



DOING BUSINESS IN GHANA

A BANKING PERSPECTIVE

STANBIC BANK GHANA LTD
SYDNEY NII AYITEY TETTEH

IT CAN BE™



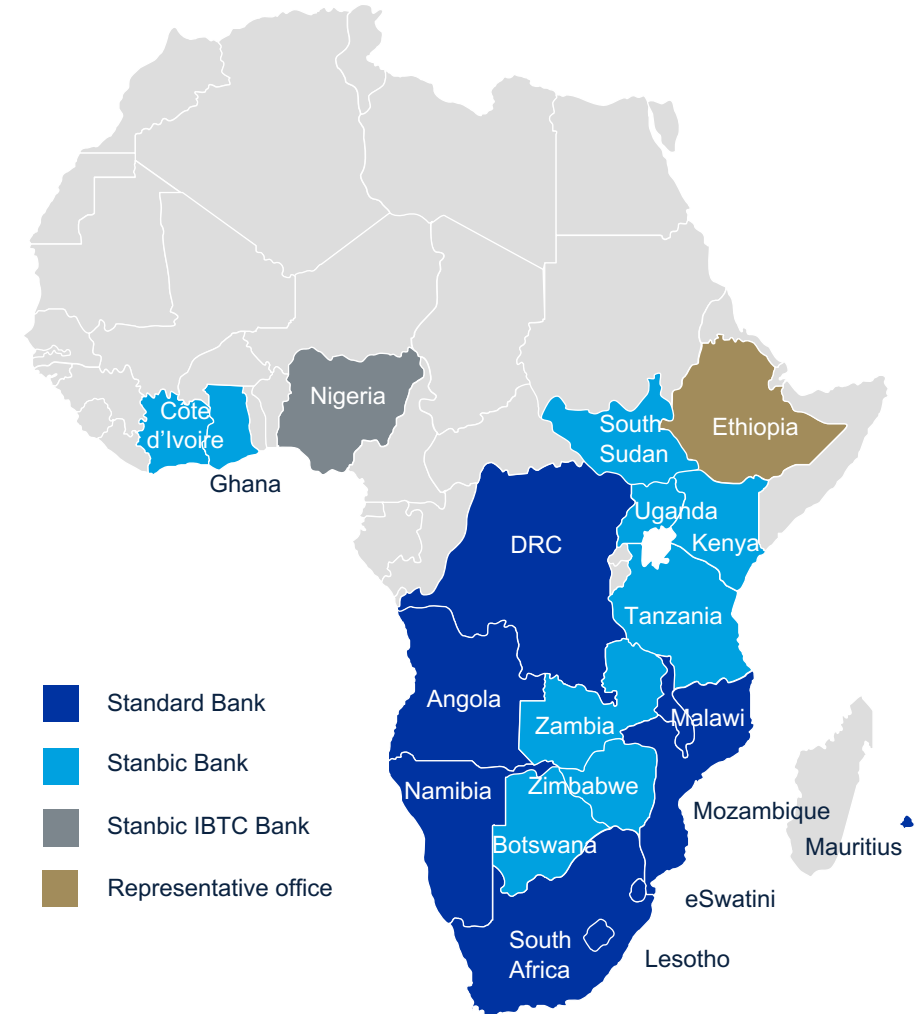
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Africa is our calling card



- Universal bank (Largest bank in Africa by Asset Size, 2019: USD 77bn)
- Established in 1862
- Africa's top bank in the annual ranking of 1,000 banks globally – ranked 145 and only African bank in top 150 (2018) – The Banker
- Headquartered in Johannesburg, South Africa
- ICBC, the largest bank in China, is a 20.1% shareholder in Standard Bank
- More than 1,100 branches across the continent, supported by more than 9,000 ATMs
- More than 52,000 banking employees on the continent
- Representation in major financial centres, including London, New York and Beijing
- Stanbic Ghana ranks Top 4 in terms of Loans & Advances, Total Assets, Customer Deposits and Equity.



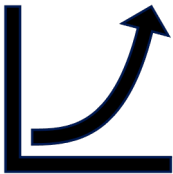



MACROECONOMIC OVERVIEW


1





What do Ghana's macroeconomic indicators say?


GDP Growth Rate	2019 Actual	Pre-COVID Target
	6.5%	6.8%
Post-COVID Target	2020 Sep Actual	
	1.9%	(3.2%)

Cedi Depreciation	2019 Actual	Pre-COVID Target
	12.9%	5%
Post-COVID Target	2020 Sep Actual	
	8.6%	2.9%

Avg. Inflation Rate	2019 Actual	Pre-COVID Target
	7.9%	8%
Post-COVID Target	2020 Sep Actual	
	10%	10.4%

Fiscal Deficit	2019 Actual	Pre-COVID Target
	4.7%	1.9%
Post-COVID Target	2020 Sep Actual	
	11.4%	9%

Treasury Bill Rate	2019 Actual	2020 Sep Actual
	14.7%	14%

Policy Rate	2019 Actual	Pre-COVID Target
	16%	16%
Post-COVID Target	2020 Sep Actual	
	14.11%	14.5%



BANKING SECTOR HIGHLIGHTS

2



Ghana Banking Sector – Key Banking Concerns

GHS
400m
Regulatory Capital Requirement

23
Universal banks

9
Domestic-Controlled banks
Loans – GHS10.1bn; 26%
Deposits – GHS29.5bn; 33%

14
Foreign-Controlled banks
Loans – GHS28.8bn; 74%
Deposits – GHS60.5bn; 67%

Key Matters Concerning Investors



Single Obligor Limit

- Asset Size Concerns
- Secured & Non-Secured Facilities



FX Auctions

- Purchase of the USD against equivalent value of GHS on a forward basis.
- Tenors include 7 day, 15 day, 30 day, 45 day, 60 day and 75 day tenors.



FX Transferability

- Forex regime
- Structured repatriation of funds (Equity and Loans)
- Equity Confirmation



Mobile Money / Momo

- Key payment solution in the sector.
- Transaction value has grown by 5000% over the last 7 years.
- Ease of transaction has rendered it the preferred solution



Funding Structure

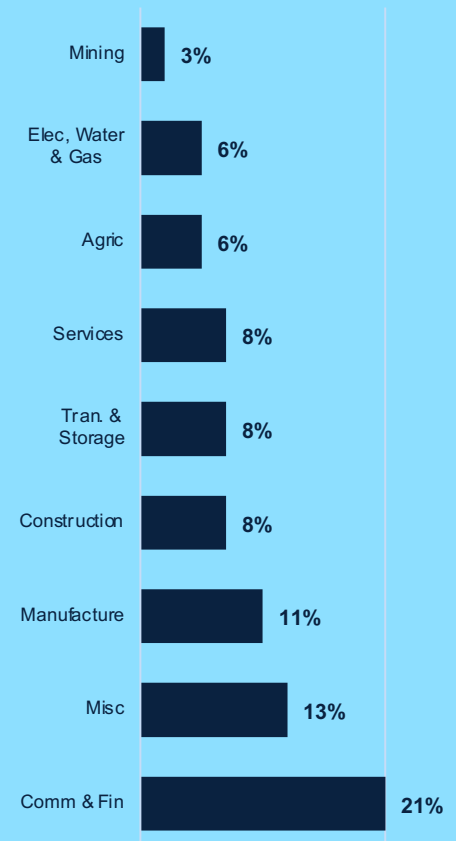
Good. The banks are predominantly domestic deposit funded and less reliant on external funding, which makes it less exposed to external shocks. Sector's loan-to-deposit ratio sits at 71%



Regulatory Body Assessment

Good. The legal and regulatory framework within which banks operate are designed to be consistent with the Basel Core Principles for Effective Banking Supervision

Banking Industry Credit Exposure by Industry



Business Account Opening



Business account opening: (all documents either to be originals or certified copies unless otherwise stated)	
All types of legal entities	Foreign companies
<p>KYC requirements</p> <ul style="list-style-type: none"> ▪ ID copies of all signatories, shareholders and directors (original copies) ▪ Two passport size photographs of each signatory ▪ Proof of address of signatories (most recent, less than three months old) ▪ Proof of your company's address ▪ Completion of the bank's account opening form ▪ Originals and photocopies of documents listed behind the account opening form 	<ul style="list-style-type: none"> ▪ Note: all relevant foreign documentation will be required in this case. The following additional documents will be required from the local authorities in Ghana: <ul style="list-style-type: none"> - Articles of association - Power of attorney - Confirmation letter from the registrar of external companies - Tax certificate - Certificate of incorporation / registration - Certified copies of form 20 & 21 - Group structure / organogram ▪ All documents must be certified by a bank or a notary public

In-country contact	
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Phone number / email	+233 54 010 2335 / tettehs2@stanbic.com.gh
Address	Stanbic Bank Ghana Ltd, Stanbic Heights, Airport City, Accra, Ghana
General information*	
Nominal GDP USD (billion) (2021 forecast)	69
Population (million) (2021 forecast)	31
Local currency	Cedi (GHS)
Business language	English
Stock exchange	Yes
Consumer inflation (%) (2021 forecast)	8.6

*Source: Africa Markets Revealed 2020 issued by Standard Bank



KEY SECTORS & OPPORTUNITIES

3



Key Sector Updates

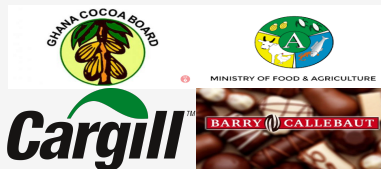
Agriculture & Forestry

IMPORT-SUBSTITUTES

- Ghana's huge import bill has shifted focus to import substitution policies. This has unearthed various opportunities in the sector with particular emphasis on Sugar, Rice and Maize
- Industry estimated at circa USD 600m per annum
- Several players in the industry, mainly dominated by local players
- Associated warehousing a viable sub-sector

KEY GOVERNMENT INITIATIVES

- Planting for Export and Rural Development (PERD)
 - Focus to be placed on tree crops including cashew, coffee, oil palm, coconut, mango and rubber.
- Planting for Foods and Jobs
- Fertilizer Subsidy Scheme
- Promotion of Local Agricultural Processors



Mining & Metals

KEY GOLD MINING UPDATES

- Contributes circa 10% to GDP; 43% to Foreign Exchange
- Leading producer of Gold in Africa, 6th in the world.
- Current mine expansions ongoing for key players including Newmont, AngloGold, Goldfields, Perseus.
- Recent gold discoveries
- Strong local content requirements.

OTHER MINERALS & METALS

- Ghana Integrated Aluminium Development Corporation (GIIADEC) put in place to develop value chain within the aluminium industry after new bauxite discovery.
- Manganese production to increase significantly
- Key supply deficit exists within the steel industry in West African sub-region.



Oil & Gas

KEY INDUSTRY INFORMATION

- **Upstream**
 - 3 operating fields – Jubilee, TEN and Sankofa
 - 2 upcoming fields – Aker (Pecan Field) & Springfield (Afina Field)
 - Estimated reserves between 1,000 Mmboe and 1,500 Mmboe
- **Midstream**
 - Oil & Gas Hub bill passed, a free zone area to be established in Western Region. Expected boost in O&G infrastructure.
- **Downstream**
 - **LPG**
 - Cylinder Recirculation Model (CRM) – Bottling plants and Retail Distribution Outlets
 - LPG infrastructure to support growing demand





Key Sector Updates

Infrastructure

RAIL SUB-SECTOR

- MTEF policy guides development in the sub-sector as developed by the Ministry of Railway.
- Key updates:
 - Western Line – Rehabilitation and development of new standard gauge lines. Key line is the Sekondi-Takoradi to Kumasi.
 - Eastern Line – Rehabilitation and Transaction advisory services for continuation of construction of new standard gauge line. Key line is the Accra-Tema to Kumasi.

KEY ROADS CONSTRUCTION UPDATES

- Medium Term Expenditure Frame (MTEF) policy guiding development in the sub-sector developed by MRH.
- Key ongoing projects include major Interchanges like Pokuase, Obetsebe, among others; Tema Motorway
- Infrastructure gap in Ghana makes this sub-sector a key concern for GoG as confirmed by increasing annual allocated budget.



Power

Key Sector Information

- Total installed capacity increased to 5,030 MW
- Peak demand is 2,736 MW
- ECG is the main off-taker of power generated.
- Improving consistent supply of gas for generation.
- Regulated by PURC, EC and Ministry of Energy.

Sector Updates

- Cash Waterfall Mechanism implemented.
- Significant payments made to IPPs to clear legacy debts through bonds.
- Proposed take-over by GIIF of commercial portion of project financed IPPs.



Diversified Industrials

Healthcare

- Government to provide Universal Healthcare Coverage. GoG's recent push to build
- Increasing Healthcare expenditure due to COVID.
- Relatively small but attractive industry with its fair of challenges.
- Implementation of Pharmaceutical Hub Development Programme. Offers opportunity to pharmaceutical players to set up manufacturing plants or distribution outlets within the country.

Manufacturing

- Ghana to soon commence production of 1.5m tonnes of pulp and paper annually to feed the paper industry.
- Poor packaging crippling local industry to compete favourably internationally.
- Key Government initiative is the 1D1F Project.





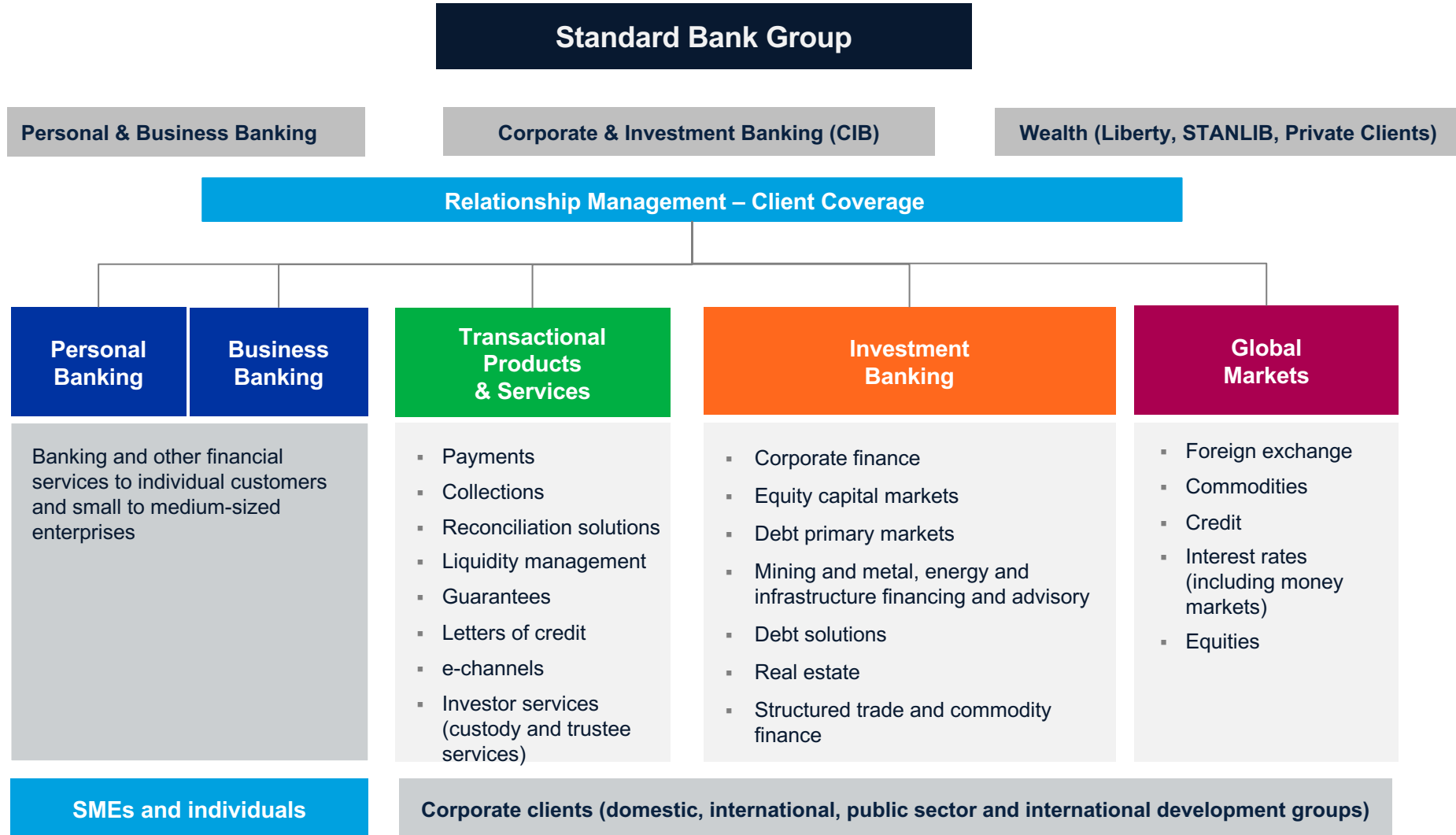
**STANDARD BANK GROUP /
STANBIC GHANA LTD**

4

IT CAN BE™



Our Universal Banking Offering





THANK YOU



APPENDIX

5



Stanbic Bank Ghana – range of capabilities



Presence	43
ATMs	120

Corporate banking	✓
Retail banking	✓
Investor services	✓
Investment banking	✓









Exchange control: No restrictions on inward funds to be repatriated. For importation over USD2,500, a subscription of importation is required. Loans require prior approval by the Bank of Ghana. All other movements of funds into and out of Ghana can be done by BoG authorised banks in Ghana, provided relevant legislation and regulations complied with.

✓ Available ✗ Not available ■ On demand

Transactional Products and Services	Foreign current account	Foreign deposit account	Telegraphic transfers	Bulk payments	Real Time Gross Settlement (RTGS)	Card acquiring	Mobile banking	Receipt Reference Service						
	✓	✓	✓	✓	✓	✓	✓	✓						
	Sweeping – domestic	Sweeping – regional	Debit card payments	Credit card payments	Beneficiary account validation	Electronic clearing house	Online banking platform							
	✓	✗	✓	✗	✓	✓	Business Online							
	Letter of credit (LC)	Payment undertaking	Promissory note	Standby LC	Avalised drafts	Guarantees	Invoice discounting							
	✓	✓	✓	✓	✓	✓	✓							
Global Markets	Forex					Interest rates								
	Spot	Forwards	Swaps	Options	Par forward	Commercial paper	Government bonds	Repos	Treasury bills	Corporate bonds	Wholesale deposits	Call notice deposits	Cross currency interest rate swap	
	✓	✓	✓	✓	■	✓	✓	■	✓	✓	✓	✓	■	
Investment Banking	Corporate finance (equity & debt capital markets and mergers & acquisitions)				Mining, energy and infrastructure (MEI) diversified and leveraged lending (DLL)						Structured finance		Strategic investments	
											(team based in South Africa)			
	✓				✓						✓		✓	



Landmark transactions in Africa

 <p>Meridian Port Services</p> <p>USD 1.5 bn</p> <p>IFC led Term Loan – Develop Ultra-Modern Terminal at Tema Harbour</p> <p>Standard Bank / ICBC Participation USD 200m</p> <p>Local Transactional Bank</p>	 <p>Famous Brands' acquisition of 100% of Gourmet Burger Kitchen</p> <p>GBP106 million</p> <p>Foreign currency hedge and advisory provider</p>	 <p>Republic of South Africa National Treasury</p> <p>USD1.25 billion</p> <p>4.875% bond due 2026</p> <p>Joint book-runner</p>	 <p>Guinness Nigeria Plc.</p> <p>NGN 25 billion</p> <p>Commercial paper programme increase</p> <p>NGN8 billion Series 4 & 5 joint lead arranger</p>
 <p>Banque Ouest Africaine de Développement</p> <p>Inaugural Eurobond USD750 million 5.500% bond due 2021 Joint book-runner Joint lead manager</p>	 <p>Remgro Limited</p> <p>ZAR4.366 billion</p> <p>Preference share funding</p>	 <p>MTN Group Limited</p> <p>ZAR7.5 billion</p> <p>Syndicated term loan mandated lead arranger</p>	 <p>Massmart Holdings Ltd</p> <p>ZAR2 billion</p> <p>Refinance of existing debt</p>



Stanbic Bank Ghana recognition



**Global Finance's
Innovators
2019**

- Most innovative Digital Product in Cash Management – Moby Cash



STP – Citibank

- Straight Through Processing Excellence Award



**The Banker – Global
Private Banking Awards
2019**

- Straight Through Processing Excellence Award



**Global Finance Best
Securities Services Provider
Award**

- Best Sub-Custodian Bank in Ghana (2016 & 2015)



**EMEAFINANCE
AFRICAN BANKING AWARDS
2018**

- Best Foreign Bank
- Best Foreign Investment Bank
- Best Local Investment in Ghana
- Best Bond House



**Global Finance
World's Best
Investment Bank
Award (2018 & 2017)**

- Global Finance: Best Investment Bank in Ghana



**Euromoney Real Estate
Survey
Ranked 1st in Ghana**

- Overall (2017, 2016 & 2015)
- Loan Finance (2016 & 2015)
- Equity Finance (2016)
- Debt Capital Markets (2016 & 2015)
- M&A Advisory (2016 & 2015)



CIMG 2018 / 2019

- Bank of the Year



**Institute of Public Relations –
Ghana 2018**

Institute of Public Relations, Ghana

- Best in a Cause Communications
- PR Campaign of the Year
- Best Promotional Event
- Best Launch & Relaunch
- PR Organization of the Year – Financial Sector



**EMEAFINANCE
AFRICAN BANKING AWARDS
2016**

- Best Investment Bank in Ghana



Bank of Ghana Allocation of FX through Forward Auctions

Eligibility

- Restricted only to Authorized Licensed Foreign Exchange Dealing Banks
- Limited to the purchase of the **USD** against equivalent value of GHS on a forward basis at tenors including **7 day, 15 day, 30 day, 45 day, 60 day** and **75 day** tenors.

Schedule and Frequency

- Held on dates as per announced quarterly calendar by the BoG on Tuesdays.
- In the event where a national holiday falls on Tuesday, auction is held on the next business day.

Bidding Process

- Submission of bids, maximum of 3 bids per tenor in the auction per bank.
- Minimum bid of USD 500k in multiples of USD 250k. Maximum bid size of a single bid shall not exceed ten percent (10%) of the announced auction target.
- Each bid is final and is irrevocably binding on the bidding bank once bid is submitted through designated email.

Allocation Methodology

- The multiple-price auctions would be fixed volume format; the auction cut-off rate would clear the target volume offered in the said auction.
- The amount rule would require that not less than 25% of the auction target is allocated.
- The general principle followed would be that the amount accepted at the auction be kept close to the announced volume, probably variance of not more than +/- 10% of auction target.

Auction Committee

- An auction committee shall oversee the conduct of the auction.
- Only authorized BoG officials may be present at the time of the auction allocation process. Details of individual bids of banks will be kept confidential.

Communication of auction results

- Results will be published on Reuters dealing system by 2:00pm on the day of auction.

Confirmation and Settlement of Trade

- Settlement period for the auction shall be the day of the trade for the GHS leg while FX obligation is settled at the end of the applicable tenor.
- BoG dealers shall call FX dealers of the successful banks via the Reuters Dealing System to confirm and conclude trades for accepted bids to facilitate STP settlement.

Funding

- Successful Banks shall debit the receiving customers' accounts for the Cedi equivalent of their bids.
- BoG shall debit successful Authorized Dealer bank's account on trade day to the tune of the Cedi equivalent of their successful bids.

Other Provisions

- FX market conduct rules will apply to foreign exchange funds acquired or sold at the auction.
- Banks are reminded to comply strictly with the regulations in respect of foreign exchange exposure limits as prescribed by the BoG.
- All Authorized Foreign Exchange Dealer Banks shall also comply with the provisions of the Code of Conduct for the Interbank FX market.