana—Health Care*".

Climate change concerns and the impact of climate change could also adversely impact the country

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties and other actions may reduce global demand for the commodities produced and transported internationally from Ghana, including a global shift to lower carbon intensity fossil fuels or alternative energy sources or more locally sourced agricultural products to reduce carbon emissions. In addition, international agreements that aim to limit or reduce harmful emissions are currently in various stages of implementation throughout the world. For example, the Paris Agreement became effective in November 2016, and many of the countries that have ratified the Paris Agreement are adopting domestic measures to meet its goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. For example, any long-term shift away from fossil fuels could adversely affect oil prices and oil demand and the resulting oil revenue of Ghana.

The effects and impact of climate change can and are affecting and changing developing countries more acutely than those in the developed world, which can, in turn, severely hamper many developing nations' efforts (including Ghana) to achieve the United Nations' Sustainable Development Goals.

In addition, as Ghana's economy develops, its natural resources (including its cocoa producing crops) are being put under increasing pressure due to deforestation, soil exhaustion, non-sustainable agro and farming practices, as well as from disease and natural hazards. The effects of climate change on the cocoa plants could impact the quality and volume of the production as well as its seasonality. Further, growth and development in the extractive sector in Ghana, including from illegal or unregulated mining may also increase pressure on acquiring and/or developing agricultural land as well as the risk of environmental hazards as a result of processes and chemicals used in the extraction and production methods, compounding potential hazards in the production of Ghana's cocoa crops which are sensitive to environmental changes.

Existing and future climate change concerns and impacts, including the effect it may have on Ghana, its ecosystem and natural resources could have a material adverse effect on Ghana's economy and on its capacity to service its debt, including the Notes.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

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

Risks applicable to all Notes

The liquidity of the Notes may be limited and trading prices may fluctuate

The Notes have no established trading market. While application has been for the Notes to be admitted to the Official List and to trading on the London Stock Exchange's regulated market, any one or more of the Managers may make a market in the Notes, they are not obligated to do so and may discontinue any market making, if commenced, at any time without notice. There can be no assurance that a secondary market will develop for the Notes or, if a secondary market therein does develop, that it will continue or be 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. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Republic.

Fluctuations in exchange rates and interest rates may adversely affect the value of the Notes

The Issuer will pay principal and interest on the Notes in US Dollars. 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 US Dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US Dollar or 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 US Dollar would decrease the Investor's Currency-equivalent yield on the Notes, the Investor's Currency equivalent value of the principal payable on the Notes and the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities (including where the investor is domiciled) may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. In addition, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

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 is likely to limit the market value of Notes. 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 also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest 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.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

National and international regulatory reform in relation to benchmarks could have an adverse effect on the value of and return on any Notes which are linked to a benchmark.

Benchmarks such as LIBOR, EURIBOR, referenced swap rates and other types of rates and indices which are deemed “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

It is not possible to predict with certainty whether and to what extent LIBOR and EURIBOR and other Benchmarks will continue to be supported going forward. These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer, have other consequences which may have a material adverse effect on the value of the amount payable under the Notes or have other consequences that cannot be predicted.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Notes due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes. See also "Benchmark Discontinuation" below.

Moreover, any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. No assurance may be provided that relevant changes will not occur with respect to LIBOR, EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to Floating Rate Notes.

Benchmark Discontinuation.

If "Benchmark Discontinuation" is specified to be applicable in the applicable Final Terms for a Floating Rate Note, in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or Alternative Rate is determined in such manner and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that amendments to the Terms and Conditions of the Notes are necessary to ensure the proper operation of such Successor Rate and/or Alternative Rate, then the Issuer shall, subject to giving notice thereof, without any requirement for the consent or approval of holders of Notes, vary the Terms and Conditions of the Notes to give effect to such amendments with effect from the date specified in such notice.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate, as the case may be. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to holders of Notes as a result of the replacement of LIBOR or the relevant Original Reference Rate (as applicable) with the Successor Rate or the Alternative Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to holders of Notes. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

If an Independent Adviser is not appointed or a Successor Rate, Alternative Rate or any Benchmark Amendment is not determined pursuant to the Terms and Conditions of the Notes, other fallback provisions under the Terms and Conditions of the Notes may be required to be used, which may in certain circumstances result in the Rate of Interest for an Interest Period continuing to apply at the Rate of Interest applicable to the immediately preceding Interest Period, resulting in the relevant Floating Rate Notes becoming, in effect, fixed rate securities. Even if a Successor Rate or Alternative Rate and associated Benchmark Amendments are determined pursuant to the Terms and Conditions of the Notes, the overall Rate of Interest payable on the relevant Floating Rate Notes may be less than it would have been had no Benchmark Event occurred, for example, if the Successor Rate or Alternative Rate is (unlike LIBOR) a "risk free" rate.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, United Kingdom, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Floating Rate Notes.

Notes denominated in Renminbi are subject to additional risks

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi:

Renminbi is not completely freely convertible; there are still significant restrictions on remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not completely freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies despite significant reduction over the years by the PRC Government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although from 1 October 2016, the Renminbi has been added to the SDR basket created by the IMF, there is no assurance that the PRC Government will continue to liberalise control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Renminbi Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service such Renminbi Notes

As a result of the restrictions imposed by the PRC Government on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. While the People's Bank of China ("**PBOC**") has entered into agreements on the clearing of Renminbi business (the "**Settlement Agreements**") with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), including but not limited to Hong Kong, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the terms and conditions applicable to Renminbi Notes, the relevant Issuer can make payments in U.S. dollars and other currencies as set out in the terms and conditions of the Notes.

Investment in Renminbi Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the terms and conditions of the Notes), the relevant Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the terms and conditions of the Notes allow the relevant Issuer to make payment in U.S. dollars or other foreign currencies at the prevailing spot rate of exchange, all as provided in more detail in the terms and conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Notes held with the common depositary for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the terms and conditions of the Notes, the relevant Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

There may be PRC tax consequences with respect to investment in the Renminbi Notes

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder's investment in the Renminbi Notes may be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

In respect of any Notes issued as Green Bonds or Blue Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Eligible Projects**"). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Projects in, or substantially in, the manner described in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

An investment in the Notes may not be suitable for all investors

Generally, investment in emerging markets such as Ghana is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors are urged to consult their own legal and financial advisers before making an investment. Such risks include, but are not limited to, higher volatility and more limited liquidity in respect of the Notes, a narrow export base, budget deficits, a lack of adequate infrastructure necessary to accelerate economic growth and changes in the political and economic environment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than do more mature markets, which could affect the ability of governments to meet their obligations under issued securities.

Investors should also note that emerging markets such as Ghana are subject to rapid change and that the information set out in this Base Prospectus may become outdated relatively quickly.

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:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes contain "collective action" clauses under which the terms of the Notes and/or multiple series of debt securities issued by the Issuer, including the Notes, may be amended, modified or waived without the consent of all the holders of the Notes or all the holders of any other series of debt securities being aggregated, as the case may be

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including material changes to the terms and conditions of the Notes and the waiver of, or the rescission of, any acceleration following an Event of Default, commonly referred to as "collective action" clauses. These provisions permit defined majorities voting at a meeting or executing written or electronic consents to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and/or Noteholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to reserved matters, multiple series of notes, including the Notes, to be aggregated for voting purposes (*provided that* each such series also contains the collective action clauses in the terms and conditions of the Notes).

Any modification or actions relating to reserved matters, including in respect of payments and other important terms, may be made to the Notes with the consent of the holders of 75 per cent. of the Notes present and voting at a duly convened meeting (with the quorum for such a meeting being two or more persons holding or representing in the aggregate not less than 75 per cent. (or, in the case of an adjourned meeting, not less than one-third) of the principal amount of the Notes for the time being outstanding).

Any modification or actions relating to reserved matters may also be made to multiple series of notes, including the Notes, with the consent of both (i) the holders of 66⅔ per cent. of the aggregate principal amount outstanding of all series of notes being aggregated and (ii) the holders of 50 per cent. in aggregate principal amount outstanding of each series of notes being aggregated.

In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable (as defined in Condition 15 (*Meetings of Noteholders; Written Resolutions*)) condition in the terms and conditions of the Notes, any such modification or action relating to reserved matters may be made to multiple series of debt securities, including the Notes, with the consent of 75 per cent. of the aggregate principal amount outstanding of all series of debt securities being aggregated only, without requiring a particular percentage of the holders in any individual affected series of debt securities to vote in favour of any proposed modification or action. Any modification or action proposed by the Issuer may, at the option of the Issuer, be made in respect of some series of debt securities only and, for the avoidance of doubt, the provisions may be used for different groups of two or more series of debt securities simultaneously. At the time of any proposed modification or action, the Issuer will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Issuer.

There is a risk therefore that the terms and conditions of the Notes may be amended, modified or waived in circumstances whereby the Noteholders voting in favour of an amendment, modification or waiver may be Noteholders of a different series of debt securities, and, as such, less than 75 per cent. of the Noteholders would have voted in favour of such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation. Further, any such amendment, modification or waiver in relation to the Notes may adversely affect their trading price.

In the future, the Issuer may issue debt securities which contain or amend the terms and conditions of any existing debt securities to include collective action clauses in the same form as the collective action clauses in the terms and conditions of the Notes. If so, the Notes would be capable of aggregation with any such future debt securities.

Legal investment considerations may restrict certain investments

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

The Issuer is not required to effect equal or rateable payment(s) with respect to the Notes or any other unsecured and unsubordinated obligations, and is not required to pay other unsecured and unsubordinated obligations at the same time or as a condition of paying sums on the Notes and vice versa

The Notes rank and will rank at least *pari passu* in right of payment with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding, save only for such obligations as may be preferred by mandatory provisions of applicable law. However, the Issuer will have no obligation to effect equal or rateable payment(s) at any time with respect to any other unsecured and unsubordinated obligations and, in particular, will have no obligation to pay other unsecured and unsubordinated obligations at the same time or as a condition of paying sums due on the Notes and *vice versa*. See Condition 3 (*Status of the Notes*) for further details.

The Republic of Ghana is a foreign sovereign state, and it may be difficult for investors to obtain or realise upon judgments of courts in England or the United States against the Republic

The Republic of Ghana is a foreign sovereign state. Consequently, due to the general international law principle of state immunity which applies to every sovereign state, it may be difficult for investors to obtain or realise upon judgments of courts in England or the United States against the Republic. The

Republic has irrevocably submitted to the jurisdiction of the courts of England and waived any immunity from the jurisdiction (including sovereign immunity) of such courts and any objection to venue, in connection with any action arising out of or based upon the Notes brought by any holder of Notes. The Republic has not, however, waived immunity from execution or attachment in respect of certain of its assets. The waiver of sovereign immunity also does not extend to any actions brought against Ghana in the United States under any US Federal or State securities laws. See "*Terms and Conditions—Governing Law and Submission to Jurisdiction—Consent to Enforcement and Waiver of Immunity*" and "*Enforcement of Civil Liabilities*".

The Republic's waiver of immunity is, therefore, limited. Such a waiver constitutes only a limited and specific waiver for the purposes of the Notes and under no circumstances shall it be interpreted as a general waiver by the Republic or a waiver with respect to proceedings unrelated to the Notes.

The enforceability in Ghana of final judgments of English courts is subject to the rules governing enforcement in Ghana of civil judgments of foreign courts specified in Act 459, L.I. 1575 and C.I. 47. In accordance with Act 459, L.I. 1575, and C.I. 47, the courts of Ghana would recognise and enforce a judgment obtained in the High Court of England and courts to which appeals lie from the High Court of England which has been duly registered with the High Court of Ghana. The courts of Ghana would neither recognise nor enforce a judgment obtained from a court in certain other jurisdictions, including the United States, unless new proceedings are instituted in Ghana and the merits of the judgment are re-examined.

In original actions brought before Ghanaian courts, there is doubt as to the enforceability of liabilities based on the US federal securities laws. Ghanaian courts may enter and enforce judgments in foreign currencies. Choice of law clauses made by parties to a transaction are recognised under Act 459, however, under the Evidence Act, foreign law is presumed to be the same as Ghanaian law. Consequently, the party alleging the difference between the Ghanaian law and the foreign law has the burden of rebutting the presumption. US federal securities laws must be pleaded as the governing law in proceedings before a Ghanaian court.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes 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.

In addition, the terms of the Notes permit "cross-series modifications" to be made to more than one series of debt securities, *provided that* each affected series of debt securities also contains a cross-series modification provision. Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the conditions of the Notes), such cross-series modification may be made to more than one series of debt securities with the approval of the applicable percentage of the aggregate principal amount of the outstanding debt securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of debt securities.

There is therefore a risk that the terms of the Notes may be modified in circumstances where the holders of debt securities approving the modification may be holders of different series of debt securities and the majority of Noteholders would not necessarily have approved such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market and adversely affect the market value of the Notes in circumstances where such modification or a proposal for such modification is expected to be made by the Issuer.

The terms of the Notes also provide that the Notes, their terms and conditions and the provisions of the Agency Agreement (as defined in "*Terms and Conditions of the Notes*") may be amended by the Issuer and the Agents without the consent of the Noteholders or the Couponholders (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained therein or (ii) in any other manner which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

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

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a custodian for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The Notes may be issued with original issue discount for United States federal income tax purposes

If the Notes are issued with original issue discount, in addition to the stated cash interest on the Notes, US Holders (as defined under "*Taxation–US Federal Income Taxation*") will be required to include the amounts representing the original issue discount in gross income on a constant yield basis in advance of receipt of the cash payments to which such income is attributable. For a discussion of certain tax consequences of an investment in the Notes, see "*Taxation–US Federal Income Taxation*".

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

The trading market for the Notes will be influenced by economic and market conditions in Ghana and, to varying degrees, interest rates, currency exchange rates and inflation rates in other countries, such as the United States, European Union Member States and elsewhere. Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be 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. If Notes are traded after their initial issuance, they may trade at a discount to their offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the economic and political condition of Ghana.

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 principal and interest on the Notes in the Specified 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 Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or 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 Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) 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.

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.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

The Issuer has been rated B by Fitch, B3 by Moody's and B by Standard & Poor's. In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. Ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. If the potential impact of all such risks is not reflected in a credit rating assigned to the Notes, and such potential impact, or part of it, later materialises, the credit rating could be suspended, reduced or withdrawn by the rating agency and the value of the relevant Notes may be reduced. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Each rating should be evaluated independently of any other rating.

Furthermore, as a result of the CRA Regulation, if the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, *provided that* purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Fiscal Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Fiscal Agent requesting an exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Bearer Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depositary or other institution for the purposes of their immobilisation in accordance with Article 4 of the Belgian law of 14 December 2005.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**").

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, each a "**Registered Global Note**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") or (ii) be deposited with a common depositary, and registered in the name of the nominee of the Common Depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form and, in the case of Regulation S Global Notes, outside the United States and its possessions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to or to the order of the person shown on the Register (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, Transfer Agent, Exchange Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, or (iii) in the case of Notes registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting an exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Transfer and Selling Restrictions*"**.

General

Pursuant to the Agency Agreement, the Fiscal Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP number which are different from the common code, ISIN and CUSIP assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and/or DTC on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 18 March 2019 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

FORM OF FINAL TERMS

[*Date*]

THE REPUBLIC OF GHANA

Legal entity identifier (LEI): 213800PP4399SNNXZ126

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the
Global Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as [prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]/[●].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] 2020 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 (as amended, the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] [and the supplement[s] to it dated [●] and [●]] which are incorporated by reference in the Base Prospectus dated [●] 2020 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 (as amended, the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated [●] 2020 [and the supplement[s] to it dated [●] [and [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information.]

The Base Prospectus has been published on the website of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

1.	Issuer:	The Republic of Ghana

2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	[Date on which the Notes will be consolidated and form a single Series:]	[The Notes will be consolidated and form a single Series with [●] on [the Issue Date /exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [●]][Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Principal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]
6.	(a)	Specified Denominations:	[●] and integral multiples of [●] in excess thereof
	(b)	Calculation Amount (in relation to the then outstanding principal amount of the Notes):	[●]
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[[●]/[Issue Date/Not Applicable]
8.	Final Maturity Date:		[●]/[Interest Payment Date falling in or nearest to [●]]
9.	Amortisation Date(s):		[[●][, [●]][and [●]]/[Not Applicable]]
10.	Interest Basis:		[[●] per cent. Fixed Rate] [[[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
11.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Final Maturity Date at their Final Redemption Amount] [Subject to any purchase and cancellation or early redemption, the Notes will be partially redeemed on each Amortisation Date at the applicable Amortisation Amount and shall be finally redeemed on the Final Maturity Date at their final Amortisation Amount]
12.	Change of Interest Basis:		[●] [Not Applicable]

13.	Renminbi Currency Exchange:		[Applicable][Not Applicable]
14.	Relevant Currency:		[U.S. dollars] [*specify other currency – see Condition 6.9*]
15.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)] [Not Applicable]
16.	Status of the Notes:		Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[●] in each year up to and including the Final Maturity Date
	(c)	Fixed Coupon Amount(s):	[[●] per Calculation Amount][Not Applicable]
	(d)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[●] in each year][Not Applicable]
18.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
	(c)	Additional Business Centre(s):	[●]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	[●]
	(f)	Screen Rate Determination:	
		● Reference Rate:	[●] month [LIBOR/EURIBOR]

	●	Interest Determination Date(s):	[●]
	●	Relevant Screen Page:	[●]
(g)	ISDA Determination:		
	●	Floating Rate Option:	[●]
	●	Designated Maturity:	[●]
	●	Reset Date:	[●]
(h)	Linear Interpolation:		[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(i)	Margin(s):		[+/-][●] per cent. per annum
(j)	Minimum Rate of Interest:		[●] per cent. per annum
(k)	Maximum Rate of Interest:		[●] per cent. per annum
(l)	Day Count Fraction:		[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
(m)	Benchmark Discontinuation		[Applicable/Not Applicable]

19.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:			[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):		[●]
	(b)	Optional Redemption Amount:		[[●] per Calculation Amount]
	(c)	If redeemable in part:		
		(i)	Minimum Redemption Amount:	[[●] per Calculation Amount]

	(ii)	Maximum Redemption Amount:	[[●] per Calculation Amount]
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
21.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount:	[●] per Calculation Amount
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
22.	Final Redemption Amount:		[[●] per Calculation Amount][Not Applicable]
23.	Early Redemption Amount payable on event of default:		[●] per Calculation Amount
24.	Amortisation Amount(s):		[[●] per [●] in original on issue principal amount of each Note on the Amortisation Date falling on [●]] [[●] per [●] in original on issue principal amount of each Note on the Amortisation Date falling on [●]] [[●] per [●] in original on issue principal amount of each Note on the Amortisation Date falling on the Final Maturity Date] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Bearer Notes shall not be physically delivered: (i) in Belgium, except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005, or (ii) in the United States of America.]] [Registered Notes:

		[Regulation S Global Note(s) (U.S.$ [●] aggregate principal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]] [Rule 144A Global Note(s) (U.S.$ [●] aggregate principal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]] [*Amortising Notes may only be issued as Registered Notes*]
26.	Additional Financial Centre(s):	[Not Applicable/give details]
27.	Talons for future Coupons to be attached to Bearer Notes in definitive form:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No/Not Applicable]

[THIRD PARTY INFORMATION

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of The Republic of Ghana:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and Admission to trading	[Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to be listed on the Official List of the FCA with effect from [●].] [*insert any relevant green/blue bond segment*]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. **RATINGS**

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*Details of rating agencies to be included*]. Each of [*rating agencies*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**")]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

4. **REASONS FOR THE OFFER**

[See "*Use of Proceeds*" wording in Base Prospectus.] [The Notes are intended to be issued as [Green/Blue] Bonds, [*further particulars to be provided*].] [[●].]

5. **YIELD (Fixed Rate Notes only)**

Indication of yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **[HISTORIC INTEREST RATES (Floating Rate notes only)**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CUSIP:	[●]
(iv)	CINS:	[●]
(v)	CFI:	[[See/[[*include code*], as updated, as set out on]

		the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]]
(vi)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]]
(vii)	Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable]/ [●]
(viii)	Delivery:	Delivery [against/free of] payment
(ix)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(x)	Name and address of Calculation Agent:	[●][Not Applicable]

8. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable]/[]
(iii)	Date of Subscription Agreement:	[●]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable]/ [●]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable]/ [●]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category 1; Rule 144A; TEFRA D/TEFRA C/TEFRA not applicable]
(vii)	Prohibition of Sales to Belgian Consumers:	[Applicable][Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by the Republic of Ghana (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 18 March 2019 and made between the Issuer, Citibank, N.A., London Branch as fiscal agent and issuing and paying agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent) and Citigroup Global Markets Europe AG as registrar (the "**Registrar**", which expression shall include any successor registrar) and Citibank N.A., London Branch as transfer agent (together with any additional or successor transfer agents appointed under the Agency Agreement, the "**Transfer Agents**"). The Fiscal Agent, the Registrar, the Paying Agents, the Exchange Agent and other Transfer Agents together referred to as the "**Agents**".

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. Any reference to "**Registered**

Amortising Notes" is to Registered Notes that amortise in accordance with the provisions of the applicable Final Terms.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Registered Notes are constituted by and the Noteholders and the Couponholders are entitled to the benefit of the deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 18 March 2019 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions:

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the Peoples' Republic of China.

"**PRC**" means the People's Republic of China which, for the purpose of these Terms and Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

"**Renminbi**" and "**CNY**" means the lawful currency of the PRC.

1. Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and those Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. Transfers of Registered Notes

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraphs 2.1 above and 2.5 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the

Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or the relevant Transfer Agent and (b) the Registrar or the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Registrar and the Transfer Agents may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the Registrar or relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate principal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar or any Transfer Agent of a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or

(b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.6 Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.7 Definitions

In this Condition, the following expressions shall have the following meanings:

"**Legended Note**" means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**");

"QIB" means a "qualified institutional buyer" within the meaning of Rule 144A;

"Regulation S" means Regulation S under the Securities Act;

"Regulation S Global Note" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"Rule 144A" means Rule 144A under the Securities Act;

"Rule 144A Global Note" means a Registered Global Note representing Notes sold in private transactions to QIBs in accordance with the requirements of Rule 144A; and

"Securities Act" means the United States Securities Act of 1933, as amended.

3. Status of the Notes

The Notes and any relative Coupons constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank pari passu, without any preference among themselves, and with all other present and future unsecured and unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law, provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other unsecured and unsubordinated obligations of the Issuer and, in particular, shall have no obligation to pay other unsecured and unsubordinated obligations of the Issuer at the same time or as a condition of paying sums due on the Notes and vice versa.

4. Negative Pledge

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement) the Issuer will not, save for the exceptions set out below in Condition 4.3, create, incur, assume or permit to subsist any Security upon the whole or any part of its present or future assets, undertakings or revenues to secure (i) any of its Public External Indebtedness; (ii) any Guarantees in respect of Public External Indebtedness; or (iii) the Public External Indebtedness of any other person; without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other arrangement (whether or not comprising Security) as shall be approved by an Extraordinary Resolution, Electronic Consent or a Written Resolution (each as defined in Condition 15.1) of Noteholders.

4.2 Interpretation

In these Conditions:

(a) "**External Indebtedness**" means Indebtedness expressed or denominated or payable or which, at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Republic of Ghana;

(b) "**Guarantee**" means any obligation of a person to pay the Indebtedness of another person including, without limitation: an obligation to pay or purchase such Indebtedness; an obligation to lend money or to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness; an indemnity against the consequences of a default in the payment of such Indebtedness; or any other agreement to be responsible for such Indebtedness;

(c) "**Indebtedness**" means any obligation (whether present or future) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing);

(d) "**person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust or other juridical entity, state or agency of a state or other entity, whether or not having a separate legal personality;

(e) "**Public External Indebtedness**" means any External Indebtedness which is in the form of, or is represented by, bonds, notes or other securities with a stated maturity of more than one year from the date of issue which are, or are capable of being, quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system, over the counter or other securities market; and

(f) "**Security**" means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, anything analogous to the foregoing under the laws of any jurisdiction.

4.3 Exceptions

The following exceptions apply to the Issuer's obligations under Condition 4.1:

(a) any Security upon property to secure Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing the acquisition or construction of such property and any renewal and extension of such Security which is limited to the original property covered thereby and which (in either case) secures any renewal or extension of the original secured financing;

(b) any Security securing Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; provided that (A) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project or the proceeds of insurance thereon as the principal source of repayments of such Public External Indebtedness and (B) the property over which such Security is granted consists solely of such assets and revenues; and

(c) any Security securing the Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person which was in existence on the date on which agreement is reached to issue the first Tranche of the Notes.

5. Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its then outstanding principal amount 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 arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date.

If the applicable Final Terms provide for Fixed Coupon Amounts, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**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.

If the applicable Final Terms do not provide for Fixed Coupon Amounts, or if interest is required to be calculated for a period other than a Fixed Interest Period in respect of any Fixed Rate Note, such interest shall be calculated by applying the Rate of Interest to the then outstanding principal amount of such Fixed Rate Notes, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified 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 5.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; and

(iv) such other day count fraction as specified in the applicable Final Terms.

In these Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) **Interest Payment Dates**

Each Floating Rate Note bears interest on its then outstanding principal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms 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. In these Conditions, "**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.

If a Business Day Convention is specified in the applicable Final Terms 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 5.2(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 Specified 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 these Conditions, "**Business Day**" means a day which is:

(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 London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open;

(c) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, 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 Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(d) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement for Renminbi payments in Hong Kong.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), "**Floating Rate**", "**Calculation Agent"**, **Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest 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 fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above 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 Fiscal Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the then outstanding principal amount of the Floating Rate Notes and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified 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 5.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, 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 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Fiscal Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Fiscal Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount 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. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Fiscal Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Benchmark Discontinuation

Notwithstanding the provisions above in Condition 5.2, if (i) a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate and (ii) "Benchmark Discontinuation" is specified to be applicable in the applicable Final Terms then the following provisions of this Condition 5.3 shall apply.

The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(ii)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.3(iii)), and any Benchmark Amendments (in accordance with Condition 5.3(iv)).

An Independent Adviser appointed pursuant to this Condition 5.3 shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Issuer, the Paying Agents or the Noteholders and Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5.3.

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.3); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.3).

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3 and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(v), without any requirement for the consent or approval of the Noteholders and Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.3(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3 will be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 14, the Noteholders and Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Without prejudice to the obligations of the Issuer under Conditions 5.3(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5.2 will continue to apply unless and until (i) an Independent Adviser is appointed and (ii) either a Successor Rate or Alternative Rate is determined, and any Adjustment Spread and Benchmark Amendments are determined, in each case pursuant to this Condition 5.3.

As used in this Condition 5.3:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate), the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged),

the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 5.3(ii)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5.3(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to exist or be published; or

(2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(5) it has become unlawful for the Fiscal Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any holder of Notes using the Original Reference Rate.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5.3(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5.4 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 days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. Payments

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

6.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Final Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose principal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the principal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

6.4 Payments in respect of Registered Notes

Payments of principal (other than Amortisation Amounts prior to the final Amortisation Amount) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the fifteenth calendar day before the relevant due date (the "**Record Date**"). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and in the case of payment in Renminbi means a Renminbi account maintained by or on behalf of Noteholders with a bank in Hong King) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro or Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of payment in Renminbi) a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final Amortisation Amount) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date. Payment of the interest due in respect of each Registered Note on redemption and the final Amortisation Amount will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Fiscal Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in such Notes has elected to receive any part of such payment in that Specified Currency in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, 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 (subject to Condition 9) is:

(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:

  (i) in the case of Notes in definitive form only, the relevant place of presentation;

  (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

  (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, 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 Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

(c) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and

(d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.7 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 8;

(b) the Final Redemption Amount of the Notes or, if applicable, any outstanding Amortisation Amount(s) 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 Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.4); and

(f) 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 in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

6.8 Renminbi account

All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

6.9 Renminbi Currency Event

If Renminbi Currency Event is specified in the applicable Final Terms and a Renminbi Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any principal or interest (in whole or in part) in respect of any Note or Coupon, the Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified by the Calculation Agent (as specified in the applicable Final Terms) to the Issuer and the Paying Agents.

Upon the occurrence of a Renminbi Currency Event, the Issuer shall give not less than three nor more than 30 Business Days' prior the due date for payment irrevocable notice to the Noteholders in accordance with Condition 15 stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In the event of a Renminbi Currency Event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "**Payment Day**" in Condition 6.6 shall mean 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) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 6 and unless stated otherwise in the applicable Final Terms:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Local Time**" means the time of day in the jurisdiction in which the Calculation Agent, appointed in connection with that series of Notes, is located;

"**Relevant Currency**" means United States dollars or such other currency as may be specified in the applicable Final Terms;

"**Renminbi Currency Events**" means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

"**Renminbi Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

"**Renminbi Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

"**Spot Rate**" means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S.$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11a.m. (Local Time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page CNHFIX01, or if no such rate is available, the Calculation Agent shall determine the Spot Rate at or around 11a.m. (Local Time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.9 by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Renminbi Noteholders.

7. Redemption and Purchase

7.1 Redemption at maturity

Other than Registered Amortising Notes, which shall be redeemed in accordance with Condition 7.8, unless previously redeemed or purchased and cancelled as specified below, the then principal amount outstanding of each Note will be finally redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date specified in the applicable Final Terms.

7.2 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (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 Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a principal 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 Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.3 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the principal amount thereof to be redeemed and, if less than the full principal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any common depositary for Euroclear or Clearstream, Luxembourg to the Fiscal Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC by a holder of any Note pursuant to this Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.3 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.4 Early Redemption Amounts

For the purpose of Condition 10:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

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 Final Terms which will be one of (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 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 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 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), or (iv) on such other calculation basis as may be specified in the applicable Final Terms.

7.5 Purchases

The Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent or the Registrar for cancellation. Any Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of such meetings.

7.6 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.5 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

7.7 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 7.1, 7.2 or 7.3 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 7.4(b) 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 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 Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7.8 Redemption by Amortisation

Unless previously redeemed or purchased and cancelled as provided in this Condition 7 (*Redemption and Purchase*), each Registered Amortising Note which provides for Amortisation Dates (as specified in the applicable Final Terms) and Amortisation Amounts (as specified in the applicable Final Terms) will be partially redeemed on each Amortisation Date at the applicable Amortisation Amount. In the case of any early redemption in part in accordance with Condition 7.2, the principal amount of any Registered Amortising Note redeemed shall reduce *pro rata* the principal amount of each Amortisation Amount of such Registered Amortising Note falling due after the relevant redemption date.

In these Conditions, references to "**principal**" shall, unless the context requires otherwise, be deemed to include any Amortisation Amount and references to the "**due date**" for payment shall, unless the context requires otherwise, be deemed to include any Amortisation Date.

8. Taxation

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction for or on account of any present or future Taxes is required by law. In such event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment of principal and interest in respect of any Note or Coupon:

(a) presented for payment in the Republic of Ghana; or

(b) the holder of which is liable for such Taxes in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6).

As used herein:

(i) the "**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 received by the Fiscal Agent on or before 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 14; and

(ii) "**Tax Jurisdiction**" means the Republic of Ghana or any political subdivision or any authority thereof or therein having power to tax.

9. Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. Events of Default

If any of the following events ("**Events of Default**" and each an "**Event of Default**") shall have occurred and be continuing:

(a) **Non-payment**

(i) the Issuer fails to pay any principal on any of the Notes when due and payable and such failure continues for a period of 15 days; or

(ii) the Issuer fails to pay any interest on any of the Notes or any amount due under Condition 8 when due and payable, and such failure continues for a period of 30 days; or

(b) **Breach of Other Obligations**

the Issuer does not perform or comply with any one or more of its other obligations under the Notes, which default is incapable of remedy or is not remedied within 45 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) **Cross-default**

(i) the acceleration of the maturity (other than by optional or mandatory prepayment or redemption) of any External Indebtedness of the Issuer; or

(ii) any default in the payment of principal of any External Indebtedness of the Issuer shall occur when and as the same shall become due and payable if such default shall continue beyond the initial grace period, if any, applicable thereto; or

(iii) any default in the payment when due and called upon (after the expiry of any applicable grace period) of any Guarantee of the Issuer in respect of any External Indebtedness of any other person,

provided that the aggregate amount of the relevant External Indebtedness in respect of which one or more of the events mentioned in this Condition 10(c) have occurred equals or exceeds U.S.$25,000,000 or its equivalent; or

(d) **Moratorium**

a moratorium on the payment of principal of, or interest on, the External Indebtedness of the Issuer shall be declared by the Issuer; or

(e) **IMF Membership**

the Issuer shall cease to be a member of the International Monetary Fund "**IMF**" or shall cease to be eligible to use the general resources of the IMF; or

(f) **Validity**

(i) the validity of the Notes shall be contested by the Issuer; or

(ii) the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or

(iii) it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes, including, without limitation, the payment of interest on the Notes, as a result of any change in law or regulation in the Republic of Ghana or any ruling of any court in the Republic of Ghana whose decision is final and unappealable or for any reason such obligations cease to be in full force and effect; or

(g) **Consents**

if any authorisation, consent of, or filing or registration with, any governmental authority necessary for the performance of any payment obligation of the Issuer under the Notes, when due, ceases to be in full force and effect or remain valid and subsisting,

then the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare the then principal amount outstanding of all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Redemption Amount together with accrued interest (if any) to the date of repayment without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer in accordance with Condition 14.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the Notes then outstanding to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Agents

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts in accordance with the terms of the Agency Agreement, provided that:

(a) there will at all times be a Fiscal Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and

(d) there will at all times be a Paying Agent in a jurisdiction other than the Republic of Ghana.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

15.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

(a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

(b) The Issuer will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 15.9 below) have delivered a written request to the Issuer setting out the purpose of the meeting. The Issuer will determine the time and place of the meeting and will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

(c) The Issuer will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer will set such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

(d) The notice convening any meeting will specify, *inter alia*:

(i) the date, time and location of the meeting;

(ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

(iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;

(iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;

(v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;

(vi) whether Condition 15.2, or Condition 15.3, or Condition 15.4 shall apply and, if relevant, in relation to which other series of debt securities it applies;

(vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

(viii) such information that is required to be provided by the Issuer in accordance with Condition 15.6;

(ix) the identity of the Aggregation Agent and the Calculation Agent (each as defined in this Condition 15 and 16), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 15.7; and

(x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

(e) All information to be provided pursuant to Condition 15.1(d) shall also be provided, mutatis mutandis, in respect of Written Resolutions and Electronic Consents (as defined in Condition 15.12).

(f) A "**record date**" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(g) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(h) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(i) Any reference to "**debt securities**" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

(j) "**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Condition 15 and Condition 16 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

15.2 Modification of this Series of Notes only

(a) Any modification of any provision of, or any action in respect of, the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant may be made or taken if approved by a Single Series Ordinary Resolution, a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(b) For the purposes of a meeting of Noteholders convened in respect of this Series of Notes only and for the purposes of passing a Single Series Ordinary Resolution and/or a Single Series Extraordinary Resolution (each as defined below) (a "**Single Series Meeting**"), at any such Single Series Meeting any one or more persons present in person holding Notes or proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in principal amount of the Notes for the time being outstanding shall (except for the purposes of passing a Single Series Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any such Single Series Meeting unless the requisite quorum be present at the commencement of business. The quorum at any such Single Series Meeting convened for the purpose of passing a Single Series Extraordinary Resolution shall be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 66⅔ per cent. of the principal amount of the Notes for the time being outstanding.).

(c) If within 15 minutes from the time fixed for any such Single Series Meeting a quorum is not present, the Single Series Meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall stand adjourned for such period, being not less than 14 days nor more than 42 days, as may be determined by the chairman either at or after the Single Series Meeting. At such adjourned Single Series Meeting, one or more persons present in person holding Notes or being proxies or representatives (whatever the principal amount of Notes so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the Single Series Meeting from which the adjournment took place had a quorum been present at the Single Series Meeting, provided that at any adjourned Single Series Meeting at which is to be proposed a Single Series Extraordinary Resolution, the quorum shall be one or more persons so present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 33⅓ per cent. in the principal amount of Notes for the time being outstanding.

(d) A "**Single Series Ordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Conditions 15.1, 15.2(b) and 15.2(c) in respect of any matter other than a Reserved Matter, by a majority of at least 66⅔ per cent. of the votes cast.

(e) A "**Single Series Extraordinary Resolution"** means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Conditions 15.1 and 15.2(b) in respect of a Reserved Matter by a majority of at least 75 per cent. of the votes cast.

(f) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

(ii) in the case of a matter other than a Reserved Matter, at least 66⅔ per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

(g) Any Single Series Ordinary Resolution, Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended such Single Series Meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be and on all Couponholders.

15.3 Multiple Series Aggregation – Single limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(b) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(c) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.

(e) The "**Uniformly Applicable**" condition will be satisfied if:

(i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).

(f) It is understood that a proposal under Condition 15.3(c) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(g) Any modification or action proposed under Condition 15.3(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

15.4 Multiple Series Aggregation – Two limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(b) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of:

(i) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(c) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(i) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.

(e) Any modification or action proposed under Condition 15.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

15.5 Reserved Matters

In these Conditions, "**Reserved Matter**" means any proposal:

(a) to change the dates, or the method of determining the dates, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;

(b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;

(c) to change the majority or quorum required to pass a Single Series Ordinary Resolution, an Electronic Consent, an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

(d) to change this definition, or the definition of "Electronic Consent", "Extraordinary Resolution", "Single Series Ordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";

(e) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";

(f) to change the definition of "Uniformly Applicable";

(g) to change the definition of "outstanding" or to modify the provisions of Condition 15.9;

(h) to change the legal ranking of the Notes;

(i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled Final Maturity Date, set out in Condition 10;

(j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, as set out in Condition 20;

(k) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;

(l) to modify the provisions of this Condition 15.5;

(m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or

(n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:

    (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

    (ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

15.6 Information

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 15.2, Condition 15.3 or Condition 15.4, the Issuer shall publish in accordance with Condition 16, the following information:

(a) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

(b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement;

(c) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

(d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 15.1(d)(vii).

15.7 Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 15.3 and Condition 15.4, the Issuer may appoint a calculation agent (the "**Calculation Agent**"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

15.8 Manifest error, etc.

The Notes, these Conditions, the Deed of Covenant and the provisions of the Agency Agreement may be amended by the Issuer and the Agents without the consent of the Noteholders or the Couponholders either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. Any such modification shall be binding on the Noteholders and the Couponholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

15.9 Notes controlled by the Issuer

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, the right to give an Electronic Consent, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 15 and (c) Condition 10, any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

(x) "public sector instrumentality" means the Bank of Ghana, any other department, ministry or agency of the government of the Republic of Ghana or any corporation, trust, financial institution or other entity owned or controlled by the government of the Republic of Ghana or any of the foregoing; and

(y) "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Electronic Consent or Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 16.5, which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled, directly or indirectly, by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

The Fiscal Agent is not responsible, nor shall it incur any liability for monitoring or ascertaining as to whether any certificate required by this Condition 15.9 is provided, nor shall it be required to review, check or analyse any certificate produced nor shall it be responsible for the contents of any certificates or incur any liability in the event that the content of such certificate is inaccurate or incorrect.

15.10 Publication

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 16.8.

15.11 Exchange and Conversion

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

15.12 Written Resolutions and Electronic Consents

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a global Note held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the "**relevant clearing system(s)**"), then:

(a) Approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:

   (A) in respect of a proposal that falls within paragraphs (c), (d) and (e) of Condition 15.2, the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or at least 66⅔ per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;

   (B) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 15.3, the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate);

   (C) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 15.4, (x) the persons holding at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (A), (B) and (C), each an "**Electronic Consent**") shall, for all purposes (including Reserved Matters) take effect as (i) a Single Series Extraordinary Resolution (in the case of (A) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (B) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (C) above), as applicable.

The notice given to Noteholders shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

(b) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any global Note and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or principal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 15.1 shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders and Couponholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

16. Aggregation Agent; Aggregation Procedures

16.1 Appointment

The Issuer will appoint an aggregation agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

16.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

16.3 Written Resolutions

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

16.4 Electronic Consents

If approval of a resolution proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

16.5 Certificate

For the purposes of Condition 16.2, 16.3 and Condition 16.4, the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 15.2, Condition 15.3 or Condition 15.4, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

(a) list the total principal amount of Notes outstanding and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

(b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 15.9 on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

16.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 16 to be notified to the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

16.7 Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 16 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Agents and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

16.8 Manner of publication

The Issuer will publish all notices and other matters required to be published pursuant to this Condition 16, including any matters required to be published pursuant to Condition 10 and Condition 15:

(a) through Euroclear, Clearstream, Luxembourg and DTC and/or any other clearing system in which the Notes are held; and

(b) in such other places and in such other manner as may be required by applicable law or regulation.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders 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 the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes; provided that any additional Notes having the same CUSIP, ISIN or other identifying number of outstanding Notes or any Series must be fungible with such outstanding Notes for U.S. federal income tax purposes if either the outstanding Notes or the additional Notes were or are issued under Rule 144A.

18. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons, or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes or the Coupons, as the case may be, the Issuer shall indemnify each Noteholder or Couponholder, as the case may be, on the written demand of such Noteholder or Couponholder, as the case may be, addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder or Couponholder, as the case may be, may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. Governing Law and Submission to Jurisdiction

20.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

20.2 Submission to jurisdiction

The Courts of England have exclusive jurisdiction to settle any dispute, claim, difference or controversy, arising from or connected with the Notes and/or the Coupons (including a dispute regarding the existence, validity or termination of and any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) or the consequences of their nullity (a "**Dispute**") and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts. The Issuer agrees that the Courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary. This Condition 20.2 is for the benefit of the holders of Notes and/or Coupons only. As a result, and to the extent allowed by law, nothing in this Condition 20.2 prevents any holder of Notes and/or Coupons from taking proceedings related to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders or Couponholders may take concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer confirms and agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to The High Commissioner of the Republic of Ghana in London, presently located at 13 Belgrave Square, Westminster, London SW1X 8PN. If such agent ceases to be able to act as a process agent or to have an address in England, the Issuer irrevocably agrees to appoint a new process agent in England as soon as practicable thereafter. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 Consent to Enforcement and Waiver of immunity

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation but subject as provided in the following paragraph) the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.

To the extent that the Issuer may in any jurisdiction claim for itself or its assets, property or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process in respect of any Proceedings and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets, property or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction (and consents generally for the purposes of the State Immunity Act 1978 to the giving of any relief or the issue of any process in connection with any Proceedings), provided that the Issuer reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of, or in, the United States of America under any United States federal or state securities law. The Issuer does not hereby waive such immunity from execution or attachment in respect of (i) property or assets used by a diplomatic or consular mission of the Issuer, (ii) property or assets of a military character and under the control of a military authority or defence agency of the Issuer (iii) property, assets and infrastructure located in the Republic of Ghana and dedicated to a public or governmental use (as distinct from property, assets or infrastructure dedicated to a commercial use) by the Issuer or (iv) assets protected in the Petroleum Revenue Management Act, 2011 (Act 815) of the Republic of Ghana, as amended.

20.5 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

Unless otherwise specified in any applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer toward funding its fiscal deficit.

Other use of proceeds that may be specified in connection with a specific issue of Notes include refinancing or repaying outstanding indebtedness, applying the proceeds for other financing needs of the Issuer and the potential funding of the Issuer's ongoing initiatives in the energy sector, which amongst other measures, may include refinancing of the existing debt owed to IPPs. This may also include the repayment of debt that the IPPs have with certain Dealers under the Programme. The exact details of the application of any proceeds that are not used to fund the fiscal deficit will be set out in the relevant Final Terms.

Notes may be issued as green bonds ("**Green Bonds**") or blue bonds ("**Blue Bonds**") and the applicable Final Terms will indicate whether or not the Notes are intended to constitute Green Bonds or Blue Bonds and will provide additional information in relation to the intended use of proceeds in respect of any Green Bonds or Blue Bonds.

THE REPUBLIC OF GHANA

Area and Population

The Republic of Ghana lies in West Africa and covers a total land area of 238,537 square kilometres. Situated on the Gulf of Guinea, Ghana has a coastline of 539 kilometres and is bordered by Côte d'Ivoire to the west, Togo to the east and Burkina Faso to the north. Ghana's terrain is comprised largely of lowlands, except for a range of hills on the eastern border. Rivers and streams, including the Volta River, traverse the coastal plain in the south, the heavily forested hills in the west and the savannah in the north. Lake Volta, in the east, is one of the largest artificial lakes in the world.

Ghana has an estimated population of over 30.2 million in September 2019, with over 50.5 per cent. of the population living in urban areas. The greater metropolitan area of Accra, the capital of Ghana and its largest city, has an estimated population of over 4.2 million. Other important cities in Ghana include Kumasi, a commercial and transport centre in central Ghana with an estimated population of over 2.1 million, and Tamale, located in the Northern region, with an estimated population of approximately 420,000. In December 2018, the people of Ghana voted to create six new regions across the country, in addition to the existing 10 regions. Six new regional capitals have been chosen for the new regions.

The climate of Ghana is tropical, but temperatures vary with season and elevation. Except in the north, two rainy seasons occur, from April to June and from September to November. In the north, the rainy season begins in June and lasts until September. Annual rainfall ranges from about 40 inches in the north to about 80 inches in the southeast. In most areas the highest temperatures occur in March, and the lowest in August. The average annual temperature is about 30 degrees Celsius (86 degrees Fahrenheit).

The official language of Ghana is English, although indigenous languages are widely used. Among the most prevalent of these languages are Bono (Brong), Dagaare (Dagaba), Dagbani, Dangme, Ewe, Fante, Ga and Twi. Approximately 71.2 per cent. of the Ghanaian population are Christian (28.3 per cent. are Pentecostal/Charismatic, 18.4 per cent. are Protestant, 13.1 per cent. are Catholic, and 11.4 per cent. are Christians of other denominations), 17.6 per cent. are Muslim and 5.2 per cent. practice indigenous beliefs.

Ghana is generally classified as a lower middle-income developing country. The following table sets forth selected comparative statistics for 2018 (except where indicated) published by the World Bank:

	Ghana	**Nigeria**	**Côte d'Ivoire**	**South Africa**	**US**
GNI[(1)] per capita (current US$)	2,130	1,960	1,610	5,750	62,850
GDP Growth (annual %)	6.3	1.9	7.4	0.8	2.9
Infant Mortality Rate (per 1,000 live births)	34.9	75.7	59.4	28.5	5.6
Life Expectancy at Birth (years)[(2)]	63.5	54.0	57.0	63.5	78.5

Source: World Bank, World Development Indicators 2018.
(1) GNI per capita is the gross national income, converted to US Dollars using the World Bank Atlas method, divided by the midyear population.
(2) Data is for 2017.

History

The Republic of Ghana is named after the ancient empire of Ghana, which occupied parts of present day Mali and Mauritania. Several other major civilisations have flourished in the general region of what is now Ghana, including the Akyem people and the Ashanti kingdom.

The Portuguese were the first Europeans to arrive in present-day Ghana, an area which became known as the Gold Coast due to its rich supply of the mineral. In the late fifteenth century, the Portuguese constructed a permanent trading post at Elmina on the central part of the coast in order to protect their interests in the trade of gold, ivory and pepper. The Portuguese position on the Gold Coast remained intact for almost a century, although gold was soon surpassed by slaves as the principal export of the area.

During the seventeenth and eighteenth centuries, Dutch, British, Danish and Swedish competitors built fortified trading stations in the Gold Coast, and both the Dutch and the British formed trading companies. In an early struggle, the Portuguese lost their key trading post at Elmina to the Dutch and left the Gold Coast permanently. Over the next 150 years the various European powers struggled to establish and maintain a position of dominance, and by the end of the nineteenth century the British had become the dominant European power on the Gold Coast. In 1901, the suppression of a resistance by the Ashanti peoples further strengthened British rule.

In 1956, British Togoland, formerly a German colony, was incorporated into Ghana following a UN-sponsored plebiscite. Also in 1956, the government of the Gold Coast, led by Prime Minister Dr. Kwame Nkrumah, requested and was granted independence from the British Commonwealth. On 6 March 1957, the former British colony of Gold Coast became the independent state of Ghana. Ghana was the first British colony in Africa to achieve independence. On 1 July 1960, Ghana became a republic, with Nkrumah as its first President, and subsequently adapted a one party system of government in February 1964.

In February of 1966, the Government was overthrown by a military coup, which installed a new government comprising the military and the police forces. The new government remained in power until September 1969, when it handed over power to a constitutionally elected government, thereby restoring parliamentary rule. In January 1972, military rulers took over again, ruling until October 1979, when political pressure forced them to restore a republican parliamentary regime.

Parliamentary democracy was once more set aside in December 1981, as a result of another military coup. However, the military government set up the National Commission for Democracy (the "**NCD**"), which was charged with formulating a programme for the effective realisation of democracy. The NCD organised forums at which Ghanaians could advance their views as to what form of government they wanted, and eventually filed a report which indicated that the people wanted a multi-party system of government. This led to the appointment of a Committee of Experts to draw up constitutional proposals for the consideration of a Consultative Assembly. The Assembly prepared a draft constitution, and the people approved the final draft in a referendum on 28 April 1992. The new constitution under the fourth republic came into effect on 7 January 1993.

The Constitutional System

The 1992 Constitution (the "**Constitution**"), a hybrid of the UK and US systems of government, establishes that Ghana is a unitary republic with sovereignty residing in the Ghanaian people. In its Directive Principles, the Constitution emphasises Ghana's dedication to the promotion of democracy, the realisation of freedom and justice, the protection of the unity and territorial integrity of Ghana, the promotion of access by all citizens to public facilities and services, the cultivation of respect for fundamental human rights and freedoms, the integration of the peoples of Ghana, the prohibition of discrimination and prejudice on the grounds of place of origin, circumstances of birth, ethnic origin, gender or religion, the eradication of corrupt practices and the promotion of political tolerance. Towards the achievement of those objectives, the Constitution directs the Government to take appropriate measures to foster a spirit of loyalty to Ghana, to achieve reasonable regional and gender balance in recruitment and appointment to public offices, to provide facilities and encouragement for the free mobility of people, goods and services throughout Ghana and to make democracy a reality by decentralising the administrative and financial machinery of government and by affording all possible opportunities to the people to participate in decision-making at every level in national life and in government.

The Constitution directs the Government to take all necessary steps to establish a sound and healthy economy and to provide educational facilities and, to the greatest extent feasible, make those facilities available to all citizens. The Government is also directed by the Constitution to promote respect for international law, treaty obligations and the settlement of international disputes by peaceful means. Further, the Constitution confirms Ghana's involvement in and commitment to the principles of the Charter of the United Nations, the Charter of the Organisation of African Unity (now the African Union), the Commonwealth, the Treaty of the Economic Community of West African States and other international organisations of which Ghana is a member.

The Republic's political system is principally based on the separation of executive, legislative and judicial powers and a system of checks and balances. The President's powers to appoint Ministers of State and the members of the Supreme Court mean that the executive branch of government has a dominant role in the Republic.

Executive authority is vested in the President, together with the Council of State, which is a body that considers and makes recommendations on any matter being considered or dealt with by the President, a Minister of State, or any other authority established by the Constitution. The President is Head of State, Head of Government, and Commander-in-Chief of the Armed Forces of Ghana, and is elected by direct vote for a four-year term and may be re-elected only once. The President is responsible for appointing not fewer than ten and not more than nineteen Ministers of State, who, together with the President and the Vice President comprise the cabinet, which assists the President in the determination of general policy of the Government. According to the Constitution, more than half of the presidentially appointed Ministers of State must be appointed from among members of Parliament.

Legislative functions are vested in Parliament, which currently consists of a unicameral body of 275 members, elected for a four-year term in single-seat constituencies. To become law, legislation must have the support of the majority of the members of Parliament present and voting along with the assent of the President, who has a qualified veto over all bills except those to which a vote of urgency is attached. The President's veto can be overridden by a vote of two-thirds of the members of Parliament.

The judiciary is comprised of the Superior Courts of Judicature and such lower courts or tribunals as Parliament may establish. The Superior Courts are the Supreme Court, the Court of Appeal, the High Court and Regional Tribunals. The Constitution provides that the Supreme Court is to consist of the Chief Justice and not fewer than nine other justices. The Chief Justice and any other justice of the Superior Courts may voluntarily retire at age 60, and compulsory retirement is at age 70. At present, the Supreme Court consists of the Chief Justice and thirteen other Justices. The Chief Justice is appointed by the President acting in consultation with the Council of State and with the approval of Parliament. The President appoints the other Supreme Court Justices, acting on the advice of the Judicial Council, of which the Chief Justice is the Chair, in consultation with the Council of State and with the approval of Parliament. The Justices of the Court of Appeal and of the High Court and Chairmen of Regional Tribunals are appointed by the President acting on the advice of the Judicial Council.

Ghana's legal system is based on English common law and customary law. Ghana's courts are used extensively for civil, business and criminal cases, and the judiciary is generally seen as largely independent of political influences.

Current Government and Politics

Ghana has been under democratic rule since 1992, following its successful transition from years of military rule. Ghana is a presidential representative democratic republic, with executive, legislative and judicial branches of government. Following the 1992 constitutional referendum, parliamentary and presidential elections took place in 1992 and every 4th year thereafter. Voter turnout, which was approximately 80 per cent. for the 2012 presidential election, dropped to approximately 68 per cent. in the 2016 elections. Ghana has 24 registered political parties as at 2018, including the following seven main parties: the National Democratic Congress ("**NDC**"), the New Patriotic Party (the "**NPP**"), the Progressive People's Party (the "**PPP**"), the Great Consolidated Popular Party (the "**GCPP**"), the People's National Convention (the "**PNC**"), the Convention People's Party (the "**CPP**") and the United Front Party (the "**UFP**"), with the NDC and NPP being the two dominant political parties in recent years.

Historically, political parties in Ghana have traced their ideological roots to either Dr. Kwame Nkrumah (Ghana's first President) or to his opponents (Dr. Kofi Abrefa Busia and Dr. J.B. Danquah). The NDC is a party that originated from the Provisional National Defence Council (the "**PNDC**"), the military regime government that was in power prior to the enactment of Ghana's 1992 Constitution. The NPP (formed in 1992 and tracing its ideological roots to Busia and Danquah) is generally regarded as a right-leaning political force and is committed to a market based economy.

The most recent presidential and parliamentary elections took place on 7 December 2016 and led to the transfer of political power to the then-opposition party, NPP, as the voters elected presidential candidate Nana Addo Dankwa Akufo-Addo as the president of the Republic. Nana Akufo-Addo (a former foreign minister and attorney-general) was elected President on his third attempt, defeating incumbent President John Mahama of the NDC, making him the first candidate to win an election against a sitting one-term President. In the presidential election, President Akufo-Addo received 53.85 per cent. of the votes while the candidate for the NDC received 44.40 per cent. The other presidential candidates commanded a combined 1.75 per cent. of the votes.

The following table shows a breakdown of the distribution of seats in Parliament as of the date of this Base Prospectus:

Political Party	**Seats**
National Democratic Congress (NDC)	106
New Patriotic Party (NPP)	169
Total	**275**

Source: Ghanaian Parliament

In addition to the national government, Ghana is subdivided into sixteen regions for political and administrative purposes. A Minister of State, appointed by the President with the approval of Parliament, heads each region and acts as a direct representative of the Government. The regions are further subdivided into districts, which are classified as district assemblies; this includes metropolitan and municipal depending on the size of the population. The district assemblies are responsible for delivering basic services to the population in their areas of jurisdiction, and receive their funding from the District Assemblies Common Fund, which is financed by the national Government. Under the Constitution, the district assemblies have deliberative, legislative and executive powers and are the highest political authority in their districts, subject to the other provisions of the Constitution. The most recent district assembly elections were held on 17 December 2019, whilst the last regional elections were held in September 2018. The next presidential and parliamentary elections are scheduled for December 2020.

The Ministry of Local Government and Rural Development has presented a bill to Parliament to amend certain articles in the Constitution in order to allow the public to elect metropolitan, municipal and district chief executives ("**MMDCEs**"). The direct election of MMDCEs formed part of the NPP's 2016 election manifesto. In order to take effect, an entrenched provision of the Constitution must be amended, which, requires a national referendum. In May 2018, the Government announced a referendum would be held in September 2019, which, if successful, would lead to the first election of MMDCEs in mid-2021. On 1 December 2019, President Akufo-Addo cancelled the referendum.

Anti-Corruption

Ghana signed the United Nations Convention against Corruption on 31 October 2003 and ratified it on 27 June 2007.

The Government has put in place a number of measures to ensure that its officers and employees do not engage in corrupt practices. The Office of the Special Prosecutor was established by The Office of the Special Prosecutor Act, 2017 (Act 959) (the "**Special Prosecutor Act**"), which also includes a mandate to form a specialized agency to investigate specific cases of alleged or suspected corruption and corruption-related offences involving public officers and politically exposed persons in the performance of their functions as well as persons in the private sector. Further measures are included in the Banking and Financial laws, including the Criminal Offences Act 1960 (Act 29) as amended; the Public Financial Management Act 2016 (Act 921); the Ghana Anti-Corruption Manual; the Labour Act 2003 and the Whistleblower Act 2006 (Act 720). The Public Procurement Act 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016 (Act 914) (the "**Public Procurement Act**") was also passed to regulate the award of public contracts.

The National Anti-Corruption Action Plan (2012–2021) ("**NACAP**") is a further initiative that was put in place to counter corruption in the interests of national development. It contains strategic action plans identified and agreed upon by stakeholders, including the private sector, during nationwide consultations. The NACAP is directly integrated into national development planning, making the plan an integral part of the regular annual activities of public institutions including a number of ministries, departments and agencies. Since the launch of NACAP, there have been a number of cases brought against individuals, some of whom are currently being prosecuted in the High Court. These include:

(i) *Ghana vs Bonnie, Tevie, Ensaw, Osman and Oppong*, in which the defendants have been accused of causing financial loss to the State, stealing, using public office for profit, contraventions of the Public Procurement Act, money laundering and intentional misapplication of public property resulting in the loss of US$4,000,000 to Ghana;

(ii) *Ghana vs Opuni, Agongo and Agricult Ghana Limited*, in which the defendants have been accused of defrauding by false pretence, causing financial loss to the State, contravention of the Public Procurement Act, corruption of and by public officer, money laundering, manufacturing fertiliser without registration, selling misbranded fertiliser and selling adulterated fertiliser, which together involve the loss of US$65,200,000 to Ghana;

(iii) *Ghana vs Thompson, Mensah, Kramer, Afaglo and Hayibor*, in which the defendants have been accused of causing financial loss to the State, defrauding by false pretence, contravention of Public Procurement Act, possession of forged documents resulting in the loss of US$66,783,148.08 to Ghana;

(iv) *Ghana vs Attionu and Axim*, in which the accused, a former Chief Executive Officer of the Microfinance and Small Loans Centre and her deputy, have been charged with various offences including causing financial loss of GHS24,543,118.00 (approximately US$4,340,00) to the State as well as offences under the Public Procurement Act;

(v) *Ghana vs Duku, Agbenyefia*, in which the defendants are accused of causing financial loss to Ghana, stealing, issuing false cheques, defrauding by false pretence, causing loss of public property and money laundering involving a total loss of GHS42,856,470.21 (approximately US$7,590,000) to Ghana; and

(vi) *Ghana vs Essien, Nettey, Odonkor and Papafio*, in which the defendants are accused of conspiracy to steal, stealing and money laundering involving a total sum of GHS262,5000,000 (approximately US$464,780,000).

International Relations

WTO Membership

Ghana has been a member of the World Trade Organisation (the "**WTO**") since 1 January 1995. In connection with Ghana's WTO membership, the Government is committed to supporting the progressive elimination of export subsidies as well as the substantial reduction of trade-distorting domestic support, while ensuring that it retains the right to support its own producers. As part of Ghana's goal of providing access to its citizens of foreign services that are not readily available in the country, the Government is committed to engage in successive WTO services negotiations to obtain improved market access in partner WTO countries.

Organisation for Economic Co-operation and Development ("OECD") Development Centre

Consistent with the Government's shared vision of working together with other governments globally to promote policies that will improve the economic and social well-being of Ghanaians and people across the globe, Ghana became a member of the OECD Development Centre in October 2015. The OECD Development Centre is an OECD institution that serves as a forum for member countries to share their experiences of economic and social development policies. The OECD Development Centre membership is open to both members of the OECD and non-OECD countries. The Government believes that membership in the OECD Development Centre will provide Ghana with access to a unique platform which brings various governments together to share experiences and seek solutions to common problems. As Ghana, a developing country, continues to chart its path towards rapid economic growth and development, the Government expects the membership will help it gain insights into what drives economic, social and environmental change.

Regional Relations

Ghana is active in West African regional politics and has a commercial strategy to become the gateway of the region, taking advantage of its location and political stability to establish a transport hub for the region. See "*The Economy—Infrastructure and Transport*".

Ghana is a strong advocate of regional integration and is part of the Economic Community of West African States ("**ECOWAS**"), a group comprised of 15 member states that was established under the Treaty of Lagos in 1975 with a number of objectives, including establishing a customs union and a common market to promote the free movement of goods and people within West Africa. Ghana's involvement in ECOWAS has led to its participation in various regional agreements and projects, including the adoption of the ECOWAS regional common external tariff which came into effect in February 2016 (see "*Balance of Payments and Foreign Trade—Trade Policy*") and the construction of the WAGP, which provides Ghana with natural gas from reserves in Nigeria.

In December 2000, following the inception of a road map towards achieving an ECOWAS monetary Union, Ghana and four other ECOWAS members signed an agreement to create the West African Monetary Zone ("**WAMZ**"), a second monetary union in the region. Liberia joined WAMZ in 2010. Francophone ECOWAS member countries already had an existing monetary union referred to as the West African Economic and Monetary Union (also known by its French acronym "**UEMOA**"). Therefore the creation of WAMZ was to fast-track the integration of non-UEMOA ECOWAS countries, through the eventual merging of the two monetary unions (i.e. UEMOA and WAMZ) to form a single ECOWAS monetary zone for all member countries. The creation of the West African Monetary Institute ("**WAMI**") in Accra, an interim organisation that tried to pave the way for the creation of a West African central bank and the introduction of a common monetary unit, represented a first step towards monetary integration. However, WAMI has repeatedly postponed the creation of the new currency because an insufficient number of member countries are meeting the convergence criteria. In 2013, WAMI announced that it expected a single currency to take effect by January 2015. In July 2019, the ECOWAS members agreed the common currency should be called ECO. The relevant heads of state are currently targeting 2020 as the inaugural year for the common currency, however there are a number of issues that need to be resolved before it can be launched, including further alignment in monetary and fiscal policies between the various ECOWAS states. The BoG intends to work with the other ECOWAS central banks to ensure the common currency arrangements will be viable and sustainable.

In 2014, Ghana, together with the other ECOWAS countries (other than Nigeria and Gambia), signed a regional economic partnership agreement with the EU. Under the agreement, the EU agrees to provide ECOWAS countries signatory to the agreement a duty and quota-free access to its market, while ECOWAS countries signatory to the agreement agree to provide a partial and gradual opening of their markets to EU products. However, until the agreement has been signed by all ECOWAS countries, the regional economic partnership agreement cannot be ratified. Separately, effective 1 February 2016, the Government changed its external tariff regime in order to adopt the ECOWAS unified tariff regime. Under the ECOWAS common external tariff ("**CET**"), members are required to simplify and harmonise customs tariff rates. See "*Balance of Payments and Foreign Trade—Trade Policy*".

Ghana is an active member of the African Union ("**AU**"), the successor to the Organisation of African Unity ("**OAU**"), which was formally launched in July 2002 at a meeting in South Africa of African heads of state. The AU is modelled on the EU and has plans for a parliament, a central bank, a single currency, a court of justice and an investment bank. These plans include the Pan-African Parliament, which was inaugurated in March 2004 and has since held a number of sessions, although it does not yet play a legislative role.

In October 2017, Ghana and Côte d'Ivoire announced their intention to work together to address the unfavourable global cocoa pricing regime and reduce the vulnerability of both nations to the volatility of the cocoa markets. In addition, the AfDB has agreed to work with both countries to establish a Cocoa Market Stabilisation Fund and a Cocoa Exchange Commission for managing cocoa production, as well as Cocoa Industrialisation Fund to further improve the productivity of the cocoa industry. Through co-financing, the AfDB has raised US$600 million for the Ghana Cocoa Board ("**Cocobod**"), of which US$150 million was provided by AfDB as a lead financier. The US$150 million loan to be provided by AfDB has been approved by Parliament and is due to be signed by the Minister of Finance for it to be effective. In addition, all conditions precedent have been satisfied for the first disbursement of the US$7 million for general cocoa sector institutional support, including tackling the cocoa swollen shoot virus, building modern storage and warehousing facilities and promoting processing and consumption.

In March 2018, Ghana, along with 43 other African nations, signed a framework agreement to establish the African Continental Free Trade Area ("**AfCFTA**") customs union, on the initiative of the AU. AfCFTA will come into effect if ratified by the parliaments of at least 22 countries. Currently 52 countries have signed the agreement and 18 countries have ratified it. The African Union Commission has stated that it hopes to achieve the required number of ratifications in early 2019. According to the AU and the United Nations Economic Commission for Africa, if all 55 AU nations were to join AfCFTA, it would represent the largest free-trade area by number of participating nations, which, together, would cover a market of 1.2 billion people with a combined GDP of US$2.5 trillion. Under the AfCFTA, members will be required to adhere to provisions on the free movement of capital and business travellers, as well as widespread tariff reductions. Members will also be required to commit to removing tariffs on 90 per cent. of goods, with each country submitting its own schedule of products to be liberalised. See "*Balance of Payments and Foreign Trade—Trade Policy*".

EU Relations

Ghana participates in political, trade and cooperation relations with the EU through the "Cotonou Agreement", the revised draft of which the EU and 79 countries in Africa, the Caribbean and the Pacific (the "**ACP**") signed in June 2010. The initial objectives of the economic and trade cooperation were to enable the ACP countries to manage the challenges of globalisation and to adapt to new conditions of international trade. The revised Cotonou Agreement adapts the cooperation to reflect new challenges, such as climate change, food security, regional integration, state fragility and aid effectiveness.

In November 2013, the United Kingdom and Ghana formally launched the High Level Prosperity Partnerships ("**HLPP**"), in which the Government identified priority sectors where it would welcome investment and partnership from United Kingdom businesses, as well as capacity building to strengthen institutions and to improve the investment environment. The specific sectors include extractives industry, agriculture, education, financial services, energy and infrastructure. The HLPP aims to focus on enhancing the production and effective management of Ghana's oil and gas resources. The HLPP also targets the priority areas of agriculture, renewable energy and the environment, education, financial services and the investment climate.

In 2014, Ghana, together with the other ECOWAS countries, other than Nigeria and Gambia signed an economic partnership agreement with the EU. Until the agreement has been signed by all ECOWAS countries, the regional economic partnership agreement cannot be ratified. Consequently, on 28 July 2016, Ghana signed an interim economic partnership agreement with the EU ("**IEPA**"), which was ratified by Parliament on 3 August 2016. The ratification has received presidential assent and is in full effect. The interim partnership agreement allows Ghana to continue to enjoy duty-free and quota-free access to the EU following the expiry of EU's Market Access Regulation in October 2016. See "*Balance of Payments and Foreign Trade—Trade Policy*".

In June 2014, Ghana and the EU entered into the 11th European Development Fund National Indication Programme 2014-2020, under which Ghana was allocated EUR323 million in funds from the EU. The final tranche of the programme, for EUR40 million, was signed in February 2019, to be used to support jobs creation and schools development. Ghana has also received several grants from the EU over the years, including US$181 million of budget support in June 2015, and a EUR31.6 million grant to implement the "Ghana Employment and Social Protection Programme" in February 2016. See "*Public Debt—Relations with Multilateral Financial Institutions—EU Budget Support*". In May 2017, the EU partnered with the German development agency, GIZ, to provide a further EUR7 million for the Ghana Skills Development Initiative, to provide competency-based training to enhance the skills of individuals working in electronics, garments, welding, cosmetology and auto-mechanics.

In January 2020, the German government approved EUR250 million for the development and expansion of Ghana's electricity transmission infrastructure. Pursuant to this, in January 2020, Siemens (a German power company) and GRIDCo entered into a memorandum of understanding under the G20 Compact with Africa. The memorandum of understanding provides for collaboration between the two companies to improve Ghana's electricity grid capacity, stability and ability to export power to neighbouring countries in West Africa, such as Burkina Faso, Togo and Benin.

Relations with the Americas

The United States is among Ghana's principal trading partners. Ghana is designated as a Feed the Future, Power Africa, Trade Africa and Partnership for Growth country, and exports goods to the United States under the African Growth and Opportunity Act. A number of major companies from the United States operate in Ghana, including IBM, Coca-Cola and Newmont Mining. Political stability, competitive wages and an educated, English-speaking workforce enhance Ghana's potential as a West African hub for American businesses. Ghana has significant reserves of oil and gas which are currently being developed by a variety of global petroleum companies, including United States-based Kosmos Energy.

In February 2012, as a result of the Millennium Challenge Account ("**MCA**"), the United States completed a five-year compact with Ghana ("**Compact I**"), which Ghana entered into on 1 August 2006. The MCA is a development assistance programme in which the US agreed, through the Millennium Challenge Corporation ("**MCC**"), to provide assistance to developing countries that satisfy certain criteria. The criteria can be classified into three broad categories: good governance, economic freedom and investment in people. In addition, in order to receive assistance a country must score above the median on corruption, and above the absolute threshold on either civil liberties or political rights indicators, regardless of how well it ranks on all the other indicators. The US$547 million Compact I was aimed at reducing poverty through strategic investments in Ghana's infrastructure and agricultural sectors. The MCC partnership expects to provide economic opportunities for approximately 1.2 million Ghanaians. Projects resulting from the MCC partnership include upgrades to roads and highways, farmer and enterprise training, water and sanitation improvements and rural education development. Throughout the Compact I partnership, Ghana demonstrated clear ownership of the MCC compact's development and implementation.

On 5 August 2014, during former President Mahama's visit to the United States for the 2014 US-Africa Leaders Summit, the MCC signed a five-year, second compact for US$498.2 million with the Government ("**Compact II**") to transform Ghana's power sector by focusing on distribution, energy efficiency and renewable energy. A significant project under Compact II is the private sector involvement in the state-owned entity, ECG. This will take the form of a concession with a duration of 20 years, during which the electricity distribution network and other assets of ECG will be leased to the concessionaire with the aim of promoting investment and improving operational efficiency. Following several delays, the bidding process for the private sector partner was launched in May 2017. The consortium of Power Distribution Services Ghana Limited (known as the Meralco Consortium), led by the Manila Electricity Company, was selected as the winning bidder in April 2018 and the distribution business of ECG was transferred with effect from 1 March 2019. However, on 19 October 2019, the Government terminated the concession arrangement which it entered into with Power Distribution Services Limited pursuant to Compact II. This resulted in cancellation of the previously approved funds of US$190 million by MCC, which was otherwise earmarked under the Compact II, as these funds were linked to the successful introduction of private sector participation in ECG. See "*The Economy—Principal Sectors of the Economy—Water and Electricity*". In addition, following the cancellation of the concession agreement, Millennium Development Authority (being the accountable entity) revised the scope of Compact II and reduced the overall funding available to US$308.2 million. As at 30 December 2019, US$ 199.50 million has been committed out of USD 308.2 million, of which US$ 93.16 million has been disbursed under the Compact II.

In March 2018, Ghana renewed an agreement with the United States whereby the United States would provide approximately US$20 million in equipment and training for the Ghanaian military. The agreement also allows the US to use Ghana's radio channels, and includes reciprocal provisions relating to immunity for soldiers on each country's soil and tax exemptions for the import of military equipment. The agreement led to protests in Accra over concerns that it compromised Ghana's independence. The Government has emphasised that there are no plans to create a US military base in Ghana or to permanently station American troops in the country.

In January 2019, the U.S. Department of Homeland Security (DHS) in coordination with the Department of State imposed visa sanctions on Ghana in, citing a "lack of cooperation in accepting their nationals ordered removed from the United States"—an issue of particular salience for the Trump Administration. The restrictions affect tourist and business visitor visas for certain government officials and, in some cases, their families and attendants. This restriction was lifted in January 2020.

Ghana also has strong diplomatic relations with Canada. Between 2008 and 2017, Canada has supported the Republic of Ghana with grants amounting to approximately CAD$372.5 million, predominantly in the area of budget support, decentralisation, agriculture water and sanitation and capacity development. Canada recently provided a grant of CAD$125 million to help develop a more modern, equitable and sustainable agriculture sector that contributes to food security. In 2018, Canada and the Ghana Armed Forces announced the establishment of a bilateral training and technical assistance partnership through the Elsie Initiative for Women in Peace Operations in order to increase the Ghana Armed Forces' deployment of women to UN peace operations.

Brazil is a member of the BRICS countries and is increasingly growing to becoming one of Ghana's strategic bilateral partners. Brazil provides Ghana with both concessionary loans and commercial loans. Since 2013, Brazil has extended credit facilities amounting to over US$300 million to finance projects in defense (purchase of aircrafts), agriculture (supply of agricultural machinery and equipment), and road construction (eastern corridor road project).

Mexico was the first Latin American country to establish diplomatic relations with Ghana in August 1961. Ghana was the first African country to have an embassy in Mexico, which is now closed. In August 2019, Ghana and Mexico reaffirmed their commitment to strengthen their bilateral relationship, with Ghana expecting to open a resident embassy in Mexico City.

Asia Relations

Ghana has strong diplomatic relations with Asian countries, in particular Japan and China, which are important bilateral partners for both foreign trade and development assistance. Japan has historically been one of Ghana's most important bilateral development partners and has provided considerable aid for development projects. In June 2013, Ghana and Japan announced a pledge to deepen bilateral relations for the mutual benefit of both countries. Former President Mahama and the Japanese Prime Minister, Mr. Shinzo Abe, expressed their resolve to work closely when they held a bilateral meeting ahead of the 5th Tokyo International Conference on African Development. Prime Minister Abe lauded Ghana for its economic strides, particularly in the areas of good governance and economic stability. In 2005, Japan cancelled approximately US$1 billion of Ghana's bilateral debt in connection with the Heavily Indebted Poor Countries Initiative ("**HIPC**").

After this, Japan continued to support the Republic of Ghana with grants in the area of power, health, education, ports and harbours, agriculture, fisheries and research. In 2016, Japan resumed the granting of Yen loans to Ghana and is currently financing the construction of a new bridge over the Volta River to connect Aveyime with Asutsuare Junction roads. The new bridge is within the Eastern Corridor connecting Tema and Burkina Faso.

Ghana's relations with China have become increasingly important in recent years, with significant Chinese funding of Ghanaian infrastructure projects. China is one of Ghana's largest development and trade partners, making approximately US$301.5 million, US$232.9 million and US$143.1 million in foreign direct investment to Ghana in 2016, 2017 and 2018, respectively, making China the third largest contributor of foreign direct investment into Ghana during this period. China also accounted for 12.9 per cent. of exports in 2018.

In 2011, Ghana signed a US$3 billion commercial term loan facility agreement for infrastructure development with the China Development Bank Corporation (the "**CDB**"). The CDB loan was for use in 12 different infrastructure projects, and was capped at US$1.5 billion in 2014 due to delays in disbursements and disagreements regarding the terms of the loan. As of the date of this Base Prospectus, the Government has fully drawn the US$1 billion portion of the loan to be used for a gas infrastructure project and an enhanced ICT surveillance of the oil and gas corridor project. The Government completed the gas processing plant and pipelines in 2014. See "*The Economy—Principal Sectors of the Economy—Industry—Oil and Gas*". Additional subsidiary agreements have been signed for the Accra intelligent traffic management project and coastal fishing harbour project amounting to US$395 million.

In November 2011, China opened the fourth office of the China-Africa Development Fund in Accra. China has provided significant development assistance, funding projects such as the construction of the National Theatre, the Afife Irrigation Project, the Dangme East District Hospital, Police and Military Barracks and the improvement of the Accra-Kumasi Road. In addition, the Chinese government has written off most of Ghana's debt to China, which has amounted to approximately US$83 million. China has also provided a considerable amount of financial assistance in the form of loans. For example, the Government secured funding of US$622 million from the Chinese government for construction of the 400 MW Bui hydroelectric dam by the Chinese construction company, Sinohydro Corporation. In September 2018, the Government signed a further loan agreement with Sinohydro Corporation for an amount up to US$2 billion for the construction of priority infrastructure projects. Repayments under the Sinohydro project will be made via receipts from the refined bauxite, with repayments starting three and a half years after the effective date of the agreement. If the value of bauxite decreases, or if bauxite reserves are lower than expected, the Republic may have to deliver higher volumes of bauxite than anticipated or find alternative means of repayment. Whilst the Sinohydro loan is not currently treated as external debt, depending on various factors and events and as a result of the deferred payment structure, the loan could in the future become a contingent liability of the Government. The Government plans to establish a bauxite processing plant for the purposes of the agreement, which is expected to create jobs and enhance the value of Ghana's bauxite reserves. See "*The Economy – Infrastructure – Energy Facilities – Aluminium*". In November 2019, Sinohydro Corporation released a first tranche of funds worth US$ US$320 million under the deferred loan agreement.

In April 2018, the Chinese government signed a bilateral agreement to provide approximately US$66 million of grants to Ghana for the construction of a fishing port complex at James Town, a suburb of Accra; and the construction of the University of Health and Allied Sciences (Phase II) in Ho in the Volta Region.

Ghana also maintains good relations with Singapore. In 2013, Singapore opened a trade and investment centre in Accra to promote economic partnership among the countries in the West-Africa sub-region. The International Enterprise Singapore, an agency under the Singapore Ministry of Trade and Industry, aims to catalyse strategic trade and investment initiatives between Singapore, Ghana and other ECOWAS countries. Several major Singaporean companies operate in Ghana, including Olam International, a large global agri-business and Pacific International Lines, one of the largest ship-owners in Asia.

Over the years, Ghana and Singapore have enjoyed positive bilateral relations and the officials from the two countries continue to co-operate in many areas, including capacity building and training in areas such as education and economic policy making.

The Labour Market

According to the 2015 Ghana Labour Force Survey, the informal sector employed approximately 90 per cent. of the workforce. Given that a significant part of Ghana's workforce is employed in the informal sector, available data on the labour market is limited. In July 2014, Ghana Statistical Service carried out an Integrated Business Establishment Survey in order to create a comprehensive list of all businesses in the country. It is expected that Ghana Statistical Service, in collaboration with the district assemblies, will update the business register regularly, with the aim of bringing more small and medium sized enterprises into the formal sector and improving labour force information in the country.

The last employment survey conducted nationally by the Ghana Statistical Service was the Ghana Living Standards Survey (the "**GLSS**") Round 7 in 2017.

According to the GLSS 7, the labour market in Ghana can be divided into seven segments: the public sector, the private sector, non-governmental organisations, cooperatives, international organisations, parastatal and other. Based on the GLSS 7, the total workforce in Ghana, which consists of economically active individuals who are 15 years old and older, comprised approximately 17.3 million people as of 2017.

The Government has made use of employment surveys, advertised job vacancies and the 2010 Population and Housing Census (the "**2010 Census**") in order to develop estimates of labour market statistics. According to the 2010 Census, a total of 632,994 people or 5.8 per cent. of the economically active population (i.e., 15 years and above) were unemployed. In 2017, the Government carried out the GLSS 7. According to the GLSS 7, approximately 8.4 per cent. of the economically active population (i.e., 15 years and above) were unemployed.

The following table sets forth the estimated urban and rural rates of unemployment of the economically active population based on the GLSS 7:

Economically Active Population (15+)

	Employed			Unemployed		
	(% of economically active population)					
	Total	**Male**	**Female**	**Total**	**Male**	**Female**
Urban	61.0	63.3	59.1	11.4	10.7	12.0
Rural	69.5	71.0	68.2	5.2	4.1	6.2
Ghana	65.0	66.9	63.3	8.4	7.5	9.2

Source: GLSS 7

In the GLSS 7, the Government estimated the total rate of the unemployment of the population aged 15 years and older to be 8.4 per cent.

Ghana's labour market is generally regarded as rigid, as evidenced by the high costs associated with laying off employees in the formal and public sectors. Organised labour has significant representation and is often involved in policy decisions relating to the labour market. For example, in 2006, public sector employees in the healthcare industry threatened to strike, which eventually led to a complete reformulation of the pay scale for Government employees, having a significant impact on the Government's budget deficit in 2006. In a bid to reduce the occurrence and threat of strikes, in 2010 the Government undertook to organise all of the public sector pay structures together under SSSS to improve wage management. This realignment resulted in higher wages, including unanticipated payments of arrears to certain sectors of the Government workforce and significantly contributed to the increased budget deficit in subsequent years. See "—*Wages*" and "*Public Finance—Public Accounts*". The Government has attempted to quantify the total amount of arrears due to workers through an audit conducted by the Auditor General in 2016, where approximately GHS11.2 billion in arrears was identified, GHS6.7 billion of which was validated by the Auditor General. In 2017 and 2018, approximately GSH1.8 billion and GHS858 million were cleared, respectively. The Government has agreed to settle all arrears by the end of 2020.

Wages

Each year, pursuant to the Labour Act, 2003 (Act 651), certain employers meet with the Government and organised labour groups to fix the minimum wage. The daily national minimum wage is expected to increase by 11% to GHS11.82 in 2020, up from GHS10.65 in 2019, up from GHS9.68 in 2017, GHS8.80 in 2016 and GHS7.00 in 2015.

In the public sector, wages have increased significantly in recent years, with total Government expenditures on public wages rising. In 2018, the wage bill rose to GHS17.2 billion (45.6 per cent. of tax revenue), compared to GHS14.4 billion (44.8 per cent. of tax revenue) in 2017 and GHS12.1 billion (47.1 per cent. of tax revenue) in 2016. The public sector wage bill increased by 14.7 per cent. in 2016, 19.3 per cent. in 2017 and 19.2 per cent. in 2018. Expenditure on wages and salaries in 2018 was 1.0 per cent. higher than the budgeted target, compared to 2.8 per cent. and 3.3 per cent. above budget in 2017 and 2016, respectively. At 5.8 per cent. and 7.0 per cent. of GDP in 2018 and 2017, respectively, Ghana's public sector wage bill is higher than the African regional average wage.

The Government established a Fair Wages and Salaries Commission ("**FWSC**") to ensure fair, transparent and systematic implementation of the SSSS. The FWSC began a process to migrate public sector workers to the SSSS, with the primary purpose of ensuring equal pay for work of equal value, and eliminating ad hoc negotiations for adjustments of wages and salaries. The Government's implementation of the SSSS was also designed to reduce pay disparities and attract much needed skills and to ensure improved productivity. The number of public sector workers rose from 418,517 as at the end of 2010 to 670,548 as at the end of 2017. Ghana's implementation of the SSSS significantly increased the wage bill from GHS2.48 billion in 2009 to over GHS10.56 billion in 2015, and has been a significant factor in the increase in the fiscal deficit. Currently, almost all public sector workers have been migrated onto the SSSS. As a result of the SSSS, the average public sector worker receives an increase in the take home pay at close to sub-regional levels. Prior to the implementation of SSSS, Ghana's public sector salary levels were among the lowest in Africa. However, SSSS increased the public sector wage bill significantly over a short period of time. In August 2013, the Government reassessed the SSSS in order to make certain improvements to its implementation and to link pay to specific performance benchmarks and productivity objectives. The Government is currently implementing measures to lower the wage to tax revenue ratio, which include: (i) negotiating public sector wages to factor in a cost of living allowance, (ii) reducing the number of state subsidised agencies from Government payroll, (iii) recruiting and replacing public workers in more controlled ways that assess need, (iv) cutting market premium pay for certain skilled workers, (v) implementing a public service wide performance management system, (vi) biometric registration of workers and electronic payment systems to reduce fraudulent claimants and (vii) conducting a payroll audit.

Pensions

Employees in Ghana's public and private formal sector participate in a Government-sponsored social security system that is managed by the Social Security and National Insurance Trust ("**SSNIT**"). SSNIT had approximately GHS9.38 billion investment assets under management as at 30 September 2018. The legislature passed a new law in 2008, the National Pensions Act, 2008 (Act 766), as amended by the

National Pensions (Amendment) Act, 2014 (Act 883) (the "**National Pensions Act**"), to introduce pension reforms and established National Pensions Regulatory Authority ("**NPRA**") to administer a new three-tier pension scheme that pushed the social security contribution to 18.5 per cent. from 17.5 per cent. (13 per cent. by the employer and 5.5 per cent. by the employee). The pensions structure is as follows:

- Tier 1: SSNIT-administered mandatory defined benefit public social security scheme (13.5 per cent., out of which 2.5 per cent. is a levy for the National Health Insurance Scheme);
- Tier 2: Mandatory defined contribution and privately-managed occupational pension scheme (5 per cent.); and
- Tier 3: Voluntary defined contribution occupational and personal private pension scheme.

In order to receive social security benefits under the current pension scheme, retirees must meet certain criteria, including a requirement that they work for at least 15 years or 180 months in aggregate. In 2014, the legislature passed the National Pensions (Amendment) Act 2014 (Act 883), which amended the National Pensions Act. Under the amendment, benefits start at 37.5 per cent. of the employee's best three-year-average income, and with each year of work in excess of the minimum 15-year contribution period, benefits increase by 1.125 per cent. for every additional 12 months worked up to a limit of 60 per cent. The voluntary retirement age is 55 years, and the mandatory retirement age is 60 years. The amendment also extends the pension scheme to non-Ghanaian workers and specifies that employees, who at the time of the amendment were aged 50 or above, have the option to choose the old scheme.

Amongst broad reforms to the pensions sector announced in its 2018 Budget Statement, the Government announced a plan to broaden the uptake of pensions across the population by instituting a pension scheme aimed at encouraging workers in Ghana's informal economy to enter pension schemes. In its 2019 Budget Statement, the Government confirmed its intention to continue the process of enforcing the unification of multiple public sector pension schemes.

Pensions payments are expected to increase significantly over the next few years due to the increasing number of members retiring with higher salaries and the increasing life expectancy of those already on pensions.

Health Care

The Ministry of Health is responsible for the overall policy formulation, monitoring and evaluation, resource mobilisation and regulation of health services. As part of the health sector reform process, the Government established the Ghana Health Service with the goal to deliver an equitable, efficient, accessible and responsive health care system. Ghana Health Service is an autonomous agency that is responsible for implementing national policies under the control of the Ministry of Health.

Ghana has made significant improvements in the health and well-being of the population in the last three decades. The average life expectancy has improved from 57 years in 1990 to 67 years in 2017, whilst the infant mortality rate has decreased from 9 per cent. to 4 per cent. over the same period. Given that the southern half of the country is more populated than the northern regions, and more than half of Ghana's population is urban, accessibility to quality care is often dependent on geography. The Government plans to roll out drone services to ensure that essential deliveries of medical supplies are extended to deprived areas of the country. The highest causes of mortality are shifting from pathogen causing diseases to lifestyle choice disease conditions. Annual deaths caused by HIV/AIDS and malaria has declined by 39.6 per cent. and 37.3 per cent., respectively, between 2007 and 2017, while deaths caused by diabetes and heart disease has increased by 20.0 per cent. and 21.2 per cent., respectively, according to the Institute for Health Metrics and Evaluation.

In 2003, the Government implemented a national health insurance plan to enable citizens to make contributions into a fund so that in the event of illness, contributors would have access to affordable basic health care. Each of the 216 districts in Ghana has at least one health facility. As of 2016, there were 1,003 clinics, 137 district hospitals, 855 health centres, 267 hospitals and 328 midwife/ maternity centres distributed across all regions in Ghana.

In 2017, the Government paid GHS600 million to the National Health Insurance Scheme ("**NHIS**") and this has improved funding and smooth running of hospitals. In line with Government's commitment to revive the NHIS, the Ministry of Health has established technical teams to review the recommendations of the NHIS Review report.

In the area of infrastructure, construction of classroom blocks for health training institutions were completed at Sampa, Asankragua, Pantang and Korle-Bu Critical Care and Peri-operative Units in 2017. The Government is also building 3 regional hospitals, 11 district hospitals, 6 polyclinics and one teaching hospital, which are all at various stages of completion, as well as refurbishing or expanding facilities at existing hospitals.

From 2017 to 2018, the budget allocated to the Ministry of Health marginally increased from GHS4.23 billion to GHS4.42 billion. The 2019 Budget increased the Ministry of Health's expenditure allocation again, to GHS 6.04 billion, reflecting the Government's intention over the next year to increase the number of health care professionals, to increase the coverage of vaccines and antiretroviral drugs distributed throughout the country, and to continue construction of health infrastructure.

The Government plans to work towards implementing the health sector priorities for 2018 to 2021, as set out in the Health Sector Medium Term Development Plan. These include building a resilient national health system, improving access, equity and quality of healthcare services, improving primary healthcare infrastructure and strengthening the governance, leadership and regulation in the health sector. The Government will also continue to focus on activities directed at reducing maternal and neonatal mortality, and improving quality of life for those living with disability, through increasing access to quality health services and improving efficiency in governance and management of the health system. The Government has begun to implement an electronic medical records system, which was successfully piloted in 24 hospitals and will continue to be rolled out nationwide in 2020. Challenges in the healthcare sector affected the purchase of vaccines, resulting in lower than targeted immunisation coverage in the first half of 2017. However, in the first half of 2018, immunisation coverage was estimated at 93 per cent. The Ministry of Health plans to continue to address the vaccines challenges that the country has faced and develop a clear sustainability plan for vaccines and antiretroviral medicines in cooperation with GAVI, The Vaccine Alliance. Between 2001 and 2018, GAVI, the Vaccine Alliance, provided over US$230 million in support of Ghana's vaccination programmes. The current agreement with GAVI extends through 2024, contingent on Ghana meeting its part of the co-financing agreement.

Anti-Malaria Policy

The total number of malaria cases seen at Ghanaian hospital outpatient departments has declined, with 7,096,440 reported cases in 2009 as compared to approximately 6,959,525 reported cases in 2016. Admissions for malaria and the number of deaths from malaria have also declined in recent years, primarily due to early detection and treatment programmes and increased use of insecticide treated nets. Malaria fatalities among children under five have significantly declined from 1.04 per cent. in 2011 to 0.32 per cent. in 2016.

The Government is committed to the World Health Organisation's Roll Back Malaria Plan (the "**Roll Back Malaria Plan**"). The primary objectives of the Government's Roll Back Malaria Plan included improving malaria case management to ensure early case recognition and appropriate response, increasing the use of preventive strategies, increasing the amount of collaboration among departments and programmes in the health sector, other Government sectors and the private sector, and increasing the availability of funds for malaria research.

In 2012, the Government partnered with Labiofam Grupo Empresarial, a Cuban government owned company that provides biolarvicides that eradicate pests and mosquitoes. Through this partnership, a biolarvicide manufacturing company in the northern region of Ghana was established in 2013.

In 2014, based on the recommendations from a review of the then-existing national malaria programme and new emerging interventions at the global level, the National Malaria Control Programme (the "**NMCP**") developed the National Malaria Control Strategic Plan for 2014-2020 (the "**National Malaria Control Strategic Plan**"). The National Malaria Control Strategic Plan aims to improve malaria control in the high transmission areas and establish more low transmission areas in Ghana by the end of 2020. The plan calls for the reduction of malaria morbidity and mortality by 75 per cent. (using 2012 as baseline) by the year 2020. The Government plans to achieve this goal through overall health sector development, improved strategic investments in malaria control, and increased coverage towards universal access to malaria treatment and prevention interventions.

Under the current NMCP, the Ghana Health Service has developed specific objectives to meet the goals of the Roll Back Malaria Plan. The objectives include:

- Ensuring that all health facilities are equipped with malaria diagnostic facilities;
- Providing effective antimalarial drugs to more people;
- Strengthening human resource through in service training of laboratory technicians and clinicians;
- Scaling up community based treatment of malaria in all districts through the home base care of malaria targeting children under five years living in rural areas and areas with limited access;
- Providing insecticide treated materials and access to insecticide nets to achieve universal coverage using models of indoor residual spraying campaigns in Obuasi, the northern region and other parts of the country;
- Strengthening of routine data collection system to capture reliable information; and
- Developing functional partnerships and mechanisms between departments and, programmes within and outside the health sector.

In November 2018, the World Health Organisation and the RBM Partnership to End Malaria launched the high burden to high impact (HBHI) country-led approach as a mechanism to bring the 11 highest burden countries (including Ghana) back on track to achieve the 2025 World Health Organisation's Global Technical Strategy.

Fighting against HIV/AIDS

According to UNAIDS, adult HIV/AIDS prevalence in Ghana was estimated at 1.7 per cent. in 2017, one of the lowest among the Sub-Saharan Africa region. While the rate of HIV/AIDS infection in Ghana is low compared to many other African countries, the Government is taking the threat posed by the pandemic seriously. The public and private sectors, as well as international organisations, have contributed funding for prevention programmes, treatment and care facilities, orphans and children, programme management, social services and protection and HIV/AIDS-related research.

The results have been encouraging in recent years, with people living with HIV, new HIV infection and AIDS-related deaths declining steadily from its high in 1990s. Improvement in healthcare facilities has also widened the coverage of people receiving Antiretroviral therapy which includes the use of multiple antiretroviral drugs to control HIV infection.

Ebola Outbreaks

Since March 2014, the US Centres for Disease Control and Prevention have documented over 28,000 cases of Ebola in Guinea, Liberia, Nigeria, Senegal and Sierra Leone, with over 11,000 deaths recorded. Ebola is a dangerous and contagious virus that often results in death. Ebola is introduced into the human population through close contact with the blood, secretions, organs, or other bodily fluids of infected animals. There was however no reported case in Ghana.

In March 2016, the Ebola emergency committee of the World Health Organisation confirmed that in its view that Ebola transmission in West Africa no longer constitutes an extraordinary event, that the risk of international spread is now low, and that countries currently have the capacity to respond rapidly to new virus emergences. Whilst additional outbreaks occurred in the Democratic Republic of the Congo since then, it has not spread across the region as in 2014.

Education

Ghana has been a regional leader in the delivery of Education for All, a global movement led by UNESCO, aimed at meeting the learning needs of all children, youth and adults, reaching the education Millennium Development Goals well ahead of the 2015 deadline. Ghana's education sector has undergone various reforms in recent years, resulting in increased literacy and school enrolment rates in the country.

The Republic has a number of tertiary education institutions, including 11 public universities, 10 technical universities, 7 medical schools, 2 polytechnics, 58 nurses training colleges and 46 colleges of education. These public institutions have been unable to meet the growing demand for tertiary education, and the variance and inadequacies of some of the programmes in the public institutions have led to the creation of several private tertiary institutions. The curricula of private universities are geared more towards business and information technology courses, whereas the public institutions focus more on the arts and sciences. The increase in private institutions has eased some of the pressure on the public education sector, but the cost of attendance serves as a deterrent to many potential students.

In December 2019, at the 9th Innovation Africa Ministerial Summit, Ghana pledged a total of US$2 million to the African Education Fund, which has been operationalised by the African Union through the Association for the Development of Education and the African Development Bank to facilitate the skills needed for Africa's industrialisation.

Basic Education

In December 2014, the US Agency for International Development awarded the Partnership for Education: Learning project in Ghana to FHI 360, an international human development non-governmental organisation. The US$71 million project aims to support Ghana's educational institutions over five years to improve, expand and sustain learning outcomes for at least 2.8 million primary students nationwide. In the same year, the Government provided a total of 155 schools with some school infrastructure under the "Elimination of Schools under Trees Programme".

In 2018, the number of basic schools (both public and private) increased at all levels. Kindergartens increased from 23,239 to 24,418, Primary schools from 23,489 to 24,626 and Junior High Schools from 15,804 to 16,850 representing increases of 5.1 percent, 4.9 per cent. and 6.6 percent, respectively, between the 2016/2017 and 2017/2018 academic years. During the period, total enrolment at the basic level increased from 7,778,842 to 7,824,979 students.

The Complementary Basic Education ("**CBE**") Programme was initiated to reduce the number of out-of-school children and mainstream them into the regular school system, and is operational in 43 districts in the three Northern Regions, Brong Ahafo and Ashanti Regions. In total, 19,332 children were enrolled in the CBE Programme, with 97.9 per cent. of children completing the programme. Of those that completed the programme, 94.7 per cent. transitioned into the formal school system.

Free Senior High School Programme

In September 2017, the Free SHS Programme was initiated in public Senior High Schools and Technical and Vocational Institutions, with the Government absorbing all fees approved by the Ghana Education Service for 353,053 first year students. The Government also supplied the full complement of core textbooks, supplementary readers and core English Literature books to all first year students, and subsidies were released for continuing students in Senior High Schools.

Non-Formal Education Programme

In 2014, the Non-Formal Education Programme enrolled 35,000 learners into the National Functional Literacy Programme (NFLP). This was expanded in 2017, to reduce illiteracy rates especially in the rural communities. Over 91,500 learners have been registered, across approximately 4,000 classes.

Environment

Ghana's participation in the Stockholm Conference in 1972 marked the beginning of the Government's concerted efforts to establish and manage its environmental policies. The Government adopted its first official environmental policy in 1992, the same year that it adopted the Constitution. Since adopting the environmental policy, Ghana established an Environmental Protection Agency (the "**EPA**"), which is focused on driving sustainable development efforts through policy and legal reforms. Since the establishment of the EPA, the leading public body for protecting and improving the environment in

Ghana, it has embarked on several projects and awareness programmes to ensure Ghana's environment is managed sustainably. However, Ghana still faces environmental challenges, including poor sanitation, climate change, deforestation, land degradation, desertification, air and noise pollution, the proliferation and mismanagement of chemicals and illegal mining.

In order to resolve these challenges and redirect Ghana's development towards more environmentally sustainable practices, a national environment policy was established in 2014 as part of Ghana's National Environmental Action Plan. In the national environment policy, the Government identified several environmental and sustainable development pillars of focus, including: (i) natural resource problems such as land degradation, desertification, deforestation, loss of biodiversity, water pollution, soil erosion, marine and coastal degradation, air pollution, sand mining, wildfires, climate change, invasive foreign species and illegal mining; (ii) socio-cultural issues such as poor land use planning, hazardous waste, environmental health, sanitation and waste management, noise pollution, proliferation of chemical use and growth of slums; (iii) economic issues such as the effects of industrial development, agriculture practices, tourism and unemployment and poverty; and (iv) institutional issues, such as weak institutional capacity for environmental management, ineffective institutional coordination, conflicting policy mandates, weak enforcement capacity, weak capacity to implement international conventions, protocols and agreements and trans-border issues. The national environment policy discusses each of these pillars and identifies proposed solutions to improve upon the country's current problematic issues.

The Government, through the Ministry of Environment, Science, Technology and Innovation ("**MESTI**") and other environmental agencies such as EPA, is committed to promoting sustainable development through a set of national policies, strategies and programmes in line with sustainable development objectives. In particular, the Government has embarked on the following recent initiatives:

- Ghana has ratified the Paris Climate Agreement to assist in the global efforts to address climate change issues by pledging to reduce Ghana's greenhouse gas emissions by 45 per cent. by 2030;
- Ghana ratified the Minamata Convention on Mercury, committing to reduce mercury in air and water bodies as well as pollution by hazardous chemicals and harmful pollutants;
- EPA has issued over 3,656 permits in various sectors to ensure environmental compliance by business entities;
- A draft of the National Biodiversity Policy has been developed to reduce loss of biodiversity in the country;
- MESTI through EPA has introduced biogas technology to produce gas for cooking in basic and secondary schools;
- The Nuclear Regulatory Authority ("**NRA**") in collaboration with the International Nuclear Security of United States Department of Energy conducted a National Threat Assessment and developed a Design Basis Threat. The NRA will undertake regulatory inspections and enforcement of radiating emitting facilities, build capacity of its staff in specialized areas (ionizing and non-ionizing radiation), as well as embark on public education on radiation matters in 2020;
- The Government has also embarked on a programme to address illegal mining in the country, including public education, suspension of small scale mining operations to allow polluted water bodies to recover, the training of small scale miners in sustainable mining practices and resourcing and building 14 mining courts to expedite the adjudication of cases relating to illegal mining activities;
- EPA has organised a training workshop in pesticide regulations and safe handling for pest control operators nationwide to raise awareness and capacity on proper handling of agrochemicals; and
- The Biosafety (Management of Biotechnology) Regulations, 2019 (L.I. 2383) have also been passed by Parliament for the full implementation of the Biosafety Act, 2011 (Act 831).

THE ECONOMY

General

Overview

The Ghanaian economy has grown in recent years, largely due to contributions from recently discovered oil and gas resources, which have attracted large amounts of foreign direct investment, as well as the strong performance of the services sector. At the same time, the growth has been less inclusive, resulting in higher than anticipated inequality and also slower poverty reduction. The economy is still faced with significant domestic and external challenges which could potentially plummet economic growth, including significant depreciation of the Cedi, high fiscal and current account deficits, relatively high inflation, output disruption in crude oil exports, higher unanticipated contingent liability arising from energy sector's PPAs, higher cost of financial sector clean-up and fluctuating prices of its key exports, cocoa beans, oil and gold. See "*Risk Factors*".

Ghana had succeeded in reducing levels of poverty in the previous decade, owing to which it reached lower middle-income status by 2010, but the economy still relies heavily on agriculture and natural resources, particularly for exports, and the Government estimates that in 2015 the informal sector, which is largely unmeasured, employed approximately 90 per cent. of the workforce. Poverty reduction has slowed because the extractive industry which account for a significant part of economic growth is largely foreign- owned and capital intensive and only generates fewer local jobs. The Government has adopted an ambitious transformation agenda, centred on economic diversification, shared growth and job creation and macroeconomic stability. Building on the GSGDA I and II, in April 2018, the Government launched the new four-year medium-term national development policy framework: the Agenda for Jobs, based on the constitutionally required seven-year CPESDP 2017-2024. See "*Overview—The Republic of Ghana—Reforms*" and "*—Ghana Shared Growth and Development Agenda I and II and Agenda for Jobs*". The Government is seeking to consolidate the gains of the GSGDA I and II by restoring the economy, transforming agriculture and industry, revamping economic and social infrastructure, strengthening social protection and inclusion and reforming public institutions. In 2016, the Government introduced the "One District, One Factory" policy, which was aimed at establishing at least one factory or enterprise in each district in Ghana, owned and managed by private investors or entrepreneurs. The policy aims to progress the economy of Ghana from a largely raw materials-based economy to an industrialised economy. The 2020 Budget promised approximately US$1 billion from various funding sources to accelerate the industrial transformation agenda, including the One District, One Factory programme. As at the end of September 2019, 58 companies which were in operation under the "One District, One Factory" policy had created 10,983 direct and about 43,900 indirect jobs. In addition, 181 companies have benefited from support under the One District, One Factory programme. To complement these efforts, the Government in May 2019, launched a "Ghana Beyond Aid" development strategy which centres on agriculture modernization and export-led industrialization. The strategy aims to push Ghana from a lower-middle income country to a higher-middle income by the turn of the next decade.

In line with recommendations from the UNSD that countries rebase GDP every five years, in September 2018, Ghana Statistical Service completed the rebasing of the GDP base year to 2013, restating GDP for the years 2013 to 2017. The rebasing was designed to reflect economic activities that were previously uncaptured (such as natural gas production), or were captured with insufficient data (such as fruits, vegetables, mining and manufacturing activities) and resulted in the economy increasing by approximately a quarter. Such increases in the recorded economy does have the impact of reducing indicators benchmarked against economic metrics, for example the debt-to-GDP ratio, which consequently reduced as a percentage of the restated GDP figures. However, reductions in such ratios due to GDP rebasing do not indicate that the Government's revenue generating capability or fiscal sustainability have improved, rather it shows there is potential for the government to raise its revenue vis-à-vis the current level.

The table below sets out changes in certain key macro-economic metrics, based on the old and the rebased GDP data for the periods indicated:

	2013		2014		2015		2016		2017	
	Old	**New**	**Old**	**New**	**Old**	**New**	**Old**	**New**	**Old**	**New**
Nominal GDP (*GHS millions*)	93,416	123,650	113,343	155,433	136,957	180,399	167,353	215,077	205,914	256,671
Contribution (*%*)										
Services	50	41	52	40	55	43	57	47	56	46
Industry	28	37	27	38	25	35	24	31	26	33
Agriculture	22	22	21	22	20	22	19	23	18	21
Real GDP growth *(%)* (at basic prices)	7.3	7.3	4.0	2.9	3.8	2.2	3.7	3.4	8.5	8.4
GDP per capita (*US$*)	1,841	2,437	1,428	1,958	1,311	1,726	1,508	1,938	1,632	2,035
Debt-to-GDP ratio (%)	56.8	42.9	70.2	51.2	73.2	55.6	73.1	56.8	69.2	55.5

Unless otherwise stated all GDP-related economic data in this Base Prospectus for the years 2013 to 2017 is derived from re-based numbers published by the Ghana Statistical Service.

The next rebasing of the GDP will take place in 2022 (with 2018 as the base year) in line with UN recommendations. From 2022 the Ghana Statistical Service plans to perform annual chain-linking of the GDP figures. The GDP chain-linking is considered as one of the best methods to reflect economic activities that were previously uncaptured and is used by many developed countries. This method allows to rebase GDP on yearly bases to avoid the 5-year rebasing recommendation.

Although the Ghanaian economy has had sixteen consecutive years of expansion, GDP growth slowed in the period 2014 to 2016, due to disruptions to energy supplies, higher interest rates and falling world-wide commodity prices. GDP growth subsequently increased significantly in 2017 and 2018, driven mainly by the oil sector, following the commencement of production from the TEN and Sankofa oil fields, as well as improvements in the agriculture sector and improved power supply. GDP growth was 6.2 per cent. in 2018, compared to 8.4 per cent. in 2017, 3.4 per cent. in 2016, 2.2 per cent. in 2015 and 2.9 per cent. in 2014. In 2018, the agriculture, industry and services sectors registered growth of 4.8 per cent., 10.6 per cent. and 2.7 per cent., respectively. In the nine month period ended 30 September 2019, Ghana's GDP grew by 6.0 per cent. compared to the nine month period ended 30 September 2018, with the agriculture, industry and services sectors growing by 3.8 per cent., 6.7 per cent. and 6.5 per cent., respectively, over the same period.

Inflation has gradually declined from a peak of 17.7 per cent in December 2015 to 9.4 per cent. in July 2019, largely as a result of a tight monetary policy stance from the BoG, relative stability in the exchange rate and ongoing fiscal consolidation. Following a decline in September 2019, the average rate of inflation rose to 8.2 per cent. in November 2019 but reduced to 7.9 per cent at the end of 2019, driven mainly by a decline in food prices. Food inflation slowed down to 7.2 per cent. in December 2019 from 8.4 per cent. in November 2019, mainly as a result of decline in price of vegetables and fish. Non-food inflation rose to 8.5 per cent. from 8.0 per cent. over the same period, reducing the impact of the decline in food inflation on headline inflation.

Again, in line with recommendations from the UNSD that countries rebase CPI every five years, in August 2019, the Ghana Statistical Service completed the rebasing of the CPI base year to 2018. As a result of the rebasing, the average rate of inflation during the nine month period ended 30 September 2019 reduced to 7.6 percent from 7.8 percent in August 2019, a fall of 1.8 per cent. from July 2019. The rebasing CPI took into account the new UNSD classification of individual consumption items according to purpose published in 2008 (COICOP 2008) which has thirteen (13) item divisions instead of the COICOP 1998 which has twelve (12) item divisions that was used in the compilation of the old CPI. The number of consumption items used in the calculation of the rebased CPI increased to 307 from the 267 used in the calculation of the old CPI. The decrease in the inflation rate as at the end of August and September 2019 was the result of the CPI rebasing that reflected the most current base year (2018), increased items and improved methodologies.

The fiscal deficit, which rose significantly from 4.0 per cent. of GDP in 2011 to 11.5 per cent. of GDP in 2012, decreased again in recent years, to 6.5 per cent. of GDP in 2016, 4.8 per cent. of GDP in 2017 and 3.9 per cent. of GDP in 2018 but increased slightly to 4.8 per cent. in 2019 based on preliminary estimates.

The Government is optimistic that recent oil discoveries and developments will continue to have a positive effect on the economy and eventually reduce Ghana's reliance on oil imports. See "*—Risk Factors—Ghana relies almost exclusively on imported crude oil and refined oil and petroleum products for domestic consumption and is vulnerable to oil price increases and volatility*". The oil and gas sector contributed 0.5 per cent., 3.5 per cent. and 3.6 per cent. of GDP in 2016, 2017 and 2018, respectively. In the nine month period ended 30 September 2019, the oil and gas sector accounted for 3.9 per cent. of GDP, compared to 3.3 per cent. of GDP for the nine month period ended 30 September 2018.

Economic History

Ghana's economy has historically relied heavily on agriculture, particularly on the production of cocoa, although in recent years the services sector has overtaken agriculture to become the most important sector of the economy. Following a cocoa boom in the 1920s, Ghana financed the development of its infrastructure and a network of social service institutions which were among the most advanced in Africa. The 1930s global depression and the disruption of exports during the Second World War marked a decade-long pause in the economic progress of what was then a colony in the British Empire. Throughout the war years, however, the British government continued to purchase the cocoa crop in accordance with previous purchase arrangements. War-time rationing limited the opportunities for spending the earnings from the British purchases of cocoa, which resulted in the Gold Coast's emergence post-war as one of the biggest holders of reserves in the British Empire.

It was against this background of accumulated national savings that the colony was able to finance a university as early as 1947, along with developments in infrastructure such as the new harbour and industrial city of Tema. These investments continued in the early years after independence with projects such as the Volta River power system and a paved highway to link Accra and Tema. At the same time that Ghana's social and economic infrastructure was undergoing a transformation, there was a rural-urban drift of the younger generation. The costs of social change were being paid for out of the profits from a long cyclical boom in the cocoa industry, a guaranteed bullion gold price and a newly emerging timber export business. This reliance on agriculture and gold prices made Ghana's economy particularly vulnerable to changes in prices for such commodities and exchange rates.

Following independence in 1957, economic policies in Ghana generally followed the dominant model in developing economies of the time, emphasising controls over interest rates, exchange rates, commodity prices, state ownership of enterprises and import substitution as the vehicles for economic development with social equity. By the early 1980s, the Republic had frequent military interventions, and economic conditions in Ghana had deteriorated, manifested in unsustainable Government budget deficits, high inflation, an overvalued exchange rate, depleted foreign exchange reserves, loss-making public enterprises, declining economic growth and commodity shortages. Until recently, Ghana's economy was characterised by a pattern of cyclical fluctuation, depending on movements in the prices for Ghana's three primary products, which were cocoa, timber and gold. In the early 1960s, Ghana was the world's largest producer of cocoa, with an annual output of 450,000 tonnes. However, output fell to an all-time low of 159,000 tonnes in the 1983/1984 crop year as a result of low producer prices, causing farmers to produce less, and dry weather, which led to bush fires that destroyed many cocoa farms. Production has since improved as farming methods and agronomic practices have advanced. In the 2016/2017, 2017/18 and 2018/2019 crop year, production reached 969,510 tonnes, 904,740 tonnes and 811,250 tonnes, respectively.

Since 1983, the Government has introduced various policies and programmes designed to reverse the country's economic decline. Ghana embarked on a prolonged period of stabilisation and a structural adjustment programme with assistance from the IMF and the World Bank, designed to control inflation through demand management and to reverse declines in production, particularly in agriculture, build up the infrastructure, stimulate exports, curb the consumption of luxury imports, and restore domestic and external balances. The foreign exchange market reform involved the gradual liberalisation of the market, the licensing of foreign exchange bureaus and the determination of exchange rate by market forces. Administrative controls on interest rates were abolished and the process of privatisation of public enterprises begun. The results of these reforms were positive. GDP continued to grow after 1983, reflected in an average real GDP growth rate of 4.4 per cent. per year between 1995 and 1999 despite the electricity crisis in 1998 which forced many industries to reduce their output and temporarily halted Ghana's export of electricity. Between 2000 and 2003, real GDP growth continued to average 4.4 per cent. a year, despite the low growth rate in 2000 attributable to the macroeconomic instability created by a collapse in the Cedi which occurred as a result of weak cocoa and gold prices combined with the high price of imported oil. Historically, Ghana's economy has relied heavily on gold production and agriculture, in particular the production of cocoa, as the primary drivers of GDP growth. However, since the Government began producing oil in 2010, the oil sector has become an additional driver of GDP growth. GDP growth in 2018 was 6.2 per cent., compared to 8.4 per cent. in 2017, 3.4 per cent. in 2016 and 2.2 per cent. in 2015. GDP growth recorded in 2018 was largely due to increased production and export of manganese, following the commencement of railway to facilitate the haulage of the produce that facilitated more exploitation of the mineral, and an improved power supply. The oil and gas sub-sector in 2018 grew by 3.6 per cent. compared to 80.3 per cent. in 2017. In the nine month period ended 30 September 2019, the oil and gas sub-sector grew by 18.9 per cent., compared to growth of 8.7 per cent. for the same period in 2018. See "*–Principal Sectors of the Economy – Oil and Gas*".

Ghana has long battled with high inflation rates, generally experiencing annual rates in the double-digits. The early part of the 1990s was characterised by rising inflation, and the year-end inflation rate peaked at 59.5 per cent. in 1995. The Government's aim of halting the rising trend in inflation has compelled the BoG to tighten monetary policy. Whilst the tightened fiscal and monetary policies have helped to curb inflation, international crude oil prices as well as possible volatilities in the exchange rate market still pose a risk to Ghana's inflation profile. The BoG is on track to achieve its medium-term inflation target of 8 ±2 per cent. following a slowdown in inflation from a level of 17.7 per cent. in December 2015 to 11.8 per cent. in December 2017, 9.4 per cent. in December 2018 and 7.9 per cent. in December 2019 (following the CPI rebasing).

Ghana Shared Growth and Development Agenda I and II and Agenda for Jobs

The GSGDA I (2010-2013) was the medium-term development strategy that succeeded GPRS II in 2010 and ended in December 2013. GSGDA I emphasised the country's need for macroeconomic stabilisation, greater public sector efficiency and executive transparency and accountability. GSGDA I's agenda aimed to provide an environment that would allow Ghana to reduce poverty and socio-economic inequalities through agricultural, private sector, infrastructure and human resource development. Specifically, GSGDA I supported continuing and strengthening the policies initiated since 2009 in order to: (i) ensure and sustain macroeconomic stability, (ii) enhance competitiveness in Ghana's private sector, (iii) accelerate agricultural modernisation and sustainable natural resource management, (iv) develop the oil and gas institutional framework, (v) develop infrastructure and human settlements, (vi) foster human development, productivity and employment and (vii) achieve transparent and accountable governance.

In 2014, the Government began implementing GSGDA II, a successor development policy framework to GSGDA I, which ended in December 2017. The GSGDA II continued the goals of expansion of opportunities and reinforcing socioeconomic improvements in partnership with the private sector. The goal was to lay the foundation for a structural transformation of the economy through industrialisation, especially manufacturing based on modernised agriculture and sustainable exploitation of Ghana's natural resources, particularly minerals, oil and gas. Key strategic goals of GSGDA II included supporting good governance practices, export led growth and industrial and manufacturing development through the conversion of natural resources to products and investment in Ghana's labour force. Officials implementing GSGDA I and II estimated that the total resources required to finance the investment plan for the medium to long term was US$23,891 million, with an overall financing gap of US$12,501 million. This estimate consisted primarily of investment and services costs and did not include wages, salaries and administrative expenses associated with project implementation. The financing gap was met through a multiple sources including budget allocations, development partners assistance, external borrowing and domestic borrowing.

The national budgets for the fiscal years beginning in 2014 and ending in 2017 sought to implement the GSGDA II plan in phases. In order to ensure conformity with the plan, the Ministry of Finance guided the ministries, departments and agencies to prepare their annual budgets based on the GSGDA's identified themes. Through the Multi Donor Budget Support ("**MDBS**"), development partners have supported programmes and projects in specific sectors such as energy, road construction and water. The Government has also scaled up the amount of domestic resources dedicated to its sectors identified in the

GSGDA. Furthermore, the Government contracted a two tranche (10 year and 15 year) US$3 billion China Development Bank Corporation loan, part of which the Government applied toward the development of the country's gas infrastructure. In 2014, the Government decided to cap the loan at US$1.5 billion, due to delays in disbursements and disagreements regarding the terms of the loan.

In April 2018, the Government launched the successor to the GSGDA II, the Agenda for Jobs, for the period 2018 to 2021. The goals of this medium-term national development policy framework are to create opportunities for all Ghanaians, safeguard the natural environment and ensure its resilience, maintain a stable, united and safe society and build a prosperous society. These goals are anchored in five main development dimensions, namely, Economic Development, Social Development, Environment, Infrastructure and Human Settlements, Governance, Corruption and Social Accountability, as well as building Ghana's role in international affairs. The new direction in national development is intended to create the conditions for the Ghanaian private sector to emerge through invention, innovation, adaptation and adoption, in particular in the industrial sector, to encourage growth and create employment opportunities, especially for the youth.

The Transformation Agenda

In addition to the Agenda for Jobs, the Government has developed a transformation agenda to optimise key economic growth drivers, enhance competitiveness and, in each case, to engender a strong and resilient economy that is capable of withstanding economic shocks. The agenda focuses of key pillars of reform:

1. **Revitalising the Economy:** Restoring and sustaining macroeconomic stability through enhanced fiscal and monetary discipline and financial stability, as well as developing a viable and competitive private sector and formalising the informal economy.

2. **Transforming the Agriculture and Industry Sectors:** Promoting the agricultural –industry and strengthening the policy framework to focus on energy for industry, removing structural and institutional bottlenecks and facilitating access to land.

3. **Strengthening Social Protection and Inclusion:** Ensuring equitable distribution of development through key policies, expanding opportunities for large-scale job creation, expand access to education and access to healthcare, strengthening social protection and the establishment of various development authorities.

4. **Revamping Economic and Social infrastructure:** Making Ghana a regional hub for West Africa, leveraging sector resources and expertise to enable efficient infrastructure delivery, establishing social growth centres and urban networks and developing a 10-year Power Sector Master Plan.

5. **Reforming Public Service Delivery Institutions:** Improving leadership and strengthening capacity of public sector institutions, reviewing institutional mandates to eliminate conflict and overlap, and implementing political and administrative decentralisation.

Ghana Beyond Aid

In May 2019, the Government launched a 'Ghana Beyond Aid" development strategy which focuses on agriculture modernization, export-led industrialization, digitalization and formalization of the economy, along with investments in human capital and infrastructure. This development strategy seeks to broaden the economic base, to increase the economy's resilience to external shocks, and to make growth more durable and inclusive. This strategy has been built on CPESDP 2017-2024 and its associated Medium-Term Development Plan, which are in turn aligned with the UN SDG (Agenda 2030) and the African Union (Agenda 2063). This strategy aims to gradually diversify the economy away from the extractive sector by exploiting Ghana's comparative advantages in agro-processing and heavy industries like aluminium, steel and petrochemical. This economic diversification is expected to help mitigate the risk of increasing reliance on commodity exports and broaden the tax base. The objective of "Ghana beyond Aid" is to deliver large productivity gains by developing manufacturing, modernizing agriculture, improving human capital and technological capacity, investing in public infrastructure, and ultimately exporting higher value-added products such as processed agricultural and mineral products. In line with industrialisation, the Government intends to replace heavy dependence on unprocessed agricultural, mineral, oil and gas exports with higher levels of manufactured products and high value services exports, including ICT and high-value tourism. In particular, the Government aims to process more of its cocoa in order to optimise Ghana's global market share. In order to promote agro-processing and agro-based industrialization, the Government intends to expand the implementation of the "Planting for Food and Jobs" programme to include poultry and livestock through the "Rearing for Food and Jobs" programme. It also intends to expand or rehabilitate irrigation infrastructure and agricultural storage capacity with the construction of additional warehouses. These programmes will ensure reliable supply of quality agricultural produce at "scale to feed" agro-processing industries, which will be supported by the "One-District-One-Factory" ("**1D1F**") programme. To this end, a strong linkage through policy and institutional coordination is expected to be formed between the agricultural programmes and 1D1F. Considering the importance of a trained labor force, the Government has initiated a program to increase student enrolment at all education levels, including through a program of free senior high school education. The implementation of the "Ghana Beyond Aid" is expected enhance growth and export potential, with resulting improvements in debt sustainability and fiscal stability.

Principal Sectors of the Economy

Ghana's economy has historically relied heavily on agriculture, and the agricultural sector has in the past been the primary driver of growth in GDP. In recent years, however, the industrial and services sectors have become increasingly important and have outpaced agriculture as comparative contributors to GDP, with the services sector becoming the largest contributor to GDP and the industry sector showing the largest GDP growth, in particular the mining and quarrying sub-sector.

The following table illustrates the composition of GDP as a percentage of total GDP at current prices by sector and sub-sector for the periods indicated:

	For the year ended 31 December					**For the nine month period ended 30 September**	
	2014	**2015**	**2016**	**2017**	**2018**	**2018**(1)	**2019**1)
				(%)			
Services	**39.8**	**43.2**	**46.7**	**46.0**	**46.3**	**46.9**	**47.4**
Trade, Repair of Vehicles, Household Goods	11.3	12.4	14.1	14.0	15.2	15.8	16.0
Hotels and Restaurants	3.2	3.5	3.7	3.9	3.8	3.7	3.8
Transport and Storage	5.5	6.0	6.6	7.2	7.5	7.8	7.5
Information and Communication	2.0	2.2	2.2	2.1	2.4	2.1	2.4
Financial and Insurance Activities	5.1	5.8	6.8	5.0	4.2	4.3	4.0
Real Estate	0.9	1.3	1.7	1.9	2.2	2.0	2.2
Professional, Administrative and Support Service	1.5	1.6	1.6	1.5	1.5	1.6	1.6
Public Administration and Defence, Social Security	3.2	3.2	3.3	3.3	3.3	3.3	3.3
Education	3.7	3.8	3.5	3.4	3.2	3.2	3.4
Health and Social Work	2.2	2.1	2.0	2.1	2.1	2.1	2.2
Community, Social and Personal Service Activities	1.2	1.3	1.3	1.2	1.0	1.0	1.0
Industry	**38.1**	**34.6**	**30.6**	**32.7**	**34.0**	**34.1**	**34.8**
Mining and Quarrying	9.0	7.5	8.0	7.2	13.6	13.4	15.2
o/w Oil and Gas	6.4	2.8	0.5	3.5	3.6	3.3	3.9
Manufacturing	12.5	12.4	12.1	11.7	11.3	11.6	11.4
Electricity	1.0	1.8	1.8	1.8	1.5	1.5	1.3
Water and Sewage	0.6	0.7	0.7	0.6	0.5	0.6	0.4
Construction	8.6	9.3	7.6	8.3	7.1	7.0	6.5
Agriculture	**22.0**	**22.1**	**22.7**	**21.2**	**19.7**	**19.1**	**17.8**
Crops	12.3	12.6	14.3	15.4	14.5	14.1	13.4
o/w Cocoa	2.3	2.2	1.9	1.8	1.6	1.3	1.1
Livestock	4.0	3.7	3.3	3.0	2.7	2.3	2.1
Forestry and Logging	2.1	2.1	1.8	1.7	1.5	1.6	1.3
Fishing	1.4	1.5	1.4	1.2	1.0	1.1	1.0
Total GDP (at basic prices)	**100.0**	**100.0**	**100.0**	**100.0**	**100.00**	**100.0**	**100.0**

Source: Ghana Statistical Service

(1) Provisional.

The following table illustrates real GDP growth rates (year-on-year) at constant 2013 prices (by percentage) by sector and sub-sector for the periods indicated:

	For the year ended 31 December					For the nine month period ended 30 September	
	2014	2015	2016	2017	2018	2018(1)	2019(1)
				(%)			
Services	**5.4**	**3.0**	**2.8**	**3.3**	**2.7**	**1.7**	**6.5**
Trade, Repair of Vehicles, Household Goods	2.0	0.5	(0.5)	8.2	2.8	1.0	2.4
Hotels and Restaurants	1.5	4.1	2.3	7.6	3.2	3.9	6.0
Transport and Storage	5.8	2.6	1.1	8.9	1.1	0.5	3.9
Information and Communication	29.6	12.0	5.6	4.2	13.1	13.4	38.5
Financial and Insurance Activities	21.4	12.9	8.0	(17.7)	(8.2)	(11.5)	1.5
Real Estate	(0.3)	3.2	3.1	3.8	(6.5)	(7.4)	15.5
Professional, Administrative and Support Service	6.8	1.4	(4.2)	2.9	0.3	(1.5)	4.3
Public Administration and Defence; Social Security	(3.5)	(2.6)	8.9	4.2	4.3	3.4	2.1
Education	(0.3)	(0.4)	2.3	6.3	3.9	3.9	9.0
Health and Social Work	2.7	(4.4)	4.0	14.1	22.6	26.7	12.2
Community, Social & Personal Service	1.5	2.6	(0.1)	5.3	3.1	2.7	1.4
Industry	**1.1**	**1.1**	**4.3**	**15.7**	**10.6**	**11.1**	**6.7**
Mining and Quarrying	4.3	(16.1)	14.0	30.8	23.3	24.4	14.1
o/w Oil and Gas	6.8	2.0	(15.6)	80.3	3.6	8.7	18.9
Manufacturing	(2.6)	3.7	7.9	9.5	4.1	4.9	5.8
Electricity	1.3	17.7	(5.8)	19.4	5.5	5.3	4.4
Water and Sewage	6.0	13.9	(11.8)	6.1	(3.6)	(2.3)	(5.2)
Construction	(0.4)	9.6	8.4	5.1	1.1	0.7	(5.0)
Agriculture	**0.9**	**2.3**	**2.9**	**6.1**	**4.8**	**5.0**	**3.8**
Crops	2.6	3.0	3.3	7.2	5.8	5.6	4.5
o/w Cocoa	4.3	(7.9)	(7.0)	9.2	3.7	3.7	5.5
Livestock	5.1	5.2	5.4	5.7	5.4	5.6	5.6
Forestry and Logging	(1.6)	(3.9)	2.9	3.4	2.4	3.5	(4.3)
Fishing	(23.3)	8.5	3.1	(1.4)	(6.8)	(2.3)	(0.7)
Total GDP (at basic prices)	**2.9**	**2.2**	**3.4**	**8.4**	**6.2**	**6.1**	**6.0**

Source: Ghana Statistical Service
(1) Provisional.

Services

Services is the largest sector of the economy, accounting for 46.3 per cent. of GDP in 2018, a small increase from 46.0 per cent. in 2017. The services sector in real terms grew by 2.7 per cent. in 2018 as compared to growth of 3.3 per cent. in 2017. Overall growth in 2018 in real terms was particularly driven by growth in the information and communication as well as the health and social work sub-sectors. For the nine month period ended 30 September 2019, the services sector accounted for 47.4 per cent. of Ghana's GDP and grew by 6.5 per cent. compared to the nine month period ended 30 September 2018. The overall growth in the first nine months of 2019 in real terms was mainly driven by the growth in the information and communication and real estate sub-sectors.

Transport and Storage

The transport and storage sub-sector accounted for 7.5 per cent. of Ghana's GDP in 2018, an increase from the 7.2 per cent. recorded in 2017. The sub-sector in real terms grew by 1.1 per cent. in 2018 as compared to growth of 8.9 per cent. in 2017. The Government attributes the slowdown in growth in 2018 to a contraction in the warehousing and storage sub-sector largely due to lower imports. For the nine month period ended 30 September 2019, the transport and storage sub-sector accounted for 7.5 per cent.

of Ghana's GDP and grew by 3.9 per cent. in real terms compared to the nine month period ended 30 September 2018.

Trade, Repair of Vehicles and Household Goods

The trade, repair of vehicles and household goods sub-sector contributed 15.2 per cent. of Ghana's GDP in 2018, compared to 14.0 per cent. in 2017. The sub-sector in real terms grew by 2.8 per cent. in 2018 as compared to growth of 8.2 per cent. in 2017. The Government attributes the slowdown in growth in 2018 to lower growth of the sale & repair of motor vehicles sub-sector. For the nine month period ended 30 September 2019, the trade, repair of vehicles and household goods sub-sector contributed 16.0 per cent. of Ghana's GDP and grew by 2.4 per cent. compared to the nine month period ended 30 September 2018.

Hotels and Restaurants

The hotels and restaurants sub-sector contributed 3.8 per cent. of GDP in 2018, compared to 3.9 per cent. in 2017. The sub-sector in real terms grew by 3.2 per cent. in 2018, compared to 7.6 per cent. in 2017. The Government attributes the slowdown in growth in 2018 to a contraction in the restaurant sub-sector. For the nine month period ended 30 September 2019, the hotels and restaurants sub-sector contributed 3.8 per cent. of Ghana's GDP and grew by 6.0 per cent. compared to the nine month period ended 30 September 2018.

The sub-sector is an important source of foreign exchange earnings. The sub-sector is a strategic area of focus in the Government's accelerated growth strategy, and recent improvements are attributable primarily to increased investment. For example, Ghana's hotel industry has been rejuvenated by private investment. Recent years have shown consistent growth in international tourist arrivals, although much of the tourism is concentrated in a few areas. The main sources of tourism are other African countries, especially Nigeria, as well as the UK, Germany, the Netherlands and the United States, with Ghanaians based overseas alone accounting for a significant number of tourist arrivals. In recent years, tourists from Asian countries, particularly from Korea, accounted for an increasing number of arrivals. In 2016 and 2017, Ghana had approximately 1.32 billion and 1.45 billion tourist arrivals, respectively. The Ghana Statistical Service estimates that there were 1.56 billion tourist arrivals in 2018. For the period ending 30 September 2019 there were 1.20 billion tourist arrivals, compared to 1.16 billion for the same period in 2018.

In February 2019, the World Bank approved a U.S.$40 million grant to support Ghana's tourism and creative arts sector. The Ghana tourism development component of the grant was designed to address most of the constraints or challenges that confront the tourism industry. The grant will be used for strengthening the tourism environment, developing tourism sites and destinations, improving tourism enterprise support program and enhancing tourism project management and the quality and availability of tourism statistics. A National Steering Committee ("**NSC**"), made up of representatives of the various Ministries under the project, has been set up to provide oversight responsibilities for the project.

Information and Communication

The telecommunications industry has grown significantly in recent years, resulting in growth in the information and communication sub-sector. The information and communication sub-sector accounted for 2.4 per cent. of GDP in 2018 and 2.1 per cent. of GDP in 2017. The sub-sector registered real growth of 13.1 per cent. in 2018 compared to 4.2 per cent. in 2017. The Government attributes the accelerated growth in 2018 to increased mobile data usage. For the nine month period ended 30 September 2019, the information and communication sub-sector contributed 2.4 per cent. of Ghana's GDP and grew by 38.5 per cent. in real terms compared to the nine month period ended 30 September 2018.

Ghana's telecommunications industry consists of four privately-owned companies: Scancom (MTN), Airtel-Tigo, Vodafone Ghana (in which the Republic owns 30 per cent.) and Glo Mobile Ghana. Another operator, Expresso Ghana, had its license revoked in March 2018, and Airtel and Tigo underwent a merger in October 2018. According to the National Communications Authority, the total mobile subscription as of December 2018 was 40.9 million, representing 138.88 per cent. telephone density. As at 31 July 2019, total mobile subscriptions stood at 41.09 million. With over 21.4 million subscribers at the end of July 2019, the Scancom (MTN) service is the largest cellular phone service provider, followed by Vodafone Mobile, which had over 9.82 million cellular subscriptions as of July 2019.

Finance and Insurance

The finance and insurance sub-sector contributed 4.2 per cent. of GDP in 2018 compared to 5.0 per cent. in 2017. The subsector in real terms contracted by 8.2 per cent. in 2018, compared to a contraction of 17.7 per cent. in 2017. As at September 2019, the finance and insurance sub-sector contributed 4.0 per cent. of Ghana's GDP, compared to a contribution of 4.3 per cent. for the same period in 2018. This sub-sector grew by 1.5 per cent. for the nine month period ended 30 September 2019, compared to a contraction of 11.5 per cent. for the same period in 2018. The Government attributes the contraction in 2017 and 2018 to distress in the banking sector.

The banking sector's NPL ratio increased to 21.6 per cent. in 2017, from 17.3 per cent. in 2016, largely attributable to the downgrading of some facilities in the private sector following the completion of an asset quality review of banks' loans completed by the BoG in March 2017. NPL growth rose most sharply in the electricity, water and gas sector, with 31.3 per cent. of total loans impaired in 2017, compared to 13.6 per cent. in 2016. As at 31 December 2018, the NPL ratio in the banking sector stood at 18.2 per cent. As at 30 September 2019, the NPL ratio in the banking sector stood at 17.3 per cent., compared to 20.0 per cent as at 30 September 2018 and reduced to 13.9 per cent at the end of 2019 (following the write-off of loans that have been in the loss category of the banks for over two years). In addition, the financial position of VRA, ECG and GRIDCo poses significant risks to the banking sector in Ghana. Resident commercial banks have extended substantial loans and advances to each of these companies and, as a result of this exposure, the financial strength of these state-owned companies has a material impact on the increasing level of NPLs within the banking sector, although this exposure has reduced under the ESLA Programme. See "*Monetary and Financial System—The Financial Sector and Capital Markets—Banking Sector*", "*Role of the Government in the Economy and Privatisation—Current State of Privatisation—Energy*", "*Risk Factors—Ghana's financial sector challenges could have a material adverse impact on the economy"* and "*Risk Factors— The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*".

Financial services have seen significant development since reforms that the Government initiated in 1989. This is reflected by an increased number of bank and non-bank financial institutions and product innovation, supported by an improved transactional banking infrastructure. These reforms have led to the establishment of a stock market and several other financial services that were previously unavailable. The BoG regulates the banking and non-banking financial sub-sectors, while the Ghana Securities and Exchange Commission (the "**Ghana SEC**") and the National Insurance Commission (the "**Ghana NIC**") regulate the securities and insurance markets, respectively. The banking sector is centred in Accra and only an estimated 58 per cent. of the population has access to formal financial facilities services, according to the PwC 2016 Ghana Banking Survey.

The banking sector in Ghana has undergone considerable consolidation over the last two years. Two banks were put into liquidation in August 2017, and the BoG took over administration of another bank in March 2018, following the banks' failure to improve their respective capital positions. In August 2018, the BoG revoked the operating licenses of a further five banks and merged them into one bank, the Consolidated Bank. See "*—Ghana's financial sector challenges could have a material adverse impact on the economy"*. Following the recapitalisation exercise that ended on 31 December 2018, and pursuant to the acquisition of GHL Bank by First National Bank, there are now 23 universal banks operating in Ghana. As of the date of this Base Prospectus, these banks continue to be in compliance with the new minimum paid-up capital requirements of GHS400 million.

In addition to the universal banks, Ghana has a large universe of non-bank deposit taking institutions that traditionally direct their activities towards the lesser-included segments of the population. These SDIs, which collectively accounted for almost 9 per cent of financial sector assets as at October 2019, include microfinance and micro credit companies, rural and community banks, savings and loans companies and finance houses. More specifically, Ghana has a rural banking system, which includes 144 rural and community banks ("**RCBs**"), licensed only for domestic banking. See "*Monetary and Financial System—The Financial Sector and Capital Markets—Banking Sector*".

In an attempt to safeguard and improve the liquidity of the financial system, the BoG intervened in 2019 to protect depositors and investors of failed financial institutions. The interventions covered various sub-sectors of the financial system including the banking sector, SDIs, micro-finance institutions and asset management companies. In 2019, BoG revoked the licenses of 347 micro-finance institutions, 15 savings & loans and 8 finance houses. The total bailout cost of this exercise is estimated at GHS 2.4 billion. In addition, Government provided bridge funding of up to GHS800 million to GAT to enable it to invest in four (4) indigenous banks that were struggling to meet the minimum capital requirement of GHS400 million. Lastly, in November, 2019, Securities and Exchange Commission ("**SEC**") revoked the licenses of 53 asset management companies that were distressed, with a fiscal cost estimated at GHS1.5 billion. The total estimated cost of fiscal intervention by BoG, excluding interest payments, from 2017 to 2019 is estimated at GHS16.4 billion (representing approximately 5 per cent. of GDP). The National Insurance Commission in June 2019 announced new minimum capital requirements for the following insurance companies: from GHS15 million to GHS50 million for insurance companies (life and non-life), from GHS 40 million to GHS 125 million for reinsurance companies, from GHS0.30 to GHS0.50 million for insurance broking companies (loss adjusters).The deadline for meeting these capital requirements is June 2021. See "*—Risk Factors—Ghana's financial sector challenges could have a material adverse impact on the economy*" and "*Monetary and Financial System—The Financial Sector and Capital Markets*" for more information.

Industry

Ghana's industry sector contributed 34.0 per cent. of GDP in 2018 as compared to 32.7 per cent. in 2017. The industry sector has faced significant challenges in recent years because of high production costs resulting from the steep cost of borrowing and the historic energy shortage, although these pressures have eased since 2016. The sector however experienced real growth of 15.7 per cent. in 2017, compared to 4.3 per cent. in 2016. The Government attributes the high level of growth in 2017 to increased upstream petroleum production. In 2018, the industry sector in real terms grew by 10.6 per cent. The Government attributes the slowdown in growth in 2018 to challenges in the water and sewerage sub-sector. For the nine month period ended 30 September 2019, the industry sector contributed 34.8 per cent. of Ghana's GDP and grew by 6.7 per cent., compared to a real growth of 11.1 per cent. in the nine month period ended 30 September 2018.

Mining and Quarrying

Gold and other minerals account for a significant portion of export earnings. The mining and quarrying sub-sector (including oil) grew by 23.3 per cent. in 2018, compared to a growth of 30.8 per cent. in 2017, mainly due to increased manganese production. The oil and gas sub-sector in real terms recorded a growth of 3.6 per cent. in 2018, compared to a growth of 80.3 per cent. in 2017. The Government attributes the slowdown in growth in 2018 to absence of new upstream petroleum production. Declining crude oil and gold prices in 2015 and 2016 had a negative impact on the economy, although prices began to recover in 2017, increasing the country's export revenues. The growth in the oil and gas sector in 2017 was primarily due to the increased oil production in Ghana, resulting from a significant increase in production from the TEN Field, from an average of approximately 14,000 barrels per day in 2016 to 56,000 barrels per day in 2017, following the resolution of the dispute with Côte d'Ivoire. The oil and gas sub-sector accounted for 3.6 per cent. of Ghana's GDP in 2018, a small increase from the 3.5 per cent. recorded in 2017. See "*The Economy—Principal Sectors of the Economy—Industry—Oil and Gas*" for a description of the Republic's oil and gas sector. In 2018, the mining and quarrying sub-sector contributed 13.6 per cent. of Ghana's GDP and grew by 23.3 per cent. compared to 2017, while the oil and gas sub-sector contributed 3.6 per cent. of Ghana's GDP and grew by 3.6 per cent. compared to 2017. For the nine month period ended 30 September 2019, the mining and quarrying sub-sector contributed 15.2 per cent. of Ghana's GDP and grew by 14.1 per cent., compared to a growth of 24.4 per cent. in the nine month period ended 30 September 2018, while the oil and gas sub-sector contributed 3.9 per cent. of Ghana's GDP and grew by 18.9 per cent. over the same period in 2019.

Illegal mining continues to be a sensitive issue in Ghana. In 2013, Ghanaian authorities arrested a number of miners for unlicensed gold mining, many of whom were foreign nationals, and, in 2014 the Government deported approximately 3,000 foreign nationals for illegal mining. The arrests were the result of a special task force, which had the authority to seize equipment of unlicensed operators, to deport all non-Ghanaians involved in illegal small-scale mining and to revoke the licences of Ghanaians who have sub-leased their mining concessions to non-Ghanaians. The task force continues to regulate and to enforce mining licensing requirements throughout the country.

Ghana's gold reserves lie in the Ashanti region, including large deposits in the Obuasi mine, and in the Western and Central regions, where the mining is largely alluvial. In 2003, Ashanti Goldfields, Ghana's largest gold mining company, merged with South Africa's AngloGold to become AngloGold Ashanti Limited, now one of the largest gold producers in the world. As part of the merger, the Government made an agreement with the new company which included an extension of the lease relating to the Obuasi mine to the new company until 2054 in return for, among other things, the payment of royalties to the Government (fixed at 3 per cent. for the first 15 years of the extension) of revenue from operations in Ghana, the commitment to invest a significant amount of capital into the Obuasi mine in order to increase its productivity, and a 1.55 per cent. shareholding in AngloGold Ashanti Limited. The value of total gold exports from Ghana has risen from US$3.21 billion in 2015 to US$5.44 billion in 2018. The Government attributes this increase to the effect of both rising gold prices and increased production in recent years, from 3.6 million ounces in 2015 to 4.1 million ounces in 2018. Gold exports as at 30 September 2019 were US$4.65 billion, while gold production was 3.4 million ounces. In February 2018, AngloGold Ashanti Limited re-announced that it would redevelop the Obuasi mine, which has been in a limited operating phase since 2014, due to its elevated cost base in comparison with the gold price, and as a result of the incursion of illegal mining during 2016 and 2017. The Obuasi redevelopment project is being implemented in two distinct phases. The first phase took place in February 2019. Phase 1 comprises project establishment, mine rehabilitation and development, as well as plant and infrastructure refurbishment to enable production at a rate of 2,000 tonnes per day for the first operating year. AngloGold Ashanti Limited estimates gold production at the mine to reach 350,000-400,000 ounces per year for the first 10 years, and above 400,000 ounces over the life of the mine at all-in sustaining costs of around $800 per ounce.

Additionally, the Namdini gold project, a high-grade gold mine, is being developed in Ghana by Cardinal Resources. A mining lease for the project was secured at the end of 2017 through Cardinal Resources' local subsidiary, Cardinal Namdini Mining. According to the recent feasibility study of the gold project, it is estimated that the project would produce 4.2 million ounces of gold over a 15-year mine life, with approximately 1.1 million ounces of gold to be produced in the first three years of full production.

On 28 September 2018, the Minerals Income Investment Fund Act, 2018 (Act 978) (the "**MIIF Act**") was passed in Parliament. Under the MIIF Act, a new agency, the Minerals Income Investment Fund (the "**Fund**") was created to hold and manage the mining company equity interests of the Republic, receive mineral royalty revenues due from mining operations, and provide for the management and investment of the assets of the Fund. One of the key objectives of the Fund is to establish and implement an investment policy that will monetise mineral royalties. In addition, in order to diversify its revenue base, the Fund or its subsidiaries may acquire mineral royalty interests derived from outside of Ghana. The Government has established a governing body for the Fund which is responsible for the adoption of an investment policy that is aligned with Government's objectives.

In addition to its gold production, Ghana exports manganese. The total value of manganese exports increased by 56.3 per cent. in 2018 and by a further 20.8 per cent. during the nine month period ended 30 September 2019, due to the completion of expansion works at the main port which had slowed down the export of manganese in previous years. Ghana Manganese Company Limited is one of the primary providers of manganese mining services in the Republic.

Bauxite and aluminium ore are also important mineral exports, used to produce aluminium ingots. Bauxite comprised approximately 0.2 per cent. of Ghana's exports by value in 2018, compared to 0.4 per cent. in 2017. Bauxite continued to comprise 0.2 per cent of Ghana's exports in the first nine months of 2019. Bosai Minerals Group Co., Ltd., a Chinese company, owns 80 per cent. of Ghana Bauxite Company Limited. In September 2018, the Government signed a loan agreement with another Chinese company, Sinohydro Corporation, for an amount up to US$2 billion for the construction of priority infrastructure projects. Repayments under the loan will be made via receipts from the refined bauxite, with repayments starting three and a half years after the effective date of the agreement. The obligor under the agreement is the Ghana Integrated Aluminium Development Corporation. The

Government plans to establish a bauxite processing plant for the purposes of the agreement, which is expected to create jobs and enhance the value of Ghana's bauxite reserves. See "*– Infrastructure – Energy Facilities – Aluminium*".

In 2018, Ghana's diamond exports totalled approximately 57,530 carats, amounting to US1.9 million, a decline from 86,780 carats in 2017, amounting to US$ 2.81 million. In the nine month period ended 30 September 2019, 31,430 carats were exported, with a value of US$0.76 million. Ghana's diamonds are mainly utilised for manufacturing. Much like the gold mining industry in Ghana, the diamond mining industry is predominantly foreign owned, and thus, Ghana's revenues from increased diamond exports are derived mainly from royalties and taxes.

The following table sets forth exports of selected products in the mining and quarrying sub-sector for the periods indicated:

	For the year ended 30 December						**For the nine month period ended 30 September**	
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2018**	**2019**
Gold (thousands of ounces)	3,520.06	3,466.36	2,761.84	3,843.44	4,614.66	4,244.62	3,312.66	3,420.38
Manganese (thousands of tonnes)	1,974.84	1,234.24	1,197.05	2,056.36	2,806.86	4,386.09	2,740.54	5,003.05
Diamonds (thousands of carats)	122.62	203.61	115.73	53.07	86.78	57.53	49.24	31.43

Source: BoG

Oil and Gas

Reserves

The table below shows the contingent resources (2C) and a breakdown of the proven and probable (2P) oil and gas reserves of Ghana's main producing oil fields, as at 31 December 2018.

	As at 31 December 2018	
	Contingent Resources (2C)(1)	**Reserves (2P)**
Crude Oil and Condensates (*MMBOE*)		
Jubilee	-	386
TEN	-	191
Sankofa & Gye Nyame	-	153
Other	-	31
Total Oil and Condensates (*MMBOE*)	**704**	**743**
Natural Gas (*BCF*)(2)		
Jubilee	-	389
TEN	-	387
Sankofa & Gye Nyame	-	1,121
Other	-	138
Total Natural Gas (*BCF*)	**1,378**	**2,025**
Total Natural Gas (*MMBOE*)(3)	**238**	**349**
Grand Total (*MMBOE*)	**942**	**1,092**

Source: GNPC

(1) Breakdown by field data is not available.

(2) Natural Gas reserves are reported as Sales (Export) Gas.

(3) Natural Gas volumes are converted to oil equivalent using a factor of 5,800 standard cubic feet per barrel.

The Republic currently has approximately 23 offshore oil and gas discoveries, which are at different stages of appraisal and development. Ghana has proven and probable oil reserves of approximately 743 million barrels and commercial gas reserves estimated at 2 trillion cubic feet as at 31 December 2018 (in each case excluding estimated reserves from exploratory drilling at the Aker Field in 2019 (see "*Exploration and Production – The Aker Field*")).

Exploration and Production

Since its discovery of oil and gas in June 2007 and Ghana's emergence as a viable oil and gas producer in 2010, the oil and gas industry has become an increasingly significant sector of Ghana's economy. In 2012, oil displaced cocoa as Ghana's second-most valuable export, with oil shipments worth US$2.98 billion, increasing to US$3.43 billion in the first nine months of 2019. According to the US Energy Information Administration, as of May 2018, Ghana was ranked as the world's 38th largest producer of petroleum and the world's 42nd largest country for proven reserves.

The Government began commercial gas production in November 2014, and the Government allocates all extracted gas for domestic consumption.

The Jubilee Field. In June 2007, UK-based firm Tullow and its US partners, Kosmos Energy Ltd. and Anadarko Petroleum Corporation, announced the discovery of the Jubilee Field. The Jubilee Field development began in July 2009 and oil production began on 28 November 2010, with the field's official commission date as 15 December 2010. Tullow, the operator of the Jubilee Field, currently holds a 35.48 per cent. stake in the Jubilee Field, with Ghana's state-owned Ghana National Petroleum Corporation ("**GNPC**") holding 13.64 per cent., investment group Kosmos holding 24.07 per cent., Anadarko Petroleum Corp. holding 24.07 per cent. and PetroSA holding 2.73 per cent.

The Jubilee Field experienced disruptions to production in 2016 and it did not reach its target production levels of 120,000 barrels per day. In 2017, oil production from the Jubilee Field amounted to 32.7 million barrels, which was higher than the 2017 Budget projection of 25.4 million barrels and the 2016 production of 27.0 million barrels. The average daily oil production for the Jubilee Field in 2017 was 89,726 barrels, compared with 73,720 barrels in 2016. In October 2017, the Government approved the Greater Jubilee Full Field Development Plan, allowing for the integrated development of the Jubilee field with nearby discoveries at the Teak and Mahogany fields. The newly integrated fields are expected to deliver approximately 60 million barrels of oil and 100 billion cubic feet of gas. The fields are currently in the pre-development phase and first production is expected to commence in 2023, with a projected lifespan of 20 years.

In 2018, the daily average oil production for the Jubilee Field was 77,977 barrels, a decrease from 2017, as a result of three planned shutdowns to repair a damaged turret. In 2019, the daily average oil production for the Jubilee Field was 87,439 barrels, compared to the expected production of 90,000 barrels set out in the revised 2019 Budget. Certain mechanical problems, increasing water production and rising gas to oil ratio at Jubilee field negatively impacted the oil production and resulted in lower than expected production levels in 2019. To reduce the impact of the increasing gas to oil ratio on short-term and long-term production, the Government intends to identify more industrial users of gas to offtake indigenous gas, including the Jubilee gas, in order to prevent a further reinjection of gas.

The TEN Field. In March 2009, GNPC partners discovered an additional large oil field, the TEN Field. In August 2016, Tullow, the operator of the TEN Fields, announced that oil production had commenced at the TEN Fields on time and on budget, three years after the planned development was approved by the Government in 2013. The TEN oil project is located in the Deepwater Tano Block, 60 kilometres offshore of Ghana and approximately 30 kilometres west of the Jubilee Field. Tullow and its partners (Anadarko Petroleum, Kosmos Energy and GNPC) have invested more than US$4.0 billion in the project.

The TEN Field straddles an area which is close to the Côte d'Ivoire maritime border. Gas production came to a standstill on the TEN Field following the maritime border dispute between Ghana and Côte d'Ivoire. In 2014, the parties submitted the dispute to the International Tribunal for the Law of the Sea ("**ITLOS**") for resolution. In May 2015, a special chamber of ITLOS issued an interim order under which Ghana may continue to develop offshore projects in the disputed area, but may not commence new drilling. Ghana filed a memorial at ITLOS in September 2015 and, in April 2016, Côte d'Ivoire filed a counter-memorial. In September 2017, ITLOS ruled in favour of Ghana on the dispute. Drilling in the TEN Field recommenced in late 2017 which increased the daily average oil production from a little over 14,000 barrels in 2016 to 56,034 barrels in 2017 and further to over 61,148 barrels in 2019. Ghana and Cote d'Ivoire have established a joint committee to oversee the implementation of the ruling by the

ITLOS. A draft bilateral treaty for cross-boundary resource development is also under discussion between the two countries.

In 2019, the daily average oil production for the TEN Field was 61,148 barrels, compared to the expected production of 64,000 barrels set out in the revised 2019 Budget. As in the case of the Jubilee Field, certain technical issues, increasing water production and rising gas to oil ratio at TEN field negatively impacted the oil production and resulted in lower than expected production levels in 2019. To reduce the impact of the increasing gas to oil ratio on short-term and long-term production, the Government intends to de-hydrate the TEN gas export pipeline to enable gas exports from the TEN field.

The Sankofa-Gye Nyame Field. The Sankofa-Gye Nyame field, which is now in production, has ultimate reserves of 169 million barrels of oil and 1.1 trillion cubic feet of gas. In January 2015, Eni S.p.A., Vitol and GNPC signed an agreement to proceed with the Sankofa Gye Nyame project, a deep offshore development project off Ghana's coast. The Government anticipates that the US$7 billion project will provide gas for approximately 20 years. Eni S.p.A., through its subsidiary Eni Ghana, is the operator with a 44.44 per cent. interest in the project, while Vitol and GNPC have 35.56 per cent. and 20 per cent. interest in the project, respectively. The Sankofa Gye Nyame fields came on stream in August 2017, with first gas production achieved in October 2018. The construction of the reverse flow pipeline, which is meant to facilitate the transportation of gas from the West to the East of Ghana, has been completed. Since completion, the pipeline has been transporting between 30 and 40 MMScf/d of processed natural gas into the WAGP pipeline for onward transportation to Tema for power production. At present, works are underway to expand the capacity of the WAGP metering station in Tema to enable it receive more gas than it currently receives. Ghana has entered into take or pay arrangements in respect to the Sankofa-Gye Nyame Field for the supply of gas to fuel thermal power plants. See "*Risk Factors— Failure to address challenges in the energy sector could impede economic growth and create a significant burden on an already strained fiscus*"

The Aker Field. In 2018, Norwegian firm Aker Energy began exploration in the Aker Field, 166 kilometre offshore. In January 2019, it announced that it discovered oil in commercial quantities, with estimated gross contingent resources (2C) of 450-550 million barrels of oil equivalent. In March 2019, Aker Energy announced that these total volumes have the potential to increase to 600-1,000 million barrels of oil equivalent. Aker Energy owns a 50 per cent. stake in the field, Lukoil owns 38 per cent, the GNPC owns 10 per cent. and Fueltrade owns 2 per cent. It is expected that the Aker Field will start producing oil in 2023, eventually adding an estimated 110,000 barrels of oil per day to Ghana's crude oil production. This is expected to increase with the development of additional resources in the Petroleum Agreement with Aker Energy.

The following table sets out the average daily oil production and total production from the three producing fields (Jubilee, TEN and Sankofa) for 2011 through 2019.

	Budget		**Actual**		
Year	**Bopd**	**Total**	**Bopd**	**Total**	**Variance of Total**
Year ended 31 December					
2011	84,737	30,929,005	66,290	24,195,895	(6,733,110)
2012	90,000	32,850,000	71,997	26,351,278	(6,498,722)
2013	83,341	30,419,465	99,685	35,587,558	5,168,093
2014	93,029	33,955,644	101,976	37,201,691	3,246,047
2015	102,033	37,242,186	102,498	37,411,661	169,475
2016	94,892	34,635,580	88,245	26,981,640	(7,653,940)
2017	120,208	43,875,920	160,711	58,659,515	14,783,595
2018	145,887	53,248,755	171,975	62,770,875	9,522,120
2019	196,000	71,540,000	195,465	71,344,725	(195,275)

Source: Ministry of Finance

Ghana's crude oil exports amounted to US$4.57 billion in 2018, US$3.12 billion in 2017 and US$1.35 billion in 2016, at an average annual price of US$71.6, US$54.6 and US$45.2 per barrel, respectively. Crude oil exports amounted to US$3.43 billion in the first nine months of 2019, at an average price of US$64.75 per barrel.

The Government's revenues from crude oil extractions and other petroleum receipts amounted to US$668.41 million in the first nine months of 2019, a decrease from US$723.55 million in the same period in 2018, but an increase from US$362.58 million in 2017. Lower revenues in the first nine months of 2019, in comparison to the corresponding period of 2018, was as a result of the lower crude price achieved in 2019 relative to 2018.

In 2010, the World Bank launched an Oil and Gas Capacity Building Project, in which the World Bank approved a credit of US$38 million to the Government to implement a plan to improve public management and regulatory capacity, enhance sector transparency by strengthening institutions and monitoring the oil sector and support the development of indigenous technical and professional skills that the petroleum sector needs. In 2014, following the Government's request for additional funding, the World Bank increased Ghana's credit for the sector by US$19 million. The programme came to a successful end in 2017.

In 2011, Ghana entered into a US$3 billion loan agreement with the China Development Bank Corporation to finance the development of key infrastructure, including for the country's oil industry. The CDB loan was for use in 12 different infrastructure projects, however implementation was hampered due to delays in disbursements and disagreements regarding the terms of the loan. As of the date of this Base Prospectus, the Government has fully drawn the US$1 billion portion of the loan to be used for a gas infrastructure project and an enhanced ICT surveillance of the oil and gas corridor project. The Government completed the gas processing plant and pipelines in 2014. Additional subsidiary agreements have been signed for the Accra intelligent traffic management project and coastal fishing harbour project amounting to US$395 million. See "*The Republic of Ghana—International Relations—Asia Relations*". The terms of the loan agreement provide, among other things, that the Government will repay the loan from oil revenues earmarked for the annual budget.

Refining

Notwithstanding its recent discovery of oil, Ghana exports most of its petroleum products and continues to rely on imports of crude oil and refined products to supply domestic demand for petroleum products and thermal power. The Government intends to ensure increased local refining capacity in order to meet both domestic demand and export needs. To that end, the Government is currently working on developing its refining capacity and intends to increase TOR's refining capacity from 30,000 to 60,000 barrels of crude oil per day. The gas production from the Sankofa field is used exclusively in onshore thermal power plants.

Before 2011, TOR secured a greater percentage of its crude oil from Nigeria through a bilateral take-or-pay agreement that offered high quality crude oil at market prices, subject to preferential payment terms. The remainder of TOR's crude inputs came from oil-marketing companies or market traders, who import crude oil through competitive tender organised until recently by the National Petroleum Tender Board. Imported refined petroleum then supplied the remainder of the domestic market, based on competitive tender. Ghana imports most of its refined petroleum products. In 2018, Ghana utilised approximately 100,000 barrels of refined oil products per day, of which approximately 67 per cent. is imported from abroad, with the remaining 33 per cent. refined domestically. As at 30 September 2019, Ghana utilised approximately 77,000 barrels of refined oil products per day, of which approximately 80 per cent. is imported from abroad, with the remaining 20 per cent. refined domestically.

TOR suspended operations in July 2012 to undertake repair works to its main plant, which broke down as a result of challenges with power supply. TOR's operations have also been restricted by severe liquidity challenges for many years and it has incurred heavy losses. After securing approximately three-quarters of a US$67 million facility from the Government as part of its Plant Sustainability and Profit Enhancement Programme, the state refinery had operations with capacity to refine 30,000 barrels of crude oil per day. Beginning in 2014, however, TOR ceased refining crude oil and only recommenced limited commercial operations in February 2016. TOR subsequently ceased operations for turnaround maintenance in March 2017, and was idle for most of 2018. In 2019, TOR recommenced operations and was operational for most of the year, operating at a capacity of 27,000 barrels per day.

Regulatory Framework

The Government established the Petroleum Commission in 2011 to regulate, monitor and manage petroleum activities and petroleum resources, and to coordinate the policies relating to petroleum. The GNPC is a state-owned company mandated by Government to contract with private oil exploration companies, and in the current production sharing model, the GNPC, the Government and oil companies are each parties to oil production contracts. The Government and private companies operate the Jubilee Field under a joint venture structure. Tullow is the field operator for oil production; however, the Government is a member of committees that oversee Tullow's operations through GNPC.

The Petroleum (Exploration and Production) Act, 2016 (Act 919) (the "**Petroleum Act**") provides the framework for petroleum management, development and exploration. The Petroleum Act requires oil contracts and permits to be published under a petroleum register. A petroleum register has been established and 18 active oil contracts and all permits issued to date have been published. The Petroleum Act also requires a combination of methods for allocating petroleum rights, including open and competitive methods and direct negotiation. In line with the Petroleum Act, the Government conducted bidding rounds in 2018 and mid-2019 to allocate more petroleum rights to interested parties in line with its exploration strategy. This is intended to increase the prospects of commercial discoveries of oil and gas, to replace depleting reserves. The Government received 60 applications, of which 16 have been shortlisted. The two (2) companies that won the bids for the two blocks are currently negotiating their respective Petroleum Agreements with Government. The Petroleum Agreements will be approved by Parliament, after Cabinet has ratified them.

Ghana's petroleum industry has two fiscal regimes: a royalty and tax regime, and a production sharing regime between the Government and investors. Under the royalty and tax regime, the Republic charges private oil companies corporate income tax on income (35 per cent. per the Income Tax Act, 2015 (Act 896), as amended (the "**Income Tax Act**"), and royalties on gross oil production. The production-sharing arrangement between the Government and the Jubilee Field partners provides that the GNPC receives a 10 per cent. carried interest and a 3.6 per cent. participation interest in the oil production, bringing the Government's total equity interest to 13.6 per cent. For TEN, GNPC receives a 10 per cent. carried interest and a 5 per cent. participation interest in the oil production, bringing the Government's total equity interest to 15 per cent. GNPC's share in the Sankofa field comes to 20 per cent, made up of 15 per cent. carried interest and 5 per cent. participating interest. In addition, the Government has introduced a special petroleum tax on specified petroleum products, to bring Ghana's petroleum taxes more in line with the international practice. In order to address these challenges and to strengthen energy sector SOEs through the comprehensive restructuring of their debt and improved monitoring of their financial performance, in December 2015, the Government introduced the ESLA to consolidate existing energy sector levies, ensure prudent utilisation of proceeds generated from the levies and facilitate investments in the energy sector. In 2016, the Government deregulated ex-pump fuel prices and allowed ex-pump fuel prices to be determined by the market. As a result, the Government has ceased to provide fuel price subsidies, however, the ESLA maintains a price stabilisation mechanism intended to stabilise fuel prices funded by a price stabilisation recovery levy. Pursuant to ESLA, in 2017, the Government introduced a domestic bond programme designed to restructure GHS10 billion of identified legacy power sector SOE debt using levies introduced by the ESLA (the "**ESLA Bond Programme**"). As at 30 September 2019, GHS6.0 billion of bonds had been issued under the ESLA Bond Programme, with the proceeds helping to reduce non-performing loans in the banking sector and strengthen the balance sheets of SOEs in the energy sector.

Petroleum Revenues

The Ghana Revenue Authority ("**GRA**") is responsible for collecting all petroleum revenues. The GRA's estimates of oil revenues follow a rule-based approach, with spendable revenue calculation based upon a seven-year moving average of oil prices and three-year moving average of production. The Government manages its oil wealth by transferring to the GNPC an amount not exceeding 55 per cent. of the net cash flow from its share of the carried and participating interests after deducting the equity financing cost, on an annual basis and subject to parliamentary approval. From 2011 to 2013, it transferred 40 per cent., and from 2014 to 2018, it transferred approximately 30 per cent. The allocation to GNPC in 2019 was at 30 per cent. For 2020, the allocation to GNPC will be at 30 per cent. The Government allocates 70 per cent. of the Benchmark Revenue to the annual budget. In 2017, the Government allocated US$182.0 million to the GNPC and US$169.5 million to its annual budget. The allocation to GNPC increased to US$305.3 million in 2018, while the Government's budget received US$235.1 million. By 30 September 2019, GNPC had received US$148.2 million, with the Government's budget receiving US$270.8 million. In 2011, Parliament passed the Petroleum Revenue Management Act, 2011 (Act 815) (the "**PRMA**") (as amended), establishing the Ghana Heritage Fund and the Ghana Stabilisation Fund for the purpose of receiving 30 per cent. of net oil receipts after allocating such receipts to GNPC and the Government's budget. Of this remaining 30 per cent. of net oil receipts, the Ghana Heritage Fund receives approximately 30 per cent. (9 per cent. of total net oil receipts) for future generations, and the Ghana Stabilisation Fund receives the remaining 70 per cent. (21 per cent. of total net oil receipts). The Government established the Ghana Stabilisation Fund to sustain public expenditure capacity in periods of petroleum revenue shortfalls. The Government established the Ghana Heritage Fund as an endowment to support the welfare of future generations. In 2017 and 2018, the Government transferred approximately US$61 million and US$131 million to the Ghana Heritage Fund, respectively. The fund's book value at the end of 2018 was US$485.2 million. As at 30 September 2019, a total of US$43.5 million had been transferred into the Ghana Heritage Fund, bringing the total book value at the end of the period to US$539.4 million, after accounting for returns and bank charges.

In 2015, the Government capped the Ghana Stabilisation Fund at US$150 million, which it increased to US$200 million in the 2016 Budget Statement and subsequently increased to US$300 million in the 2018 Budget Statement, with the aim of growing the fund to US$400 million in the medium term. The cap was increased to US$300 million in 2018 and has been maintained thereafter in 2019 and will continue to be maintained in 2020. In 2015, the Government transferred US$15.2 million to the Ghana Stabilisation Fund and withdrew US$125.0 million from it, which was allocated to the contingency fund (the "**Contingency Fund**"), the annual budget funding amount ("**ABFA**") and the sinking fund (the "**Sinking Fund**"). The Contingency Fund was funded for the first time in May 2014 to meet unforeseen expenditures, such as natural disasters, while the Sinking Fund was established to manage the orderly redemption of Eurobonds and the Government's other debt instruments. The Government withdrew the balance from the Contingency Fund to cover unforeseen expenditures in 2015 and as at the date of this Base Prospectus, the Contingency Fund has a zero balance.

As at 31 December 2018, the book value of the Ghana Stabilisation Fund was US$381.2 million. As at 30 September 2019, the Ghana Stabilisation Fund had a book value of US$333.6 million. The Government expects to use any excess over the cap to continue funding the Sinking Fund and Contingency Fund to support Government debt repayments and natural disasters, respectively. See "*Public Debt—Debt Management*". In August 2016, the Government applied US$63 million credited to the Sinking Fund account to partially fund the purchase by Ghana of its US$750 million 8.5 per cent. Notes due 2017 pursuant to a tender offer in July 2016. In April 2018, the Government purchased its US$750 million 9.250 per cent. Amortising Notes due 2022 pursuant to a tender offer carried out alongside a Eurobond issuance. The remaining portion of the proceeds, US$420 million, was deposited in the Sinking Fund for the purpose of conducting liability management exercises on the domestic market.

The following tables shows receipts and disbursements of the related petroleum funds for the year ended 31 December 2018 and for the period ended 30 September 2019:

	Year ended 31 December 2018		
	Stabilisation Fund	Heritage Fund	Sinking Fund
		(*US$ millions*)	
Opening Balance	353.1	344.8	59.7
Receipts	305.7	131.0	1,342.0
Income from Investments	6.4	9.4	0.0
Bank Charges	0.009	0.025	0.0
Closing Book Value	381.2	485.2	10.2
Disbursements	284.0	0.0	1,391.5

Source: Ministry of Finance

	Period ended 30 September 2019		
	Stabilisation Fund	Heritage Fund	Sinking Fund
		(*US$ millions*)	
Opening Balance	381.2	485.2	10.23
Receipts	101.4	43.5	756.09
Income from Investments	6.5	10.8	0.0
Bank Charges	0.006	0.019	0.0
Closing Book Value	333.6	539.4	136.08
Disbursements	155.6	0.0	619.70

Source: Ministry of Finance

Electricity

The electricity sub-sector registered a growth of 5.5 per cent. in 2018 compared to growth of 19.4 per cent. in 2017. The Government attributes the slowdown in the growth in 2018 to a normalisation of demand (given that the frequent power outages had been resolved in 2017) and managed levels of captive generation and deployment of off grid solutions. For the nine month period ended 30 September 2019, the electricity sub-sector contributed 1.3 per cent. of Ghana's GDP and grew by 4.4 per cent. in real terms, compared to a growth of 5.3 per cent. in the nine month period ended 30 September 2018.

Power Sector

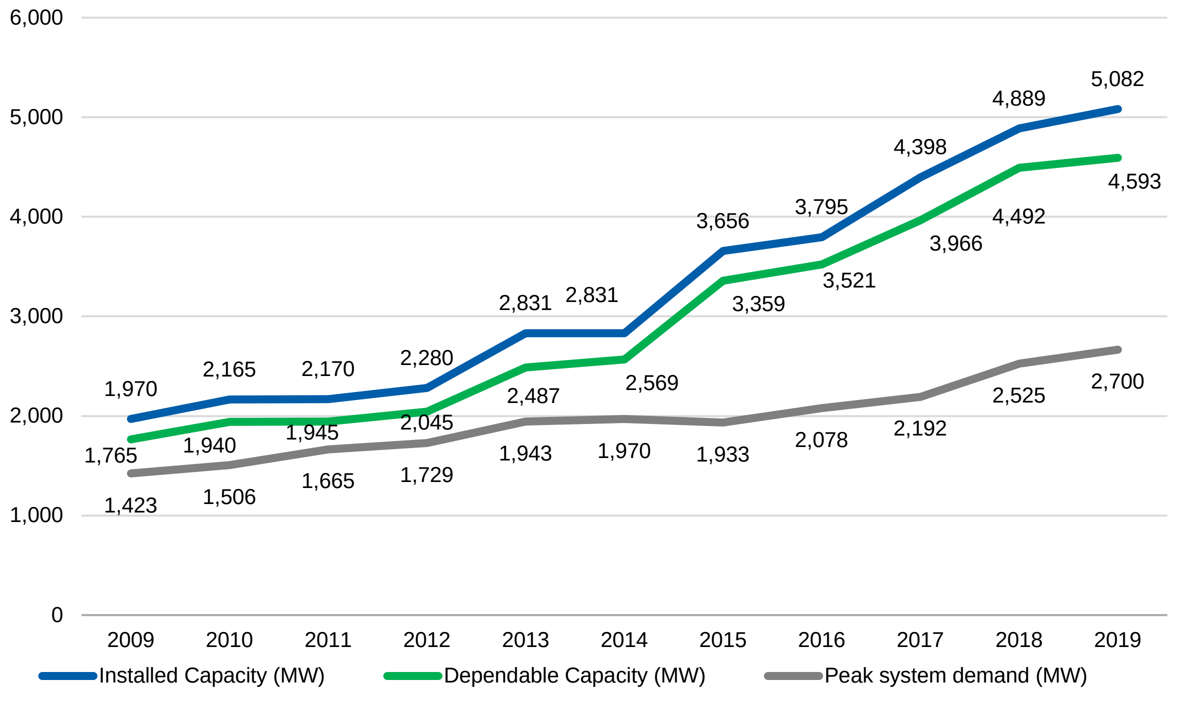
Historically, hydroelectricity was the primary source of power generation in Ghana. However, Ghana now generates approximately two-thirds of its power from thermal power generation plants which are fuelled by gas, LCO, HFO, or DFO, with the remaining third from hydro sources. Renewable energy accounts for less than 1.0 per cent. of Ghana's power generation. Whilst Ghana has in the past experienced disruptions to its supplies of gas and LCO, the fuel supply risk has reduced significantly in recent years due to the increased domestic production of natural gas, with the commencement of production from the TEN and Sankofa gas fields. Almost all of Ghana's thermal power plants have been configured to take both liquid and natural gas, and all new thermal power plants are required to be dual-fuel power plants, improving the plants' gas offtake capacity. The Government will continue to pursue its objective of optimising the installed generation capacity of the country, whilst gradually diversifying the energy mix towards renewable energy sources (solar, wind and nuclear) in the medium term, and pursuing low cost power delivery to the consumers.

SOEs in the energy sector, including VRA, GRIDCo, ECG and TOR, have in the past struggled to effectively manage their legacy debts, arising from pricing subsidies (largely due to the gaps between costs and revenues), affecting their access to both bank and supplier credit, impacting their operational efficiency and consequently placing these entities into financial distress. See "*Risk Factors— The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*". To address these challenges, the ESLA was passed in December 2015, with collections beginning in 2016. The ESLA was enacted to consolidate existing energy sector levies, including introducing a consumption tax on fuel, to ensure prudent utilisation of proceeds generated from the levies, impose a price stabilisation and recoveries levy and facilitate investments in the energy sector. The Government also introduced the ESLA Bond Programme, a domestic bond programme designed to restructure GHS10 billion of identified legacy power sector SOE debt using levies introduced by the ESLA. See "*Role of the Government in the Economy and Privatisation—Current Status of Privatisation—Energy*". However, the SOEs are now facing new financial challenges in the energy sector caused by multiple PPAs signed in recent years and excess generation capacity issues discussed below.

In the period running up to 2014, Ghana had experienced increasingly severe electricity supply challenges resulting in regular load-shedding which hampered economic growth. These supply challenges were caused by a number of factors, including reduced generation capacity due to disruptions to supplies of gas and LCO and droughts affecting hydro production. This resulted in power outages which negatively impacted the cost of doing business in Ghana and represented a perennial challenge in the Ghanaian economy, and the output of the manufacturing sector in particular. This in turn impacted GDP growth and contributed to the deceleration of GDP growth in previous years. In order to address these challenges, and to continue to push on Ghana's commitment to provide universal access to electricity under the National Electrification Scheme, the Government sought to rapidly expand available generating capacity to provide a reliable electricity supply to meet the country's growing energy demands, which included signing various contracts with IPPs to provide power using "take or pay" PPAs, which were procured through state-owned energy companies and the Ministry of Energy.

A fragmented and uncoordinated approach across government agencies for procuring sufficient generating capacity, without necessarily fully taking into account planned but uninstalled capacity, led to contracting of generation capacity well beyond existing or medium term demand. Ghana now has installed capacity that is almost double its peak demand, with installed capacity of approximately 5,082 MW as at mid-2019 and peak demand of approximately 2,700 MW (with the highest demand estimated at 2,881 MW and 2,802 MW in 2019 and 2020), and demand that is not expected to meet supply until the latter part of this decade, based on a number of assumptions that may or may not prove to be accurate. These assumptions are predicated on a number of factors such as oil prices, estimates of demand for power within the forecast periods and upward adjustments of tariffs.

The following table shows the details of the installed capacity and growth in demand for the periods indicated:



In the last five years, over 23 million end-users have been connected to the national grid, which has increased access to electricity in Ghana from 76 per cent. at the end of 2013 to 85 per cent. as of December 2019, the highest in West Africa and second only to South Africa in Sub-Saharan Africa. Although current generation capacity exceeds domestic demand, low transmission connectivity and distribution losses mean that the remaining 15 per cent. of the population do not currently have access to the electricity grid. In order for the electricity sub-sector to continue to grow sustainably, the Government has commenced various transmission and distribution system improvement projects, including the construction of additional transmission lines and primary substations to improve the power distribution systems, to provide more efficient service delivery and expand interconnection with neighbouring countries to make electricity more accessible. More recently, in January 2020, the German government approved EUR250 million for the development and expansion of Ghana's electricity transmission infrastructure. Pursuant to this, in January 2020, Siemens (a German power company) and GRIDCo entered into a memorandum of understanding under the G20 Compact with Africa. These initiatives are expected to complement other efforts of the Government to improve capacity, stability and ability of Ghana's electricity grid system. In addition, the Government is fully committed to the privatisation of its distribution utility (i.e. ECG) and is seeking a suitable replacement for private sector participation ("**PSP**") following the termination of the concession agreement with Power Distribution Services Limited. To this end, Government has requested for technical assistance from the World Bank to help implement the PSP along with a number of key initiatives including (i) assistance with the PSP Option Assessment; (ii) conducting Comprehensive Needs Assessment of ECG with the ultimate goal of identifying key areas for organizational performance enhancement; and (iii) formulating a Performance Improvement Plan for ECG to improve operational and commercial efficiency. Accordingly, the Government is seeking to privatize its distribution network (i.e. ECG) in part to improve transmission performance and reduce distribution losses. See "*—Risk Factors— The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*".

In order to optimise the current excess generation capacity, the Government is working on increasing exports to Benin, Côte d'Ivoire, Burkina Faso and Togo, as well as ongoing arrangements in relation to supplying the West African Power Pool ("**WAPP**"), which will cover Liberia, Nigeria and Sierra Leone. The Government is also working on exporting electricity to ECOWAS countries at cost-competitive rates to fully capitalize on its generating potential. However, while there continues to be significant additional generating capacity that is not being utilised, the financial burden on the Government has increased, since many of the IPPs have contracted on a "take or pay" basis, which requires the state-owned energy companies to pay for their capacity even if the SOEs are unable to take or find a market for such energy. Given the financial state of the state-owned companies operating in the energy sector, the Government was required to guarantee such payments to the IPPs, and so a failure by the state-owned energy companies to make payment directly or funded by Government, would trigger the guarantee extended by the Government in support of such contracts. Whilst the Government is reviewing and renegotiating some of the previously signed PPAs, in order to reschedule project commencement dates to synchronise with its medium-term power supply plan and mitigate the fixed cost exposures the SOEs have under such "take or pay" contracts, until it is able to address these and other issues related to energy supply in the country, the potential financial impact under these contracts while there continues to be excess capacity are significant.

As at the end of 2019, power sector arrears, due to both SOEs and IPPs, are estimated at GHS 5.78 billion (approximately US$1.03 billion), which includes payments for both excess capacity and consumed capacity. These estimated arrears are based on unaudited numbers and are, therefore, subject to change based on ongoing reconciliation with payments previously made to the IPPs and fuel suppliers. An amount of GHS3.98 billion (1 per cent. of GDP) has been allocated towards meeting these arrears under the 2020 Budget. According to Government estimates, if it were to take no action to address the financial impact of the PPAs, the accumulated cost to the Government on the basis of estimates as of May 2019, would increase to more than U.S.$12.5 billion by 2023, or approximately 25 per cent of expected nominal GDP of 2019, driven by the power sector structural deficit and off-take gas supply contracts discussed below. Taking into account expected growth in the economy, this is estimated by the Government's Energy Sector Recovery Program ("**ESRP**") to equate to 14 per cent. of GDP in 2023.

Ghana's Energy Commission (the "**Energy Commission**") is the licensing authority for service providers in the electricity and downstream natural gas sectors. The Energy Commission Act, 1997 (Act 541) as amended, requires all operators in the wholesale supply, transmission or distribution of electricity or natural gas obtain a licence from the Energy Commission, and defines penalties for any person who provides any such service without a licence from the Energy Commission. The Public Utilities Regulatory Commission ("**PURC**") determines tariffs for both electricity and water, with the objective of full cost recovery. However, tariff collection remains a challenge in the sub-sector as many consumers, including public enterprises, accumulate arrears or take advantage of unbilled consumption. The sector's failure to adjust utility tariffs to reflect market prices has in the past significantly restricted the Government's objective of financial self-sustainability in the energy sector. In December 2015, PURC approved an electricity tariff increase of 59.2 per cent. across all customer categories. The approved water tariff increase for residential consumers was approximately 67.2 per cent. The adjustment in tariffs was largely driven by a shift in the source of power generation and increasing dependency on thermal power generation, which greatly impacted on the cost of electricity generation supplied by the utility service providers. Following consultations with its stakeholders, the PURC approved a power tariff reduction with effect from 1 April 2018, to support the business and industrial sectors whilst ameliorating the impact of the last tariff hike on residential users. As a result, residential, non-residential, mining and Special Load Tariff consumers enjoyed a 17.5 per cent, 30 per cent, 10 per cent. and 25 per cent. reduction respectively. However, following a recent review, PURC approved an electricity tariff increase of 11.17 per cent. in June 2019 (effective July 2019) and a further 5.94 per cent. increase in September 2019 (effective October 2019) in line with the cost of electricity production. Despite recent tariff increases, the utility prices are not cost reflective as the tariff methodology does not include, or take into account, the capacity charges for excess capacity.

To address these challenges, the Government has established an Energy Sector Recovery Task Force ("**ESTF**") under the ESRP, whose efforts in the past year have been focused on achieving a managed transition towards a more balanced and sustainable energy sector. However, as at the date of this Base Prospectus, while the Government is actively working with all stakeholders as a priority to resolve the issues in a fair and transparent way, no final resolution has been approved. Although, as part of its efforts, the Government has suspended indefinitely or terminated all PPAs, GSAs and LNG sale and purchase agreement currently under negotiation and placed a complete moratorium on signing any other long-term take-or pay contracts for power or gas, which going forward will be subject to competitive and transparent procurement procedures. The ESRP, a multiyear programme developed with assistance of the World Bank, contains a series of measures to be implemented over the next five years which are aimed towards achieving a greater balance between Ghana's power and gas supply and demand. As part of the ESRP, the Government has (i) adjusted utility tariffs upwards using automation adjustment methodology (though these tariffs do not include the charges for excess capacity); (ii) reduced the domestic gas price to stimulate demand for non-power utilisation; (iii) formulated a policy for least cost-fuel procurement to attain cost-efficient generation mix; (iv) relocated a mobile power plant (i.e. Karpowership) to exploit existing gas from Sankofa field; (v) deferred or cancelled some imminent power projects; and (vi) commenced a collaborative consultation process with IPPs and gas producers in August 2019 to modify the contract terms to address the excess capacity liability of the SOEs under "take or pay" contacts with the aim to minimise the average cost of power generation.

Amongst other measures, the Government is exploring a number of options for raising funding support to create an Energy Sector Fund, including the use of proceeds of Notes to be issued under this Programme, in order to restore and sustain stability in the energy sector. It is anticipated that the creation of the fund would allow for refinancing of the existing debt within the IPPs, which are financed by a syndicate of banks, including Stanbic Bank Ghana Limited, an affiliate of The Standard Bank of South Africa Limited, and The Standard Bank of South Africa Limited, a Dealer under the Programme, or provide for the outright purchase of these plants or a combination of both. The primary goal would be to provide low-cost long term financing to key power producers and stakeholders within the sector, which will allow Ghana to reduce its excess capacity payments and overall cost within the short term and attain its long-term objective of delivering affordable and sustainable energy in the country. The Energy Sector Fund, which is expected to raise up to USD 2 billion with a 20 – 30 year duration, is expected to complement other efforts of the Government to improve the energy sector's finances and operations.

Gas Sector

In order to improve fuel supply availability and reliability, in September 2019, GNPC signed an agreement with TLNG (the "**LNG Contract**"), a consortium made up of Shell, Helios Investment Partners, Gasfin Development and Blystad Energy Management to supply liquefied natural gas ("**LNG**"),

This agreement covered the construction and operation of a floating LNG storage, regasification and delivery facility on a build, operate and transfer basis, which will be moored at the Tema Harbour. The project is nearing completion and is expected to commence delivering gas from 2020 starting at 75 MMScf/d and increasing steadily to 220 MMScf/d in 2024. Gas supplied will be contracted on "take or pay" basis under the LNG Contract. As at the date of this Base Prospectus, Ghana has contracted for the supply of 290 MMScf/d of gas, with 160 MMscf/d on firm basis, excluding the volume of supply under the LNG Contract with TLNG which is set to be effective in 2020, to fuel thermal power plants.

The estimated demand is calculated based on a number of factors such as increase in the offtake capacity of IPPs, which the Government is seeking to improve through the reverse flow of gas through the WAGP, which may or may not materialise. The construction of the reverse flow pipeline, which is meant to facilitate the transportation of gas from the West to the East of Ghana, has been completed. Following completion, the pipeline commenced reverse flow of gas in May 2019. The final phase of the project to expand the flow capacity (to 235MMscf/d) is expected be completed by end of April 2020. To the extent increased demand does not materialise, the contracted supply of LNG on a "take or pay" basis could increase the financial challenges faced by the Government in the energy sector. See "*—Risk Factors—Failure to address challenges in the energy sector could impede economic growth and create a significant burden on an already strained fiscus*".

Water and Sewage

In 2017, 93.9 per cent. of the population had access to an adequate amount of water from an improved source, such as from a household connection, public standpipe, borehole, protected well and spring or rainwater collection, and approximately 64.0 per cent. of the population has access to modern sanitation according to the GLSS 7. The water and sewage sector of the economy contracted by 3.6 per cent. in 2018, compared to a growth of 6.1 per cent. in 2017. This contraction in 2018 was largely due to problems with water production in small scale mining areas. For the nine month period ended 30 September 2019, the water and sewage sub-sector contributed 0.4 per cent. of Ghana's GDP, compared 0.6 per cent. for the nine month period ended 30 September 2018. For the nine month period ended 30 September 2019, the water and sewage sub-sector contracted by 5.2 per cent., compared to a contraction of 2.3 per cent in the nine month period ended 30 September 2018. This contraction in the first nine months of 2019 was largely due to reduction in water production and sewerage activities.

The Ghana Water Company Limited ("**GWCL**") is the main distributor of piped water in Ghana. GWCL was established on 1 July 1999, following the conversion of Ghana Water and Sewerage Corporation into a state-owned limited liability company. GWCL has the sole mandate to supply piped water in Ghana.

In 2019, several projects were initiated and implemented to meet the growing water needs of the urban population of Ghana, including the Tamale, Damongo and Yendi Water Supply Projects. In order to increase access to improved water supply in the Greater Accra Metropolitan Area, especially in low income communities, GWCL laid about 282km of pipelines which resulted in about 7,000 new service connections to households. This improved water supply to 74,000 households. In addition, to improve automation and collection of water bills in Ghana, the GWCL implements an online system where customers receive their water bills as SMS or e-mail and payment can be made through existing GWCL payment points, Mobile Money, partnered banks and other mobile payment portals. As part of its efforts to achieve "Water for All" agenda, the Ministry of Sanitation and Water Resources, through the Water Resources Commission, undertook a number of public awareness campaigns to educate the public on the proper use of water resources. The Water Resources Commission trained nursery attendants to nurse 5,000 seedlings and planted 2,600 tree seedlings to create a 1.2km buffer zone along the Black Volta River to ensure effective management of water resources. In addition, the Commission finalised arrangements with the Dutch Water Authorities to support the development of governance structures and technical tools for the management of the Delta.

Manufacturing

Among Sub-Saharan African countries of its size, Ghana has a relatively broad and diverse industrial base, covering aluminium smelting, timber and agricultural processing, brewing, cement manufacturing, oil refining, textiles, electronics and pharmaceuticals. In the early 1980s, only one fifth of industrial capacity in Ghana's factories was in use. Manufacturing production improved through the 1980s and 1990s, but contracted in 1998 after being hit by energy shortages that forced most factories to run below capacity. Steel and aluminium producers, who rely heavily on power supplies, were hit particularly hard. There was a significant rebound in 1999 and 2000, but manufacturing growth slowed again in 2001. Since 2008, manufacturing growth has fluctuated in part due to frequent energy shortages and competition from less costly imports. In 2018, the manufacturing sub-sector contributed 11.3 per cent. of GDP, compared to 11.7 per cent. in 2017. The manufacturing sector in real terms grew by 4.1 per cent. in 2018, compared to 9.5 per cent. in 2017, compared to 7.9 per cent. in 2016, 3.7 per cent. in 2015 and a contraction of 2.6 per cent. in 2014. The Government attributes the slowdown in the growth in 2018 to slower growth in the manufacture of wood and wood products and chemicals product sub-sectors. For the nine month period ended 30 September 2019, the manufacturing sub-sector contributed 11.4 per cent. of Ghana's GDP, compared to 11.6 per cent. for the nine month period ended 30 September 2018. For the nine month period ended 30 September 2019, the manufacturing sub-sector grew by 5.8 per cent., compared to a growth of 4.9 per cent. in the nine month period ended 30 September 2018.

The Government has entered into memorandum of understanding with car and truck manufacturing companies such as Toyota, Nissan, Sino Truck and Volkswagen, with the intention in some cases to use Ghana as a hub for sales in the West Africa.

Construction

Construction is another important industry sub-sector, contributing 7.1 per cent. of GDP in 2018, compared to 8.3 per cent. of GDP in 2017. The sub-sector in real terms grew by 1.1 per cent. in 2018 compared to 5.1 per cent. growth in 2017. The Government attributes the slowdown in the growth in 2018 to reduction in the road activities. For the nine month period ended 30 September 2019, the construction sub-sector contributed 6.5 per cent. of Ghana's GDP, compared to 7.0 per cent. in the nine month period ended 30 September 2018. For the nine month period ended 30 September 2019, the construction sub-sector contracted by 5.0 per cent., compared to 0.7 percent. growth in the nine month period ended 30 September 2018. This contraction in the first nine months of 2019 was largely due to a reduction in the building and road activities.

The sub-sector comprises roads, highways and bridges, coastal works and housing. Road construction has been significant in recent years, as many of Ghana's roads are being rehabilitated and a number of new roads are being built. Approximately 30 per cent. of Ghanaian roads are currently paved. Construction to expand airport capacity with a view towards increasing passenger and freight handling is expected to increase, primarily as a result of Government efforts to promote such investments. See "*—Infrastructure and Transport*".

Both foreign and local companies contribute to the construction sub-sector in Ghana. Foreign firms who have the requisite machinery and expertise undertake most of the large construction works, such as highways and coastal works, while local construction companies play an important role in the construction of access and feeder roads. Growth in the construction sub-sector is partially dependent on the availability of donor project funding, the Government's speed in awarding contracts and the availability of funding for Government-funded projects.

Agriculture

The agricultural sector of Ghana's economy has decreased in significance in recent years (relative to other sectors), accounting for 19.7 per cent. of GDP in 2018 and 21.2 per cent. of GDP in 2017 while employing around 35.9 per cent. of the estimated workforce according to the 2015 Ghana Labour Force Survey. Cocoa beans are the major export crop, accounting for approximately 8.1 per cent. of export earnings in the first nine months of 2019, followed by non-traditional products such as horticulture, fish and pineapples. Ghana's agricultural sector experienced growth of 4.8 per cent. in 2018, compared to growth of 6.1 per cent. in 2017. For the nine month period ended 30 September 2019, the agricultural sector contributed 17.8 per cent. of Ghana's GDP and grew by 3.8 per cent. compared to the nine month period ended 30 September 2018.

In 2017, the Government implemented the Planting for Food and Jobs programme (the "**PFJ Programme**"), to transform and modernise the agriculture sector. The PFJ Programme contributed to significant yield increases in selected crops, with maize, rice and soya yields increasing by 67 per cent., 48 per cent. and 150 per cent., respectively, in 2017 compared to 2016. Following this success, the Government expanded the PFJ Programme in 2018, supplying over 577,000 farmers with subsidised fertilisers and seeds and registering over 278,000 farmers on the biometric database. The Government continued to implement the PFJ Programme in 2019, pursuant to which 296,000 MT fertilizers (compared to 247,000 MT in 2018) were subsidized and 15,876 MT seeds (compared to 6,821 MT in 2018) were supplied. Also, the fertilizer usage by farmers increased from 8kg/HA to 20 kg/HA between the periods 2017 to 2019.

Ghana Statistical Service recently completed a new agricultural census, which was conducted in four phases (all four phases have been completed). The second phase involved sampling and interviewing all registered farmers in the country. The results are not yet available, but the Government intends to use these results as the basis for GDP figures in the sub-sector going forward and to inform the rebase of GDP in 2022.

Crops

Crops are one of Ghana's most significant agricultural sub-sectors, which grew by 5.8 per cent. in 2018 and accounted for 14.5 per cent. of GDP, compared to a growth of 7.2 per cent. and a GDP contribution of 15.4 per cent. in 2017. For the nine month period ended 30 September 2019, the crops sub-sector contributed 13.4 per cent. of Ghana's GDP and grew by 4.5 per cent. compared to the nine month period ended 30 September 2018. While Ghana's crops have traditionally been used for domestic consumption, they may contribute to non-traditional exports and therefore may become a key element of accelerating overall economic growth. Ghana's most important crops have traditionally included corn, rice, yams, cassava and other root crops, although, more recently, Ghana has focused on the production of higher income-generating crops such as mango, pineapple, bananas and cashews. Ghana's banana exports are positioned to increase further, as the World Trade Organisation recently mandated a change in EU banana-import rules, which previously favoured bananas from Latin America and the Caribbean. Multinational firms (including Dole, the world's largest fresh produce company) have invested in local businesses to ensure their ability to source high-quality produce from Ghana. The Ministry of Food and Agriculture's Horticultural Export Industry Initiative and related horticultural programmes funded by a number of Ghana's development partners also contribute to increasing the competitiveness of Ghana's agricultural exports. However, any significant increase in agricultural exports will require the establishment of a food grading system and the construction of inland handling facilities and holding facilities at ports to keep produce fresh for export.

Cocoa

The crops sub-sector includes cocoa, which grew by 3.7 per cent. in 2018 and accounted for 1.6 per cent. of total GDP, compared with growth of 9.2 per cent. and a GDP contribution of 1.8 per cent. in 2017. For the nine month period ended 30 September 2019, the cocoa sub-sector contributed 1.1 per cent. of Ghana's GDP and grew by 5.5 per cent. compared to the nine month period ended 30 September 2018.

Cocoa in Ghana is mainly produced by smallholder farmers on small plots of land in the forest areas of Ashanti, Brong Ahafo, Central, Eastern, Western and Volta regions. The main cocoa crop season begins in October and ends in May, while a second, smaller crop season runs from June to August. Most of the cocoa crop is exported as beans, although there are some domestic cocoa-processing plants.

Cocoa production reached an all-time high in 2010/2011 of 1,012,839 tonnes, which helped Ghana to consolidate its position as the world's second largest cocoa producer, behind neighbouring Côte d'Ivoire. In 2013/2014, production increased slightly compared to the previous season due to decrease in pests and diseases and increased use of subsidised fertilisers. Production decreased in volume terms in 2014/2015, primarily because of poor weather conditions, including severe droughts experienced in the West African sub-region, which accounts for about 75 per cent. of the crop globally. This prompted a global rise in cocoa prices, resulting in a net benefit for Ghana, despite a decrease in production. In the 2016/2017 crop year, cocoa production increased by 24.6 per cent. to 969,510 tonnes, from 778,044 tonnes in 2015/2016. Cocoa prices on the world market between June 2016 and December 2017 decreased by almost 40 per cent. to approximately US$1,800 per tonne. This was primarily due to an increase in global supply of the crop, especially from Côte d'Ivoire. The producer price for Ghana's cocoa in the 2016/2017 crop year increased by 11.8 per cent. to GHS7,600 per tonne. In the 2017/2018 crop year, cocoa production decreased by 6.7 per cent. to 904,740 tonnes, from 969,510 tonnes in 2016/2017. The producer price for Ghana's cocoa in the 2017/2018 and 2018/2017 crop year remained at GHS 7,600 per tonne. In the 2018/2019 crop year, cocoa production decreased by 10.3 per cent. to 811,250 tonnes, from 904,740 tonnes in 2017/2018. For 2019/2020 crop year, cocoa production is projected at 850,0000 tonnes. The total value of cocoa beans exported in 2018 was US$1.41 billion, representing 9.4 per cent. of Ghana's total exports, compared to US$1.90 billion recorded in 2017, which accounted for 13.8 per cent. of total exports. In the nine month period ended 30 September 2019, cocoa bean exports amounted to US$951.9 million, comprising 8.1 per cent. of Ghana's total exports.

In October 2017, Ghana and Côte d'Ivoire announced their intention to work together to address the unfavourable global cocoa pricing regime and reduce the vulnerability of both nations to the volatility of the cocoa markets. Since then Ghana and Côte d'Ivoire have had discussions on marketing collaboration with the objective of achieving remunerative prices for cocoa farmers. With the aim to ease pervasive poverty, Côte d'Ivoire and Ghana introduced a LID of US$400 per tonne in July 2019 on all cocoa sales, commencing from 2020/2021 crop season. See "*Risk Factors—Ghana's economy is largely dependent on commodities such as gold, cocoa and more recently oil, and volatility in the production or prices of these commodities could adversely affect Ghana's economy*". In addition, the AfDB has agreed to work with both countries to establish a Cocoa Market Stabilisation Fund and a Cocoa Exchange Commission for managing cocoa production, as well as Cocoa Industrialisation Fund to further improve the productivity of the cocoa industry. Through co-financing, the AfDB has raised US$600 million for the Cocobod, of which US$150 million was provided by AfDB as a lead financier. The US$150 million loan to be provided by AfDB has been approved by Parliament and is due to be signed by the Minister of Finance for it to be effective. In addition, all conditions precedent have been satisfied for the first disbursement of the US$7 million for general cocoa sector institutional support, including tackling the cocoa swollen shoot virus, building modern storage and warehousing facilities and promoting processing and consumption of cocoa in Ghana and West Africa.

Ghana's cocoa production is regulated by the Cocobod, an organisation separate from the Ministry of Food and Agriculture that is wholly owned by the Government. Cocobod licenses privately owned entities to purchase cocoa from farmers directly on its behalf for commission. Cocobod is responsible for assuring the quality of the product. To ensure the high quality of Ghana's cocoa exports, Cocobod oversees agronomic practices and regulates the use of pesticides and fertilisers. In addition, Cocobod sets the producer prices for cocoa farmers and, through a subsidiary, oversees the marketing of Ghana's cocoa.

Cocoa prices have fluctuated significantly in the past and may fluctuate in the future. According to the ICCO, the average monthly cocoa price reached a peak of US$3,345.65 per tonne in December 2015, but has since gradually declined to US$2,287.80 per tonne in December 2016 and US$1,917.68 per tonne in December 2017, before increasing slightly to US$2,208.41 per tonne in December 2018. As at 30 September 2019, the average monthly cocoa price stood at US$2,304.41 per tonne. For the 2019/20 crop season, the Government, through Cocobod increased the producer price of cocoa by 8.42% to GHS8,240 per tonne. Although Cocobod utilised a stabilisation fund in 2017 and 2018 to implement its price-stabilisation policy, the decline in international cocoa prices below the maintained producer price in previous years resulted in the depletion of this fund.

The operations of Cocobod are funded through the receipt of a percentage of the revenue received from cocoa exports, but any profits after covering expenses are passed on to the Government in the form of export taxes. Cocobod has steadily raised producer prices to encourage continued production levels, and seeks to ensure that farmers retain at least 70 per cent. of the net revenue from the cocoa they produce. However, this has resulted in reduced profits being generated and passed on to the Government. In

September 2019, Cocobod entered into a US$1.3 billion loan agreement with international banks to finance seasonal purchases of cocoa for the 2019/2020 season.

The following table sets forth data relating to the production of cocoa for the crop years indicated:

	2013/2014	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**
Cocoa Production[(1)] (tonnes)	896,916	740,254	778,044	969,510	904,740
Cocoa Exports (tonnes)	693,473	644,105	624,517	635,167	837,732
Producer Prices (hundreds of GHS per tonne)	5,520	5,600	6,800	7,600	7,600
Average Price of Exports (US$ per tonne)	2,524	3,022	3,015	3,061	2,116
Cocoa Beans Processed (thousands of tonnes)	252	240	207	252	311

Source: Ministry of Finance / International Cocoa Organisation.

(1) Figures for cocoa production represent total purchases of cocoa in Ghana, for exports or for internal consumption.

Livestock

Livestock as an agricultural sub-sector grew by 5.4 per cent. and contributed to 2.7 per cent. of Ghana's GDP in 2018, as compared to growth of 5.7 per cent. and a GDP contribution of 3.0 per cent. of GDP in 2017. For the nine month period ended 30 September 2019, the livestock sub-sector contributed 2.1 per cent. of Ghana's GDP and grew by 5.6 per cent. compared to the nine month period ended 30 September 2018. Livestock production is limited due to poor grazing vegetation and because it is not as lucrative as other agricultural ventures. Cattle farms are mainly owned by commercial farmers while other farms, such as those for sheep and pigs, are predominantly owned by smaller local farmers. GDP figures for livestock in the agriculture sector have been based on a census that the Government carried out in 1984.

Forestry and Logging

In recent years, forest reserve depletion has become a concern in Ghana, and the Government has confronted conflicting policy decisions in its goal to preserve forests and its need to export timber for hard currency. In 2001, the Government launched a National Forest Development Programme in order to halt depletion and restore the depleted forest cover, and the Government's subsequent efforts to conserve some of the nation's virgin forests led to an embargo on timber and timber products export. Between 2010 and 2012, the Government implemented various forest plantation programmes, including planting seedlings on over 12,300 hectares of land and planting trees on around 3,700 hectares of land. These initiatives created over 10,000 full time jobs and contributed to the sub-sector's growth. In 2018, the sub-sector registered a real growth of 2.4 per cent., compared to 3.4 per cent. in 2017, and contributed 1.6 per cent. to Ghana's GDP. For the nine month period ended 30 September 2019, the forestry and logging sub-sector contributed 1.3 per cent. of Ghana's GDP and reduced by 4.3 per cent. compared to the nine month period ended 30 September 2018. This contraction was primarily due to reduction in activities in the logging sub-sector.

Fishing

The fishing subsector accounted for 1.0 per cent. of GDP in 2018 and 1.2 per cent. in 2017. In Ghana's fishing sub-sector, marine fishing is more important than inland fishing. Ghana possesses a total coastline of 539 kilometres with an exclusive economic zone of 200 nautical miles. Although the fish catch has been rising in recent years, it is still insufficient to satisfy national demand. Nonetheless, some of the catch, such as tuna and shrimp, are exported. In 2018, the fishing sub-sector recorded a contraction of 6.8 per cent., compared to a contraction of 1.4 per cent. in 2017. The Government attributes this contraction to reduction in marines fish catch as a result of temporary ban on fishing activities in 2018. For the nine month period ended 30 September 2019, the fishing sub-sector contributed 1.0 per cent. of Ghana's GDP and contracted by 0.7 per cent. compared to a contraction of 2.3 per cent. in the nine month period ended 30 September 2018.

The Government has completed the expansion of the Sekondi Takoradi Fishing Habor, which will improve facilities at the fishing harbour. In addition, the Government has commenced a project for the construction of coastal fishing landing sites at Axim, Dixcove, Elmina, Moree and Mumford. The building of these coastal fishing landing sites will ensure safe launching and landing of artisanal fishing canoes and create and maintain a hygienic environment at the respective locations. In addition, the project will provide adequate storage facilities that will prevent and minimize post-harvest losses as well as add value to the fish caught by artisanal fishermen.

Role of the Government in the Economy and Privatisation

After gaining independence in 1957, Ghana brought most of the economy under Government control, and by the early 1980s publicly owned enterprises were involved in almost all sectors of the economy. The Government launched an SOE reform programme in 1988 as part of a broad reform programme to liberalise the economy. The SOE reform programme consists of a divestiture programme intended to reduce the size of the public sector as well as measures to improve the performance of enterprises which remain state-owned.

In 2006, the Government adopted a policy of using the flotation of shares on the GSE as the preferred method of divestiture. However, the policy allowed for divestiture by direct sale in situations where investments required qualified strategic investors whose participation needed management skills, financing and technology. Prior to 2006, most divestitures were negotiated transactions with a single buyer, although sales of assets to private sector investors, public flotations, joint ventures, asset leasing and liquidation were also used as modes of divestiture.

Several SOEs have been privatised through public flotation, including the State Insurance Company Limited, GOIL Limited, GCB and the Agricultural Development Bank of Ghana. Other enterprises have been sold to private investors and subsequently modernised and brought back into production, including the West Africa Mills Company, Tema Steel Company (formerly GIHOC Steel), Ghana Agro-Food Company (formerly TFCL), the Coca-Cola Bottling Company of Ghana Limited (formerly GIHOC Bottling), Suhuma Company Limited (formerly known as Gliskten West Africa Company) and Ghana Oil Palm Development Company Limited.

The overall strategy for developing a viable and competitive private sector is to develop a business friendly environment among public sector agencies, with the aim of fostering an enabling environment attractive to, and supportive of both domestic and external investors. The key focus areas of the policy are to reduce the high cost of doing business and resolve the energy constraints for business by ensuring reliability, cost competitiveness, and establishing reliable energy supply for industrial enclaves and zones. Other initiatives to complement the above key focus areas include lowering the overall tax burden on business and instituting new incentive packages targeting agro-processing, pharmaceuticals and light manufacturing, especially garments and textiles.

To create a globally competitive private sector environment, the Government is pursuing specific interventions with the aim of enhancing the business enabling environment, promoting public-private sector dialogue, improving business financing, supporting entrepreneurship and SME development, promoting export development, enhancing domestic trade and ensuring consumer protection.

Current Status of Privatisation

The State Interest & Governance Authority ("**SIGA**") was established in June 2019 with the passage of the State Interests & Governance Act 990 and is mandated to facilitate performance management in SOEs and other prescribed bodies, within the framework of Government policy, to ensure that the SOEs operate efficiently, effectively and profitably thereby contributing towards the socio-economic development of Ghana. In line with the State Interests & Governance Act 990, SIGA is structured to provide effective portfolio management of the assets and liabilities of companies in which Government has full ownership, controlling or minority stakes. As part of its mandate, SIGA is expected to address the issues of low aggregate performance of SOEs and low returns to Government, whilst instituting robust corporate governance procedures across Government's SOE portfolio.

The SOE portfolio includes a diverse range of entities with commercial, regulatory and other public policy objectives. However, most SOE's operate as commercial entities and thus are expected to take a long-term approach to improve efficiency and profitability, and develop the capacity to grow. The Government aims to gradually decrease SOEs' dependence on the national budget by reducing investment and preparing some SOEs to finance themselves. The key remaining sectors in which the Government continues to hold significant ownership interests are described below.

The Banking Sector

The Government's ownership position in the banking sector is as follows:

Banking Institution	Government Ownership
GCB Bank (*formerly Ghana Commercial Bank*)	21.36%
National Investment Bank	52.58%
Agricultural Development Bank of Ghana	32.30%
Consolidated Bank	100.00%

Source: Ministry of Finance

In August 2018, the BoG revoked the operating licenses of five banks - UniBank, Royal Bank, Beige Bank, Construction Bank and Sovereign Bank - and merged them into one bank, the Consolidated Bank, wholly owned by the Government. The Consolidated Bank assumed the deposits and selected assets and liabilities of these banks and was recapitalised through a taxpayer-funded bailout of GHS450 million and a Government bond in the amount of GHS7.6 billion to absorb the financial losses. The Government also provided GHS1.4 billion for the Heritage Fund. In 2019, the Government provided bridge funding of up to GHS800 million to GAT to enable it to invest in four (4) indigenous banks that were struggling to meet the minimum capital requirement of GHS400 million.

The Energy Sector

The Ministry of Energy ("**MoEn**") oversees the oil and gas sectors and the Ministry of Power oversees the renewable energy sectors. MoEn formulates, monitors and evaluates programmes, policies and projects for the power sub-sector and the energy sector in general. The Government's key wholly-owned holdings in the energy sector are:

- the VRA, which generates electricity in Ghana. The VRA holds the country's equity interest in the WAGP. See "—*Infrastructure*";
- GRIDCo, which transmits electricity from wholesale suppliers (generating companies) to bulk customers, including the Electricity Company of Ghana, Northern Electricity Distribution Company ("**NEDCO**") and the mines, now subject to concession agreements described below;
- ECG, the distributor of electricity for the southern portion of the country. ECG's electricity is primarily supplied by the VRA;
- the Bulk Oil Storage and Transportation Company Limited ("**BOST**"), which is responsible for the storage of petroleum products. It is a private limited liability company SOE, however, the Government of Ghana is its sole shareholder;
- GNPC, which is responsible for the exploration, development, production and sale of petroleum and gas in Ghana; and
- TOR, which is the only refinery in Ghana. It has a throughput capacity of approximately 45,000 barrels a day, although technical and financial difficulties have impaired its ability to operate at full capacity on multiple occasions. See "*The Economy—Principal Sectors of the Economy—Industry—Oil and Gas*".

Historically, SOEs in the energy sector, including VRA, GRIDCo, ECG and TOR, have struggled to effectively manage their legacy debts, affecting their access to both bank and supplier credit, impacting their operational efficiency and consequently driving these entities into financial distress. In addition, the financial position of VRA, ECG and GRIDCo poses significant risks to the banking sector in Ghana. Resident commercial banks have extended substantial loans and advances to each of these companies and, as a result of this exposure, the financial position of these state-owned companies has a material impact on the increasing level of NPLs within the banking sector. See "*Risk Factors— The clean-up of the legacy indebtedness of SOEs in the energy sector poses substantial risks to the economy*". In addition, the SOEs are faced with the current financial challenges in the energy sector caused by multiple PPAs signed in recent years. See "*—Principal Sectors of the Economy—Electricity*".

The Government has announced proposals to privatise certain power-generating assets to both improve productive efficiency and reduce the debt-burden on energy sector SOEs, including the part-privatisation of three thermal power plants. Cabinet approval has been secured for the restructuring of VRA into a wholly owned entity to manage the hydroelectric facilities separately and for inviting private sector participation in the ownership and management of state-funded thermal power plants to facilitate the development of a competitive power market.

The Ministry of Finance has appointed Ernst and Young to undertake a reconciliation exercise to assess the financial status of the state-owned energy companies. This exercise is not yet completed.

Furthermore, under Compact II, the Government had agreed to allow private sector involvement in ECG. Following several delays, the bidding process for the private sector partner was launched in May 2017. The consortium of Power Distribution Services Ghana Limited (known as the Meralco Consortium), led by the Manila Electricity Company, was selected as the winning bidder in April 2018. However, on 19 October, 2019, the Government terminated the concession arrangement which it entered into with Power Distribution Services Limited. This resulted in cancellation of the previously approved funds of US$190 million by Millennium Challenge Corporation, which was otherwise earmarked under the Compact II, as these funds were linked to the successful introduction of private sector participation in ECG. As a result, the Government is seeking to restart the process for privatization of the distribution network in order to reduce losses, improve service quality and ultimately create a financially viable power distribution sector through ECG, which is sufficiently equipped to meet the current and future needs of Ghanaian households and businesses.

The ESLA

To address challenges in the power sector, the ESLA was passed in December 2015, with collections beginning in 2016. The ESLA was enacted to consolidate existing energy sector levies, including introducing a consumption tax on fuel, to ensure prudent utilisation of proceeds generated from the levies, impose a price stabilisation and recoveries levy and facilitate investments in the energy sector. The new levies, in particular, the energy debt recovery levy and the price stabilisation and recovery levy, will be collected by the PURC and will not form part of the Government's budget resources. The Government has utilised the levy to pay down VRA and TOR's debt due to banks and trade creditors. The first instalment of up to GHS1,861.17 million was settled by September 2017, comprising GHS1,508.69 million and GHS352.48 million paid to VRA's and TOR's creditor banks and trade creditors, respectively. Additionally, a second payment of GHS484.29 million was made to partially settle foreign exchange under-recoveries owed by the Bulk Oil Distribution Companies, support the Strategic Stock Reserve programme of the Government, and subsidise premix and residual fuel oil. A further payment of GHS934.09 million was made to partially settle the debts of energy sector SOEs, including an amount of GHS165.43 million in respect of the debt recovery of TOR, GHS47.0 million for the payment of downstream foreign exchange under-recoveries, and GHS721.66 million for the payment of power utility debts.

To comprehensively and sustainably restructure the debt owed by the energy sector SOEs the Government introduced the ESLA Bond Programme, a domestic bond programme designed to restructure GHS10 billion of identified legacy power sector SOE debt using levies introduced by the ESLA. The bonds, which may be issued as either fixed or floating-rate instruments, are issued via a special purpose vehicle, E.S.L.A. PLC (the "**SPV**") and listed on the Ghana Stock Exchange. The Government has irrevocably assigned its rights to the receivables generated by the energy debt recovery levy to the SPV, and these receivables are used as the basis for the repayment of principal and interest under the bonds. The proceeds of the bond issuances are to be used, following deductions for certain costs and reserves, to repay the legacy debts of various energy sector SOEs including the VRA, TOR, ECG, and certain oil bulk distribution companies. Under the ESLA Bond Programme, the SPV enters into novation agreements with the relevant SOEs' creditors, under which the legacy debts may either be repaid in cash from the net proceeds of the bond issuances, or via a debt-swap in which the legacy debt is traded directly for bonds issued under the ESLA Bond Programme. The SPV also has the option to enter into cash support agreements directly with the SOEs, under which the SPV will repay debts of the relevant SOE in return for a commitment to make periodic payments.

The first issuance under the ESLA Bond Programme in November 2017 raised approximately GHS4.7 billion, split between two tranches with seven and ten-year maturities and coupon rates of 19 per cent. and 19.5 per cent. respectively. In January 2018, the ten-year tranche was tapped for a further approximately GHS616 million. As at 30 September 2019, GHS6.0 billion of bonds had been issued under the ESLA Bond Programme. The ESLA Bond programme won the Best Restructuring in EMEA award at the EMEA Finance Achievement Awards 2017 award, since it provided a clear and structured framework for the resolution and restructuring of legacy debts owed by the SOEs going forward. Part of the proceeds from the bond issuance have helped reduce non-performing loans within the banking sector and strengthened the balance sheets of the SOEs in the energy sector. To date, 60 per cent. of energy sector debt has been liquidated, and the programme will continue to issue bonds to completely restructure identified legacy debts as the levels of receivables continue to build up. To complete the restructuring of legacy debt in the power utility sector, the Government also intends to raise additional energy levies under ESLA.

To prevent SOEs from lapsing into the same debt burden in the future, the Government has introduced other structural and policy measures aimed at addressing the underlying issues including the Cash Waterfall Mechanism ("**CWM**") and a monitoring regime, which has been approved by the cabinet. The rationale for the CWM is to ensure that all participants in the power sector value chain benefit proportionately from revenues collected by ECG and VRA (from its deregulated market, including foreign sales) in a transparent manner. Accordingly, guidelines have been developed to ensure effective implementation of the CWM. The objectives of these guidelines include, developing an equitable mechanism for allocating and paying collected revenue to all utility service providers and fuel suppliers. In addition, the Government will implement a robust regime to monitor the activities of SOEs post-restructuring, ensure effective accountability and strengthen the financial position of the SOEs. This will enable SOEs to secure sustainable working capital to finance their operations and enable the creation of a more financially robust, efficient and reliable power utility sector.

Infrastructure and Transport

Roads

Ghana has approximately 78,400 kilometres of roads, of which approximately 41 per cent. are in good condition, 33 per cent. are in fair condition and 26 per cent. are in poor condition, according to Ghana's Ministry of Roads and Highways. Road transport is the principal means of transport, accounting for the majority of Ghana's moved freight. In the first nine month of 2019, the Government constructed approximately 13km of roads, and 5 bridges.

In the first nine months of 2019, routine maintenance activities were carried out on 9,041 kilometres, 18,151 kilometres and 7,628 kilometres on trunk, feeder and urban road networks, respectively. In addition, periodic maintenance activities which include spot improvement, re-gravelling, resealing, asphaltic overlay, partial reconstruction, maintenance of bridges were undertaken on 29 kilometres, 1,185 kilometres and 276 kilometres of trunk, feeder and urban roads, respectively. Minor rehabilitation works covering upgrading and the construction of culverts and drainage structures were also carried out on 24 kilometres, 205 kilometres and 191 kilometres of trunk, feeder and urban roads, respectively.

The Government has implemented a public private partnership programme for the financing, construction, rehabilitation and management of road infrastructure. Key projects being implemented, which are at various stages of preparation, include the Tamale Interchange Project, PTC Interchange Project in Takoradi, Prestea and Cape Coast inner city roads, selected feeder roads in Ashanti and the Western Regions, Hohoe-Jasikan-Dodo-Pepesu road, Accra inner city roads, New Abiren-Ofoasekuma-Akim Oda road, Adenta-Dodowa dual carriageway, Sunyani inner city roads, Kumasi inner city roads, Accra – Takoradi road, Accra – Tema Motorway, the Accra – Kumasi road, Kumasi Lake Road and Drainage

Extension Project, the Pokuase Interchange and the construction of a bridge on the Volta Lake at Volivo among others.

Traffic congestion has been a problem in recent years, contributing to increased delays and a higher number of traffic accidents. The Government is working to reduce the traffic problems. The Government instituted a public transport system in October 2003, called the Metro Mass Transit ("**MMT**"), in which the Government owns a 45 per cent. stake. The MMT provides both urban and rural bus services and is available in all the 10 regional capitals of the country, as well as in some major municipal and district capitals. Further, in 2016, the Government instituted a Bus Rapid Transit ("**BRT**") system, deploying 245 buses on selected routes in the Greater Accra region. Since being implemented, the BRT has contributed to improving traffic congestion. In 2019, the Government procured a total of 100 new intercity buses to augment the fleet of the MMT, of which the first batch of 50 buses have been delivered and deployed into service. The Government has also completed the construction of the BRT Bus Terminal at Tudu-Accra, which will commence BRT operations on the Adenta to Central Business District Corridor once it has been commissioned. The Government has also procured an additional 100 buses for the Inter-City State Transport Company ("**ISTC**"), of which the first batch of 40 buses have arrived at the Tema Port and will begin operation after clearance. The public transport system has not taken over all public transportation, as private buses and mini-buses continue to compete for passengers. Currently, certain buses are assigned to specific routes with precise time schedules. However, operators' inability to conform to timetables represents the major transport challenge. In addition to its services to regular commuters, the MMT also rents out some for private events.

Railways

A 947 kilometre railway network connects Accra, Kumasi, Sekondi Takoradi and other important mining areas, comprised of the Western Line, the Eastern Line and the Central Line. However, ongoing maintenance and refurbishment works mean that the network often suffers from low levels of operation and currently less than a fifth of the network is operational.

The Government plans to further develop the national rail network to connect all regional capitals and some strategic areas such as food growing and mining communities, by rehabilitating sections of the existing narrow gauge network, as well as constructing a new standard gauge network. The rehabilitation work covers the Accra to Tema suburban line, which has been in operation since January 2019, and the Kojokrom to Tarkwa and Achimota to Nsawam lines. The railway network also provides passenger services from the interior of Ghana to the main seaports at Sekondi Takoradi and Tema (near Accra). In 2017 and 2018, rail passenger service was reintroduced on the 15km suburban railway line from Sekondi to Takoradi, as well as on the 32km line from Accra to Tema. The earlier proposed Tema to Akosombo rail line was redesigned in 2018 as the Tema to Mpakadan rail line, which is approximately 100km long and will cross the Volta River at Senchi to Ogoli, North Tongu and go through the Volta Region to Mpakadan.

The Government has commenced work on the construction of a new standard gauge Western Line on the Kojokrom-Manso section of the Takoradi-Kumasi (Western) line. The Government has also reached the final stages of selecting a strategic partner for the development of the Eastern rail line from Tema to Kumasi on a PPP basis. The Government is also developing the Central Spine Line, a 595 kilometre greenfield project which will run from Kumasi to Paga. The construction of the first phase of the Kumasi-Bechem section of the Kumasi-Paga rail line is expected to commence in 2020.

In addition, the governments of Ghana and Burkina Faso agreed to develop a railway interconnectivity project from Tema to Ouagadougou and are in the process of finding a private developer for the construction of the rail line by the middle of 2020.

Ports and Rivers

The main ports are at Sekondi-Takoradi and Tema, which together handle more than 85 per cent. of Ghana's exports and imports.

In June 2015, APM Terminals announced that Meridian Port Services ("**MPS**"), a joint venture between Meridian Port Holdings Limited and their partners, and the Ghana Ports and Harbours Authority will invest US$1.5 billion to upgrade the port at Tema. Meridian Port Holdings Limited is also a joint venture between APM Terminals and Bolloré Africa Logistics. The Project is expected to increase the port's annual throughput capacity to about 3 million Twenty-Foot Equivalent Units through increased container shipping. In addition, the Ports and Harbours Authority is undertaking an ongoing upgrade and expansion of the two main ports of Takoradi and Tema, involving dredging the ports, the construction of additional basic infrastructure and new cargo terminals, acquiring modern tugboats, upgrading electronic data interchange systems and improving waste reception facilities. The Takoradi Port Expansion Project ("**TPEP**") will involve the construction of a dry bulk terminal (jetty) and an oil jetty, where civil works have been completed and negotiations are ongoing with PPP operators for the construction of the operating infrastructure. The TPEP will also include the development of a multipurpose terminal, where a Concessionaire has been engaged and works have commenced on the production and storage of concrete blocks. The TPEP will position the Takoradi Port for the oil and gas industry and other allied oil services industries. The Government will also develop the Boankra Inland Port to facilitate transit trade and ease congestion at the Ports. Negotiations have been completed, and shortlisted firms are awaiting approval to commence on the project. Ghana has also created a dedicated fruit terminal at Tema port, to support the growing food and fruit export sector. The seaports are also undergoing refurbishment and upgrades to ensure that facilities are available to respond to increasing commercial trade, such as to increase the capacity of the ports to take on more as well as larger vessels. The first two berths of a new four-berth dedicated container terminal under construction at the Tema Port were completed in 2019 and are operational. Works are currently ongoing on the remaining two berths and completion is expected in 2020. The Tema Shipyard and the dry-dock facility will also be upgraded to provide ship repairs and refitting, shipbuilding, aluminium and steel fabrication, as well as metal and general engineering services.

The main waterways include the Volta, Ankobra and Tano Rivers, which provide 168 kilometres of year-round navigation, and Lake Volta, which provides 1,125 kilometres of arterial and feeder waterways. Lake Volta provides an important inland waterway transport system for the transportation of petroleum products, cement and agricultural commodities between the Northern and the Southern parts of the country through the Akosombo and Buipe Ports. Lake Volta is the largest man-made lake in the world, covering an area in excess of 8,000 km2 and over 450km long, with a shore-line exceeding 4,800km. There are cross-lake ferry services operated by the Volta Lake Transport Company Limited for the rural population living along the lake's catchment area, as well as an increasing number of private informal boat operators. Lake Volta is being developed into a major transportation artery to facilitate cross lake operations by building modern ferry ports at Buipe, Yapei and Mpakadan as well as landing sites at Yeji, Makango, Agordeke, Dambai and Dambai Overbank. Construction of the ferry landing sites along the Volta Lake at Dambai and Danbai Overbank, as well as at Yeji, Makango and Agodeke are 68% and 46% complete respectively. The Government have also removed tree stumps along the navigable path in the Volta Lake to reduce incidents of boat accidents on the lake, specifically at Dambai – Dambai Overbank, Yeji – Makango and Yeji – Aworjekope, with further works to follow at Kete-Krachi – Kojokrom, Kpando – Agordeke, and Bridge-Ano – Ntonaboma.

Aviation

There are seven airports in Ghana. The largest is Accra's Kotoka International Airport ("**KIA**"), from which there are direct flights to Europe, the US, Asia, Southern Africa and most countries in the West African sub-region. In the first nine months of 2019, approximately 1.7 million passengers travelled through KIA, of which approximately 1.1 million were international travellers and the rest were domestic. Ghana is well served by several international airlines including KLM, British Airways, Kenya Airways, Alitalia, South African Airways, Delta and Emirates. KIA has undergone various expansion works in recent years, including building three new boarding gates in 2011, extending the runway and rehabilitating and expanding the terminal building and facilities in 2016, and completing construction of the new Terminal 3 in March 2018. The new Terminal 3 has six boarding bridges and has the capacity to process 1,250 passengers an hour and accommodate 5 million passengers annually.

In addition, the Government signed a memorandum of understanding with China Airports Construction Corporation to undertake a feasibility study for a 62,000 hectare airport and adjoining commercial and residential complex located in Prampram, in the Greater Accra region. Furthermore, in 2014 the Government commenced expanding and upgrading the Tamale airport to become an international airport.

The first phase of this project was completed in 2016 whilst the second phase commenced in April 2019. The second phase of the Tamale Airport involves the construction of a modern airport terminal building with approximately 5000m^2 Hajj Terminal, access road, Air Traffic Control Tower, Fire Station and other ancillary facilities. Work is also ongoing on the Kumasi Airport to elevate its international status and is expected to be completed by the end of 2020. The Government recently completed construction of the Ho Airport in the Volta region. The Government has also commenced rehabilitation works on Sunyani Airport to pave the way for commercial operations to resume by 2020.

Telecommunications

Ghana has a modest telephone system which provides internet access, and although many rural communities are not yet connected, expansion of the services is underway. As of September 2019, an estimated 40.9 million cellular subscriptions were in use in the country, and cellular phone users now far outnumber fixed-line services. There are currently four licensed service providers: MTN Ghana, Vodafone Ghana, Airtel-Tigo and Glo-Mobile Ghana. Another operator, Expresso Ghana had its licence revoked in March 2018. In October 2017, the National Communication Authority, the regulator of telecommunications industry in Ghana, gave approval for the merger of Milicom Ghana Limited (Tigo) and Bharti Ghana Limited (Airtel) who were then the third and fourth largest cellular service providers in the country, respectively. The new entity formed from the merger in October 2018 rebranded under the trade name, Airtel-Tigo, and is now the third largest cellular service provider in the country, behind Vodafone Mobile. The Government has also connected 400 rural communities to the telephone network in the last three years since 2017.

As of September 2019, there were 52 licensed Internet Service Providers ("**ISPs**") in Ghana. However, less than 1 per cent. of internet usage is accounted for by ISPs; almost all internet usage comes from mobile subscriptions, with 1.1 million 4G data subscriptions and 26.2 million 2G and 3G data subscriptions as at September 2019. Services offered by ISPs are largely confined to Government, corporate clients and public internet cafes. In 2020, the Government, through the Ghana Investment Fund for Electronic Communications ("**GIFEC**"), will partner with the ECG to utilize aerial fibre to provide faster and affordable internet connectivity to remote and rural areas across Ghana.

Energy Facilities

Energy in Ghana is generated by the state-owned VRA, Bui Power Authority ("**BPA**") and IPPs from thermal, solar and hydro generation facilities with a combined installed generation capacity of approximately 5,082 MW as at July 2019, of which approximately 4,593 MW is deemed dependable. Once generated, energy is transmitted to the distribution system by the state-owned GRIDCo, and another state owned enterprise, ECG, then distributes energy to consumers – residential, non-residential and industrial end-users. Approximately 17,880 GWh of electricity was generated in 2019, 64.2 per cent. of which was consumed by ECG for onward distribution, 7.9 per cent. by NEDCo, 6 per cent. by mines, 5 per cent. by VALCO and 4.2 per cent. by other direct customers. Approximately 8 per cent. of total energy generation was exported in 2019, while network losses amounted to 4.7 per cent. of total generation.

The Government, through the VRA and IPPs, has implemented a number of key power projects in recent years to build up the country's installed power generation capacity. These key power projects include the Kpong Thermal Power Station (KTPS), Takoradi (T3) Thermal Plant, Tema Thermal Power Complex (TTPC), Takoradi Thermal Power Station (TTPS) and the Mines Reserve Plant (MRP) among others.

In 2018, the Government continued to progress the tie-in of the Ghana Gas pipeline and the WAGP and associated modification works at both Regulation and Metering Stations ("**R&M**") in Takoradi and Tema; installation of three compressors on the existing Ghana Gas pipeline; construction of gas pipeline to connect the 450MW Karpower to be stationed in Takoradi to the R&M station in Takoradi; and full implementation of the Gas Master Plan recommendations. While the tie-in between the Ghana Gas and the WAGP has been completed, works are underway to expand the capacity of the metering station of WAGP in Tema to enable it receive more gas than it currently receives. These projects are all aimed at ensuring increased utilisation of the country's natural gas resources. See "*The Economy—Principal Sectors of the Economy—Electricity*".

Nuclear Power

The Government has commenced plans in three phases to build its first nuclear power plant within the next ten years. The Government has completed the first phase of the nuclear power programme, and is finalizing a Programme Comprehensive Report that will enable the execution of the second and final phases, which are the implementation, commissioning and operating phases. The Government expects the plant to be operational and generating approximately 1,000 to 1,200 MW of power by 2030.

Aluminium

Ghana has plans to utilise its bauxite reserves and increase aluminium production in the medium term, via Volta Aluminium Company ("**VALCO**"), an aluminium company wholly owned by the Government of Ghana. VALCO currently operates two pot lines. In addition, the Government has incorporated the Ghana Integrated Aluminium Development Corporation, which is responsible for the development of the integrated aluminium industry in Ghana to boost the country's industrialisation programme.

In September 2018, the Government signed a loan agreement with another Chinese company, Sinohydro Corporation, for an amount up to US$2 billion for the construction of priority infrastructure projects, in exchange for receipts from the refined bauxite (aluminium). The refined bauxite will be supplied under an off-take agreement, part of the proceeds of which will be used for repayments, to be provided to Sinohydro over a 12 year period beginning three and a half years after the effective date of the agreement. Whilst the Sinohydro loan is not currently treated as external debt, depending on various factors and events and as a result of the deferred payment structure, the loan could in the future become a contingent liability of the Government. The Government plans to establish a bauxite processing plant for the purposes of the agreement, which is expected to create jobs and enhance the value of Ghana's bauxite reserves. In November 2019, Sinohydro Corporation released a first tranche of funds worth US$320 million under the deferred loan agreement.

Infrastructure Development

In connection with the GSGDA II, Ghana initiated a comprehensive programme that aims to reduce poverty and accelerate economic growth through improvements in transportation procedures and infrastructure, see "*—General—Ghana Shared Growth and Development Agenda I and II and Agenda for Jobs*". Under the transport infrastructure component of the GSGDA II, the MDAs in the transport sector worked together to prepare a National Transport Policy, the primary goals of which included establishing Ghana as a transport hub in the West African Region and creating a sustainable, accessible, affordable, reliable, effective and efficient transport system.

In addition, in July 2014, the Government passed the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) (the "**GIIF Act**"), as amended by Earmarked Funds Capping & Realignment Act, 2017 (Act 947) as amended), the purpose of which is to establish an infrastructure fund, wholly owned by the Republic, to provide financial resources to manage, co-ordinate and invest in a diversified portfolio of infrastructural projects in the country for national development in partnership with the private sector. The GIIF Act is one of several key reform initiatives which the Government has implemented to address the infrastructure financing gap. The Government has established Ghana Infrastructure Investment Fund as a permanent investment vehicle with US$325 million equity to mobilise foreign private capital for critical infrastructure development, of which US$240 million has been committed.

In April 2018, the Government launched the Agenda for Jobs, its medium-term development plan for the period 2018 to 2021. The Agenda for Jobs was based on the CPESDP 2017-2024, the Government's long-term policy for transport infrastructure. The CPESDP 2017-2024 aims to develop modern, integrated, and well maintained transportation infrastructure for accelerated growth and development. Key infrastructure development goals under the CPESDP 2017-2024 include:

- The preservation of road assets through the refocusing of the road maintenance and axle load control programmes towards asset preservation and major road rehabilitation and international corridor development, with priority given to completing the Western, Central and Eastern corridors;
- The creation of space for the participation of the private sector in the construction, rehabilitation and management of road transport services through public private partnerships;
- Expand private sector participation in the development and management of seaport facilities and facilitate the establishment of a new deep water port to enhance economic activities in the oil and gas industry;
- Develop the Volta River into a major transportation artery by building modern ferry ports and providing upgraded ferries and pontoons in collaboration with the private sector while ensuring that the laws, regulations and standards for operations on inland waterways will be strictly enforced to help improve services and safety;
- Collaborate with the private sector to develop the aviation industry in support of Ghana's role as an aviation hub serving West Africa, by providing modern air transport infrastructure, building capacity and establishing an institutional and policy framework to enhance the safety and security of air transport services; and
- Revamp the existing rail network and expand the capacity to northern Ghana, to support industrialisation and other economic activities through the reconstruction of the western and eastern lines to facilitate passenger and freight movement.

In addition, in October 2018, the Ghana Olympic Committee announced that Ghana had won the bidding process to host the 2023 African Games. The 2019 Budget allocated US$2.5 million for refurbishing and renovating sport facilities and infrastructure across the country in preparation for the event. Funds have also been released for the completion of the University of Ghana Sports Stadium, the development of which was previously abandoned in 2009.

Recent Developments

Based on the provisional data published by Ghana, at the end of December 2019:

- the fiscal deficit amounted to GHS16,726.7 million in 2019, equivalent to 4.8 per cent. of GDP;
- the primary balance recorded a surplus of 0.9 per cent. of GDP in 2019, compared to 1.4 per cent in per cent. in 2018;
- following a decline in September 2019, the average rate of inflation rose to 8.2 per cent. in November 2019 but decreased to 7.9 per cent at the end of 2019, driven mainly by a decline in food prices;
- the NPL ratio in the banking sector reduced to 13.9 per cent at the end of 2019 (following the write-off of loans that have been in the loss category of the banks for over two years) from 17.3 per cent as at 30 October 2019;

- at the end of October 2019, gross international reserves stood at US$8.09 billion, sufficient to cover 3.9 months of imports, compared to the US$6.35 billion or 3.3 months import cover recorded in the same period of 2018. As at the end of December 2019, gross international reserves increased to US$8.4 billion, sufficient to cover 4.0 months of imports;

- measured as a percentage of GDP, total public debt increased from approximately 60.3 per cent. of GDP at the end of September 2019 to approximately 62.1 per cent. (or 59.0 per cent. excluding the financial sector bailout) at the end of November 2019; and

- for the year 2019, the Cedi depreciated by a further 12.9 per cent. against the US Dollar compared to 8.4 per cent. in 2018.

This statistical data is provisional or otherwise based on estimates that the Republic and/or its agencies believe to be based on reasonable assumptions. All such data is provided as at and in respect of the period most recently available. In addition, data presented as a percentage of GDP, has been based on the estimates of nominal GDP for 2019. Accordingly, such financial and economic information for periods of 2019 set out in this Base Prospectus may be subsequently adjusted or revised and may differ from previously published financial and economic information. While the Republic does not expect the estimates to be materially different, no assurance can be given that material changes will not be made.

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

Ghana's overall balance of payments position has fluctuated in recent years, from a deficit of US$699.2 million in 2013 to a surplus of US$1,091.4 million in 2017. However, in 2018, Ghana's balance of payments recorded a deficit of US$671.5 million. During the nine month period ended 30 September 2019, balance of payments returned to a surplus of US$ 878.9 million, compared to a deficit of US$ 758.0 million in the corresponding period of 2018, primarily due to higher net inflows into the financial account mostly from portfolio investments. While Ghana's current account deficit reached a high of US$5.70 billion in 2013, it has subsequently decreased significantly to US$2.82 billion and US$2.84 billion in 2015 and 2016, respectively. In 2017, the current account deficit improved by 29.5 per cent. to US$2.00 billion (3.4 per cent. of GDP), largely influenced by improvements in the merchandise trade balance, primarily due to increased oil and gold exports during the period. For 2018, the current account deficit increased slightly to US$2.04 billion (3.1 per cent. of GDP). During the nine month period ended 30 September, 2019, the current account deficit amounted to US$ 829.5 million, compared to US$ 1,002.0 million in the corresponding period of 2018, primarily due to an improved trade balance and higher inflows into the current transfers account. This was, however moderated, by a higher net payments from the services account.

The value of exports increased to US$14.94 billion in 2018, from US$13.83 billion in 2017, US$11.14 billion in 2016 and US$10.32 billion in 2015, largely due to increases in gold and oil exports over the period. The cost of imports recorded a slight increase and amounted to US$13.13 billion in 2018, compared to US$12.65 billion in 2017, US$12.91 billion in 2016 and US$13.47 billion in 2015, largely due to decline in non-oil imports, in particular processed industrial supplies, transport and transport equipment and capital goods. As a result, the trade balance recorded a surplus of US$1.81 billion in 2018 and US$1.19 billion in 2017, compared to deficits of US$1.78 billion and US$3.14 billion in 2016 and 2015, respectively.

During the nine month period ended 30 September 2019, total exports amounted to US$11.7 billion, compared to US$11.32 in the corresponding period of 2018. Whereas the cost of imports amounted to US$10.0 billion during the nine month period ended 30 September 2019, compared to US$9.77 billion in the corresponding period of 2018. As a result, the trade balance recorded a surplus of US$1.7 billion during the nine month period ended 30 September 2019, compared to US$1.6 billion in the corresponding period of 2018.

Crude oil exports increased significantly in 2017 and 2018, due to improvements in both the price and volume of oil exported. In 2018, crude oil exports amounted to US$4.57 billion, an increase compared to the US$3.12 billion and US$1.35 billion of crude oil exports for full years 2017 and 2016, respectively. During the nine month period ended 30 September 2019, crude oil exports amounted to US$3.43 billion, compared to US$3.38 billion in the corresponding period of 2018. The volume of crude oil exported increased by 91.3 per cent. in 2017, to 57.0 million barrels, compared to 29.8 million barrels in 2016, as a result of new exports from the TEN and Sankofa Fields, in addition to increased exports from the Jubilee Field. In 2018, Ghana exported 63.84 million barrels of crude oil. The average realised price of oil has also risen, from US$45.13 per barrel in 2016, to US$54.28 per barrel in 2017 and US$71.64 per barrel in 2018. In the nine month period to September 2019, 52.9 million crude oil barrels at an average realised price of US$64.75 per barrel was exported.

During the five-year period prior to 2017, the capital and financial account continued to record net inflows of foreign direct investment and portfolio investments which moderated the net outflows from other investments account. Foreign direct investment (net) inflows were US$3.24 billion in 2017 but reduced to US$ 2.91 billion in 2018, while portfolio investments (net) reduced from US$$2.54 billion in 2017 to US$ 0.93 billion in 2018. This decrease in foreign direct investments and portfolio investment was primarily due to a typical slowdown after a significant exploration and development in the oil and gas industry. For the nine month period ended 30 September 2019, foreign direct investments (net) amounted to US$2.11 billion and portfolio investments (net) amounted to US$2.37 billion, compared to foreign direct investment (net) of US$ 2.91 billion and portfolio investments (net) of US$ 0.93 billion at the end of 2018.

Ghana's gross international reserves increased from US$5.63 billion to US$7.55 billion over the period 2013 to 2017. At the end of 2018, gross international reserves fell to US$7.02 billion, sufficient to cover 3.6 months of imports, compared to US$7.55 billion at the end of 2017, which was sufficient to cover 4.3 months of imports. At the end of 30 September 2019, gross international reserves stood at US$7.97 billion, sufficient to cover 3.9 months of imports, compared to the US$6.76 billion or 3.6 months import cover recorded in the same period of 2018.

Capital transfers (largely foreign aid) declined in 2016 and 2017, following Ghana's transition to lower middle-income status, and the Government received US$242.2 million in capital transfers in 2017 and US$274.3 million in capital transfers in 2016. Capital transfers increased slightly in 2018 to US$257.8 million. For the nine month period ended 30 September 2019, capital transfers amounted to US$178.2 million, compared to US$ 225.8 million in the corresponding period of 2018.

The following table sets out Ghana's balance of payments and related statistics for the years and periods indicated:

	For the year ended 31 December					For the nine month period ended 30 September	
	2014	**2015**	**2016**	**2017**	**2018**	**2018**	**2019**
				(US$ millions)			
CURRENT ACCOUNT BALANCE	**(3,694.5)**	**(2,823.6)**	**(2,840.5)**	**(2,002.6)**	**(2,043.9)**	**(1,002.0)**	**(829.5)**
Merchandise Trade Balance	**(1,383.3)**	**(3,143.9)**	**(1,781.8)**	**1,187.1**	**1,808.6**	**1,557.3**	**1,683.4**
Exports (FOB)	**13,216.8**	**10,321.2**	**11,138.3**	**13,834.8**	**14,942.7**	**11,324.2**	**11,692.9**
Cocoa beans and products	2,612.9	2,720.8	2,572.2	2,661.4	2,180.0	1,569.8	l,573.0
Gold	4,388.1	3,212.6	4,919.5	5,786.2	5,435.7	4,281.0	4,647.4
Timber and Timber products	185.1	208.7	255.7	214.8	221.5	172.28	135.3
Oil	3,725.0	1,931.3	1,345.2	3,115.1	4,573.4	3,378.4	3,425.5
Others (including non-traditional)	2,305.8	2,247.8	2,045.8	2,057.4	2,532.1	1,922.7	1,911.7
Imports (FOB)	**(14,600.1)**	**(13,465.1)**	**(12,920.1)**	**(12,647.8)**	**(13,134.1)**	**(9,766.9)**	**(10,009.5)**
Non-oil	(10,906.1)	(11,418.3)	(11,085.2)	(10,655.6)	(10,553.2)	(7,869.3)	(8,340.6)
Oil and gas	(3,694.0)	(2,046.7)	(1,834.9)	(1,992.1)	(2,580.9)	(l,897.5)	(l,668.8)
Services (net)	**(2,602.2)**	**(1,166.6)**	**(1,293.3)**	**(2,873.0)**	**(2,513.8)**	**(1,969.2)**	**(2,559.7)**
Receipts	2,044.8	6,142.2	6,333.0	6,602.0	7,572.0	5,894.0	6,815.6
Payments	(4,647.0)	(7,308.8)	(7,626.3)	(9,475.0)	(10,085.8)	(7,863.1)	(9,375.3)
Income (net)	**(1,717.4)**	**(1,110.9)**	**(1,222.1)**	**(2,740.9)**	**(3,921.8)**	**(2,542.3)**	**(2,439.6)**
Receipts	110.8	394.4	238.0	309.3	598.3	349.7	287.1
Payments	(1,828.2)	(1,505.3)	(1,460.0)	(3,050.2)	(4,520.1)	(2,892.0)	(2,726.8)
Current Transfers (net)	**2,008.5**	**2,597.7**	**1,456.6**	**2,424.2**	**2,583.0**	**1,952.1**	**2,486.4**
Official	9.6	222.4	25.6	0.0	18.7	18.7	0.0
Private	1,998.9	2,375.3	1,431.0	2,424.2	2,564.3	1,933.4	2,486.4
Services, Income and Current Transfers (net)	**(2,311.2)**	**320.2**	**(1,058.7)**	**(3,189.7)**	**(3,852.6)**	**(2,559.4)**	**(2,512.9)**
CAPITAL & FINANCIAL ACCOUNT	**3,752.8**	**3,123.2**	**2,557.9**	**3,015.7**	**1,500.4**	**581.9**	**1,514.2**
Capital Account(net)	**0.0**	**473.9**	**274.3**	**242.2**	**257.8**	**225.8**	**178.2**
Capital transfers	0.0	473.9	274.3	242.2	257.8	225.8	178.2
Financial Account(net)	**3,752.8**	**2,649.4**	**2,283.6**	**2,773.5**	**1,242.7**	**356.1**	**1,336.0**
Direct Investments	3,357.0	2,970.9	3,470.7	3,239.1	2,908.2	2,411.1	2,113.6
of which							
Other Investments	(395.8)	(321.5)	(1,187.1)	(465.6)	(1,665.5)	(2,055.0)	(777.6)
of which							
Official Capital (net)	940.9	660.3	(2.2)	57.9	(296.1)	(132.1)	(198.8)
Disbursement	1,377.3	1,390.6	1,175.31	968.55	610.74	477.48	576.4
Amortisation	(436.4)	(730.3)	(1,177.49)	(910.64)	(906.79)	(609.61)	(775.3)
Other Private Capital (net)	(1,081.0)	(1,454.9)	(1,500.6)	(2,086.0)	(2,304.9)	(1,572.1)	(2032.5)
Short-term capital (net)	(154.7)	(464.6)	(209.1)	(803.2)	159.2	(1,269.1)	(925.8)
Portfolio Investments	835.9	900	553.7	2,536.1	929.0	1,035.7	2,368.8
Government Oil Investments (net)	(145.3)	37.6	(28.9)	(170.3)	(152.8)	(117.4)	10.7
ERRORS AND OMISSIONS (net)	**(144.4)**	**(315.5)**	**530.0**	**78.3**	**(128.0)**	**(337.2)**	**194.2**
OVERALL BALANCE[(1)]	**(86.1)**	**(15.9)**	**247.4**	**1,091.4**	**(671.5)**	**(757.4)**	**878.9**
FINANCING	**86.1**	**15.9**	**(247.4)**	**(1,091.4)**	**671.5**	**757.4**	**(878.9)**
Changes in international reserves	86.1	15.9	(247.4)	(1,091.4)	671.5	**757.4**	**(878.9)**

Source: BoG

(1) Excludes foreign currency deposits of resident commercial banks

Foreign Trade

Direction of Trade

India, China, South Africa, Switzerland and the Netherlands were the most important export destinations in 2018, while China, the US, Belgium, India and the Netherlands were important sources of imports during this period. Ghana's regional trade with members of ECOWAS has decreased as a percentage of total exports in recent years, with exports to ECOWAS countries falling from 7.0 per cent. of total exports in 2014 to 6.1 per cent of total exports. in 2017 to 5.1 per cent. in 2018. Most of the exports to ECOWAS countries were directed at Burkina Faso, Nigeria, Togo, Niger, Senegal and Mali. Similarly, imports from ECOWAS countries as a percentage of total imports fell from 10.8 per cent. in 2014 to 6.1 per cent. in 2017 and 6.2 per cent. in 2018, and were principally from Togo, Nigeria, Côte D'Ivoire, Mauritania, Burkina Faso and Senegal. In the first nine months of 2019, India, Switzerland, and China were the major export destinations, while imports were mainly from China, United States and India. In the same period, 5.1 per cent. of Ghana's exports were directed to ECOWAS countries, notably, Burkina Faso, Togo, Senegal, Nigeria and Niger. Imports from ECOWAS countries amounted to 8.5 per cent. mostly from Togo, Nigeria, Ivory Coast, Burkina Faso and Mauritania.

The following table sets out the geographic distribution of Ghana's imports and exports, by per cent., for the years and periods indicated:

	For the year ended 31 December										For the nine month period ended 30 September			
	2014		2015		2016		2017		2018		2018		2019	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Industrial Countries	**46.3**	**31.4**	**40.8**	**47.6**	**40.8**	**33.4**	**42.6**	**44.4**	**37.2**	**46.3**	**37.4**	**47.1**	**33.6**	**39.2**
France	1.9	6.2	2.0	5.2	3.1	2.3	1.7	2.0	1.7	2.2	1.9	1.7	1.5	2.2
Germany	2.8	1.4	2.2	1.3	2.9	2.0	2.8	1.8	2.2	1.3	2.4	1.3	1.9	1.2
Italy	2.1	5.2	2.0	5.0	1.8	2.3	2.4	1.4	2.1	1.9	2.2	2.3	1.6	1.8
Japan	1.0	0.6	1.1	0.9	1.3	1.5	1.3	0.9	1.3	1.0	1.3	1.3	1.1	1.0
Netherlands	11.9	5.9	5.7	7.6	3.2	6.1	2.6	7.2	3.2	6.9	2.7	7.2	3.0	5.7
UK	3.5	2.6	4.1	2.4	4.5	2.8	3.3	2.6	3.0	3.1	2.9	2.6	2.6	2.7
US	6.8	1.8	8.6	2.5	7.1	3.3	9.8	3.2	7.1	3.8	6.8	2.9	7.1	3.7
Others	16.2	7.6	15.2	22.7	17.0	13.0	18.6	25.3	16.6	26.1	17.1	27.8	14.9	20.8
Other Europeans	**9.8**	**13.5**	**9.5**	**15.0**	**7.7**	**20.3**	**8.7**	**17.3**	**8.6**	**15.9**	**8.8**	**17.2**	**9.7**	**19.7**
Rest of the World	**43.9**	**55.2**	**49.7**	**37.4**	**51.6**	**46.3**	**48.6**	**38.3**	**54.1**	**37.8**	**53.8**	**35.7**	**56.7**	**41.1**
o/w China	14.5	6.6	17.1	9.5	16.3	8.7	17.0	11.7	16.6	12.9	16.7	13.7	13.8	14.9
o/w ECOWAS	10.8	7.0	6.8	10.5	5.1	8.7	6.1	6.1	6.2	5.1	6.6	5.1	8.5	5.1

Source: BoG

Composition of Trade

The most significant export items in 2017 and 2018 were gold, crude oil, cocoa beans, manganese, cashew nuts and prepared or preserved fish. Non-oil imports, which accounted for 84.2 per cent. of total imports in 2017 and 80.3 per cent. of total imports in 2018, includes motor vehicles for the transport of goods and persons, rice, palm oil and its fractions, cement and clinker, polyethylene, wheat and meslin, frozen fish, insecticides and fungicides and sugar. The major export items in the first nine months of 2019 were gold, crude oil, cocoa and non-traditional exports. Non-oil imports amounted to 83.3 per cent. of total imports, and includes motor vehicles for the transport of goods and persons, rice, palm oil and its fractions, cement and clinker, polyethylene, wheat and meslin, frozen fish, insecticides and fungicides and sugar.

The following table sets out the composition of selected exports and imports for the years and periods indicated:

	For the year ended 31 December										For the nine month period ended 30 September			
	2014		2015		2016		2017		2018		2018		2019	
	US$ millions	%	US$ millions	%	US$ millions	%	US$ millions	%	US$ millions	%	US$ millions	%	US$ millions	%
Exports	**13,216.79**	**100.0**	**10,321.20**	**100.0**	**11,138.34**	**100.0**	**13,834.84**	**100.0**	**14,942.7**	**100.0**	**11,324.2**	**100**	**11,692.83**	**100**
Gold	4,388.07	33.2	3,212.59	31.1	4,919.46	44.2	5,786.16	41.8	5,435.71	36.4	4,281.03	37.8	4,647.34	39.7
Cocoa Beans	1,848.85	14.0	1,970.93	19.1	1,923.30	17.3	1,903.49	13.8	1,406.46	9.4	1,005.63	8.9	951.83	8.1
Timber and Timber Products	185.05	1.4	208.75	2.0	255.72	2.3	214.80	1.6	221.47	1.5	172.8	1.5	135.34	1.2
Aluminium Ingots	47.14	0.4	48.46	0.5	52.26	0.5	63.90	0.5	87.47	0.6	56.79	0.5	56.36	0.5
Cocoa Products	764.03	5.8	749.86	7.3	648.87	5.8	757.88	5.5	773.53	5.2	564.17	5.0	621.18	5.3
Electricity	55.73	0.4	46.35	0.4	27.14	0.2	27.17	0.2	57.97	0.4	37.20	0.3	56.33	0.5
Crude Oil	3,724.89	28.2	1,931.28	18.7	1,345.21	12.1	3,115.10	22.5	4,573.41	30.6	3,378.42	29.8	3,425.46	29.3
Diamonds	9.10	0.1	4.22	0.0	2.05	0.0	2.81	0.0	1.90	0.0	1.74	0.0	0.76	0.0
Bauxite	36.26	0.3	41.06	0.4	38.70	0.3	50.86	0.4	23.57	0.2	21.81	0.2	28.06	0.2
Manganese	82.86	0.6	65.75	0.6	100.22	0.9	164.51	1.2	297.03	2.0	179.39	1.6	357.28	3.1
Non-Traditional Commodities & Others	2,074.72	15.7	2,041.94	19.8	1,825.40	16.4	1,748.15	12.6	2,062.40	13.8	1,625.74	14.4	1,412.89	12.1
Imports	**14,600.20**	**100.0**	**13,465.06**	**100.0**	**12,920.1**	**100.0**	**12,647.77**	**100.0**	**13,134.1**	**100.0**	**9,766.87**	**100.0**	**10,009.5**	**100.00**
Oil and Gas	3,693.95	25.3	2,046.71	15.2	1,834.89	14.2	1,992.15	15.8	2,580.90	19.7	1,897.54	19.43	1,668.82	16.67
Non-Oil	10,906.25	74.7	11,418.34	84.8	11,085.22	85.8	10,655.62	84.2	10,553.17	80.3	7,869.34	80.57	8,340.65	83.33

Source: BoG

Trade Policy

Ghana's trade policy aims to provide clear and transparent guidelines for domestic and international trade. The Government designed the trade policy with the goal to ensure a consistent and stable policy environment within the context of the Republic's long-term strategic growth plans.

All foreign trade transactions which involve foreign exchange are governed by the Foreign Exchange Act, 2006 (Act 723) (the "**Foreign Exchange Act**"). See "*Monetary and Financial System—Foreign Exchange Regulations*".

Ghana is a member of the WTO and ECOWAS. From 1 February 2016, the Government changed its external tariff regime in order to adopt the ECOWAS unified tariff regime. Under the CET, members are required to simplify and harmonise customs tariff rates into five bands: zero duty on essential social goods, 5 per cent. duty on primary raw materials, 10 per cent. duty on intermediate goods, 20 per cent. duty on finished goods and 35 per cent. duty on special goods for economic development. Tariff rates for the items covered under exceptions are within the 0 per cent. to 20 per cent. range, but require some increase or decrease to align with the CET.

Under the regional economic partnership agreement, the EU agrees to provide ECOWAS countries who have signed the agreement with duty and quota-free access to its market, while the ECOWAS signatories agree to provide a partial and gradual opening of their markets to EU products. In addition, ECOWAS signatories to the agreement may continue to shield their agricultural products from EU competition either by keeping tariffs in place or, when necessary, by imposing safeguard measures, while the EU will not subsidise its agricultural exports to those ECOWAS countries. However, the regional economic partnership agreement, which was signed by Ghana and other ECOWAS countries in 2014 has not yet been signed by Nigeria. Until the agreement has been signed by all 16 ECOWAS countries, the regional economic partnership agreement cannot be ratified. Consequently, on 28 July 2016, Ghana signed an interim bilateral economic partnership agreement with the EU, which was ratified by Parliament and subsequently received presidential assent and is in full effect. The interim partnership agreement allows Ghana to continue to enjoy duty-free and quota-free access to the EU following the EU's Market Access Regulation expiry in October 2016.

In March 2018, Ghana, along with 43 other African nations, signed a framework agreement to establish the AfCFTA customs union, on the initiative of the AU. AfCFTA came into effect on 30 May 2019 with Nigeria signing the agreement on 7 July 2019. According to the AU and the United Nations Economic Commission for Africa, if all 55 African Union nations were to join AfCFTA, it would represent the largest free-trade area by number of participating nations, who together would cover a market of 1.2 billion people with a combined GDP of US$2.5 trillion. AfCFTA aims to create a single market for goods and services across the African continent, and will require members to adhere to provisions on the free movement of capital and business travellers as well as widespread tariff reductions. Under AfCFTA, nations will be required to commit to removing tariffs on 90 per cent. of goods, with each country submitting its own schedule of products to be liberalised. AfCFTA also allows for each state to designate certain products as either "sensitive" or "excluded" products, which extends or temporarily exempts them from the process of liberalisation, respectively. According to the United Nations Economic Commission for Africa, intra-African trade could increase by up to 52 per cent. under AfCFTA, with the potential for further growth if non-tariff barriers can also be dismantled.

In addition to tariffs, imports are subject to levies imposed by a number of laws including inter alia, the Customs Act, 2015 (Act 891), as amended, the African Union Import Levy Act, 2017 (Act 952) and the Special Import Levy Act, 2013 (Act 861) (as amended). Imports are further affected by a variety of other fees and charges. The Value Added Tax (Amendment) Act, 2018 (Act 970) has restructured VAT by decreasing the VAT rate from 15 per cent. to 12.5 per cent., and the Ghana Education Trust Fund (Amendment) Act, 2018 (Act 972) introduced a separate 2.5 per cent. Ghana Education Trust Fund (GetFund) levy on taxable supplies, which had previously been a component of VAT. The National Health Insurance Levy remained at 2.5 per cent., charged on the duty-inclusive value of all imports and locally-produced goods, with a few selected exemptions. The effect of the restructuring is that while the total of VAT plus levies will remain at 17.5 per cent., suppliers will only be able to deduct the 12.5 per cent. VAT component on purchases. The 5 per cent. levy (NHIL plus GetFund Levy) paid on purchases will now be treated as part of business expense. Ghana also imposes a 0.5 per cent. ECOWAS surcharge on all goods originating from non-ECOWAS countries and charges 0.4 per cent. of the sum of the free on board ("**FOB**") value of goods and VAT for the use of the automated clearance system, the Ghana Community Network. Further, under the Ghana Export-Import Bank Act, 2016 (Act 911), Ghana imposes a 0.75 per cent. duty on all non-petroleum products imported in commercial quantities. Ghana also applies a 1 per cent. processing fee to all duty-free imports. Finally, all imports into Ghana are subject to destination inspection and an inspection fee of 1 per cent. of cost, insurance and freight, and excise taxes at varying rates apply to the import of certain products.

In addition, the Taxation (Use of Fiscal Electronic Device) Act, 2018, (Act 966) (the "**FED Act**") came into force at the end of 2018 and makes it mandatory for all VAT registered businesses to install approved electronic devices at their premises to track VAT sales and purchases.

As a measure to incentivise private investment activity while reducing the cost of doing business, a number of taxes were abolished in 2017, including the following:

- One per cent. Special Import Levy imposed on imported raw materials and machinery;
- 17.5 per cent. VAT/NHIL on Financial Services; and
- 17.5 per cent. VAT on domestic airline tickets.

Foreign Direct Investment

In 1995, the Government established the Ghana Free Zones Authority (the "**GFZA**") to create an attractive and conducive business environment through the provision of competitive free zone incentives and operate an efficient "one-stop-shop" for the promotion and enhancement of domestic and foreign investment. In 1996, the Ghana Free Zones Programme was established to promote processing and manufacturing of goods through the establishment of Export Processing Zones, and to encourage the development of commercial and service activities at sea and air-port areas.

In 2013, the Government passed the Ghana Investment Promotion Centre Act (Act 865) to provide for the Ghana Investment Promotion Centre ("**GIPC**") as the agency responsible for the encouragement and promotion of investments in Ghana. The GIPC was founded to provide for the creation of an attractive incentive framework and a transparent, predictable environment that aims to facilitate investments in the country. The GIPC's purposes include formulating investment promotion policies and plans, initiating support measures to enhance the investment climate, organising and participating in promotional activities, collecting information about investment data and opportunities, registering and monitoring

Ghanaian enterprises, identifying specific projects and preparing profiles on investments and harmonising institutional investment activities.

Total foreign direct investment ("**FDI**"), which represents the foreign component of the total estimated cost of registered projects with the GIPC, was US$3.61 billion in 2017 and US$3.32 billion in 2018. Total FDI in 2017 increased compared to 2016 and 2015, in which registered FDI totalled US$2.24 billion and US$2.33 billion, respectively. The Government attributes the recent increase in FDI primarily to improved economic conditions as well as proactive investment promotion strategies.

There are no restrictions or limitations on direct investments, repatriation of capital, dividends, capital gains or profits. There are also no restrictions on outward direct investments. Banks are, however, required to submit reports to the BoG. In addition, the Financial Intelligence Centre (the "**FIC**") monitors FDI flows and suspicious activities. See "*Monetary and Financial System—The Financial Sector and Capital Markets—Banking Sector*".

The following table shows a breakdown of registered FDI by country of origin during for the years and periods indicated:

For the year ended 31 December					
2016		**2017**		**2018**	
	(US$ millions)		*(US$ millions)*		*(US$ millions)*
Singapore	1,066.82	Netherlands	2,483.85	Netherlands	1,923.31
South Africa	449.77	India	453.74	India	450.20
China	301.53	China	232.92	China	143.05
Mauritius	179.95	France	149.48	Mauritius	149.11
Netherlands	75.23	U.K	54.72	France	120.60
U.K	49.85	Mauritius	44.19	Bahamas	65.27
UAE	21.84	Iran	30.00	Portugal	26.00
Other	96.01	Other	165.10	Other	86.08
Total	**2,241.00**	**Total**	**3,614.00**	**Total**	**3,324.42**

Note: These amounts are based on the investors' declared intention to invest which may differ from the actual amounts ultimately invested. Numbers do not include "upstream" oil investment.
Source: Ghana Investment Promotion Centre.

The following table shows the number of projects and the total investment cost by sector for the periods indicated:

	For the year ended 31 December									
	2014		**2015**		**2016**		**2017**		**2018**	
	US$ mill.	**No. of Projects**	**US$ mill.**	**No. of Projects**	**US$ mill.**	**No. of Projects**	**US$ mill.**	**No. of Projects**	**US$ mill.**	**No. of Projects**
Manufacturing	1,391.35	57	169.62	41	351.79	40	2,792.03	52	683.22	50
Liaison	257.9	28	9.33	22	32.60	25	523.19	35	153.55	17
Service	1,726.68	39	1,134.55	55	1,746.19	67	307.55	53	1,417.56	42
Tourism	32.99	4	601.09	3	0.92	2	-	-	-	-
Building and Construction	21.91	8	589.63	19	237.81	18	53.83	14	1,137.5	15
Export Trade	14.47	12	28.39	6	1	2	5.12	5	2.23	6
Agriculture	22.95	7	16.48	3	9.68	4	6.91	1	8.91	6
General Trade	101.4	29	131.53	21	53.48	22	56.98	32	137.61	32
Total Investment	**3,569.58**	**184**	**2,680.63**	**170**	**2,433.47**	**180**	**3,745.60**	**192**	**3,540.58**	**168**

Note: Numbers do not include "upstream" oil investment.
Source: Ghana Investment Promotion Centre.

In addition to FDI recorded by GIPC, the Ghana Free Zones Board, the Minerals Commission and the Petroleum Commission recorded foreign investment of US$248 million, US$550 million and US$494 million, respectively, in 2017.

PUBLIC FINANCE

General

The Government's budget process is currently governed by the 1992 Constitution, the new Public Financial Management Act, 2016 (Act 921) (the "**PFMA**") and the accompanying Public Financial Managements Regulation, 2019 (L.I. 2378), the Fiscal Responsibility Act, 2018 (Act 982) and an Appropriations Bill which is passed each year. The state budget consists of the revenues and expenditures of the central Government and incorporates transfers to the District Assemblies Common Fund, which is used to provide general budgetary support at the district level. The accounts of SOEs are not included in the national budget. However, the national budget reflects capital transfers to and distributions received from SOEs.

Ghana's fiscal policy objectives since 2001 have been in line with the overall macroeconomic goals of stability for accelerated growth and development. In this regard, far reaching fiscal policy reforms have been implemented in order to increase efficiency in tax and expenditure administration. The Government has also worked closely with the donor community, whose support to the Ghanaian economy is significant.

The Budget Process

The fiscal year for the Government is the calendar year. There are four main phases of the budgetary cycle in Ghana: (i) planning and preparation, (ii) analysis and approval, (iii) implementation and monitoring and (iv) audit and evaluation. In the first phase, the Government develops the macroeconomic framework for the country, incorporating policy measures and initiatives aimed at the attainment of the growth target, and the various MDAs prepare draft estimates of their budgets. Typical macroeconomic objectives of Ghana's budget include attaining real GDP growth targets, decreasing the rate of inflation, reducing the fiscal deficit as a percentage of GDP to a sustainable level and increasing gross foreign assets. All external Government borrowing is subject to parliamentary approval.

In the second phase of Ghana's budgetary cycle, the analysis and approval phase, the Ministry of Finance presents draft budget estimates to Parliament for discussion and debate. After the Ministry of Finance presents its estimates, the Parliament refers MDA estimates to committees for examination before the final house debates. The parliamentary debates on the budget are concluded with an approval by Parliament of the Appropriations Bill. Under the 1992 Constitution, the budget estimate of Ghana's revenues and expenditures for the upcoming year must be prepared and presented to Parliament at least one month before the end of the year. Despite the constitutional mandate, the 2006 budget was the first one presented to Parliament before the beginning of the upcoming fiscal year since Ghana's independence in 1957. Prior to 2006, the practice had been to present and seek Parliament's approval of the estimates for the first quarter's expenditures by the end of December, and by the end of March for the entire fiscal year.

In the third phase of the budgetary cycle, the implementation and monitoring phase, the Minister for Finance authorises the release of funds. The Ministry of Finance is established under Section 11 of the Civil Service Act, 1993 (PNDCL 327), as amended, and is responsible for formulating and implementing fiscal and financial policies and generally for managing the economy. While the ministerial oversight responsibilities for the cocoa sector has been ceded to the Ministry of Food and Agriculture in 2017, the Ministry of Finance remains responsible for the financial oversight of the cocoa sector. It also, on behalf of the Government, oversees the development of programmes with multilateral institutions, such as the World Bank and the IMF, and bilateral development partners. It is a strategic Central Management Agency ("**CMA**"), and together with the National Development Planning Commission and the Public Services Commission, among others, is responsible for the central functions of Government and provides a focal point in Government for policy formulation and implementation.

In order to monitor Government spending and ensure that MDAs do not incur excessive obligations for the Government, the Ministry of Finance is responsible for the supervision of the spending of the MDAs through the use of quarterly and monthly expenditure ceilings and the imposition of sanctions on MDAs which exceed their ceilings.

In the fourth phase of the budgetary cycle, the audit and evaluation phase, the Government assesses the fiscal performance for the year in order to identify appropriate corrective measures for the ensuing year.

In fiscal years in which the amount of funds appropriated is insufficient or in which a need has arisen for expenditures for which no funds have been appropriated, the Constitution provides that a supplementary budget estimate can be presented to Parliament for its approval, which has been necessary in most years since 2010.

Recently, the Government identified the need to provide a stronger regime for budget planning and formulation, execution and monitoring and for this to be properly codified in an integrated public financial management law. The new PFMA was approved by Parliament on 2 August 2016. The PFMA provides an integrated basis to cover all phases of the budget cycle and includes more effective supervision, oversight and reporting of the wider public sector as well as a sanctions regime. The PFMA also assists in meeting several strategic objectives including tying expenditures to realistic medium and long term strategies, ensuring borrowings are within fiscal capacity as well as integrating into one budget system the parallel expenditure systems of statutory funds.

The PFMA focuses on the following:

- provisions to strengthen the medium term macro fiscal framework by codifying certain fiscal rules in the legislation;
- strengthening the process of budgeting through a robust budget calendar and clearly specified role of the cabinet;
- expansion of the coverage of national accounts to include all public funds;
- stronger commitment control to regulate the medium term expenditure framework;
- strengthening the debt management functions within the Ministry of Finance with a stronger oversight of all borrowing across sectors to ensure more sustainable debt levels consistent with the medium term macro fiscal framework;
- strengthening cash management to support a more reliable and predictable budget release;
- stronger framework for external scrutiny to improve government-wide accountability; and
- introduction of a stronger sanctions regime to ensure efficient management of public resources.

The purpose of the PFMA is to ensure:

- transparent consultative fiscal policy formulation process to garner support for Government's fiscal policy to improve budget credibility;
- tighter commitment control to reduce budget overruns and accumulation of arrears;
- predictable and timely release of funds through improved cash and treasury management;
- more sustainable debt through tighter borrowing controls and systems; and
- improved service delivery through the effective monitoring of results and performance of public sector institutions.

In December 2018, Parliament passed the Fiscal Responsibility Act, 2018 (Act 982) (the "**Fiscal Responsibility Act**"), to ensure fiscal discipline, prevent fiscal slippages and improve fiscal and debt sustainability. The Fiscal Responsibility Act modifies Sections 12 to 18 of the PFMA, imposing a cap on the fiscal deficit at 5 per cent. of GDP and the maintenance of a positive primary balance each year. The Fiscal Responsibility Act makes the Minister of Finance responsible for ensuring compliance with the fiscal deficit cap, with potential sanctions from Parliament if the cap is exceeded.

To address the rigid budgetary expenditure structure, the Government adopted the Earmarked Funds Capping & Realignment Act, 2017 (Act 947) in April 2017. This aimed to address inflexibilities in the budget system by capping the total amount that could be transferred into earmarked funds at 25 per cent of tax revenues for a given fiscal year. This will allow for greater discretion over fiscal expenditures, such as for additional public investment, from existing revenues which previously would have required the Government to utilise a grant or resort to additional borrowings.

Public Accounts

Controlling the fiscal deficit is an important goal of fiscal policy. Using the rebased GDP figures, the 2014 fiscal deficit was 7.4 per cent. of GDP, against a revised budget target of 6.4 per cent of GDP. The 2014 deficit was primarily attributable to shortfalls in domestic revenue as a result of the slowdown in economic activity, lower grant disbursements and higher than estimated payment of domestic arrears. In 2015, the fiscal deficit decreased to 4.9 per cent of GDP against a revised budget target of 5.5 per cent of GDP, which was primarily attributable to the impact of the Government's fiscal consolidation programme and, in particular, higher tax revenues (including VAT on fee-based financial services and a 5 per cent flat rate on real estate, a 17.5 per cent special petroleum tax and special import levy of 1–2 per cent on certain imported goods) and contained expenditure for the period. The 2016 fiscal deficit increased to 6.5 per cent of GDP, against a revised budget target of 3.9 per cent. of GDP. The large fiscal deficit recorded in 2016 was primarily as a result of revenue underperformance broadly due to the energy supply challenges which impacted negatively on households and firms, lower than anticipated petroleum receipts and relatively weak tax compliance and higher-than-anticipated election-related expenditures. Improvements in fiscal discipline resulted in a reduction in the fiscal deficit to 4.8 per cent. of GDP in 2017, against a revised budget target of 5.1 per cent of GDP. At the end of 2018, the fiscal deficit amounted to 3.9 per cent of GDP, against a revised budget target of 3.7 per cent of GDP. This outturn was on account of lower than expected revenues (mainly due to the delay or non-implementation of some tax policy measures such as Fiscal Electronic Device ("**FED**" and formerly known as EPOS) and excise tax stamp and lower import volumes) relative to expenditure execution during the period. Provisional data on Government fiscal operations for 2019 indicate that the fiscal deficit amounted to 4.8 percent of GDP on cash basis, against the revised deficit target of 4.5 per cent. of GDP. The primary balance, however, recorded a surplus for the third consecutive year, equivalent to 0.9 per cent. of GDP. The higher-than- budgeted fiscal deficit resulted from revenue underperformance (mainly non-oil tax revenue, lower than expected inflows from upstream oil and gas activities and lower than anticipated non-tax revenue) and expenditure overruns incurred in connection with the costs associated with front-loading certain initiatives related to the Government's priority programmes, as well as higher military costs incurred in connection with emerging security challenges in the region and from payments to the 2019 ECOWAS security budget.

Ghana has historically financed its deficits through a combination of divestiture receipts, foreign borrowing, overdrafts and the issuance of domestic debt. The 2017 budget deficit was mostly financed through domestic borrowing and other domestic sources, while foreign financing (net of external borrowing and amortisation) of the deficit constituted a net repayment of GHS47.42 million. Domestic financing of the budget deficit was GHS12.3 billion. The 2018 budget deficit of GHS11.67 billion was financed from both domestic and external sources. Domestic financing constituted about 76.7 per cent of total financing. High domestic borrowing by the Government in the past has contributed to high domestic interest rates. However, recent prudent debt management practices including the reprofiling of the domestic debt led to an increase in the average time to maturity for domestic debt from 5.5 years in 2016 to 7.8 years in 2018, while the average time to maturity of the entire debt portfolio increased from 6.3 years to 8.7 years over the same period. The proportion of the total debt to be re-fixed in one year reduced from 38.7 per cent in 2016 to 24.1 per cent in 2018.

The higher-than budgeted deficit for 2019 was financed mainly from domestic sources (domestic borrowing and other domestic sources) which amounted to GHS11.9 billion (3.4 per cent. of GDP), while foreign financing amounted to GHS4.8 billion (1.4 per cent. of GDP).

The following table shows a breakdown of budgeted Government revenues and expenditures for the periods indicated:

	For the year ended 30 December					
	2014	**2015**	**2016**	**2017**	**2018**	**2019(1)**
REVENUES			*(GHS Million)*			
Total Revenues and Grants	**25,114**	**29,311**	**37,262**	**41,160**	**49,059**	**58,897**
Total Revenue	23,723	27,309	35,673	39,628	48,298	57,787
Tax Revenue	18,672	21,913	28,502	31,080	38,589	45,639
Income & Property Taxes	9,160	9,411	11,359	12,951	16,614	22,674
Company Taxes	3,562	3,754	5,201	5,849	6,917	10,072
Personal Income Tax	3,572	3,812	4,483	4,909	6,337	1,364
Others	2,026	1,845	1,675	2,193	3,360	11,239
Taxes on Domestic Goods & Services	6,478	9,348	12,117	13,363	16,992	18,640
VAT	4,627	5,761	7,348	8,333	10,647	9,916
Domestic	1,765	2,398	3,186	3,785	4,502	5,177
Imports	2,861	3,363	4,162	4,548	6,145	4,739
National Health Insurance Levy (NHIL)	739	1,003	1,125	1,438	1,729	1,983
GETFund Levy	-	-	-	-	571	1,983
Communication Service Tax	317	281	310	328	402	524
Petroleum Tax	636	2,090	3,043	2,878	3,168	3,678
Excise Duty	160	214	291	386	475	555
International Trade Taxes	3,358	3,615	5,654	6,703	6,610	6,356
Import Duties	3,047	3,275	4,900	6,372	6,610	6,356
Export Duties	311	340	754	331	-	-
Tax Refund	(324)	(462)	(627)	(1,937)	(1,627)	(2,031)
SSNIT Contribution to NHIL	166	183	353	296	494	494
Non-tax revenue	4,885	5,214	6,818	6,170	7,445	9,022
Other Revenue	-	-	-	2,082	1,770	2,631
Grants	1,391	2,002	1,589	1,532	761	1,110
Project Grants	911	1,065	1,463	1,515	748	1,052
Programme Grants	480	936	126	16	13	58
EXPENDITURES						
Total Expenditures	**33,734**	**37,870**	**43,356**	**50,236**	**59,172**	**73,882**
Recurrent	**24,266**	**28,291**	**32,166**	**39,765**	**47,786**	**60,232**
Non-Interest Recurrent of Expenditures	**16,382**	**18,941**	**21,676**	**26,481**	**32,694**	**40,633**
Compensation of Employees	10,793	12,313	13,731	16,006	19,729	22,838
Wages and Salaries	9,219	10,286	11,723	14,047	17,042	19,767
Use of Goods & Services	1,085	1,856	2,127	2,651	3,682	6,938
Transfers	4,503	4,772	5,818	7,824	9,283	10,857
Other Expenditure (ESLA)	-	-	-	2,182	1,770	2,451
Reallocation to Priority Programmes	-	-	-	100	-	-
National Health Fund	905	1,186	1,478	1,734	2,026	1,725
Retention to IGFs	2,806	2,833	3,532	2,103	3,455	4,327
Other Earmarked Funds	-	-	732	1,464	1,870	2,224
Social Benefits	792	753	75	241	161	130
Interest Payments	**7,885**	**9,350**	**10,490**	**13,284**	**15,092**	**19,598**
Domestic	6,820	7,734	8,317	10,571	12,268	15,025
External	1,065	1,616	2,173	2,712	2,823	4,574
Subsidies	**619**	**50**	**50**	**50**	**147**	**180**
Capital Expenditures	**5,990**	**6,357**	**6,393**	**6,445**	**6,393**	**7,711**
Domestic Financed	1,242	1,834	1,606	2,097	2,675	3,617
Foreign Financed	4,749	4,522	4,788	4,348	3,718	4,094
Other Capital expenditure	**2,859**	**3,171**	**4,747**	**4,076**	**4,846**	**5,759**
Education Trust Fund	712	853	1,082	644	1,005	1,231
Road Fund	227	257	1,062	833	955	1,104
Petroleum Related Funds/Energy Fund	6	5	31	20	21	25
Dist. Ass. Common Fund	1,316	1,558	2,048	1,563	1,800	2,090
Transfer to the GNPC from Oil Revenue	599	498	524	1,017	1,065	1,308
Other Commitment	-	-	-	-	-	-
OVERALL BALANCE	**(8,621)**	**(8,559)**	**(6,094)**	**(9,076)**	**(10,113)**	**(14,985)**

	For the year ended 30 December					
	2014	2015	2016	2017	2018	2019[1]
REVENUES (COMMITMENT)			(*GHS Million*)			
Road Arrears (Net change).............	(232)	(322)	-	-	-	-
Non-Road Arrears	(2,019)	(1,539)	(2,313)	(3,743)	(858)	(730)
Discrepancy....................................	744	693	-	(0)	-	-
Overall Deficit (including Divestitures and Discrepancy)....................................	**(10,128)**	**(9,727)**	**(8,408)**	**(12,819)**	**(10,971)**	**(15,715)**
			% GDP			
Total Government Budget Balance...	(6.4)	(5.5)	(3.9)	(5.1)	(3.7)	(4.5)
Total Expenditure...........................	21	21.4	20.2	20.0	19.8	21.4
Domestic Primary Balance.............	2.1	2.3	3.5	2.8	2.7	2.2

Source: Ministry of Finance
(1) Provisional

The following table shows a breakdown of actual Government revenues and expenditures for the periods indicated:

	For the year ended 31 December					
	2014	2015	2016	2017	2018	2019[1]
REVENUES			(*GHS Million*)			
Total Revenues and Grants	**23,371**	**29,355**	**32,233**	**39,695**	**47,637**	**52,974**
Total Revenue.....................................	**22,557**	**26,666**	**31,092**	**38,160**	**46,502**	**51,988**
Tax Revenue	**17,855**	**21,455**	**24,284**	**30,424**	**37,784**	**42,356**
Income & Property Taxes.........	**8,487**	**8,707**	**9,107**	**13,398**	**18,776**	**22,599**
Company Taxes..........................	3,034	3,620	4,052	5,793	8,528	10,437
Company Taxes on Oil...............	3,000	3,310	3,466	4,859	6,270	926
Others Direct Taxes....................	2,453	1,777	1,589	2,746	3,979	11,236
Taxes on Domestic Goods & Services.....................................	**6,434**	**9,927**	**12,231**	**13,345**	**15,030**	**16,882**
VAT	4,672	6,254	7,130	8,549	8,893	9,032
Domestic	1,915	2,766	3,022	3,557	3,980	5,209
Imports	2,757	3,489	4,108	4,992	4,912	3,545
National Health Insurance Levy (NHIL)	782	1,019	1,120	1,376	1,501	1,736
GETFund Levy...........................	0	0	0	0	555	1,770
Communication Service Tax	217	252	339	329	420	412
Petroleum Tax	618	2,163	3,346	2,751	3,342	3,544
Excise Duty................................	147	239	297	339	319	387
International Trade Taxes........	3,091	3,449	4,390	5,485	6,102	5,346
Import Duties	3,091	3,449	4,390	5,485	6,102	5,346
Export Duties	0	0	0	0	0	0
Tax Refunds	(157)	(627)	(1,445)	(1,803)	(2,125)	(2,470)
Social Security Contribution to NHIL	219	289	280	442	377	153
Non-Tax Revenue	4,484	4,921	4,882	5,325	6,524	7,568
Other Revenue (ESLA)	0	0	1,646	1,970	1,817	1,912
Grants...	814	2,689	1,141	1,535	1,135	986
Project Grants.............................	787	1,744	1,034	1,535	1,121	986
Programme Grants	27	945	106	0	14	0
EXPENDITURES						
Total Expenditures.............................	**30,745**	**36,592**	**50,438**	**50,183**	**58,197**	**67,671**
Recurrent	**22,769**	**26,298**	**34,461**	**40,443**	**49,108**	**55,365**
Non-Interest Recurrent Expenditures...	**15,688**	**17,223**	**22,932**	**26,871**	**33,286**	**35,609**
Compensation of Employees.......	10,467	12,111	14,165	16,776	19,612	22,033
Wages & Salaries	9,449	10,556	12,110	14,445	17,213	19,521
Goods & Services.......................	1,777	1,388	3,221	2,482	5,128	6,170
Transfers....................................	3,445	3,724	5,546	7,612	8,546	10,866
ESLA transfers	0	0	203	1,801	1,817	1,912
Reallocation to priority programmes................................	0	0	0	0	0	0

	For the year ended 31 December					
	2014	**2015**	**2016**	**2017**	**2018**	**2019[(1)]**
National Health Fund (NHF).......	947	1,132	1,102	1,106	1,473	1,317
Retention of Internally-generated funds (IGFs)	2,497	2,531	3,368	2,849	3,165	3,953
Other Earmarked Funds	0	0	874	1,834	1,925	1,773
Social Benefits	0	61	0	23	166	1,912
Interest Payments................................	**7,081**	**9,075**	**11,529**	**13,572**	**15,822**	**19,756**
Domestic	6,111	7,313	9,225	11,040	12,494	15,157
External	970	1,762	2,304	2,533	3,328	4,600
Subsidies...	**474**	**25**	**0**	**0**	**125**	**124**
Capital Expenditures (Total).............	**7,502**	**10,269**	**10,942**	**9,740**	**8,964**	**9,657**
Domestic financed.......................	2,672	4,350	5,313	4,429	5,909	60,033
Foreign financed)	4,831	5,919	5,630	5,310	3,056	3,623
Outstanding Commitment.................	**0**	**0**	**5,036**	**0**	**0**	**0**
Balance (commitment)........................	**(7,373)**	**(7,237)**	**(18,205)**	**(10,488)**	**(10,560)**	**(14,697)**
Road Arrears	(232)	(322)	0	0	0	0
Non-road Arrears	(3,849)	(2,087)	2,597	(1,758)	(859)	(730)
Discrepancy.................................	(97)	887	1,686	1	(266)	(1,300)
OVERALL BALANCE.......................						
Overall Deficit (cash, discrepancy)	(11,551)	(8,760)	(13,923)	(12,245)	(11,685)	(16,727)
			% of GDP			
Total Government Budget Balance..	(7)	(5)	(7)	(5)	(4)	(5) [(2)]
Total Expenditures	20	20	24	20	20	20[(2)]
Domestic Primary Balance..........	2	3	(1)	3	2	2[(2)]

Source: Ministry of Finance

(1) Provisional

(2) Full year GDP data for 2019 is not yet available and these ratios are based on an estimate of GDP for year-end 2019. The year-end estimate is calculated based on GDP data for the first half of 2019 published by the Ghana Statistical Service, a trend analysis of GDP for the second half of 2018, a gap analysis of what would be required to attain the original 2019 GDP estimation, and information from the industry, agriculture and service sector covering GDP for the third quarter of 2019. See "Presentation of Statistical and Other Information".

Revenues and Grants

The main sources of budgetary receipts are direct taxes, indirect taxes, international trade taxes, non-tax revenues and grants. Direct taxes include personal and self-employment income taxes, company taxes and other taxes such as the airport tax. Indirect taxes include the domestic and import VAT, petroleum taxes and excise taxes. International trade taxes are comprised of import duties and export duties. Grant disbursements from development partners are usually used for general budgetary support and specific projects. See "*Public Debt—Relations with Multilateral Financial Institutions*".

In 2017, the focus of fiscal policy shifted from taxation to the use of tax policy as a tool to support production, aiming to rationalise taxes, create an enabling environment for the private sector and to stimulate investments and drive economic growth. Consequently, seventeen 'nuisance' taxes were abolished to promote a sense of economic freedom and entrepreneurship and give relief to the private sector. At the same time, the Government embarked on a strategy to enforce greater tax compliance. Prior to this shift, the Government had made significant policy reforms aimed at increasing revenue collection. Specific measures undertaken include:

- the creation of the GRA, which integrated the revenue agencies (IRS, VAT, CEPS) into one body to increase efficiency in tax administration;
- the establishment of a Large Taxpayers Unit, which facilitates the payment of taxes by significant contributors;
- the introduction of a single Taxpayer Identification Number ("**TIN**") and the automation of customs systems;

- the restructuring of VAT in 2018, by reducing the rate of VAT from 15 per cent. to 12.5 per cent., treating the National Health Insurance Levy of 2.5 per cent as a stand-alone levy and decoupling the GETFund from VAT to become a stand-alone levy of 2.5 per cent.;
- the introduction of a special petroleum tax on petroleum products to bring Ghana's petroleum taxes more in line with the international practice;
- the expansion of the VAT to include certain fee-based financial services, domestic airlines services and a 5 per cent VAT on real estate (all later abolished in 2017); and
- the introduction of new tax measures such as the National Fiscal Stabilisation Levy ("**NFSL**"), a 1-2 per cent levy on imports, an increase in corporate income tax rate of free zones companies selling on the local market from 8 to 25 per cent, an increase in the withholding tax on management and technical services fees from 15 to 20 per cent, and an increase in withholding tax on rent on commercial properties from 8 to 15 per cent. The collection of the NFSL and the 1 per cent levy on imports which were set to expire in December 2017 was extended to December 2019. The Republic has extended the NFSL and special import levies for another five years to support the budget as highlighted in the 2020 Budget Statement.

The 2018 Budget Statement reaffirmed the Government's commitment to various on-going revenue-improvement measures, including (i) the broadening of the tax base through policies such as the TIN and National Identification Systems and (ii) the review of the existing system of tax reliefs and exemptions to improve efficiency and eliminate exploitation. In 2018, the Government engaged the McKinsey Group to assist the Ghana Revenue Authority in improving its revenue systems and processes, as well as providing staff training. The Government also introduced a number of interventions aimed at more targeted debt collection, higher audit coverage, enhanced custom operations, higher compliance levels and implementing new performance review measures. Following McKinsey's engagement, the Government has seen some improvement in revenue collection, with debt recovered increasing from GHS0.2 billion in the first half of 2018 to GHS1.1 billion in the second half of 2018. More specifically, these reforms have broadly yielded positive results, as evidenced by improved fiscal performance during the period 2017 to 2018. Tax revenue, which was around 10.7 per cent of GDP at the end of 2013, increased to around 12 per cent of GDP in 2017 and up to 12.6 per cent of GDP at the end of 2018 as a result of the policy reforms that the Government had implemented in the past several years and improved tax compliance and revenue administration.

The 2019 Budget Statement called for more creative approaches to reduce number of individuals and businesses operating outside the tax net, including applying sanctions to state and private entities that fail to enforce the TIN requirements and making better use of third-party data. While the FED (formerly known as EPOS) suffered major setback in its implementation, a number of fiscal measures were introduced in the 2019 Mid-Year Budget Review. These measures included the upward adjustment in the Communication Service Tax (CST) rate from 6 percent to 9 percent and the upward adjustment in the Energy Sector Levy (ESL) with respect to the Power Generation and Infrastructure Support Levy, the Road Fund Levy, and the Price Stabilization & Recovery Levy, while the Luxury Vehicles Levy was withdrawn based on the feedback on the impact of the implementation of the tax. In particular, the Power Generation and Infrastructure Support Levy was increased by 29 per cent. on petrol and diesel from GHp28/ppl to GHp36/ppl and by 14 per cent. on LPG from GHp28/ppkg to GHp32/ppkg. The Road Fund Levy was increased by 20 per cent. on petrol and diesel from GHp40/ppl to GHp48/ppl. The Price Stabilisation and Recovery Levy was increased by 33 per cent. on petrol from GHp12/ppl to GHp16/ppl; by 40 per cent. on diesel from GHp10/ppl to GHp14/ppl; and by 40 per cent. on LPG from GHp10/ppkg to GHp14/ppkg.

The sixth Income Tax Band for incomes above GHS10,000 per month that was introduced in the 2018 Mid-Year Budget Review was revised in the 2019 Budget, pursuant to which the monthly personal income threshold was increased from above GHS10,000 at a rate of 35% to above GHS20,000 at a rate of 30%. As part of its efforts, the Government also improved its tax revenue collection by increasing full audits and implementing more aggressive tax collection methods, such as monitoring cash registers and creating a rent collection task force to collect landlord information and developing the TIN system. The Government also made efforts to introduce digitalisation initiatives to enhance tax revenue collection, such as electronic VAT collection and tax payments via mobile phones. Despite recent reforms aimed at improving revenue collection, the majority of Ghanaians do not pay any income tax, due in large part to the significant informal sector, resulting in low tax revenue to GDP ratio relative to the average of 18 to 20 per cent. for Ghana's middle income country peers. As part of its measures to streamline the tax exemptions regime and reduce abuse, the Tax Exemptions Bill was laid in Parliament in April 2019, which is expected to be passed in 2020.

In order to address these longstanding shortcomings, the 2020 Budget Statement called for more radical policy and institutional reforms towards raising Ghana's tax-to-GDP ratio over the medium term from under 13 per cent. currently to around 20 per cent., mainly through efficiency and base-broadening measures. This target underscores the Government's focus on increasing tax revenues to create fiscal space and ensure public debt sustainability, while keeping taxation at a level conducive to private sector development and economic growth. Although the 2020 Budget does not envisage any new taxes or increase in tax rates, the Government intends to aggressively pursue and enforce tax compliance measures, including the use of third party information, introduction and operationalization of the FED, and improve tax administration through the automation of current tax operations/procedures and review of tax laws to eliminate any loopholes in order to expand its tax base. More specifically, the Government intends to combine private sector practices with public sector knowhow and expertise to transform processes, people and utilization of technology to improve tax administration. In addition, Government has extended the NFS and the special imports levies for five years, starting from 2020. These initiatives are expected to complement the Government's efforts to improve and strengthen revenue mobilisation.

Recently, the general trend in donor support has been downwards, as a result of the Republic having attained lower middle-income status, thereby reducing its eligibility for certain grants and concessional loans, and also as a result of its failure to meet the conditions of certain institutional donors. For these reasons, total grants, which constituted 2.3 per cent of GDP and 12.9 per cent of total revenues and grants in 2010, have decreased to 0.6 per cent of GDP and 3.9 per cent of total revenues and grants in 2017. Disbursement of grants amounted to GHS1.5 billion in 2017, 0.2 per cent above the budget target. In 2018, disbursement of grants constituted 0.4 per cent of GDP and 2.4 per cent of total revenues and grants. At the end of 2019, disbursement of grants constituted 0.3 per cent of GDP and 1.9 per cent of total revenues and grants.

Expenditures

Budget expenditures are divided into statutory payments and discretionary payments. Statutory payments, which are provided for by specific legislation and agreements, include interest and principal payments on external and domestic debt, pensions, gratuities, social security contributions by the Government, transfers to statutory funds such as the District Assemblies Common Fund (which funds the expenditures of the local Government units), the Ghana Education Trust Fund, the National Health Insurance Fund and the Road Fund. All other payments are discretionary, including payments for wages and salaries, goods and services and investment outlays.

Since 2001, the regulatory framework for public finances has been strengthened through the passage of key legislation such as the Internal Audit Agency Act, 2003 (Act 658), the Public Procurement (Amendment) Act, 2016 (Act 914), the PFMA, the Public Financial Management Regulations, 2019 (L.I. 2378) and the Fiscal Responsibility Act. Significant progress has also been made in the area of budget execution and reporting. Fiscal data is now published in a timely manner with a six-week lag, basic systems for cash planning and commitment control have been installed and are functioning. Additionally, external oversight of budget execution has improved through the submission of Auditor-General reports to Parliament and the clearance of the backlog of outstanding audit reports.

To strengthen the capacity for budget monitoring and control, the Government adopted GIFMIS (Ghana Integrated Financial Management Information System) in October 2010. The focus of the GIFMIS is to upgrade and install a new public financial management system for the accounting, control, audit and reporting of the budget. The Government expects GIFMIS to improve the effectiveness of service delivery, the allocation of resources and transparency in Government expenditures.

In an additional effort to improve expenditure management, the Government has taken steps to gradually reduce utilities and petroleum subsidies through frequent adjustment of prices. The petroleum price liberalisation policy, which aims to fully eliminate petroleum subsidies, became effective on 1 July 2015.

To further address one of the main sources of fiscal imbalance, the Government has limited the nominal increase in the total wage bill to levels within budgetary constraints since 2016 by negotiating public sector wage adjustments prior to the preparation of the new year's annual budget statement. In addition, the Government has imposed strict limits on net public sector hiring, with the exception of the education and health sectors. However, in the last few years, a number of recruitments have been made into the public sector, particularly, in the security services to address emerging security concerns in the sub-region.

Results for Year Ended 31 December 2018

Ghana's budget deficit contracted further from GHS12,244.7 million in 2017 to GHS11,672.7 million in 2018. As a percentage of GDP, the budget deficit decreased from 4.8 per cent. of GDP in 2017 to 3.9 per cent. in 2018.

Total revenues (including grants) in 2018 increased by 20.0 per cent to GHS47,636.7 million, compared to GHS39,694.5 million in 2017. The Government attributes this increase in total receipts primarily to improved tax administration and tax compliance as well as certain mid-year revenue measures that were introduced to boost revenue mobilisation. Ghana received a total of GHS1,134.8 million in grants in 2018, comprising 2.4 per cent of total receipts for the year, compared to GHS1,534.9 million in 2017. Tax revenue increased by 24.2 per cent in 2018 to GHS37,784.2 million, compared to GHS30,424.2 million in 2017. Non-tax revenue fell below budgeted target by 12.4 per cent., attributable mainly to lower than programmed MDAs retained internally generated funds.

Total expenditures (including clearance of arrears) in 2018 amounted to GHS59,309.5 million, compared to GHS51,939.2 million in 2017. The outturn was 1.2 per cent lower than the revised budget target and 14.2 per cent higher that the outturn for 2017. The increase in expenditures is attributable primarily to recurrent expenditures, which increased by 22.9 per cent from GHS38,608.6 million in 2017 to GHS47,477.8 million in 2018. The largest component of the increase in recurrent spending was expenditure on wages and salaries (which totalled GHS17,212.9 million), interest payments (which totalled GHS15,821.8 million) and use of goods and services (which totalled GHS5,127.9 million), against respective targets of GHS17,041.9 million, GHS15,091.6 million and GHS3,682.3 million. In addition, interest costs on servicing external and domestic debts increased by 16.6 per cent as compared to 2017.

Results for Year Ended 31 December 2019

Based on the provisional data for the year ended 31 December 2019, fiscal deficit amounted to GHS16,726.7 million in 2019, equivalent to 4.8 per cent. of GDP. The primary balance recorded a surplus of 0.9 per cent. of GDP in 2019, compared to 1.4 per cent in per cent. in 2018.

Total revenues (including grants) in 2019 increased by 11.2 per cent to GHS52,974.1 million, compared to GHS47,636.7 million in 2018. The increase in revenue performance was mainly attributed to improved tax administration and tax compliance measures which included debt recovery. A total of GHS986.1 million was received in grants in 2019, comprising 1.9 per cent of total receipts for the year, compared to GHS1,134.8 million in 2018. Tax revenue increased by 12.1 per cent in 2019 to GHS42,355.5 million, compared to GHS37,784.2 million in 2018. Non-tax revenue fell below budgeted target by 16.1 per cent., mainly on account of under performance by IGF-generating institutions which affected the expected yield from the IGFs capping, lower than expected yield from Luxury Vehicle Levy and eventual repeal of the Luxury Vehicles Levy Law and poor revenue performance by the National Lottery Authority (**NLA**), partly due to various investments made by NLA towards improving revenue in the short to medium term.

Total expenditure (including arrears, clearance & discrepancy) amounted to GHS69.7 billion (representing 20.0 per cent. of GDP) compared GHS59.3 billion (constituting 19.7 per cent. of GDP) in 2018. The outturn was 6.6 per cent. lower than the revised budget target of GHS74.6 billion (i.e. 21.6 per cent. of GDP) and 17.5 per cent higher than the outturn for 2018. The key drivers of the increase in expenditures was the capital expenditure (which increased by 29.8 per cent. from GHS4,738.3 million in 2018 to GHS6,151.8 million in 2019), compensation of employees (which increased by 12.3 per cent.) and use of goods and services (which increased by 20.3 per cent.). Interest costs on servicing external and domestic debts increased by 24.9 per cent. in 2019 as compared to 16.6 in 2018.

The 2020 Budget Statement

The Ministry of Finance presented the 2020 Budget Statement and Economic Policy to Parliament on 13 November 2019, and Parliament approved the 2020 Budget on 26 November 2019. The 2020 Budget Statement sought to consolidate the positive economic progress made under the 2019 Budget, with a review of performance of the economy for the period January – September 2019 based on the provisional data available as at the end of September 2019, which indicates that targets for most of the macroeconomic indicators have been realised. To continue the trend of reduction in the fiscal deficit, the 2020 Budget targeted the fiscal deficit at 4.7 per cent of GDP in 2020, with the fiscal deficit targeted to remain below 5 per cent of GDP from 2020-2023 (the "**medium-term**"). The primary balance is still expected to remain positive, ensuring fiscal prudence and debt sustainability, although the primary balance recorded a deficit of 0.3 per cent of GDP at the end of September 2019, against a targeted surplus of 0.1 per cent of GDP and a surplus outturn of 0.7 per cent in the same period in 2018. The 2020 Budget introduced further investment and growth-promoting measures, including, for developing a transparent and regulated business environment in Ghana, strengthening domestic revenue mobilisation, enhancing local enterprises access to finance, including medium and long-term capital, accelerating infrastructural development and building on digitisation by supporting the development of fintech and knowledge economy in Ghana. In addition, the Government plans to actively pursue foreign direct investments for higher amounts of external private capital to complement Government resources and drive Ghana's transformation further. To this end, the Government has established an Inter-Ministerial Committee to provide coordinated policy guidance and support to its foreign investment drive.

In addition, the 2020 Budget also proposed the continued implementation of structural reforms to promote macroeconomic stability and build an economic paradigm based on investment and entrench irreversibility and sustainable development. The macroeconomic framework for 2020 is guided by the overall objectives of the CPESDP 2017-2024. See "*The Economy—General—Ghana Shared Growth and Development Agenda I and II and Agenda for Jobs*".

The average overall real GDP growth target for the medium term, including the 2020 fiscal year, is expected to be 5.7 per cent. and is consistent with the following macroeconomic assumptions:

- Non-Oil Real GDP to grow at an average of 5.9 per cent for the period;
- Inflation to be within the target band of 8±2 per cent;
- Overall fiscal deficit to remain within the fiscal responsibility threshold of not more than 5 per cent of GDP;
- The primary balance to be in a surplus; and
- Gross International Reserves to cover at least 3.5 months of imports of goods and services.

The 2020 Budget Statement is based on the following macroeconomic targets for the fiscal year:

- Overall Real GDP growth of 6.8 per cent.;
- Non-Oil Real GDP growth of 6.7 per cent.;
- End-period inflation of 8.0 per cent.;
- Fiscal deficit of 4.7 per cent. of GDP;
- Primary surplus of 0.7 per cent. of GDP; and
- Gross International Reserves to cover not less than 3.5 months of imports of goods and services.

Over the medium term, the Government's fiscal policy aims to ensure macroeconomic stability within the macroeconomic and fiscal framework and reduce the fiscal deficit to sustainable levels and generate sufficient primary surpluses to ensure a sustainable declining debt path to strengthen debt sustainability without compromising growth. The Government also plans to focus on fiscal policy that will ensure transparent, effective and efficient natural resource revenue management, and to continue with the ongoing reforms to strengthen financial management and management of financial risks.

The Government's 2020 fiscal policy objectives are also consistent with the 2019 objectives to enhance domestic revenue mobilisation, reduce budget rigidities to create critical fiscal space to accommodate growth enhancing expenditures, pursue expenditure efficiency measures to get more mileage from Ghana's resources to ensure value-for-money spending and promote social protection and inclusion. Amongst other measures, the Government in 2020 intends to pursue strategies to diversify productivity and high-value services, establish a National Development Bank and increase private sector inward investments in key sectors of the economy, including manufacturing, agriculture, and information communication technology.

The following table sets forth a summary of the budget for the year ending 31 December 2020:

	2020 Budget
REVENUES	(GHS millions)
Total Revenues and Grants	**67,071**
Total Revenue	65,831
Tax Revenue	49,248
Income & Property Taxes	26,603
Company Taxes	11,170
Company Taxes on Oil	2,812
Other Direct Taxes	12,621
Taxes on Domestic Goods & Services	19,102
VAT	10,158
Domestic	6,022
External	4,136
Petroleum Tax	4,064
Excise Duty	632
National Health Insurance Levy (NHIL)	2,009
Communication Service Tax	437
International Trade Taxes	5,810
Import Duties	5,810
Export Duties	0
Social Security Contribution to National Health Insurance Levy (NHIL)	573
Non-Tax Revenue	13,134
Other Revenue (ESLA)	2,876
Grants	1,240
Project Grants	1,139
Programme Grants	101
EXPENDITURES	
Total Expenditures	**84,509**
Compensation of Employees	26,565
Wages and Salaries	22,918
Goods & Services	8,331
Interest Payments	21,692
Domestic	16,558
External	5,134
Subsidies	229
Grants to other Government Units	15,635
Social Benefits	150
ESLA Transfers	2,647
Capital Expenditures	**9,260**
Capital Expenditures (Domestic financed)	3,776
Capital Expenditures (Foreign financed)	5,485
Overall Balance (Commitment)	(17,438)
Arrears Clearance	(1,443)
Tax Refunds	(2,268)
Clearance of Outstanding Commitments	(1,443)
Overall Balance (Cash)	(18,881)

	2020 Budget
REVENUES	(GHS millions)
Discrepancy	0
OVERALL BALANCE	
Overall Deficit (including Divestitures and Discrepancy)	(18,881)
(% of GDP)	
Total Government Budget Balance	(5)
Total Revenues and Grants	17
Total Expenditure	21
Domestic Primary Balance	2

Source: Ministry of Finance (based on the 2020 Budget Statement presented to Parliament on 13 November 2019)

MONETARY AND FINANCIAL SYSTEM

Role of the Bank of Ghana

The BoG is the central bank of Ghana. It was established by the British Parliament just before the declaration of Ghana's independence in 1957, and it traces its roots to the Bank of the Gold Coast. The BoG has overall supervisory and regulatory authority in all matters relating to banking and non-banking financial business and its purpose is to achieve a sound, efficient banking system in the interest of depositors and other customers of these institutions and the economy as a whole.

The governing body of the BoG is the Board of Directors, which consists of one representative from the Ministry of Finance, the Governor of the Bank and the First and Second Deputy Governors of the Bank and nine other directors, each of whom, except the representative from the Ministry of Finance, is appointed by the President acting in consultation with the Council of State. Members of the Board of Directors, other than the Governor and the two Deputy Governors, are appointed for a period of four years but are eligible for re-appointment. The Governor and the Deputy Governors are each appointed for terms of four years and are also eligible for re-appointment.

The functions and responsibilities of the BoG are defined in the Bank of Ghana Act, 2002 (Act 612) (as amended) (the "**BoG Act**"), which is the governing law relating to the central bank. The BoG Act provides that the primary objective of the BoG is to maintain stability in the general level of prices. The BoG's overall supervisory and regulatory authority over the banks reinforces its mandate to maintain price stability. Without prejudice to the BoG's primary objective, the BoG is additionally directed to support the general economic policy of the Government and to promote economic growth and effective and efficient operation of banking and credit systems in the country, independent of instructions from the Government or any other authority.

The BoG Act further provides that the BoG shall perform the following functions: (i) formulate and implement monetary policy aimed at achieving the objectives of the BoG; (ii) promote by monetary measures the stabilisation of the value of the currency within and outside Ghana; (iii) institute measures which are likely to have a favourable effect on the balance of payments, the state of public finances and the general development of the national economy; (iv) regulate, supervise and direct the banking and credit system and ensure the smooth operation of the financial sector; (v) promote, regulate and supervise payment and settlement systems; (vi) issue and redeem the currency notes and coins; (vii) ensure effective maintenance and management of Ghana's external financial services; (viii) license, regulate, promote and supervise non-banking financial institutions; (ix) act as banker and financial adviser to the Government; (x) promote and maintain relations with international banking and financial institutions and, subject to the Constitution or any other relevant enactment, implement international monetary agreements to which Ghana is a party; and (xi) do all other things that are incidental or conducive to the efficient performance of its functions.

In compliance with the structural benchmarks of the IMF's extended credit facility for Ghana, the Bank of Ghana (Amendment) Act, 2016 (Act 918) (the "**BoG Amendment Act**") was passed in 2016. The BoG Amendment Act, among other things, (i) strengthens the autonomy of the BoG; (ii) sets the terms of office of the Governor of the Bank and the other members of the Board of Directors; (iii) introduces explicit rules to preserve the personal autonomy of the Board of Directors and audit committees of the Bank; and (iv) sets clear rules and mechanisms for emergency lending to banks during times of distress. Parliament rejected certain provisions requested by the IMF, including imposing a zero limit on BoG monetary financing of central Government and public institutions (including SOEs) and instead approved a limit of 5 per cent. of the previous year's Government revenues. The Government has confirmed that its intention is to continue to adhere to the zero limit on BoG financing of central Government in accordance with the IMF's structural benchmarks (which permits BoG to finance up to 2 per cent. of the previous year's Government revenues for a cumulative period of up to 90 business days of the calendar year).

The BoG is the sole custodian of state funds both in and outside of Ghana. As the banker for the Government, the BoG receives, collects, pays and remits money and securities on behalf of the Government, and may act as banker to any Government institution or agency. Except as otherwise determined by agreement with the Minister for Finance, the BoG does not receive remuneration from the

Government for these services. Further, the BoG is entrusted with the issue and management of Government loans publicly issued upon the terms and conditions that are agreed upon between the Government and the BoG.

In counteracting any unusual movements in the money supply and prices in the country, the BoG is directed, after consultation with the Minister for Finance, to use its instruments of control (described above) to maintain and promote balanced growth of the national economy. The BoG may, in consultation with the Minister for Finance, formulate exchange rate policy, and the BoG is responsible for holding all foreign exchange of the State.

Except as authorised by its board, and for the purposes of supporting the BoG's core functions, the BoG is not permitted to (i) engage in trade or have a direct interest in any commercial, agricultural, industrial or any other undertaking except an interest that the BoG may acquire in the course of the satisfaction of debts due to it; (ii) purchase the shares of a company except shares of a financial institution; (iii) advance money on mortgage or otherwise on the security of immovable property; (iv) become the owner of an immovable property except insofar as it is necessary for its own business premises; (v) draw or accept bills payable otherwise than on demand; (vi) pay interest on deposits; or (vii) accept for discount or as guarantee for an advance made by the BoG, bills or notes signed by members of the bank's board of directors or by the bank's officials or other employees.

Historically, the BoG has revised the minimum capital levels for banks in response to developments in the banking industry and the economy at large. The minimum capital requirement was raised from GHS7.0 million in 2003 to GHS60.0 million in 2007, and then to GHS120.0 million in 2013. In line with the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) (the "**BSDI**"), the BoG in September 2017, announced a new minimum capital requirement for banks of GHS400 million. All existing and potential banks were given up to 31 December 2018 to comply with the new minimum capital requirements, to deepen and strengthen Ghana's banking sector. Following the recapitalisation exercise, whereby banks that didn't meet the new capital requirements were either merged or recapitalized (see "*The Financial Sector and Capital Markets – The Banking Sector*"), there are now 23 universal banks operating in Ghana. These banks have all met the new minimum paid-up capital of GHS400 million.

In February 2010, the BoG established a Collateral Registry under the Borrowers and Lenders Act, 2008 (Act 773) ("the **BLA**") to enable financial institutions to secure their credit facilities in an efficient and transparent manner and ultimately improve upon the overall credit delivery system in the country. The law empowered lenders to dispose of assets of defaulters thirty days from the date of default, without resorting to legal courts.

Monetary Policy

The primary objective of the BoG, which is enshrined in the BoG Act, is to pursue sound monetary policies aimed at price stability and creating an enabling environment for sustainable economic growth. Price stability in this context is currently defined as a medium-term inflation target range of 8 per cent. plus or minus 2 per cent., for which the economy is expected to grow at its full potential without excessive inflation pressures. The BoG is also responsible for promoting and maintaining a sound financial sector and payment systems through effective regulation and supervision.

The MPC, modelled after that of the Bank of England, sets the policy rate every two months, and communicates its decision to the public, "independent of the instruction from government or any other authority" (BoG Act). This has supported a shift in macroeconomic policy from one of considerable fiscal relaxation and monetary accommodation to one of fiscal and monetary prudence, by using interest rates to steer expectations. In pursuit of its monetary policy objectives the BoG relies on open market operations and utilises adjustments in the monetary policy rate, reserve requirements and the money supply.

To strengthen the connection between liquidity management and inflation expectations and the transmission of monetary policy actions, the central bank introduced a "policy rate" in March 2002, now known as the Monetary Policy Rate (the "**MPR**"). It is the rate at which the Bank provides overnight funds to banks, which should influence the interbank market rate and interest rates generally, on a basis consistent with its monetary policy. In reaching its decision on the MPR, the MPC meets every two months over two days to examine and analyse a considerable amount of data on the economy, including the fiscal outlook, monetary and inflation developments, external sector, financial stability, fiscal outlook and the real sector performance of the economy. The MPC holds a press conference at the end of each bi-monthly meeting. Statistical information in the form of monetary policy reports is released to the general public at a later date. In line with the gradual narrowing of the inflation gap between targeted and actual inflation, the MPC lowered the MPR from 25.5 per cent. in December 2016 in a series of steps to 16.0 per cent. in January 2019.

Money Supply

Reserve money grew by 0.1 per cent. in 2018, compared to 13.2 per cent. in 2017. Reserve money grew by 14.0 per cent. during the nine month period ended 30 September 2019 in comparison to 16.6 per cent. in the corresponding period of 2018.

The narrow money supply expanded by 16.1 per cent. in 2018, compared to 14.5 per cent. in 2017, largely attributable to a 18.6 per cent. increase in demand deposits over the period, while currency outside banks grew by 11.5 per cent. The broad money supply increased by 15.7 per cent. in 2018, while savings and time deposits grew by 15.3 per cent.

The narrow money supply expanded by 21.2 per cent. during the nine month period ended 30 September 2019 in comparison to 29.7 per cent. in the corresponding period of 2018, which was largely attributable to a 22.9 per cent. increase in demand deposits over the period. Currency outside banks grew by 17.2 per cent during the nine month period ended 30 September 2019 in comparison to 13.5 per cent. in the corresponding period of 2018. The broad money supply increased by 14.5 per cent. during the nine month period ended 30 September 2019 in comparison to 25.3 per cent. in the corresponding period of 2018. Savings and time deposits grew by 5.0 per cent during the nine month period ended 30 September 2019 in comparison to 19.6 per cent. in the corresponding period in 2018.

In 2018, total liquidity growth was 15.4 per cent., with foreign currency deposits increasing by 14.3 per cent. over the period. The net foreign assets (in Cedi terms) of the banking system decreased by 32.1 per cent. in 2018. In the nine month period ending 30 September 2019, total liquidity growth was 16.3 per cent. in comparison to 24.1 per cent. in the corresponding period of 2018, with foreign currency deposits increasing by 22.4 per cent. over the period. The net foreign assets (in Cedi terms) of the banking system increased by 23.9 per cent. during the nine month period ended 30 September 2019 in comparison to a decrease in growth of -17.4 per cent. in the corresponding period in 2018.

The following table sets out information regarding selected monetary aggregates for the periods indicated:

	As at 31 December				As at 30 September
	2015	**2016**	**2017**	**2018**	**2019**
			(GHS millions)		
Net Foreign Assets	**11,514.7**	**14,946.6**	**20,338.8**	**14,036.7**	**17,394.1**
Bank of Ghana	10,318.0	11,880.1	16,900.5	12,762.8	**16,603.7**
Deposit Money Banks	1,196.7	3,066.5	3,438.3	1,274.0	**790.4**
Net Domestic Assets of which:	**34,940.6**	**41,745.5**	**45,831.4**	**62,343.7**	**69,169.1**
Net Claims on Government	12,845.2	18,411.2	12,615.9	27,551.5	**33,129.2**
Claims on Private sector (including public enterprises)	30,099.1	35,409.4	42,444.5	47,746.9	**51,859.9**
Narrow Money Supply (M1)	**21,018.3**	**26,076.4**	**29,845.2**	**34,645.6**	**40,091.3**
Broad Money Supply (M2)	**34,860.9**	**43,452.5**	**52,064.6**	**60,254.8**	**64,952.0**
Total Liquidity (M2+)	**46,455.3**	**56,692.1**	**66,170.2**	**76380.4**	**85,873.1**
Currency with the Public	8,503.7	10,139.8	10,707.9	11,940.9	**11,419.9**
Demand Deposits	12,510.7	15,936.6	19,137.3	22,704.7	**28,671.4**
Savings & Time Deposits	13,842.6	17,376.1	22,219.4	25,609.2	**24,860.7**
Foreign Currency Deposits	11,594.4	13,239.6	14,105.6	16,125.6	**20,921.1**
Foreign Currency Deposits (US$ millions)	3,055.2	3,152.1	3,1944	3,345.6	**3,935.2**

Source: BoG

Financial Deepening and Intermediation

The Broad Money to nominal GDP ratio is widely used as an indicator of financial sector deepening, where higher values represent a more developed financial sector. Broad money (as a percentage of GDP) declined marginally from 20.3 per cent. as at 31 December 2017 to 20.1 per cent. as at 31 December 2018.

Broad money (as a percentage of GDP) declined from 18.9 per cent. as at 30 September 2018 to 18.8 per cent. as at 30 September 2019.

Broad money as a percentage of GDP decreased significantly from 2015 to 2016 and went up in 2017. It has, however, been decreasing since then, albeit marginally. The currency ratio has also steadily decreased over the period from 4.7 per cent. of GDP in 2015 to 3.3 per cent. in September 2019.

Inflation

In July 2013, the Ghana Statistical Service introduced a rebased calculation of the CPI which, along with other changes, updated the relative weights of the items in the consumption basket and moved the CPI base year from 2002 to the average prices of 2012. CPI indices and rates of inflation under the new calculation vary slightly from indices and rates calculated for the same periods under the old calculation. In general, rates of inflation under the new calculation are slightly higher than they would be if calculated using the old methodology. Although the level of inflation peaked at a 7-year high of 19.2 per cent. in March 2016, headline inflation broadly slowed to 15.4 per cent. in December 2016 on the back of a tight policy stance by the Bank of Ghana. This downward trend continued through 2017 and 2018 following further monetary policy actions by the BoG, resulting in an inflation level of 11.8 per cent. in December 2017, and 9.4 per cent. in December 2018. In August 2019, the Ghana Statistical Service introduced a rebased calculation of the CPI which, along with other changes, moved the CPI base year from 2012 to the average prices of 2018. Based on the new methodology, the year on year inflation for the nine month period ended 30 September 2019 was 7.6 per cent, which pushed the level of inflation within the Republic's target tolerance band. See "*The Economy – Overview*". The Government's current medium-term inflation target is 8 per cent., plus or minus 2 per cent.

The following table shows the year-on-year inflation rate as at the end of the periods indicated:

	Year-on-year-inflation[1]		
	Combined	**Food**	**Non-Food**
December 2013	13.5	7.2	18.1
December 2014	17.0	6.8	23.9
December 2015	17.7	8.0	23.3
December 2016	15.4	9.7	18.2
December 2017	11.8	8.0	13.6
December 2018	9.4	8.7	9.8
September 2019	7.6	8.5	7.0

Source: Ghana Statistical Service

(1) Year-on-year inflation is the percentage change in the Consumer Price Index over the preceding twelve-month period.

Interest Rates

Against the backdrop of increased inflation, higher inflation expectations and unstable macroeconomic conditions, the MPC of the BoG gradually increased its policy interest rate (which it merged with the BoG lending rate in August 2015) from 12.5 per cent. in December 2011 to a peak of 26.0 per cent. in November 2015. However, in line with improving macroeconomic conditions and falling inflation expectations, the MPC has gradually reduced the MPR over the course of 2017 and 2018, to 22.5 per cent. in May 2017, 20.0 per cent. in November 2017, 18.0 per cent. in March 2018 and 17.0 per cent. in May 2018. In its January 2019 meeting, in light of improving macroeconomic conditions, the MPC decided to reduce the MPR to 16 per cent. and it remained unchanged during the year.

The following table sets out quarter-end interest rates from the BoG from June 2015 through to December 2019:

	Treasury Bill			
	Discount Rate (91 Days)	Interest Rate Equivalent (91 Days)	Monetary Policy Rate	Year-on-year inflation[(2)]
			(%)	
June 2015	23.68	25.17	22.00[(1,2)]	17.10
September 2015	23.78	25.28	25.00[3]	17.40
December 2015	21.86	23.12	26.00[1]	17.70
March 2016	21.41	22.62	26.00	19.20
June 2016	21.57	22.80	26.00[1]	18.40
September 2016	21.63	22.87	26.00	17.20
December 2016	16.14	16.81	25.50[1]	15.40
March 2017	16.20	16.89	23.50	12.80
June 2017	11.73	12.08	22.50[1]	12.10
September 2017	12.77	13.19	21.00	12.20
December 2017	12.88	13.33	20.00[1]	11.80
March 2018	12.92	13.35	18.00	10.40
June 2018	12.87	13.30	17.00	10.00
September 2018	12.94	13.37	17.00	9.80
December 2018	14.05	14.56	17.00	9.40
March 2019	14.14	14.71	16.00	9.3[4]
June 2019	14.23	14.75	16.00	9.1[4]
September 2019	14.17	14.69	16.00	7.6[5]
December 2019	14.17	14.69	16.00	7.9[5]

Source: Ghanaian Authorities
(1) The Monetary Policy Committee sets the Monetary Policy Rate on a bi-monthly basis, in this instance the MPR was set in the preceding month.
(2) Year-on-year inflation is the percentage change in the Consumer Price Index over the preceding twelve-month period.
(3) In July 2015, the BoG merged the MPR with the BoG lending rate, which resulted in a policy rate of 24 per cent.
(4) Year-on-year inflation is calculated using average prices of 2012.
(5) Year-on-year inflation is calculated using average prices of 2018.

Mandatory Reserves

In order to promote growth of credit to the private sector, in August 2006 the BoG abolished former secondary reserve requirements. Under current regulations, banks must hold 10 per cent. of their eligible deposits as primary reserves at the BoG.

Open Market Operations

Open market operations are the BoG's main instrument for adjusting the banking system reserves supply and are a function of prevailing market conditions.

Foreign Exchange Regulations

The BoG is the licensing, regulatory and supervisory authority on all foreign exchange dealings.

All foreign exchange dealings in Ghana are regulated by the Foreign Exchange Act, along with certain operational guidelines, which were published by the BoG in April 2007. In February 2019, the BoG also published the Ghana Interbank Forex Market Conduct rules, which are aimed at regulating the conduct of the interbank foreign exchange business, establishing best practices and developing the foreign exchange market in Ghana further.

All foreign exchange transactions between residents and non-residents are accounted for through the banking system. The operational guidelines for foreign exchange transactions in Ghana are as follows:

- Residents and non-residents are permitted to open Foreign Currency Accounts with domestic banks. Such accounts may be credited with transfers in foreign currency from abroad or other foreign currency accounts and balances are freely transferable.

- Residents are allowed to open foreign exchange accounts with banks. Residents may transfer abroad up to US$10,000 (or equivalent) every year without documentation. Transfers in excess of US$10,000 (or equivalent) are freely permitted, subject to provision of supportive documentation of the transaction. Importers may transfer up to US$50,000 (or equivalent) per transaction from such accounts without initial trade documentation.

The BoG Notices BG/GOV/SEC/2016/02 and BC/GOV/SEC/2016/03 for foreign exchange transactions require the repatriation of all export proceeds to local banks, in full and within a period not exceeding 60 days from the day of shipment of goods. Export proceeds from cocoa and gold are surrendered to the BoG except in specified cases (such as mining leases), in which the BoG may permit a portion of the foreign exchange earned to be retained in an offshore account or in a foreign exchange account at a domestic bank. In general, there are no restrictions on the purchase of capital market instruments by residents abroad. Non-resident purchases of domestic capital market instruments have no restrictions, except that investors seeking to acquire at least a 5.0 per cent stake of a bank must seek approval from the BoG. Residents can also issue capital market instruments abroad. In all cases, however, domestic banks must submit reports of such transactions to the BoG.

Sale or issuance of money market instruments by non-residents is not permitted. However, purchases of such instruments abroad by residents have no restrictions. Non-residents are permitted to invest only in onshore money market instruments with maturity period of two or more years. In all such cases, banks are required to submit reports to the BoG.

All foreign exchange transactions on credit operations—commercial and financial credit to residents from non-residents; loans by residents to non-residents and vice versa, and settlements of debts abroad by residents to non-residents have no restrictions. Banks are, however, required to submit reports of such transactions to the BoG.

There are no restrictions on direct investments, repatriation of capital, dividends, capital gains or profits. All foreign investors must register with the Ghana Investment Promotion Centre, however. There are also no restrictions on outward direct investments. Banks are, however, required to submit reports to the BoG.

There are no restrictions on real estate transactions, neither on purchases abroad by residents, nor on purchases or sales in Ghana. Banks are, however, required to submit reports to the BoG.

Foreign Exchange Rates and International Reserves

The currency of Ghana is the Ghana Cedi. Ghana's exchange rate policy is primarily market-based, with intervention by the BoG to smooth out short-term fluctuations in the foreign exchange market. The exchange rate is driven by the demand and supply factors on the foreign exchange markets with foreign exchange bureaus setting their rates on a daily basis without restriction. The market-based exchange rate policy is aligned with the broad monetary policy objective of the BoG; that is, to achieve price stability and support the Government's economic objectives, including those for growth and employment.

Foreign Exchange Rates

In 2016, the Cedi cumulatively depreciated by 5.2 per cent. and 9.6 per cent. against the Euro and the US Dollar respectively, whilst cumulatively appreciating by 10.0 per cent. against the British Pound, due to the weakening of the British Pound in 2016 following the United Kingdom's decision to leave the European Union. In 2017, the Cedi cumulatively depreciated by 12.9 per cent., 16.2 per cent. and 4.9 per cent. against the British Pound, the Euro and the US Dollar respectively.

The 4.9 per cent. weakening of the Cedi against the dollar in 2017 was the strongest performance since 2010, a result of a lower than targeted fiscal deficit and a generally improved balance of payments position. In 2018, the strengthening of the US Dollar in the international markets exerted pressure on currencies in many emerging market economies, including Ghana. In 2018, the Cedi depreciated by 3.3 per cent., 3.9 per cent. and 8.4 per cent. against the British Pound, the Euro and the US Dollar respectively. During the nine month period ended 30 September 2019, the Cedi had depreciated by 5.7 per cent., 4.9 per cent. and 9.33 per cent. against the British pound, the Euro and the US Dollar respectively.

The BoG has taken a number of measures in order to stabilise the currency further in 2020, including a planned Eurobond issuance, publication of the BoG's intention to intervene in the foreign exchange market with a proposed forward FX auction during 2020 to smooth out excess volatility and the introduction of the Refinitiv (formerly Reuters) order book matching platform, which is intended to improve price discovery in the Ghana interbank foreign exchange market and in turn, improve liquidity. In addition, the US$1.4 billion of foreign exchange reserves, which were built up by the BoG during 2019, are intended to provide a buffer to deal with any unanticipated major macroeconomic events both domestic and global.

The following table sets forth the Ghana Cedi/US Dollar, British Pound and Euro closing exchange rate at the end of each of the periods indicated:

	Year ended 31 December						**For the30 September**	
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2018**	**2019**
GHS/US$	**2.20**	**3.20**	**3.79**	**4.20**	**4.42**	**4.80**	**4.78**	**5.32**
% Change (YoY)	(14.51)	(31.25)	(15.66)	(9.6)	(4.9)	(8.4)	(7.57)	(9.33)
GHS/£	**3.67**	**4.98**	**5.63**	**5.20**	**5.97**	**6.44**	**6.21**	**6.54**
% Change (YoY)	(16.85)	(26.26)	(11.51)	10.0	(12.9)	(3.3)	(4.0)	(5.7)
GHS/Euro	**3.10**	**3.90**	**4.15**	**4.44**	**5.30**	**5.61**	**5.54**	**5.80**
% Change (YoY)	(20.05)	(20.48)	(6.15)	(5.2)	(16.2)	(3.9)	(4.4)	(4.9)

Source: Ghanaian Authorities

International Reserves

Gross international reserves rose from US$5.63 billion at the end of 2013 to US$7.55 billion at the end of 2017, which the BoG considers reflects increased export earnings and improved foreign direct investment and portfolio flows, however reserves decreased to US$7.02 billion at the end of 2018. As at 31 December 2019, gross international reserves increased to US$8.4 billion, largely due to a US$3 billion Eurobond issuance in Q1 2019, cocoa export receipts of US$2.1 billion (including a US$1.25 billion syndicated loan), oil export proceeds. BoG aims to continue to build up reserves, to better position the economy to deal with vulnerabilities to external shocks.

Net international reserves also increased from US$3.29 billion at the end of 2013 to US$4.52 billion in 2017, but decreased to US$3.85 billion at the end of 2018. As at 31 December 2019, net international reserves increased to US$5.19 billion. Net international reserves were at their lowest value in the period to US$3.09 billion at the end of 2016. The subsequent increase in net international reserves at the end of 2017 reflect the increased portfolio inflows generated from foreign investor purchases of Government bonds and higher export receipts from gold, cocoa and oil. The subsequent decrease in net international reserves at the end of 2018 was due to the higher-than-projected outflow from interest payments and payments to independent power producers and bureaux de changes, as well as lower-than-projected sovereign bond proceeds. The subsequent increase at the end of 2019 was largely attributable to the Eurobond issuance, cocoa export receipts and oil export proceeds.

The following table sets forth Ghana's gross international reserves as at the end of the periods indicated:

	Gross International Reserves[(1)]
	(US$ millions)
December 2013	5,632.2
December 2014	5,461.0
December 2015	5,885.0
December 2016	6,161.6
December 2017	7,554.8
December 2018	7,024.8
September 2019	7,965.7

Source: BoG
(1) Represents all foreign assets of the BoG and includes short term assets, long term assets, encumbered funds, the Ghana Heritage Fund and the Ghana Stabilisation Fund.

The Financial Sector and Capital Markets

Financial services have seen significant improvement since reforms in 1989 led to the establishment of a stock market and several other financial services that were previously unavailable. The BoG regulates the banking and non-banking financial sub-sectors, and the Ghana SEC regulates the securities market. The regulatory role of the Ghana SEC, which operates under a full disclosure regime, has become increasingly important in recent years. The Ghana SEC is responsible for licensing and regulating all capital market operators and has the ability to intervene in the market in the event of an emergency, to correct lapses in the market, to correct irregularities and, as part of its enforcement powers, has the ability to impose penalties on market participants.

The Ghanaian financial system is made up of four core sectors: (i) banking and non-banking financial institutions; (ii) capital market operators comprising the Ghana Stock Exchange, brokerage firms and investment dealers; (iii) insurance companies (life and non-life) and insurance brokerage firms; and (iv) pension funds. These sectors are separately regulated by four regulatory bodies namely: the BoG, the Ghana SEC, the Ghana NIC and the NPRA, respectively.

The Banking Sector

Banking in Ghana is governed by the BSDI. The BSDI restricts banking business in the country to corporate bodies which are incorporated in Ghana and have obtained a licence from the BoG. The BSDI requires that all banks maintain a capital adequacy ratio of at least 10 per cent. Currently the BoG is progressing reforms to strengthen the risk management practices and modernise the banking industry. In particular, the BoG has revised the minimum paid up capital requirements to GHS400 million, and the implementation of a risk based capital requirement based on Basel III is on-going. Banks were required to comply with the new paid up capital requirements by 31 December 2018. At the deadline, 16 banks met the new paid-up capital requirements, and the BoG approved applications for three mergers to bring two of the resulting banks into compliance. Ghana Amalgamated Trust (the "**GAT**"), a special purpose vehicle set-up by the Government, injected equity capital into another four banks (including one of the merged banks). As a result of the recapitalisation, there are currently 23 universal banks operating in Ghana. To ensure that the capital provided by banks represents quality capital in the amounts required to meet the Minimum Capital Directive, the BoG has undertaken a comprehensive due diligence on new investors in banks and has verified the sources of funds for the recapitalisation.

The following table sets forth the NPLs and capital adequacy ratios of the banking industry for the end of the periods indicated:

	As at 31 December					As at 31 October
	2014	2015	2016	2017	2018	2019
		(%)				
Capital Adequacy Ratio	17.9	17.8	18.0	18.6	21.9	18.9
Non-Performing Loans Ratio	11.0	14.7	17.3	21.6	18.2	17.3
Non-Performing Loans Ratio, Excluding Loss Category	5.4	6.8	8.4	10.1	10.2	8.1

Source: BoG

The average capital adequacy ratio of the banking industry was 18.9 per cent. as at 31 October 2019 under the new capital requirement directive issued under the Basel II/III framework, compared to 21.9 per cent. as at 31 December 2018, 18.6 per cent. as at 31 December 2017 and 18.0 per cent. as at 31 December 2016.

The BoG undertook their quarterly stress test in September 2019. In the BoG's view, the results indicated the banking sector (as a whole) is resilient to shocks and is particularly robust to be able to withstand credit, market (interest and exchange rates) and liquidity risks. The BoG believes that the banking sector has the capacity to withstand tail risks and has significantly improved within the year under review. This improvement is largely due to the positive domestic macroeconomic environment in 2019 and broad gains from the clean-up and recapitalisation exercise in the banking sector. Favourable economic prospects in the near term and the gradual phase in of Basel II/III, through stronger standards of credit risk management, are expected to boost the resilience of the banking sector.

The non-performing loans ratio within the banking industry was 17.3 per cent. as at 31 October 2019, compared to 18.2 per cent. as at 31 December 2018, 21.6 per cent. as at 31 December 2017 and 17.3 per cent. as at 31 December 2016. The ratio of NPLs excluding the loss category was 8.1 as at 31 October 2019, compared to 10.2 per cent. as at 31 December 2018, 10.1 per cent. as at 31 December 2017 and 18.4 per cent. as at 31 December 2016. The increase in NPLs in 2017 was largely attributable to the downgrading of some facilities in the private sector following the completion of an asset quality review of banks' loans completed by the BoG in March 2017. However, following the review, the Government has undertaken remedial actions, including the recapitalisation exercise of the banking sector, and the acceleration of recoveries and write-offs of assets, particularly overdue loans in the loss category for at least two years which have been fully provided for and approved by the Board of BoG. Further to these efforts, two banks were put into liquidation in August 2017, and the BoG took over administration of UniBank in March 2018, following the banks' failure to improve their respective capital positions. In August 2018, the BoG revoked the operating licenses of five banks - UniBank, Royal Bank, Beige Capital, Construction Bank, and Sovereign Bank - and their assets were taken over by the Consolidated Bank. The Consolidated Bank assumed the deposits and selected assets and liabilities of these banks and was recapitalised through a taxpayer-funded bailout of GHS450 million and a Government bond in the amount of GHS5.76 billion to absorb the financial losses. The Government also provided GHS1.4 billion to Consolidated Bank for assuming the remaining selected assets and liabilities of the defunct Heritage Bank and Premium Bank.

The BoG is currently reviewing a number of proposed strategies to manage the loss component of banks' NPLs. Among these strategies is the establishment of an asset management company, which could purchase the impaired assets from certain banks. The BoG's short term NPL reduction strategy includes:

- Improving the financial infrastructure and existing legal and regulatory framework of the banking system, especially credit underwriting and recovery procedures;
- Enforcement of Sections 61-77 of the BSDI, which contain provisions on regulated lending and investment activities;
- Imposing limitations on large financial exposures, affiliate transactions, inter-institutional placements and loans, exposures to insiders, related parties and staff;
- Seeking to address the recognition of perfected collaterals and foreclosure issues in the BLA and using the Credit Reporting Act 2007, (Act 726) to include all data (current dispensation requires only negative information) of borrowers;
- Collaborating with the Ghana Association of Bankers to support the Lands Commission to expedite collateral perfection processes in order to probate enforcements and reduce loan losses; and
- Assisting the commercial courts with refresher courses and strengthening their facilities to ensure the courts can adjudicate cases on a timely basis.

Under the current banking system, licensed banks may engage in all aspects of banking operations, and there are currently 23 of these universal banks, following the BoG's recapitalisation exercise. In addition to the universal banks, Ghana has a rural banking system with 144 RCBs, distributed across the 16 regions of the country. These institutions are licensed to promote financial inclusion and economic development of Ghana's rural communities.

Anti-Money Laundering and Combatting the Financing of Terrorism

The BoG has instituted procedures to counter money laundering, whereby suspicious transactions are reviewed and third party transfers are checked against a list of suspected organisations, and Parliament adopted the Anti-Money Laundering Act, 2007 (Act 749) (the "**Anti-Money Laundering Act**") in 2008 and the Anti-Money Laundering Regulations, 2011 (L.I. 1987). In 2014, Parliament adopted the Anti Money Laundering (Amendment) Act, 2014 (Act 874), which strengthened the Anti-Money Laundering Act. The US Department of Treasury has provided assistance to the BoG in support of the Anti-Money Laundering Act. The BoG has revised its procedures for recording and reporting monetary data to improve timeliness and provide an improved basis for policy analysis and greater transparency in communications with the public. In addition, the FIC receives, analyses and disseminates financial intelligence to appropriate agencies in Ghana and similar regulatory bodies in foreign jurisdictions. The FIC monitors FDI flow and accountable institutions, including banks and non-bank financial institutions, to ensure that they investigate any abnormal or suspicious activities. The FIC is independent of Ministry of Finance and the BoG.

Ghana is also a signatory to the Vienna Convention, the Palermo Convention and subject to all resolutions of the United Nations Security Council, including the United Nations Consolidated List, which the FIC is mandated to enforce by the Anti-Money Laundering Act.

In addition, various national institutions have formed an International Co-operation Review Group ("**ICRG**"). ICRG and the Ghana delegation, under the chairmanship of the Deputy Minister of Finance Hon. Kwaku Kwarteng, have created an action plan to continue to tackle anti-money laundering ("**AML**") and combat the financing of terrorism ("**CFT**"). The action plan envisages the passage of additional legislation to ensure effective regulation and supervision of applicable sectors of the economy and to be consistent with Financial Action Task Force ("**FATF**") Recommendations. The FATF held its plenary meetings in October 2019, and the Africa/Middle East Joint Group stated that Ghana has made some progress and has managed to address or largely address some of the items on the action plan ahead of their stated timeline. According to the ICRG, Ghana had completed all of the items with an April 2019 deadline in the action plan: a comprehensive national anti-money laundering and counter financing terrorism policy was established, a risk assessment of not-for-profit organisations was produced and a risk assessment of legal persons and arrangements in Ghana was approved. To further increase compliance, the ICRG and Ghana delegation propose (i) amendments to, amongst others, the Gaming Act, 2006 (Act 721), Minerals Commission Act, 1993 (Act 450) and Insurance Act, 2006 (Act 724) to include AML/CFT supervisions and sanctions and (ii) the creation of certain laws including, amongst others, the Real Estate (Agency) Bill to supervise the real estate sector, the Trust Bill to regulate and supervise the NGO sector and the Extradition Bill. However, challenges still remain in relation to the pace of developments, including the time it has taken to enact a consolidated law to address the legislative gaps in the AML/CFT regime, the slow pace at which the AML/CFT office is implementing the requirements for an effective AML/CFT regime for the Designated Non- Financial Businesses and Professions ("**DNFBPs**"), and the difficulty in obtaining statistics from the National Insurance Commission. A number of measures have been put in place to address these, such as the engagement of a consultant to draft the relevant AML/CFT measures, supported by a team of AML/CFT experts. The FIC has stated that it remains committed to working with all other stakeholders to implement the action plan agreed on with the ICRG by the required deadlines in order to exit the FATF's grey list.

Other ongoing reforms in the banking sector include, improving the collateral registry system, the issuance of new directives on cyber and information security, corporate governance focusing on (amongst other things) the role, responsibilities, practices and composition of the boards of regulated banks and the implementation of a deposit protection scheme, in line with the Ghana Deposit Protection Act, 2016 (Act 931). The BoG has guidelines on risk management, fit and proper persons, mergers and acquisitions, resolution/intervention and outsourcing with the aim of strengthening the regulatory environment of the banking sector. Future steps include the BoG intensifying its supervisory role activities, especially the non-bank financial institutions (microfinance institutions, forex bureaus and credit unions), training for competent authorities and funding for the procurement of software for the Registrar's General Department to establish an electronic register for beneficial ownership of corporate entities.

The Ghana Amalgamated Trust

The increase in the minimum capital requirement by the BoG was intended to restore confidence in the banking sector, encourage growth in industry assets as banks deploy new capital towards financial intermediation and to boost lending. To mitigate the risk of crowding out smaller Ghanaian banks in the banking sector, the Government set up the GAT, to help raise capital to support five indigenous banks that were solvent as at 31 December 2018 and had no regulatory breaches with the BoG. The GAT investee banks are Prudential Bank Limited ("**PBL**"); Universal Merchant Bank ("**UMB**"); Agricultural Development Bank ("**ADB**"); OmniBSIC Ghana Limited ("**OmniBSIC**"); and National Investment Bank ("**NIB**").

It was initially envisaged that GAT would raise funds in an amount of GHS2 billion from the local debt capital markets in the form of bonds backed by a sovereign guarantee from the Government. The bonds were to be raised in two tranches. The initial tranche was intended to support the first four banks (PBL, UMB, ADB & OmniBSIC) ("**Tranche 1**") and the second tranche was intended to support NIB ("**Tranche 2**"). GAT had requested a sovereign guarantee cover up to 70 per cent. of principal and interest for Tranche 1 and 100 per cent. of principal and interest for Tranche 2. However, in April 2019, the Government changed the structure to include the following:

- issuance of equity capital of GHS800 million to the Government through the subscription of redeemable preference shares in GAT, the proceeds of which will be used to undertake equity investments in the selected banks excluding NIB;
- replacement of the original bond offering for GAT with a preference share offering for investors, under which GAT will issue redeemable preference shares to investors to raise up to GHS3 billion for the purpose of redeeming the GHS800 million preference shares held by Government and funding the GHS2.2 billion required for investment in NIB; and
- replacement of the sovereign guarantee with a Put Call Option Agreement ("**PCOA**"). The PCOA will cover principal and return of any shortfall of expected funds to repay up to 70 per cent. of the option strike price under tranche 1 and 100 per cent. option strike price for investors under Tranche 2.

The Government has secured executive approval for the issuance of the PCOA from the Presidency. In addition, in the second half of 2019, GAT successfully invested in Tranche 1 banks (PBL, UMB, ADB & OmniBSIC) based on Government's initial capitalization and approval from the BoG. To ensure realization of GAT's objectives, GAT has set up a board and has appointed transactional advisors for the various transactions and investments described above. GAT has also completed legal financial and tax due diligence on all selected banks.

Asset Management Industry Sanitization

Over the past two years, the Securities and Exchange Commission ("**SEC**") has worked on various reforms, including introducing a framework for a Commodities Exchange and Private Funds, amending licensing requirements and enhancing supervision and appraising the state of operators in the industry. In line with the powers vested in the Commission under Securities Industry Act, 2016 (Act 929), the Commission revoked the licenses of 53 fund management companies in November 2019. Of these firms, 21 had ceased operations, with the remaining 32 being in various states of distress and/or regulatory non-compliance. The investment portfolios of the affected firms amounted to GHS 8 billion, of which GHS2.4bn (30 per cent.) was invested in treasury bills, banks and listed equities.

The revocation of the licenses of the affected fund management companies became necessary as they had largely failed to return client funds due to locked up funds with counterparties who had also been found to have failed, and in some cases, ceased operations. The fund management companies had failed to perform their functions efficiently, honestly and fairly and in some cases, were in breach of the requirements under relevant securities laws, rules or conditions, despite opportunities provided to them by the SEC to resolve all regulatory breaches within a reasonable period of time. The SEC concluded, after extensive engagement with these institutions, that their continuous existence in the light of their conduct posed severe risks to the stability of the capital markets and to the interests of investors.

The SEC acted in accordance with its mandate of protecting investors and the integrity of the capital markets. Following the revocation of the relevant licenses, the SEC notified the Registrar General who has subsequently petitioned the High Court for the winding up of these companies under the Bodies Corporate (Official Liquidations) Act, 1963 (Act 180).

The Government of Ghana, through the Ministry of Finance, is currently working with the SEC to determine the amount of funding that will be used to support investors pending liquidation of the affected fund management firms. The Government will also provide additional budgetary support to strengthen the regulator and to increase investor education activities.

The intervention by the SEC was aimed at preserving the investments of over 77,000 retail and over 4,700 institutional and corporate investors, restoring transparency and introducing greater accountability while instilling higher ethical standards through improvement of the licensing and supervisory framework.

The estimated fiscal cost to protect investors of the 53 distressed fund management companies whose licenses were revoked have been estimated to amount to GHS 1.5 billion.

As at September, 2019, the asset management industry assets stood at GHS 29.4 billion, up by 17% from GHS 25.25 billion at December, 2018.

Fiscal Impact of Financial Sector Clean-up

BoG, in accordance with its mandate to safeguard the financial system and the economy, intervened in protecting depositors and investors of failed financial institutions and to improve the liquidity of the financial sector. As described above, the interventions covered various sub-sectors of the financial system including the banking sector, SDIs, MFIs, and the asset management industry.

In 2017 and 2018, Government spent a total GHS11.7 billion to safeguard the deposits held by universal banks that were resolved by Bank of Ghana, and to set up the Consolidated Bank. These amounts were mainly through the issuance of government debt to both GCB Bank and CBG.

In 2019, Government also intervened to provide relief to depositors when the BoG revoked the licenses of 347 Micro Finance Institutions, 15 Savings & Loans and 8 Finance Houses. The total bailout cost estimate for this exercise was GHS2.4 billion.

In addition, government also provided bridge funding of up to GHs800 million for GAT to enable it to invest in 4 indigenous banks that were struggling to meet the minimum capital requirement of GHS400 million.

Finally, in November, 2019, Securities and Exchange Commission also revoked the licenses of 53 Asset Management Companies that were distressed, with an estimated fiscal cost to protect investors of GHS1.5 billion.

The total estimated cost for our fiscal intervention, excluding interest payments, from 2017 to 2019 is estimated at GHS16.4 billion, about 5% of GDP.

The completion of reforms within the Banks and SDIs Industry in August 2019 paved the way for the introduction of the Ghana Deposit Protection scheme in December 2019. The scheme will protect the national budget from costs arising from banking sector failures and ensure that in the future all depositor’s funds are insured against bank and SDI failures. This scheme, supplemented by effective regulation and supervision by the Bank of Ghana, and the work of the Financial Stability Council, is designed to make the Ghanaian financial system more resilient as well as supporting of our efforts to foster inclusive socio-economic growth.

The Ghana Stock Exchange

The Ghana Stock Exchange (the "**GSE**" or the "**Exchange**") was incorporated in July 1989 as a private company limited by guarantee under Ghana's Companies' Code. Trading on the floor of the Exchange commenced on 12 November 1990, and the Exchange changed its status to a public company in April 1994. The GSE regulates the market through the "**GSE Rule Book**" which covers areas of membership, listing and trading. A Council (the "**Council**") governs the Exchange, with representation from licensed dealing members, listed companies, independent representatives from the general public and executives of the GSE. The Council acts as the Board of Directors with all powers and functions of a board under the Companies Act, 2019 (Act 992) and is responsible for setting the policies of the Exchange. The functions of the Council include regulating trading, granting approvals for listing, maintaining public confidence in the market and promoting the Exchange.

As at 31 December 2019, there were 37 companies listed on the GSE. All ordinary shares listed on the Exchange (except the ordinary shares of companies listed on the Exchange whose shares are also listed on other markets) are included in the GSE Composite Index, the Exchange's main stock index. The Exchange also maintains a Financial Stock Index which includes companies from the banking and insurance sectors.

In 2013, the Exchange introduced a second market segment, the Ghana Alternative Market (GAX), to promote access to long-term capital at relatively lower cost, particularly for small and medium-sized enterprises. In addition, the Exchange launched a third market, the Ghana Fixed Income Market, in August 2015, to provide an efficient secondary market for the trading of fixed income and similar securities. One of the Government's key policy objectives for the financial sector for the medium-term is to develop its securities market, improve risk-based supervision and corporate governance practices in the securities sector.

Out of the 37 listed companies, 32 are listed equities on the main market (GSE) and 5 equities listed on the Ghana Alternative Market (GAX). The year to date change in the GSE Composite Index (GSE-CI) and GSE Financial Stock Index (GSE-FSI) as at November 2019 recorded a decline of 16.88 per cent. and 16.94 per cent respectively. This was attributed to the recent financial sector clean up exercise which aimed to sanitize the financial system and to the depreciation of the Cedi.

Market capitalization declined after recording GHS61.14 billion as at December 2018 to GHS55.56 billion as at November 2019. Volume traded picked up from 189.6 million shares as at November 2018 to 200.6 million shares in December 2018 and significantly increased to 3,795.84 million shares as at November 2019. Value traded, however, increased from GHS607.4 million as at November 2018 to GHS659.4 in December 2018 but dropped to GHS607.4 million as at November 2019.

The Government of Ghana's debt securities are listed on the GSE (Ghana Fixed Income Market). The standard maturities are 91-day bills, 182-day bills, 364-day bills, 1-year notes, 2-year notes, 3-year bonds, 5-year bonds, 6-year bonds, 7-year bonds, 10-year bonds, 15-year bonds and 20-year bonds. The total value of government bills, notes and bonds listed was GHS54.1 billion and GHS79.1 billion as of December 2018 and November 2019, respectively.

The following table sets forth the number of listed equities, market capitalisation, and trading volumes and values as at and for the periods indicated:

	As at 31 December					As at November
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
Number of Listed Companies	35	39	41	40	39	38
Market Capitalisation (GHS millions)	64,352.4	57,116.87	52,690.99	58,803.96	61,136.53	55,563.37
Trading Volumes (shares millions)	207.5	246.4	252.8	322.8	200.6	3,795.8
Value Traded (GHS millions)	346.0	247.6	242.1	518.4	659.4	607.4

Source: Ministry of Finance and GSE 2019

The following table sets forth the number of outstanding debt securities, debt trading volumes and liquidity as at and for the periods indicated:

	As at 31 December				As at November
	2015	2016	2017	2018	2019
Outstanding Securities GH₵ (million)	29,080.90	39,729.45	52,106.27	62,684.99	79,104.34
Trading Volumes GH₵ (billion)	5.22	16.77	30.70	37.86	49.67
Liquidity %	18	42	59	60	63

Source: Ministry of Finance and GFIM 2019

The Ghana Commodities Exchange

The Ghana Commodities Exchange (the "**GCX**") was set up in 2019 as a transparent, efficient and orderly marketing system for Ghana's key agricultural commodities, to promote agricultural investment and enhance productivity. The GCX comprises of a membership organization with 131 members made up of approximately 300,000 smallholder farmers represented by farmer based organizations who are directly or indirectly benefitting from the exchange services. Other members include financial institution, processers and aggregators.

The GCX currently trades in white maize, yellow maize, soya bean, sorghum and sesame contracts for immediate delivery from 10 warehouses located across the 16 regions of Ghana. It has created a total of 2,400 direct and indirect (skilled & unskilled) jobs since its inception. The GCX in October 2019 traded spot contract (maize and soya bean) at a value of GHS 2.2 million with a volume of 6783 Metric Tons (135,660 in 50Kg bags).

The GCX in partnership with ARB APEX Bank has launched a GHS50 million electronic warehouse receipt financing program in October 2019. The program is aimed at providing credit to smallholder farmers based on their GCX electronic warehouse receipt. In total 8 banks have signed agreements with the GCX to support farmers through the warehouse receipts based financing.

In 2020, the GCX expects to trade in coffee, rice, cashew and palm oil contracts for delivery in 20 more warehouses. It will also work to increase smallholder farmers from 300,000 to 1,000,000.

The Financial Sector

In the past two decades, a programme of structural and policy reforms in the financial sector has been implemented, aimed at positioning the sector for accelerated growth. The reforms have opened the financial sector to competition and have allowed for the entry of new banks, which has helped to reduce the dominance of state-owned enterprises in the sector.

The Government has developed a strategic plan for the financial sector aimed at consolidating gains made from the earlier structural and policy reforms in the financial sector. One of the targeted priority policy areas seeks to develop an efficient domestic capital market which is supported by an efficient payment infrastructure and settlement system to make the financial system more competitive. The Government has made progress in competitive reforms, such as implementing the Real Time Gross Settlement ("**RTGS**") system for high value inter-bank settlements, the Central Securities Depository ("**CSD**") system and the introduction of biometric smart cards. However, the financial sector continues to require efforts to promote corporate bonds and to enhance secondary market activities in order to further develop the market.

Commercial banks and non-bank financial institutions dominate Ghana's financial sector. Commercial bank assets constituted 84.6 per cent. of total financial system assets in 2017, while the other financial institutions constituted 15.4 per cent. As at 30 September 2019, total assets for the commercial banks were GHS119,269 million, compared to GHS105,115 million as at 31 December 2018, GHS93,627.41 million as at 31 December 2017 and GHS82,644.00 million as at 31 December 2016.

Other non-bank financial institutions include savings and loans companies, finance houses, leasing companies, rural and community banks, credit unions, micro-finance companies and financial NGOs.

These financial institutions serve a significant portion of the population, specifically low income and rural people.

Rural and Community Banks

There are currently 144 RCBs with 814 branches and outlets in Ghana providing domestic banking services in the rural areas. Members of the community often own RCBs, and their operations are generally limited to specific geographic areas. Individual and family ownership is limited to 30 per cent. and 40 per cent., respectively, of paid up capital to ensure that no single individual or family has a commanding controlling share in any RCB. As at 30 September 2019, total assets and liabilities amounted to GHS4,286.98 million and GHS3,760.9 million, respectively compared to GHS4,144.2 million and GHS3,640.9 million, respectively, as at 31 December 2018, and GHS3,644.0 million and GHS3,169.3 million, respectively, as at 31 December 2017.

Non-Bank Financial Institutions

Non-bank financial institutions ("**NBFIs**") play an increasingly significant role in Ghana's financial system by complementing commercial banks' efforts by providing financial services and products to the lower end of the market. The NBFIs include savings and loans, mortgage finance house companies, leasing companies, leasing and finance companies, credit reference bureaus as well as foreign exchange bureaus. As at 30 September 2019, total assets of the NBFIs amounted to GHS6,936.5 million, compared to GHS11,369.4 million as at 31 December 2018, GHS12,160.2 million as at 31 December 2017 and GHS9,560.5 million as at 31 December 2016. In September 2019, total assets of the NBFIs was made up of assets of savings and loans companies (67.3 per cent.), finance companies (31.5 per cent.) and leasing companies (1.3 per cent.).

Micro-Finance Institutions

Microfinance has become increasingly popular in Ghana as an alternative to banks. In 2011, the BOG commenced a process to license all microfinance institutions that meet certain capital requirements. In connection with its licensing of microfinance institutions, in July 2011, the BOG instituted guidelines categorizing microfinance institutions into a four-tier classification system. Under the system, each tier defines the permissible activities, such as capitalization and prudential requirements. As of December 2018, 566 firms had received licenses to operate as microfinance institutions. On 31 May 2019, the BoG revoked the licenses of 347 insolvent microfinance companies, including those that had ceased operations, leaving 137 companies of good standing. As at 30 September 2019, total assets of the microfinance sector stood at GHS673.5 million as compared to GHS999.3 million in 2018, compared to GHS 1,286 million as at 31 December 2017 and GHS1,272.0 million as at 31 December 2016.

Mobile money services

The use of mobile money services has grown significantly over the past years. Registered subscribers increased from 3.8 million in 2012 to 32.5 million in 2018. This however reduced slightly to 31.4 million, with 12.6 million active mobile money accounts as at 30 September 2019. From January to 30 September 2019, registered mobile money subscribers stood at 31.5 million, completing mobile money transactions worth GHS219.2 billion as at 30 September 2019, compared to a transaction value of GHS159.9 billion as at 30 September 2018, representing an increase of 37.04 per cent. Float balance recorded GHS3.2 billion as at 30 September 2019, compared to GHS2.2 billion in the corresponding period of 2018, representing a growth of 41.35 per cent.

While mobile money in Ghana has mainly been driven by mobile network operators, it has required the partnership of banks and is expected to significantly impact on the banking sector in coming years, and is expected to help address Government concerns regarding financial inclusion. With millions of subscribers across the country, mobile money is expected to serve as an important delivery channel for consumer banking.

In July 2015, the BoG introduced the Guidelines for E-Money Issuers in Ghana, to promote financial inclusion in Ghana by extending financial services beyond traditional branch-based channels and ensure that e-money customers benefit from adequate transparency, fair treatment and effective recourse. In

September 2016, the BoG introduced the payment of interest to mobile money customers, mandating that banks must pay interest on the mobile money accounts that they hold, and that not less than 80 per cent. of such interest must be passed through to the end customers.

Domestic Credit Rating Agency

Government in collaboration with key stakeholders in the financial sector has initiated steps to develop a framework for the establishment of a Domestic Credit Rating Agency (the "**DCRA**"). The framework is expected to highlight the demand and supply analysis of a potential Credit Rating Agency ("**CRA**") in Ghana and also recommend the organizational structure needed to execute an internationally accepted rating agency.

The establishment of the DCRA will ensure that there is independent credit-worthy assessment of issuers to deepen the capital market. This will shore up activities on both the Ghana Stock Exchange (GSE) and the Ghana Fixed Income Market (GFIM).

Pensions and Insurance Industry

The largest non-bank financial institution is the state pension fund, SSNIT. Other non-bank financial institutions include insurance companies, privately managed pension funds, discount houses and mortgage finance companies. Employees in Ghana's formal sector, both public and private, participate in a Government-sponsored social security system which is managed by the SSNIT. The Government passed a new law in 2008, the National Pensions Act, 2008 (Act 766) (as amended), which introduced pension reforms by establishing the NPRA to administer a new three-tier pension scheme which increased social security contribution to 18.5 per cent. from 17.5 per cent. of basic salary (13 per cent. by the employer and 5.5 per cent. by the employee). The new system is made up of a Tier 1 mandatory basic social security scheme managed by SSNIT (13.5 per cent.), a Tier 2 mandatory contribution privately-managed occupational pension scheme and a Tier 3 voluntary occupational and personal private pension scheme. The pension fund trustees licensed by the NPRA manage Tiers 2 and 3.

Total premiums written in the insurance industry experienced an annual growth of 19.2 per cent. in 2018 compared to 35.3per cent. experienced in 2012. There was a corresponding increase, in the asset base of the regulated firms by about 8 per cent. in 2018. As at 30 September 2019 total premium written had increased by 26 per cent. The Ghana NIC, the domestic regulatory body, is aiming to widen the national uptake of insurance policies beyond the current rate of 2 per cent. by implementing a micro-insurance strategy which targets the currently low-income economic sectors.

The Government is undertaking broad reforms to the pensions, insurance, mortgage finance and capital markets sectors, as well as more targeted reforms such as a pension scheme aimed at Ghana's informal economy. The Government has begun underwriting of mortgages and granting of constructions finance under the National Mortgage and Housing Finance Initiative. This is aimed at developing the primary mortgage market in Ghana. Furthermore, the Government is in negotiations with Ghana Cocoa Board on the modalities of the Cocoa Farmers Pensions Scheme which will soon be launched.

In September 2019, Ghana became a full member of the African Trade Insurance Agency ("**ATI**"), which allows it is take advantage of the ATI's products and services to catalyse positive transformation of the economy. One of the key objectives of the "Ghana Beyond Aid" strategy is to transform the economy through trade and investment. In this respect, the membership of ATI will further strengthen Ghana's appeal to investors. With ATI's support, Ghana will now have access to previously scarce investment insurance, which will help to considerably lower the country's borrowing costs as well as to attract new investors.

PUBLIC DEBT

Overview

For reporting purposes relating to external and domestic debt, Ghana defines public debt to include debts incurred by the Government and Government-guaranteed debts, which excludes the ESLA Bonds.

The Ministry of Finance classifies debt as external or domestic by origin.

The following table shows total public sector debt outstanding as at the dates indicated:

	As at 31 December					As at 30 September
	2014	**2015**	**2016**	**2017**	**2018**	**2019(1)**
			(US$ millions)			
Domestic Debt............	10,915.6	10,621.4	12,766.1	15,118.4	18,020.0	19,064.2
External Debt..............	13,871.8	15,781.9	16,460.9	17,174.0	17,868.5	20,149.9
Total Public Debt.......	**24,787.4**	**26,403.3**	**29,227.1**	**32,292.4**	**35,888.5**	**39,214.0**

Source: Ministry of Finance
(1) Provisional.

The following table shows domestic and external debt as a percentage of GDP for the periods indicated:

	As at 31 December					As at 30 September
	2014	**2015**	**2016**	**2017**	**2018**	**2019(1) (2)**
			(% of GDP)			
Domestic Debt..........	22.5	22.3	24.8	26.0	28.9	29.3
External Debt...........	28.6	33.2	32.0	29.5	28.7	31.0
Total Public Debt....	**51.1**	**55.5**	**56.8**	**55.5**	**57.6**	**60.3**

Source: Ministry of Finance
(1) Provisional.
(2) Full year GDP data for 2019 is not yet available and these ratios are based on an estimate of GDP for year-end 2019. The year-end estimate is calculated based on GDP data for the first half 2019 published by the Ghana Statistical Service, a trend analysis of GDP for the second half of 2018, a gap analysis of what would be required to attain the original 2019 GDP estimation and information from the industry, agriculture and service sector covering GDP for the third quarter of 2019. See "*Presentation of Statistical and Other Information*".

Debt Management

Prior to the debt forgiveness associated with the HIPC and MDRI programmes, the vast majority of Ghana's financing was provided by grants and concessionary loans from multilateral organisations and development partners. As such, Ghana's debt management strategy has traditionally focused on its domestic debt portfolio. The broad objectives of the Government's debt management strategy are outlined each year in the annual budget presentation. The Treasury and Debt Management Division at the Ministry of Finance has formulated a debt management framework based on international best practices. Its objectives include:

- obtaining adequate funding to meet the Government's budgetary needs;
- minimising funding costs;
- maintaining the Government's long-term debt sustainability;
- forecasting Government cash needs as accurately as possible and determining public sector borrowing requirements;

- improving cash management efficiency by continuing to implement the Treasury Single Account for Government balances to be held with the BoG;
- supporting initiatives to deepen the domestic market and increase issuance capacity;
- supporting the BoG's initiatives to develop a national electronic payments system;
- developing a foreign investor segment for domestic securities and to issue sovereign bonds in international capital markets;
- maintaining credible and reliable financing sources for contingent needs;
- reducing refinancing risk by lengthening portfolio duration;
- lengthening duration and developing benchmark securities;
- developing new medium-term investor segments including domestic pension and social security funds and foreign investors;
- managing the issuance calendar;
- strengthening the role of primary dealers and balancing privileges with obligations;
- creating a liquid secondary market for Government securities;
- fostering the development of an active corporate bond market priced over benchmark Government securities; and
- building additional capacity for improved debt management through training, investment in market data sources (e.g. Bloomberg), and an enhanced IT platform.

The Ministry of Finance is developing its own domestic debt management capacity distinct from that of its fiscal agent, the BoG. With respect to domestic debt strategy, the Ministry of Finance plans to decrease its reliance on short-term financing and increase its reliance on long-term financing. As required by the PFMA, the Ministry of Finance has developed a comprehensive medium-term debt management strategy based on an analysis of cost and risk of alternative financing strategies, consistent with the medium-term macroeconomic framework and available sources of financing. See "*Public Debt—Debt Management Strategy*". The Ministry of Finance has developed the strategy within a risk management framework that aims to identify, mitigate and monitor refinancing, interest rate and exchange rate risks. By utilising embedded advisors with specialised expertise, the Ministry of Finance has been able to provide improved technical assistance and review its progress. With the Ministry of Finance's sponsorship, the advisors have developed solid working relationships with key stakeholders in public financial management, including the BoG, Controller and Accountant General, GRA and many line ministries. Some of the Ministry of Finance's achievements during this period include:

- the creation of more dependable periodic financial reports;
- forecasting cash needs in a more disciplined fashion;
- adequate visibility on implicit contingent liabilities;
- reduced fragmentation in treasury operations;
- the implementation of a formal loan and fiscal agency agreement with the BoG;
- a reduction in refinancing risk;
- the development of a medium-term investor base including domestic banks and insurance companies, SSNIT and foreign investors;
- publication of a half-yearly issuance calendar;

- lower borrowing costs through continued macroeconomic stability and improved budget efficiency; and

- evolution of an extended domestic yield curve with the establishment of markets for the following medium-term securities: three-year, five-year and seven-year bonds.

In addition, the Government has introduced initiatives to improve control of Government spending and promote good governance. For example, the Government has started an on-lending and escrow account initiative to prevent loans and guarantees the Government provides to SOEs, special purpose vehicles, and MDAs from aggravating the public debt situation. See "*Public Debt—Debt Management Strategy*". To manage the orderly redemption of Eurobonds and the Government's other debt instruments, the Government established a Sinking Fund, funded periodically by excess amounts over the cap on the Ghana Stabilisation Fund. See "*Public Debt—Debt Management Strategy*". The Controller and Accountant General's Department opened the Sinking Fund account in 2015 and the Government transferred US$100 million to the account from the excess amount over the cap on the Ghana Stabilisation Fund. In March 2015, BoG swept all positive balances in all Government accounts, including the balance in the Sinking Fund account, to repay the Government's debt to BoG. The Government plans to establish corrective measures to ensure that in the future statutory Government accounts, such as the Sinking Fund account, will be protected from general sweeps of Government accounts. In August 2016, the Government applied US$63 million credited to the Sinking Fund account to partially fund the purchase by Ghana of its US$750 million 8.5 per cent. Notes due 2017 pursuant to a tender offer in July 2016. In April 2018, the Government purchased its US$750 million 9.250 per cent. Amortising Notes due 2022 pursuant to a tender carried out alongside a Eurobond issuance. The remaining portion of the proceeds from the Eurobond issuance, US$420 million, was deposited in the Sinking Fund for the purpose of conducting liability management exercises on the domestic market. In line with the liability management (domestic and external) operations of government, the balances on the sinking fund have occasionally been used to meet public debt payment obligations. As at the date of this Base Prospectus, the Sinking Fund has a credit balance of approximately US$24.3 million.

In the 2020 Budget Statement, the Government maintained the cap on the Ghana Stabilisation Fund at US$300 million, with the aim of growing the fund to US$400 million over the medium term. The Government will use the excess amount over the cap as follows: (i) transfer 50 per cent. of the excess amount into the Sinking Fund designated for Government debt repayments, (ii) transfer 25 per cent. of the excess amount into the Contingency Fund and (iii) retain 25 per cent. of the excess amount into the Ghana Stabilisation Fund. When the Ghana Stabilisation Fund reaches US$400 million, it will be capped at that amount and the Government will use the excess amount over the cap as follows: (i) transfer 75 per cent. of the excess amount into the Sinking Fund designated for Government debt repayments and (ii) transfer 25 per cent. of the excess amount into the Contingency Fund.

Ghana's Constitution requires the establishment of the Contingency Fund out of which urgent or unforeseen expenditures, for example those arising from natural disasters, will be paid. Payments made out of the Contingency Fund may only cover expenditures for which there is no other express payment provision and must be authorised by Parliament.

Debt Management Strategy

Past economic crises have stressed the importance of public debt management in preventing and resolving fiscal challenges, and have emphasised the need for strong policy coordination between fiscal, debt and monetary policy. Over the years, revenue shortfalls and expenditure overruns have led to widening fiscal deficits which have been financed through debt or expenditure rationalisation. Consequently, the Government embarked on a tight fiscal consolidation exercise and prudent debt management policies to reduce the risks associated with high debt levels.

In 2018, the Government's financing strategy took into account the Government's commitment to develop the domestic debt market by issuing more longer-dated instruments to help improve secondary market trading and build provision for contingent liabilities from the financial sector, in line with the Government's commitment to ensure a resilient financial sector. The strategy was successfully implemented by the issuance of three-year, five-year, seven-year and ten-year Government bonds on the domestic debt market, as well as a US$2 billion Eurobond on the International Capital Markets (ICM) consisting of ten-year and thirty-year instruments.

The Government's strategy set a target for the share of floating rate debt in total external debt to be within the range of 15 to 20 per cent. At the end of 2018, this ratio was 16.9 per cent., compared to 19.0 per cent. at the end of 2017. The share of total debt to be re-fixed in one year was targeted to be below or equal to 30 per cent. As at the end of 2018, the ratio was 24.1 per cent., compared to 25.9 per cent. at the end of 2017 and 38.7 per cent. at the end of 2016. The Average Time to maturity ("**ATM**") of the debt portfolio was expected to be not less than 7.8 years, and it increased from 8.2 in 2017 to 8.7 years in 2018.

In fulfilment of section 59 of the PFMA, the Government developed a medium term debt management strategy which outlines the Government's plan to guide debt management operations spanning 2019 – 2022. The financing strategy of the Government in 2019 was in line with its debt management objectives of borrowing at minimum cost, subject to a prudent degree of risk, while promoting the development of the domestic market and continuing the on-going liability management programme to manage the risks in the public debt portfolio, whilst at the same time looking to diversify currency and investor base. In 2019, Government issued three year, five year, six year, ten year, fifteen year and twenty year bonds using the book building process to further lengthen the maturity profile of domestic debt. Also tap-ins were done on medium-term instruments and the domestic US Dollar bonds to build benchmark domestic bonds. Government also issued a total of US$3 billion in three tranches of 7-year, 12-year and 31-year Eurobonds, priced at 7.88 per cent., 8.13 per cent. and 8.95 per cent., respectively on the ICM. A total of about GHS1.4 billion (representing about 0.43 per cent. GDP) was also issued by Government to cover the bailout of financial institutions. Difficulties faced in the energy sector and domestic market conditions in 2019 presented challenges to the smooth implementation of the strategy, which adversely affected the cost-risk indicators of the public debt portfolio. To meet financing needs of Government, longer-dated instruments with remaining maturities of less than 180 days were re-opened. This adversely impacted domestic debt maturing in a year and increased the refinancing risk of the domestic debt portfolio, with domestic debt maturing in 1 year increasing from 28.4 per cent at end of December 2018 to 33.7 per cent at end of September 2019. However, the refinancing risk indicators for the entire debt portfolio improved compared to the targets set, with debt maturing in one year and ATM being 16.4 per cent and 9.9 years respectively as at the end of September 2019, against targets of between 15 to 20 per cent and above 7.8 years respectively. Floating rate debt in the external debt portfolio was 13.7 per cent. against a target of 15 to 20 per cent., whereas debt re-fixing in one year, which looks at variable interest rate debt in the portfolio (including short-term domestic debt), was 22.3 per cent and within the target of less or equal to 30 per cent. Ghana's Medium Term Public Debt Management Strategy of the Government for 2020-2023 focuses on achieving an appropriate financing mix to mitigate the costs and risks to attain the desired composition of the public debt portfolio with respect to borrowing from external and domestic sources. In line with this objective, Ghana's financing strategy for 2020 assumes the issuances of Government securities on the domestic market and the creation of cash buffers in addition to the programmed net domestic financing for active liability and cash management purposes. The strategy envisages the issuance or re-opening of medium to long-term instruments (two year, three year, five year, seven year, ten year, fifteen year and twenty year bonds) and refinancing some of the maturing treasury bills and bonds. The strategy also includes the issuance of marketable and non-marketable debt against possible contingent liabilities arising from the financial and energy sectors in 2020. See "*Risk Factors - High levels of debt, interest costs and continued borrowing could have a material adverse effect on Ghana's economy and its ability to service its debt, including the Notes issued under the Programme*". The financing strategy also targets significant improvement in cost and risk indicators by the end of the period, especially in respect of the share of total debt maturing in a year, average time to maturity of domestic debt and share of debt re-fixing in a year.

The Medium Term Public Debt Management Strategy of the Government for 2020-2023, includes the following policies:

- *Liability management operations*: the Government will continue its liability management operation to actively manage the public debt portfolio by redeeming benchmark size bonds before maturity with the view to reduce refinancing risk. For 2020, Government's liability management operations will include:

- using part of Eurobond proceeds for re-profiling more expensive external and domestic debt based on market conditions;
- coordinating with BoG to undertake bond exchanges and buyback operations;
- building benchmark bonds through tap-ins/re-opens on existing bonds to increase liquidity and facilitate more efficient market-making on the secondary market; and
- building cash buffers to support debt management operations.

- *Communication with Market Participants*: the Government will continue to actively engage investors and market participants through monthly and quarterly town hall meetings, conference calls and investor presentations with primary dealers and key market players. The meetings will focus on market developments, financing plans, financing operations and investor views, as well as performance of the primary dealer system. The Ministry of Finance's website also currently hosts a dedicated investor relations section which will be updated regularly to ensure communication with market players.

- *Repurchase Agreements:* the BoG launched a Global Master Repurchase Agreement as a base guideline for the repo market in Ghana. These guidelines have been prepared in collaboration with the Ghana Fixed Income Market and other key stakeholders in the financial markets in Ghana. The guidelines contain directives and recommend best practices for market participants who intend to trade repos in Ghana. The Ministry of Finance will collaborate with the BoG in the implementation of the new guidelines for repurchase agreements in the country.

- *Primary Dealer System*: To enhance efforts to develop the primary and secondary domestic markets and facilitate a more efficient primary dealer ("**PD**") system, Government intends to implement reforms to the current primary dealer structure to enhance its effectiveness. These include, but are not limited to the following:

  - revising the PD guidelines to ensure PD obligations and privileges are well balanced, feasible and enforceable;
  - development of a harmonised PD manual to guide the markets, the draft of which is currently being reviewed by relevant stakeholders;
  - stronger oversight over PD's support to the secondary market, including disciplinary measures for non-performance;
  - reducing PDs from 15 to 13 based on performance in 2019; and
  - replacing Joint Book Runners (JBRs) with a Bond Market Specialist group under much stricter rules, requirements and obligations with regards to marketing, selling, distributing and trading Government bonds.

  These reforms will help to reveal current inconsistencies between PD rights and obligations and incentivize those who really want to put more effort into domestic market development.

- *Annual Borrowing Plan*: To effectively implement the debt management strategy in 2020, the Government will prepare the Annual Borrowing Plan ("**ABP**") based on the approved Medium Term Debt Strategy (the "**MTDS**") to inform investors, in line with Section 60 of the PFMA. The borrowing plan will include active liability management operations (to ease rollover risks ahead of large upcoming maturities) and other borrowings building on the recent issuances of six year and twenty year bonds per the MTDS.

- *Limits on Commercial Borrowing*: As part of efforts to bring debt to sustainable levels, the Government intends to place annual debt ceilings on nominal terms and on contracting or guaranteeing of non-concessional external debt for projects for which concessional financing is not available. In line with this objective, the Government has set an annual limit of US$750.0 million under the 2020 fiscal framework for contracting of non-concessional loans (excluding

Eurobonds from ICM) in respect of projects and programmes which are to be funded from external non-concessional loans in 2020.

While Ghana's debt management strategy has as one of its goals the re-profiling of Ghana's debt to bring down debt service costs by, amongst other things, restructuring expensive short term and high interest bearing debt, including domestic debt held by domestic and foreign investors, and by extending their repayment period and/or lowering interest costs, there can be no assurance that such efforts will be effective.

Debt Sustainability Analysis

The IMF uses a framework for conducting public and external debt sustainability analysis to help detect, prevent, and resolve potential debt crises. The joint World Bank/IMF Debt Sustainability Framework (the "**Joint DSA**") for Low-Income Countries, released in July 2018, analyses a country's capacity to finance its policy objectives and service its current and future debt obligations, without having to make unduly large adjustments to its fiscal policy, which could otherwise compromise its stability.

The Joint DSA framework has the following three objectives:

(a) assess the current debt situation, its maturity structure, whether it has fixed or floating rates, whether it is indexed, and by whom it is held;

(b) identify vulnerabilities in the debt structure or the policy framework in advance so that policy corrections can be introduced before payment difficulties arise; and

(c) in cases where such difficulties have emerged, or are about to emerge, examine the impact of alternative debt-stabilizing policy paths.

The Joint DSA analyses the sustainability of a country's total public debt and total external debt, both of which have a baseline scenario based on macroeconomic projections accounting for the government's intended policies. The IMF applies a series of sensitivity tests to the baseline scenarios to provide a probabilistic upper bound for the debt dynamics under various assumptions regarding policy variables, macroeconomic developments, and financing costs. The paths of debt indicators under the baseline scenarios and the stress tests allow the IMF to assess a country's vulnerability to a payments crisis.

According to the most recent Joint DSA published by the IMF in November 2019, Ghana's external and overall debt are at high risk of debt distress. While the IMF concluded that Ghana's debt is considered sustainable due to favourable market access, Ghana's commitment to macro-economic stability and fiscal discipline, and the potential for further fiscal consolidation, with debt service continuing to absorb more than a third of Government revenues, the risk of distress remains high under both the baseline and all shock scenarios that the IMF uses while looking at the components of debt when it prepares an analysis of a country's debt sustainability.

In August 2019, the Ministry of Finance conducted its own debt sustainability analysis ("**MOF DSA"**) for 2019/2020 based on the latest version of the joint World Bank/IMF Debt Sustainability Framework for Low-Income Countries, released in July 2018. This analysis was conducted with the aim to assist the Government to make sound budget and funding decisions for projects and programmes by providing a link between fiscal planning and the MTDS. The analysis covered all public and government-guaranteed debts of the Central Government. In addition to the standard public debt, the MOF DSA also captured debt contracted independently by selected SOEs, and other contingent liabilities that may arise from the financial and energy sectors and the National Identification Authority, amongst others which are not explicitly backed by government guarantee but are deemed important for the assessment of public debt dynamics. However, under the Joint DSA, the IMF also considers the risk from off-balance sheet liabilities (such as ESLA bonds, projected disbursements from the non-concessional facility with Sinohydro and GETFund) and accounts for these exposures as contingent liabilities of the Government. The MOF DSA considers ten years historical and twenty years forward-looking data in assessing the Republic's ability to honour its debt obligations.

The outcome of the MOF's analysis indicated that Ghana's debt risk rating is sustainable. However, the risk of external debt distress and overall public debt distress remains high over both the medium and long term. The analysis reflect that solvency ratios of the Republic have improved considerably after the rebasing of the GDP, for both the PV of debt–to–GDP ratio and PV of debt-to-exports ratios, and since the baseline does not breach its respective threshold for more than a year, these ratios are considered as moderate risk. For the liquidity ratios (debt service-to-exports and debt service-to-revenue) both the baseline and extreme shock scenarios breach their respective threshold for more than a year, indicating that the country's revenue and exports will not be able to sustain its external debt service obligations, and as such, these ratios are considered as high risk. Under the MOF DSA, while the baseline in the public debt exceeds the threshold of 50 per cent. in 2019, which is projected to decline over the medium term, the public debt is classified as moderate risk for all indicators. While the fiscal pressures and realization of contingent liabilities, especially from SOEs and the energy and financial sectors, poses a risk to the public debt-to-GDP ratio in 2019, this risk is projected to be contained over the medium term.

On the whole, under the MOF DSA, Ghana's debt position is considered to be at high risk, especially, since its liquidity ratio for external debt does not allow for fiscal space to incur additional debt without jeopardising debt sustainability. However, Ghana's debt is deemed sustainable based on favourable market access, Government's continued commitment to macroeconomic stability and fiscal discipline, prudent borrowing and proactive debt management initiatives, guided by its MTDS and recently passed Fiscal Responsibility Act, and its potential for steeper than assumed fiscal consolidation, which is supported by the recently announced 2020 budget that reinforces the Government's focus to safeguard macro-economic stability. Ghana's debt sustainability is also predicated on the Government's continued efforts to expand the tax base, improve tax compliance and enforcement, strengthen revenue administration, tighten expenditure management and commitment controls. In addition, implementation of the "Ghana beyond Aid" agenda and the government's flagship programmes are expected to enhance growth and export potential, with resulting improvements in debt sustainability.

More specifically, the Government's recent efforts to build buffers through sinking funds and escrow accounts for public debt servicing and reprofiling of public debt, and implementation of a stricter credit risks assessment framework for guarantees and on-lending to SOEs and public corporations and its ongoing initiatives to strengthen the financial and energy sector, are expected to be instrumental in preventing further increases in public debt. Based on the recent sustainability analysis, the Ministry of Finance has capped external non-concessional loans for projects at US$750.0 million (which will act as an annual ceiling on contracting of new loans for proposed projects set out in the 2020 Budget) to avoid Ghana falling into "debt distress". These initiatives are expected to complement the Government's efforts to improve fiscal and debt sustainability.

Domestic Debt

As at 31 December 2018, Ghana's total outstanding domestic debt stood at US$18.02 billion (GHS86.89 billion), an increase from the US$15.12 billion (GHS66.76 billion) outstanding at the end of 2017. The Republic attributes this increase to the shift in budget financing from external to domestic borrowing. As at 30 September 2019, Ghana's total outstanding domestic debt stood at US$19.06 billion (GHS101.4 billion), an increase from the US$18.0 billion (GHS86.9 billion) outstanding at the end of 2018. The Republic attributes this increase to emerging market pressures which led to significant repatriation, which translated into the Government borrowing more from the short-end of the market.

The maturity profile of Ghana's domestic securities has transformed dramatically since 2008 as the Government pursued debt management objectives to reduce refinancing risk and develop a medium-term benchmark yield curve. Nonetheless, the Government regards short-term domestic debt issued with a tenor of up to one year with high interest cost as an important, albeit decreasing, feature of the country's current domestic debt structure, comprising 37.6 per cent. of total domestic debt as at 31 December 2016, 18.0 per cent. as at 31 December 2017, 12.7 per cent. as at 31 December 2018 and 16.0 per cent. as at 30 September 2019.

Bonds issued under the ESLA Bond Programme are not included in the domestic debt of Ghana, since the Government has irrevocably assigned its rights to the receivables generated by the energy debt recovery levy to the SPV, and these receivables are used as the basis for the repayment of principal and interest under the bonds. However, notwithstanding, the sale of such receivables to fund the ESLA Bond Programme, the IMF and certain of the ratings agencies that rate Ghana consider such debt to be contingent liabilities of the Government and so account for this as debt.

The following table shows domestic debt by maturity structure as at the dates indicated:

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019[(1)]**
		(*US$ millions*)		
Short Term	4,806.2	2,716.4	2,287.6	3,046.8
Medium Term	4,709.1	8,309.4	10,042.7	10,539.3
Long Term	3,134.2	4,041.0	5,663.8	5,452.1
Standard Loans	116.7	51.6	25.9	25.9
Total	**12,766**	**15,118.4**	**18,020.0**	**19,064.2**

Source: Ministry of Finance
(1) Provisional.

The focus on shifting the maturity structure of recent issuances is consistent with the Government's debt management objective of extending its debt profile into the medium and long-term. The shift to a longer maturity structure accelerated after the Foreign Exchange Act became effective at the end of 2006 and permitted non-residents to invest in domestic Government instruments with a minimum maturity of three years. As at 31 December 2018, non-resident investors held 30.1 per cent. of domestic debt, compared to 38.5 per cent. held at the end of 2017 and 21.7 per cent. held at the end of 2016. As at 30 September 2019, non-resident investors held 25.3 per cent of domestic debt. See "—*Debt Management Strategy*". The Government expects that with falling interest rates the level of participation of non-resident investors in the domestic market will fall.

The table below shows the breakdown of domestic debt by instrument as at the dates indicated:

	As at 31 December					As at 30 September
	2014	2015	2016	2017	2018	2019[(1)]
			(*US$ millions*)			
Short-Term Instruments	**4,263.4**	**4,805.7**	**4,806.2**	**2,716.4**	**2,287.6**	3,046.8
91-Day Treasury Bills	2,473.3	2,454.5	2,504.7	1,232.8	1,156.4	1,225.2
182-Day Treasury Bills	1,399.7	2,146.7	1,700.2	649.2	632.4	636.9
364-Day Treasury Bills	-	-	-	-	-	1,015.8
1-Year Treasury Notes	390.4	204.5	601.3	834.4	498.8	168.9
Medium-Term Instruments	**3,779.1**	**3,143.3**	**4,709.1**	**8,309.4**	**10,042.7**	10,539.3
2-Year Fixed Treasury Notes	855.5	549.6	1,010.5	1,449.3	2,706.1	2,432.7
2-Year USD Domestic Bond	-	-	94.6	94.6	-	-
3-Year USD Domestic Bond	-	-	-	221.4	221.4	371.4
3-Year Floating Treasury Note (SADA-UBA)	63.1	-	-	-	-	-
3-Year Fixed Rate Bonds	1,529.2	1,333.6	1,591.8	1,642.9	2,266.6	2,151.7
3-Year Stock (SBG)	-	-	-	-	-	-
3-Year Stock (SSNIT)	399.3	282.8	271.8	199.7	104.3	37.4
5-Year GOG Bonds	869.2	924.2	1,549.1	2,536.9	2,521.7	2,803.1
7-Year GOG Bond	62.8	53.1	48.2	486.9	592.5	779.0
10-Year GOG Bond	-	-	143.2	1,677.7	1,630.1	1,629.1
Long-Term Instruments	**2,694.9**	**2,561.7**	**3,134.2**	**4,041.0**	**5,663.8**	**5,452.1**
15-Year GOG Bond	-	-	-	1,085.4	994.1	999.2
20-Year GOG Bond	-	-	-	-	-	30.5
Long-Term Government Stocks	2,310.6	2,236.8	2,865.6	2,714.3	2,485.8	2,253.8
Long-Term Government Stocks (Bank Bailout)	-	-	-	-	1,986.8	2,011.4
GOG Petroleum Financed Bonds	24.9	21.1	19.1	18.1	16.6	15.0
TOR Bonds	212.5	179.7	136.7	116.6	83.3	53.8
NPRA Stock	-	-	-	-	-	-
Revaluation Stocks	112.5	95.1	86.3	81.8	74.9	67.9
Other Government Stocks	0.3	0.2	0.2	-	-	-
Telekom Malaysia Stocks	34.1	28.8	26.2	24.8	22.7	20.6
Standard Loans	**178.1**	**110.6**	**116.7**	**51.6**	**25.9**	**25.9**
Total	**10,915.6**	**10,621.4**	**12,766.2**	**15,118.4**	**18,020.0**	**19,064.2**

Source: Ministry of Finance
(1) Provisional

Foreign investors first participated in a special five-year Government bond auction in December 2006, followed by quarterly three-year bond auctions and a second five-year bond auction in July 2007. In August 2013, the Government introduced its seven-year bond. In addition, the range of securities created by the shift to a longer maturity structure and the resulting benchmark yield curve is expected to ultimately foster the development of a domestic corporate and municipal bond market where corporations, MDAs and state-owned and quasi-state-owned institutions are able to issue their own debt instruments at spreads above the domestic risk-free rate.

The following table shows a breakdown of domestic debt by holder category as at the dates indicated:

			As at 31 December			As at 30 September
	2014	**2015**	**2016**	**2017**	**2018**	**2019(1)**
			(*US$ millions*)			
Banking System	5,727.8	5,361.7	6,653.9	5,348.1	8,127.1	8,685.7
Bank of Ghana	2,646.9	2,614.5	3,121.1	2,944.2	2,889.3	2,910.2
Deposit Money Banks	3,081.0	2,747.2	3,532.8	2,403.9	5,237.8	5,775.5
Non-Bank Sector	**3,148.5**	**3,379.7**	**3,224.0**	**3,907.3**	**4,459.7**	**5,528.2**
SSNIT	487.0	395.8	349.8	317.6	165.0	75.7
Insurance Companies	19.7	21.3	42.8	77.1	95.9	101.3
NPRA	-	-	-	-	-	-
Other Holders	2,641.8	2,962.6	2,831.4	3,512.6	4,198.9	5,351.2
Foreign Sector	1,861.2	1,769.5	2,771.7	5,811.4	5,407.3	4,824.4
Jubilee Bond	-	-	-	-	-	-
Other Standard Loans	178.1	110.6	116.7	51.6	25.9	25.9
Total Domestic Debt	**10,915.6**	**10,621.4**	**12,776.2**	**15,118.4**	**18,020.0**	**19,064.2**

Source: Ministry of Finance
(1) Provisional

External Debt

Ghana's external debt stood at US$17.87 billion as at 31 December 2018, compared to US$17.17 billion at the end of 2017 and US$16.46 billion at the end of 2016. As at 30 September 2019, the Republic's external debt stood at US$20.15 billion. The Republic largely attributes this increase in external debt to the drawdown of existing loans to complete on-going projects and the issuance of 2018 and 2019 Eurobonds for budgetary support.

Multilateral creditors comprise a significant proportion of Ghana's external debt at US$6.42 billion, representing 31.9 per cent. of Ghana's total external debt as at 30 September 2019. Out of these, the IDA is the largest creditor, holding 60.7 per cent. and 19.3 per cent. of Ghana's total multilateral creditor debt and total external debt as at 30 September 2019, respectively. The African Development Bank Group is also one of the largest creditors of the Republic, holding 17.0 per cent. and 5.4 per cent. of Ghana's total multilateral creditor debt and total external debt as at 30 September 2019.

The other major component of Ghana's external debt is held by commercial creditors with an outstanding debt of US$9.8 billion, representing 48.5 per cent of the total external debt as at 30 September, 2019. Furthermore, the majority of the recent increase in Ghana's external debt from 2013 up to September 2019 has been financed from commercial creditors. The larger proportion of Ghana's commercial debt is debt issued on the ICM, with US$7.69 billion outstanding, representing 78.7 per cent. of commercial debt and 38.2 per cent of total external debt as at 30 September 2019, compared to 45.6 and 12.9 per cent., respectively, as at 31 December 2013. This recent increase includes Ghana's US$1,000,000,000 7.625 per cent Amortising Notes due 2029 and US$1,000,000,000 8.627 per cent Amortising Notes due 2049 issued on 16 May 2018 and US$750,000,000 7.875 per cent Amortising Notes due 2027, US$1,250,000,000 8.125 per cent Amortising Notes due 2031 and US$1,000,000,000.00 8.950 per cent Amortising Notes due 2050 issued on 19 March 2019.

The following table sets out Ghana's external public debt by creditor as at the dates indicated:

	As at 31 December					As at 30 September
	2014	2015	2016	2017	2018	2019(1)
			(*US$ millions*)			
Long-Term External Debt Total	**13,871.8**	**15,781.8**	**16,460.9**	**17,174.1**	**17,868.5**	**20,149.9**
Short-Term External Debt Total	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	n/a
External Debt Total	**13,871.8**	**15,781.8**	**16,460.9**	**17,174.1**	**17,868.5**	**20,149.9**
Multilateral creditors	**4,900.7**	**5,379.4**	**5,547.9**	**6,436.8**	**6,390.5**	**6,433.4**
Of which:						
IDA	2,941.4	3,279.3	3,435.4	3,921.7	3,880.3	3,909.4
IBRD	-	-	-	-	-	-
IMF	605.1	753.0	726.4	958.3	1,015.0	1,098.5
African Development Bank Group	994.7	967.1	1,032.9	1,200.0	1,129.4	1,088.6
IFAD	125.2	152.0	137.4	144.0	146.2	141.9
Others	234.1	227.8	215.6	212.9	219.5	195.0
Official Bilateral	**1,127.8**	**1,096.3**	**1,136.4**	**1,210.7**	**1,204.8**	**1,212.9**
Of which:						
Paris Club	**685.0**	**668.0**	**663.5**	**746.3**	**754.1**	**761.6**
Austria	29.6	26.6	31.0	46.6	88.0	98.9
Belgium	14.5	13.1	12.5	13.7	13.0	11.7
France	299.3	333.2	314.6	358.9	337.7	327.7
Germany	227.0	202.9	218.8	246.0	236.9	254.9
Italy	24.2	21.8	20.9	23.8	22.8	21.8
Spain	68.4	48.6	43.8	34.4	30.2	24.6
Denmark	21.5	21.6	21.8	22.8	25.5	22.1
Non-Paris Club	**442.8**	**428.2**	**472.9**	**464.3**	**450.7**	**451.3**
China	370.9	345.0	285.9	290.9	267.4	244.5
Kuwait	22.7	18.7	42.2	42.3	90.6	118.5
Korea PR	30.3	25.0	97.4	76.1	38.8	37.2
Saudi Arabia	8.5	7.7	18.7	20.0	18.9	17.3
India	10.2	31.5	28.4	35.0	35.0	33.9
Export/Suppliers/Buyers Credits	**1,158.4**	**1,176.2**	**1,315.2**	**1,461.2**	**1,235.6**	**1,089.1**
Belgium	337.2	304.9	513.5	752.1	663.4	568.0
Canada	254.0	252.4	225.7	198.5	169.8	156.5
France	6.9	13.4	43.4	46.3	42.1	27.3
Finland	9.4	8.9	6.8	6.4	5.2	4.6
Israel	277.6	357.6	345.1	292.5	244.9	228.2
Netherlands	215.1	192.4	146.0	139.4	95.3	94.1
United States of America	57.8	46.3	34.4	26.0	14.8	10.4
Commercial	**4,801.3**	**6,318.5**	**6,731.2**	**6,296.0**	**7,343.5**	**9,761.7**
ABSA Bank	0.4	1.7	1.3	0.6	-	-
Citibank	88.6	97.9	97.9	93.1	83.5	78.7
Credit Agricole	48.9	37.1	33.1	34.1	17.9	13.9
Deutsche Bank Sociedad Anonima Es	57.9	49.5	35.6	32.5	28.5	16.1
Export-Import Bank of China	505.7	488.4	476.7	489.8	398.4	364.5
Export-Import Bank of USA	271.2	326.5	353.7	321.0	299.2	266.3
International Capital Markets	2,530.5	3,530.5	3,949.0	3,680.1	4,978.1	7,694.7
NEDBANK	0.6	1.1	0.4	-	-	-
Societe Generale	16.8	13.1	9.3	5.6	1.8	10.2
Belfius Bank NV/SA	10.5	6.7	4.3	4.2	2.5	0.2
CDB	657.8	728.9	618.6	503.5	387.2	302.7
Others	611.8	1,036.6	1,150.8	1,131.5	1,146.4	1,014.4
Other Concessional	**1,883.5**	**1,811.3**	**1,730.1**	**1,769.3**	**1,694.2**	**1,652.7**
Austria	102.3	93.6	87.6	91.1	81.5	70.2
Belgium	52.0	45.3	34.3	28.1	24.6	15.2
China	721.1	755.0	827.0	775.7	726.2	691.3
Egypt	536.7	476.2	359.0	348.6	351.9	326.9
India	94.6	90.3	85.4	159.3	206.8	268.7
Netherlands	145.3	127.6	112.2	158.6	120.5	105.2
United Kingdom	-	-	-	-	-	-
United States of America	231.3	223.0	224.5	207.8	182.8	175.2

Source: Ghanaian Authorities
(1) Provisional

The following table sets out Ghana's external debt by currency composition as at the dates indicated:

	As at 31 December					As at 30 September
	2014	2015	2016	2017	2018	2019(1)
			(*US$ millions*)			
Special Drawing Rights (SDR)	22.76	22.37	22.24	25.25	24.38	22.46
United States Dollar (USD)	54.13	57.98	59.42	54.01	57.03	61.92
Euro (EUR)	13.84	11.59	10.56	12.54	11.11	9.32
Great Britain Pound (GBP)	0.50	0.47	0.32	0.30	0.26	0.20
Japanese Yen (YEN)	0.27	0.51	0.28	0.27	0.00	0.00
Chinese Yuan Renminbi (CNY)	2.67	2.19	1.74	1.70	1.50	1.21
Others	5.83	4.89	5.44	5.93	5.72	4.89
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Ghanaian Authorities
(1) Provisional

Borrowings of State-Owned Enterprises and Statutory Funds

The Government's public debt figures do not cover certain activities, specifically borrowings that are undertaken through the statutory funds or by state-owned enterprises. For example, the operations of statutory funds (including revenues, expenses and borrowings of such entities), such as the ESLA and the GETFund (which is set up to expand education spending), are not covered in the public debt of the Government (unless any such borrowings are explicitly guaranteed by the Government). An example of this is the Sinohydro agreement structured as an offtake for bauxite, where the loan is serviced by sales of bauxite to Sinohydro rather than direct payment obligations by the Government. See "*Republic of Ghana —Asia Relations*".

Whilst the Government considers the exclusion of these operations from its public and debt finances to be appropriate, in the event these entities are not able to earn revenues sufficient to cover their own expenses and borrowing costs, the Government may decide it is in the public interest to fund such expenses and borrowing costs, which may increase the Government's borrowings and/or fiscal deficit. Due to this possibility and based on the terms of some agreements where potential Government support is contemplated, in addition to recorded public debt, the IMF and other international rating agencies capture some of these arrangements and account for such exposures as continent liabilities of the Government when assessing the public debt sustainability. See "*Risk Factors—High levels of debt, interest costs and continued borrowing could have a material adverse effect on Ghana's economy and its ability to service its debt, including the Notes issued under the Programme*" and "*Risk Factors—Financial and statistical information may differ from that produced by other sources, may be incomplete, delayed or inconsistent and is subject to revision, amendment and adjustment*".

Debt Service

The following table sets out debt service projections for Ghana's external debt by type of creditor for the years 2019 to 2029, as at 30 September 2019. It does not include debt service projections beyond the years indicated. The data contained in the table does not assume any refinancing of existing debt.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
					(*US$ millions*)					
Principal Payments										
Multilateral	299.28	324.58	337.87	374.91	381.64	335.37	294.51	257.83	237.39	215.52
Bilateral	212.10	197.90	192.02	154.30	148.95	138.26	135.61	129.77	126.64	102.70
Commercial	1,014.70	813.10	1,435.15	809.38	938.19	881.88	756.03	759.56	739.16	777.33
Total Principal Payments	**1,526.08**	**1,335.58**	**1,965.03**	**1,338.59**	**1,468.78**	**1,355.51**	**1,186.15**	**1,147.16**	**1,103.19**	**1,095.54**
Interest Payments										
Multilateral	56.23	54.33	52.27	50.04	47.79	45.55	43.32	41.23	39.13	36.93
Bilateral	30.03	26.52	23.06	19.66	17.37	15.16	13.08	11.04	9.06	7.10
Commercial	815.69	771.58	734.13	646.45	601.44	542.86	487.31	437.07	374.72	313.14
Total Interest Payments	**901.96**	**852.44**	**809.45**	**716.15**	**666.60**	**603.57**	**543.71**	**489.34**	**422.91**	**357.17**
Total Debt Service	**2,428.04**	**2,188.02**	**2,774.48**	**2,054.73**	**2,135.38**	**1,959.08**	**1,729.86**	**1,636.51**	**1,526.10**	**1,452.71**

Source: Ghanaian Authorities

Since its new Constitution came into effect in 1993, Ghana has not defaulted on any of its external debt. Debts of state-owned enterprises are legal obligations of the Republic only when explicitly guaranteed pursuant to the constitutional authority of the Minister for Finance.

The following table sets out debt service projections for Ghana's domestic debt by instrument for the years 2019 to 2029, as at 30 September 2019. It does not include debt service projections beyond the years indicated. The data contained in the table does not assume any refinancing of existing debt.

Domestic Debt Service Projections (GHS Millions)

	91-day	182-day	364-day	1-year	2-year	3-year	5-year	6-year	7-year	10-year	15-year	20-year	NON-Marketable	3-year FX	Total
2019	25,131.6	6,591.6	-	2,116.7	11,302.2	6,629.0	2,679.0	187.0	759.0	1,566.2	966.0	-	3,510.2	128.5	**61,566.7**
2020	-	1439.3	5,402.9	-	7,268.3	6,826.3	4,131.8	374.0	2,246.7	1,645.8	1,050.7	32.8	3,484.0	2,185.1	**36,087.6**
2021	-	-	-	-	2,862.8	6,730.8	6,171.0	374.0	498.1	1,645.8	1,050.7	32.8	3,339.6	-	**22,705.4**
2022	-	-	-	-	-	2,208.0	7,447.1	374.0	498.1	1,645.8	1,050.7	32.8	3,415.6	-	**16,671.9**
2023	-	-	-	-	-	-	2,765.1	374.0	498.1	1,645.8	1,050.7	32.8	3,276.9	-	**9,643.2**
2024	-	-	-	-	-	-	2,694.6	374.0	2,211.1	1,645.8	1,050.7	32.8	3,147.0	-	**11,156.0**
2025	-	-	-	-	-	-	-	1,967.7	816.2	1,645.8	1,050.7	32.8	3,017.2	-	**8,530.4**
2026	-	-	-	-	-	-	-	-	-	9,037.3	1,050.7	32.8	2,887.4	-	**13,008.2**
2027	-	-	-	-	-	-	-	-	-	241.4	1,050.7	32.8	2,534.9	-	**3,859.8**
2028	-	-	-	-	-	-	-	-	-	669.9	1,050.7	32.8	2,440.6	-	**4,193.9**
2029	-	-	-	-	-	-	-	-	-	883.5	1,050.7	32.8	2,337.2	-	**4,304.2**

Source: Ghanaian Authorities

Relations with Multilateral Financial Institutions

Ghana continues to maintain relationships with multilateral financial institutions. In July 2009, the Republic entered a three-year extended credit facility with the IMF under which the IMF provided the country with US$581.28 million. The programme was successfully completed and terminated in July 2012. As discussed in greater detail below, the Republic and the IMF entered into a new three-year extended credit facility in April 2015, with a further one-year extension agreed in 2017. The IMF Programme ended in December 2018, with the eighth and final review completed in April 2019. Ghana continues to engage with IMF through Article IV consultations and other arrangements even after its exit from the IMF Programme. See "*—IMF Extended Credit Facility*".

In support of Ghana's transition to a lower middle-income oil producing economy, the World Bank approved the Ghana Oil and Gas Capacity Building Project (US$38 million) in 2010 and the Ghana Public Private Partnership Project (US$30 million) in 2012. In January 2020, the World Bank agreed to commit US$570 million (US$557 million in credits and US$12.4 million in grants) to Ghana to undertake four projects. These projects include the US$200 million Greater Accra Resilient and Integrated Development ("**GARID**") Project, which is a multi-sector and transformative urban project aimed at supporting Greater Accra to become a cleaner, safer and more resilient city. It also involves the US$150 million Ghana Accountability for Learning Outcomes Project, which is aimed at improving the quality of education in low-performing basic education schools and strengthening equity and accountability of Ghana's education sector. The other two projects are the US$200 million Ghana Economic Transformation Project, which is intended to promote private investment and firm growth in non-resource-based sectors of the Ghanaian economy, and the additional financing for the Ghana Forest Investment Programme – Enhancing Natural Forest and Agroforest Landscapes Project, which accounts for the US$12.4 million grant.

In June 2012, the Government and its development partners agreed on a ten-year compact, the Leveraging Partnership for Shared Growth and Development (the "**Compact**"). The Compact aims to take into account the challenges that Ghana faces as it begins its transition to a lower middle-income economy, as well as the country's transition to becoming an oil producing and exporting economy.

Specifically, the objectives of the Compact are to:

- contribute to accelerated and inclusive economic growth and sustained poverty reduction by assisting Ghana to establish middle-income status;
- reduce dependence on official development assistance and to increase levels of domestic resource collection and reliance on alternative development funding;
- ensure predictability and minimise the risk of abrupt reductions in inflows of official development assistance and other forms of development finance;
- focus development assistance on issues and sectors of significant strategic importance for national development; and
- increase accountability, transparency and effectiveness of development assistance to Ghana so that it delivers results and value.

Ghana's development partners agreed to align their support to the priorities and strategic interventions the Government has identified under the Compact.

IMF Extended Credit Facility

In August 2014, the Government requested an arrangement with the IMF to help support stronger policy adjustment, restore market confidence and revive Ghana's transformation agenda. Consequently, on 3 April 2015, the Executive Board of the IMF approved a three-year extended credit facility for Ghana in the amount of SDR664.2 million (US$918 million) to support Ghana's balance of payments. The programme provided that the IMF would disburse the total amount in nine tranches. The IMF completed the fifth and sixth reviews in April 2018, approving disbursements in the aggregate amount of SDR132.84 million (approximately US$191 million) bringing total approved disbursements under the programme to SDR531.36 million (approximately US$764.1 million), and approved the remaining two disbursements after completion of its seventh and the eight review under the credit facility, which was completed in April 2019. In its fourth review of the programme completed in August 2017, the IMF Executive Board approved Ghana's request for waivers of non-observance of certain performance criteria, and the modification of one performance criterion, as well as agreeing to the extension of the arrangement by one year. The IMF Executive Board granted further waivers in its fifth and sixth reviews in April 2018. Pursuant to the combined seventh and eighth reviews, which was completed by the end of March 2019, and which concluded the IMF Programme, further waivers were granted by IMF. Following the end of the IMF Programme, Ghana still continues to participate in the IMF Article IV Consultations and is committed to continue implementing the structural reforms initiated under the IMF Programme.

Under the IMF Programme, the IMF monitored the progress of the programme based on periodic quantitative and continuous performance criteria as well as indicative targets as at end of the months of April, August, and December 2015, June and December 2016, March, August, September and December 2017, and April, June and December 2018. The IMF after each test date assessed the Republic's performance against each of the performance criteria and structural benchmarks of the programme. The indicative targets under the programme were (i) central target rate of inflation and (ii) a floor on social protection spending. The quantitative and continuous performance criteria under the programme were:

- a floor on the primary cash fiscal balance of the Government, measured in terms of financing;
- a ceiling on gross credit to Government by the BoG;
- a floor on the net international reserves of the BoG;
- a ceiling on net domestic assets of the BoG;
- a ceiling on wages and salaries;
- a ceiling on the net change in the stock of domestic arrears;

- a continuous non-accumulation of domestic arrears;
- a continuous non-accumulation of new external arrears; and
- a ceiling on the contracting or guaranteeing of new external non-concessional debt.

The IMF also monitored reforms through specific structural benchmarks within set timeframes. As part of the monitoring of the programme, the Ministry of Finance, the BoG and other agencies submitted certain data, including fiscal, monetary and balance of payments and external debt and foreign assistance data, to the IMF on a regular basis.

The IMF conducted the fourth review of the programme in April 2017. In its 2017 IMF Report, the IMF stated that while programme performance through end-2016 was not satisfactory, noting in particular a sizable fiscal slippage and accumulation of domestic arrears at the end of 2016, the Government has demonstrated commitment to policy adjustment and delivered corrective measures, including through fiscal consolidation in early 2017, implementation of financial stability measures, and further structural reforms. Ghanaian authorities and IMF staff reached agreements on various reforms and measures, including implementing further monitoring and oversight, to redress the direction of the programme. The Executive Board of the IMF made the fifth disbursement in August 2017, alongside agreeing to an one-year extension to the programme.

On 30 April 2018, the IMF completed the fifth and sixth reviews under the programme. During the review, further adjustments were made to the programme to ensure that it remains on track and to enhance its prospects of success. The Executive Board granted certain waivers, including for deviations in a few programme targets but agreed to the sixth disbursement.

In its 2019 report, following the seventh and eighth reviews, the IMF noted that domestic revenue mobilisation should remain a key priority to create fiscal space and reduce public debt, and that the authorities should continue efforts at implementing tax policy measures, especially tax exemptions and tax compliance measures. The IMF also highlighted the BoG's commitment to financial stability following the recapitalisation exercise in the banking sector.

EU Budget Support

In June 2014, Ghana and the EU entered into the 11th European Development Fund National Indication Programme 2014-2020, under which Ghana was allocated EUR323 million in funds from the EU. Under the initial programme allocations (i) EUR160 million was allocated towards productive investment for agriculture in the Savannah Ecological Zones, (ii) EUR75 million was allocated support public sector management and accountability, (iii) EUR75 million to support employment and social protection initiatives, (iv) EUR9 million was allocated towards implementing measures in favour of civil society and (v) EUR4 million was provided for general support measures.

The final tranche of the programme, for EUR40 million, was signed in February 2019, to be used to support jobs creation and schools development.

International Development Association ("IDA") Budget Support

In July 2015, the Board of Directors of IDA approved US$150 million of budget support to Ghana. The credit is the first in a series of three development policy financing ("**DPF**") operations under the Macroeconomic Stability for Competitiveness and Growth DPF programme. The objective of this programme is to help the Government stabilise the economy and strengthen fiscal control by implementing financial policies and processes that are transparent and predictable.

The credit is intended to support efforts to consolidate on-going fiscal stabilisation measures and policies outlined in the GSGDA. The proceeds were used to support the implementation of the 2015 budget and economic policy of the Government and contribute to attainment of the key macroeconomic targets outlined in it.

In October 2015, Ghana issued US$1,000,000,000 10.75 per cent. Amortising Notes due 2030 partially guaranteed by the IDA.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "**clearing agency**" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Base Prospectus.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Fiscal Agent, the Exchange Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Transfer Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Transfer Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

Republic of Ghana

The following is a description of the material tax implications of the ownership, acquisition, disposal and redemption of Notes by a holder thereof under the laws of the Republic of Ghana. The following description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of Notes. Prospective purchasers of Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

Section 1 of the Income Tax Act, requires that income tax be paid on a person's chargeable income (meaning total assessable income after all allowable deductions have been deducted). Section 3 provides that the assessable income of a person from employment, business or investment is: in the case of a resident person, the income of that person from each employment, business or investment, whether or not the source from which the income was derived has ceased; and in the case of a non-resident person, the income of that person from each employment, business or investment which accrues in or is derived from Ghana. Section 115 of the Income Tax Act requires that the income tax payable be deducted by the resident person as withholding tax from the gross amount of interest payments payable to another person.

Resident and non-resident holders of Notes are liable to pay tax on the interest accruing on the Notes unless the Act provides an exemption. The Income Tax Act defines a resident as:

- In the case of an individual, a person who is (i) a citizen of Ghana (excluding a citizen who has a permanent home outside Ghana and lives in that home for the whole year of assessment), (ii) present in Ghana during the year of assessment for an aggregate period of 183 calendar days or more in any 12-month period that commences or ends during that year, (iii) an employee or official of the Government of Ghana posted abroad during the year of assessment, or (iv) a citizen of Ghana who is temporarily absent from Ghana for a period not exceeding 365 continuous calendar days where the citizen has a permanent home in Ghana.

- In the case of a company, a company which (i) is incorporated, registered or established under the laws of Ghana, or (ii) which has its management and control exercised in Ghana at any time during the year of assessment.

- In the case of a partnership, if it has any of its partners residing in Ghana at any time during the year of assessment.

- In the case of a trust, if (i) it is established in Ghana, (ii) a trustee of the trustee is resident in Ghana at any time during the year of assessment, or (iii) a person who is resident in Ghana (either alone or jointly with others or directly or indirectly) directs or may direct senior managerial decisions of the trust at any time during the year of assessment.

Any person who does not fit into the above definition is therefore considered non-resident.

Payment of Interest on the Notes

Section 7(1)(p)(ii) of the Income Tax Act specifically exempts the taxation of "individuals" on interest accruing from Ghana Government bonds. Section 7(1)(r) also specifically exempts the taxation of non-residents on interest accruing from Ghana Government bonds.

Accordingly, only companies resident in Ghana that hold bonds for their own account, including Government bonds, are liable to pay income tax on interest payments on the Notes; the Republic will make interest payments in respect of the Notes to the Fiscal Agent free and clear of, and without deductions or withholding in respect of, income tax payable in Ghana. Companies resident in Ghana are liable to declare and pay income tax in Ghana on such interest payments on the Notes.

Acquisition

Under the Income Tax Act, a gift received by a person in respect of employment, business or investment forms part of that person's employment, business or investment income respectively and liable to income tax at the applicable income tax rates.

Sale and Redemption

Section 7(1)(s) of the Income Tax Act specifically exempts the taxation of non-residents on gains from the realisation of Ghana Government bonds held by non-residents. Under section 7(1)(t) of the Income Tax Act gains from the realisation of securities traded on the Ghana Stock Exchange are exempt from tax up to 31 December 2021.

The Income Tax Act does not impose a separate tax rate for capital gains. A capital gain from the disposition of any capital assets and liabilities of a business forms part of the business income of the person while capital gain from the disposition of any investment asset forms part of the investment income of that person. A capital asset is an asset employed in a business but excludes trading stock or a depreciable asset. An investment asset is defined to include "a capital asset held as part of an investment being shares or securities in a company or a beneficial interest in a trust", and a company is defined to include "a government, a political subdivision of a government or a public international organisation." A gain from the realisation of bonds forms part of the investment income of the bondholders. Section 35 of the Income Tax Act indicates that a gain made by a person from the realisation of an asset or liability is the amount by which the sum of the consideration received for the asset exceeds the cost of the asset at the time of realisation; or the sum of the consideration offered for the liability is less than the amount outstanding at the time of realisation.

Likewise, a loss of a person from the realisation of an asset or liability is the amount by which the cost of the asset exceeds the sum of the consideration received for the asset at the time of realisation; or the sum of the consideration offered for the liability is more than the amount outstanding at the time of realisation. For the purposes of the above, "asset" is defined as property of any kind whether tangible or intangible, currency, goodwill, know how, a right to income or future income, a benefit that lasts longer than twelve months, a part of or any right or interest in, to or over an asset.

U.S. Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder, and, to the extent described below, a non-U.S. Holder (each as defined below). This summary deals only with purchasers of Registered Notes that are U.S. Holders or non-U.S. Holders, acquire such Registered Notes at initial issuance at their issue price (as defined below), and will hold the Registered Notes as capital assets (generally, property held for investment).

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. Dollar and (x) U.S. expatriates and former long-term residents of the United States) all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, Medicare contribution tax on net investment income considerations, non-U.S., state or local tax considerations, or the application of special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Registered Notes that is for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organised in or under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes. A "**Non-U.S. Holder**" is a beneficial owner of Notes that is neither a U.S. Holder nor a partnership.

If a partnership (or any other entity treated as fiscally transparent for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Notes.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, (the "**IRC**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF REGISTERED NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW.

The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Final Terms.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the IRC.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Final Terms. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Base Prospectus and the applicable Final Terms, holders should rely on the tax consequences described in the applicable Final Terms instead of this Base Prospectus.

U.S. Holders

Payment of Interest

<u>General</u>

Interest on a Note held by a U.S. Holder, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars ("**foreign currency**" interest on a "**Foreign Currency Note**"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount — General*"), will be taxable to such U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount ("**OID**"), if any, accrued with respect to the Notes (as described below under "*Original Issue Discount — General*") and payments of any additional amounts generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any foreign taxes with respect to the Notes (if applicable).

Original Issue Discount

<u>General</u>

The following is a summary of the principal U.S. federal income tax consequences to a U.S. Holder of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as "contingent payment debt instruments" for U.S. federal income tax purposes. In the event that the Issuer issues contingent debt instruments, the applicable Final Terms will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" (as defined below) over its issue price is equal to or greater than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") generally will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the "**issue price**" of a Note under the applicable Final Terms will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The "**stated redemption price**" at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A "**qualified stated interest**" payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than in debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or in the circumstances described below under "— *Variable Interest Rate Notes*", a single "qualified floating rate" or a single "objective rate", applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless the U.S. Holder makes the election described below under " — *Election to Treat All Interest as Original Issue Discount*". A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note's *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or the portion of the taxable year in which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Notes as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "**adjusted issue**" price of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Accelerated Accrual

A U.S. Holder that maintains certain types of financial statements and uses the accrual method of accounting for U.S. federal income tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on their financial statements. The application of this rule may require a U.S. Holder that maintains such financial statements to include certain amounts realized in respect of the Notes in income earlier than would otherwise be the case under the rules described in this summary, although the precise application of this rule is not entirely clear at this time. However, recently released proposed regulations, which are not yet in effect but upon which taxpayers may rely, generally would exclude, among other items, original issue discount and market discount (in either case, whether or not de minimis) from the applicability of this rule. A U.S. Holder that uses the accrual method of accounting should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "— *Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under "— *General*", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "*Original Issue Discount — Notes Purchased at a Premium*") or acquisition premium. If a U.S. Holder makes this election for the Note, then, when the constant yield method is applied, the issue price of the Note will equal the U.S. Holder's adjusted basis immediately after its acquisition of the Note, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service (the "**IRS**"). However, if the Note has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed below under "— *Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "**qualified inverse floating rate**" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "**current value**" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from a true discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and the qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt instrument. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Final Terms.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but should be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight line basis or, if the U.S. Holder so elects, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight line basis (or a constant yield basis if an election is made to accrue the OID under the constant yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Note, other than a Short-Term Note, that is not acquired at its original issue generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's revised issue price, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes *de minimis* market discount. For this purpose, the revised issue price of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight line basis unless the U.S. Holder elects to accrue the market discount on a constant yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount — Election to Treat All Interest as Original Issue Discount*" above. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder's tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Note. Except to the extent described above under "*Original Issue Discount — Market Discount*" or "*Original Issue Discount — Short-Term Notes*" or attributable to accrued but unpaid interest or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to a Foreign Currency Note in accordance with either of two methods.

Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under "*Foreign Currency Notes — Interest*". Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of the Note), a U.S. Holder may recognise exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency.

On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount of offset multiplied by the difference between the spot rate in effect on that date, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder's tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its tax basis in the Note. The amount realised on a sale or other disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or other disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or other disposition, or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or retirement.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Disclosure Requirements

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions ("**Reportable Transactions**") could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterised as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. Dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

Non-U.S. Holders

Subject to the discussion below under "*Backup Withholding and Information Reporting*", a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the U.S. (and, if a treaty applies, such payment is attributable to the conduct of a trade or business through a permanent establishment or fixed base in the United States); or (ii) in the case of any gain realised on the sale or other disposition of a Note by an individual Non-U.S. Holder, that Holder is present in the U.S. for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met.

Backup Withholding and Information Reporting

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, Notes, payable to a U.S. Holder by a U.S. or certain U.S.-related paying agents or intermediaries will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments (including payments of OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise comply with the applicable backup withholding requirements. Certain U.S. Holders are not subject to backup withholding.

Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, *provided that* the required information is timely furnished to the IRS in the manner required. Certain holders (including, among others, corporations) are not subject to information reporting or backup withholding.

U.S. Holders and Non-U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and/or backup withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Arrangers and the Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 18 March 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Arrangers and the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Arrangers and the Dealers against certain liabilities incurred by them in connection therewith.

In connection with any offering of Notes, one or more Dealer(s) might purchase and sell Notes in the secondary market. These transactions might include overallotment, syndicate covering transactions and stabilisation transactions. Overallotment involves the sale of Notes (or beneficial interests therein) in excess of the principal amount of Notes to be purchased by the Dealer(s) in an offering, which creates a short position for the applicable Dealer(s). Covering transactions involve the purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilisation transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of an investment in the Notes while the offering is in progress. Any of these activities might have the effect of preventing or retarding a decline in the market price of an investment in the Notes. They might also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The applicable Dealer(s) might conduct these transactions in the over-the-counter market or otherwise. If a Dealer commences any of these transactions, it might discontinue them at any time. Under English law, stabilisation activities may only be carried on by the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

All or certain of the Dealers, the Arrangers and their respective affiliates are full service financial institutions engaged in various activities, which might include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealers, the Arrangers or their respective affiliates might have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Dealers, the Arrangers or their respective affiliates might, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business. Certain of the Dealers, the Arrangers and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or otherwise participate in transactions with the Issuer. The Republic is in the process of negotiating a Bridge Loan Facility with a syndicate of banks, including Standard Chartered Bank and The Standard Bank of South Africa Limited, who are also acting as Dealers under the Programme. The Bridge Loan Facility, if finalised and drawn down in whole or in part, is intended to fund or refinance various infrastructure development projects, as approved in the 2020 Budget, and outstanding amounts drawn under the Bridge Loan Facility will be repaid out of the proceeds of the first issuance of Notes under the Programme following the date of this Base Prospectus.

In the ordinary course of their various business activities, the Dealers, the Arrangers and their respective affiliates might make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and might at any time hold long and short positions in such securities and instruments. Such investment and securities activities might involve securities and instruments of the Issuer. In addition, certain of the Dealers, the Arrangers and/or their respective affiliates hedge their credit exposure to the Issuer pursuant to their customary risk management policies. These hedging activities might have an adverse effect on the future trading prices of an investment in the Notes.

The Dealers, the Arrangers and their respective affiliates might also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and might hold, or recommend to clients that they acquire, long and/or short positions in such securities or instruments.

Databank Brokerage Limited ("**Databank**"), a Dealer under the Programme, is a member of a financial services group established in 1990 by the current Minister of Finance of Ghana, Mr Ken Ofori-Atta, who retains a shareholding interest in Databank although has no management involvement.

TRANSFER AND SELLING RESTRICTIONS

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: it, and any account on whose behalf it is acting, is (a) a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) outside the United States;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and, accordingly, the Notes may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(c) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(d) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the restrictions referred to in paragraph (c) above, if then applicable;

(e) it understands that before any interest in Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, it will be required to provide to each of the Issuer and Transfer Agent and the Registrar a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in accordance with Regulation S;

(f) that Notes initially offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by one or more Rule 144A Global Notes and that Notes offered and sold outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(g) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer, subject as provided in Condition 2.5:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("**QIB**"), PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(h) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

"UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN

AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.";

(i) if it is outside the United States, that if it should resell or otherwise transfer the Notes it will do so only in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT."; and

(j) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer and the Manager or, as the case may be, the relevant Dealer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

(a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and it will not deliver within the United States or its possessions Definitive Bearer Notes that are sold during the restricted period;

(b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section l.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010); and

(d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b) and (c).

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010).

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA and the United Kingdom (each a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes; and

- the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Ghana

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of any Notes will be made in Ghana except in compliance with applicable rules and regulations.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Market Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 2(1) of the SFA) or securities–based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**"), and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes (or beneficial interests therein), and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

People's Republic of China

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered, sold or delivered or will offer, sell or deliver any of the Notes (or beneficial interests therein) to any person for reoffering or resale, or redelivery, in any such case, directly or indirectly, in the PRC (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan) in contravention of any applicable laws.

Hong Kong

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (or beneficial interests therein) other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO or (ii) in other circumstances that do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or that do not constitute an offer to the public within the meaning of the C(WUMP)O, and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes (or beneficial interests therein) that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue of Notes thereunder prior to the date of this Base Prospectus.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or about 6 February 2020.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from http://www.mofep.gov.gh/index.php/investor-relations/bond-investors:

(a) the budget for the current fiscal year;

(b) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(c) a copy of this Base Prospectus;

(d) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any documents incorporated therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant Change

Other than as disclosed in the "Recent Developments", "Risk Factors", "the Republic of Ghana", "the Economy", "Balance of Payments and Foreign Trade", "Public Finance", "Monetary and Financial System" and "Public Debt" sections of the Base Prospectus, there has been no significant change in relation to the Issuer's (i) tax and budgetary systems, (ii) gross public debt, (iii) foreign trade and balance of payment figures, (iv) foreign exchange reserves, (v) financial position and resources and (vi) income and expenditure figures of the Issuer since the fiscal year ended 31 December 2018.

Litigation

The Issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have had in such period, a significant effect on the financial position of the Issuer.

Dealers transacting with the Issuer

Certain of the Dealers have or may have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Issuer and its affiliates from time to time, for which they have received monetary compensation. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. In addition, certain of the Dealers and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Issuer and its affiliates. In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and/or instruments of the Issuer and/or its affiliates, including any Notes issued under the Programme. In addition, certain of the Dealers and/or their respective affiliates may hedge their credit exposure to the Issuer pursuant to their customary risk management policies. Typically, such Dealers and/or affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially any Notes issued under the Programme. These hedging activities could have an adverse effect on the future trading prices of any Notes issued under the Programme.

ISSUER

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