BANK OF GHANA

NOTICE TO THE GENERAL PUBLIC

NOTICE NO. BG/TD/2016 /--

PROSPECTUS FOR THE ISSUE OF GH¢500 MILLION

GOVERNMENT OF GHANA 3-YEAR FIXED RATE BOND

1. INVITATION OF BIDS

In accordance with the Issuance Calendar for Government of Ghana Securities for May, 2016, Bank of Ghana invites bids for the issue of a 3-year fixed rate bond on behalf of the Government of Ghana through the Auction process.

The instrument will be Ghana cedi-denominated and will be issued at par. It shall bear a coupon rate equal to the highest competitive bid accepted at the auction for the security. The coupon rate so fixed shall carry throughout the term of the security.

2. TERMS

Issuer: Government of Ghana

Purpose: To restructure GOG debt and for maturity settlement

Amount: GH¢500 million

Issue Method: Through an auction to be held on 26th May, 2016

Price: The instrument shall be issued at par.

Denomination: Each Bond shall have a face value of one Ghana cedi.

Minimum Bid: GH¢50,000 and multiples of GH¢1,000 thereafter.
Coupon: To be determined at the auction to be held on 26th May, 2016 as described under (1) above.

Interest Payment: Semi-annually from the Issue Date, in May and November. The amount of interest paid on every coupon payment date shall be equal to the principal amount at the coupon rate for half-year.

Withholding Tax: All payments in respect of the Bonds by or on behalf of the Issuer shall be subject to withholding or deduction for, or on account of Taxes, save that, in relation to non-resident Bondholders, the Issuer agrees to pay such additional amounts as may be necessary in order that the net amounts received by such non-resident Bondholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Bonds in the absence of the withholding or deduction. For the avoidance of doubt, this tax gross-up provision shall be for the benefit of non-resident Bondholders only.

Application Methods: Bids may be made on either a competitive or non-competitive basis through Primary Dealers only. Primary Dealers may also submit bids on their own behalf. Bids received will not be revocable.

Participation: The 3-year Fixed Rate Bond shall be available to both resident and non-resident investors.

Closing Date: Bids must be electronically delivered to the Central Securities Depository Auction Module not later than 1.30 pm on Thursday 26th May, 2016.
**Allocation of Bonds:**

The Bank of Ghana reserves the right to reject any or part of any competitive or non-competitive bid. Subject to this, competitive bids will be ranked in ascending order of the annual rate of interest bid. Securities will be sold to applicants whose competitive bids are at or below the highest rate at which the Bank of Ghana decides that any competitive bid would be accepted (the "**uniform allocation rate**"). Applicants whose competitive bids are accepted will purchase securities at par with the coupon fixed at the uniform allocation rate. Competitive bids which are accepted and which are made at rates below the uniform allocation rate will be satisfied in full. Competitive bids which are accepted and which are made at the uniform allocation rate may be satisfied in part only. Non-competitive bids will be accepted at the uniform allocation rate.

**Settlement:**

Settlement shall take place on **30th May, 2016**

**Registrar:**

The Register will be maintained on a book-entry system on the **Central Securities Depository** and therefore no certificates will be issued.

**Listing of Bonds:**

The security shall be listed on the Ghana Stock Exchange (GSE) for secondary market trading both at the floor of the Exchange or over the counter (OTC). Trading in the securities is subject to the listing rules of the GSE for Government Securities.

**Redemption**

The Bond shall be redeemed by the issuer on the maturity date, which shall be **27th May, 2019**. Such redemption shall be at par.
CAROLINE OTOO (Mrs.)
THE SECRETARY

May 20, 2016