



**CENTRAL  
SECURITIES  
DEPOSITORY (GH) LTD**

# **2019 Annual Report & Financial Statements**

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## Mission

To provide a secure, dependable and efficient clearing, settlement, depository, registrar and other related securities services to satisfy our customers.

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## Vision

A globally recognised provider of efficient and reliable securities services, contributing to a well-organised and robust financial market in Ghana.

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## Core Values

- Fairness** : Impartial and equitable treatment for all
  - Accountability** : Be accountable and transparent in all our dealings
  - Customer Focus**: Highest priority to customer needs
  - Excellence** : Excellence in provision of service
  - Integrity** : Adhere to high moral and ethical standards in the delivery of our services
  - Teamwork** : Collaborative effort to achieve a common goal
  - Security** : Be security aware and be deliberate about it
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## Strategic Themes

### Service Excellence

Responsive, timely and accurate service delivery that exceeds customer expectations.

### Business Diversification

A well-diversified business that delivers revenue growth from new businesses and minimizes vulnerability.

### Strategic Alliance

We engage with relevant stakeholders and facilitate beneficial deepening and development of the financial market.

# Corporate Information

## DIRECTORS

Dr. Maxwell Opoku-Afari	Chairman	
Mr. Yao A. Abalo	Member / Chief Executive Officer	
Mr. Ekow Afedzie	Member	
Mrs. Caroline Otoo	Member	
Mr. Kofi S. Yamoah	Member	Resigned August 01, 2019
Mr. Kwasi Debrah	Member	Resigned August 31, 2019
Mr. Maxwell David Ekow Ribeiro	Member	Resigned September 01, 2019
Mr. Armah I. J. Akotey	Member	Appointed December 12, 2019

## Secretary

Ms. Horlali Bodza-Lumor  
Central Securities Depository (GH) Limited  
4th Floor, Cedi House, Liberia Road  
PMB CT 465, Cantonment, Accra, Ghana

## Auditor

PricewaterhouseCoopers (Ghana) Limited  
Chartered Accountants  
PwC Tower  
A4 Rangoon Lane, Cantonment City  
PMB CT 42, Cantonments  
Accra, Ghana

## Registered Office

Central Securities Depository (GH) Limited  
4th Floor, Cedi House, Liberia Road  
PMB CT 465, Cantonments, Accra, Ghana

## Bankers

Bank of Ghana  
Ecobank Ghana Limited

# Board of Directors



**Dr. Maxwell Opoku-Afari** is the Chairman of the Board of Directors of CSD. He is the First Deputy Governor of the Bank of Ghana. He holds a doctorate from the University of Nottingham. Until his appointment as first deputy governor of the Bank of Ghana, he was a mission chief, and also a deputy division chief at the IMF, working with strategy, policy and review, and African departments. He has been with the IMF for over 8 years. Before joining the IMF, he served as the special assistant to the Governor of the Bank of Ghana from 2006 to 2009. He also worked in several capacities at the Bank including, Head of Special Studies from 2005 to May 2006 and Senior Economist from 1996 to 2000.



**Mr. Yao A. Abalo** is the Chief Executive Officer of the Central Securities Depository (GH) Limited, a position he has held since June 2017. He previously worked with the Bank of Ghana, rising to become an Advisor to the Governor of the Bank, with oversight on treasury operations. Among other positions held in the Bank, he was Director and Head of the Treasury Department, the Risk Management Department and Director of the External Financial Relations Department. Mr. Abalo holds an M.A. in Economic Policy Management from McGill University, Canada, a Graduate Diploma in Population Studies and a B.A. (Hons) in Economics and Statistics from the University of Ghana.

## Board of Directors



**Mrs. Caroline Otoo** holds an LLB (Hons), BL from the Ghana School of Law and Advanced Diploma in Legislative Drafting. She is currently the Director of Ethics and Internal Investigations Unit of the Bank of Ghana. Prior to her current appointment at Bank of Ghana, she served as the Secretary of the Bank of Ghana. She previously served as Head of the Legal Department of the Bank of Ghana.



**Mr. Ekow Afedzie** is the Managing Director of the Ghana Stock Exchange and also a member of the Council (Board) of the Exchange. He was the Deputy Managing Director of the Exchange prior to his current appointment. Mr. Afedzie is also the Coordinator of the Secretariat for Integration of West Africa Capital Markets and serves on the Board of a number of institutions and committees. He was educated at the University of Ghana, Legon, Ghana where he obtained, a Master's Degree in Business Administration, (MBA) and a Master of Arts degree (MA) in Economic Policy Management. He also holds a Bachelor's degree in Law (LLB) from Mountcrest University College.

He joined the Ghana Stock Exchange in 1990 when it was established and has served as the Head of Marketing, Research and Systems, then the General Manager before becoming the Deputy Managing Director of the Exchange and a member of its Council or Board in 2009.

## Board of Directors



**Mr. Kofi S. Yamoah** retired as the Managing Director of the Ghana Stock Exchange and holds a B.Sc. Administration (Accounting Option) degree from the University of Ghana, an executive MBA degree from the China Europe International Business School and the ICA (Ghana) professional certificate. He is a chartered accountant and an investment banker by profession. His career with the Exchange which dates back to December 1990 has seen him serve as the Presiding Officer on the Trading Floor, Financial Controller, Head of Listings and General Manager. He was appointed the Managing Director of the Exchange in April 2003. Mr. Yamoah resigned as a member of the Board of Directors in August, 2019.



**Mr. Kwasi Debrah** has a teaching career in Information Technology spanning over 20 years at both undergraduate and postgraduate levels in most major public and private universities in Ghana. His main research interest is in software development and implementation. He was employed as an IT Manager in the Computerization and Systems Department, Bank of Ghana in 1992 and rose to become the Head and Director of the IT Department in March, 2011. He led the implementation of the Bank's core banking application, the in-house deployed internet and intranet websites, and recently, the upgrade of banking application software. He was the project manager for the Central Securities Depository, which was implemented in 2004. He is an alumnus of the KNUST, where he graduated with Bsc. (Hons) Mathematics and obtained a post graduate degree, MSc (Information Technology) from Teesside University, UK. He has a professional qualification in Project Management and is an Information Security (ISO 27001) Lead Auditor. Mr. Debrah resigned as a member of the Board of Directors in August, 2019.

## Board of Directors



**Mr. Maxwell David Ekow Ribeiro** is the Managing Director of Kenamarc Ltd. (a Banking Risk Management Firm). He holds a BSc. (Hons) degree (in Physics) and Diploma in Education, from the University of Cape Coast, Ghana, and Executive MBA degree (Finance) from the University of Ghana. He worked with the Bank of Ghana from 1987 to 2016 at the Banking Supervision Department (BSD). He was head of banks examinations office from 2013 to 2016, with oversight responsibility of examining banks and non-bank financial institutions. Prior to this he was head of the Supervisory Support Unit (which later became the Policy and Regulation Office) from 2010 to 2013 and spearheaded the Bank's risk-based supervisory and Basel II implementation processes. Mr. Ribeiro resigned as a member of the Board of Directors in September, 2019.



**Mr. Armah I.J. Akotey** is the Head of Brokerage at Databank Brokerage Limited (DBL) – a licensed dealing member of Ghana Stock Exchange (GSE). He is responsible for the development and execution of the strategic intent of the firm. Armah has over 13 years' experience in Ghana's Securities Industry. He has an in-depth understanding and working knowledge of Ghana's capital market, particularly equity and debt capital markets. Prior to this role, he supervised the Trading and Back Office operations of DBL. Armah has been instrumental in the maintenance of DBL's strong equity trading on the GSE, as well as developing strategic trading relationships in North and South Africa. He holds a Dealers' Representative License from the Securities and Exchange Commission (Ghana) and is an Authorized Dealing Officer of the Ghana Stock Exchange. He is also a professional member of the Chartered Institute of Bankers (Ghana). He holds a postgraduate degree in Finance (MBA) and a BSc in Business Administration (Finance and Banking) both from the University of Ghana.

# Management



## Deputy Chief Executive Officer

**Mrs. Melvina Amofo** joined the CSD in 2014 as Deputy Chief Executive Officer. She holds an Executive MBA from the Ghana Institute of Management and Public Administration (GIMPA) and a B.A. (Hons) in Economics and Geography, University of Ghana, Legon. She joined the Ghana Stock Exchange since its inception and held various managerial positions in various Departments i.e. Listings, Marketing and Administration. She also held the position as Company Secretary before her appointment as the pioneer Executive Director of the GSE Securities Depository Company Ltd which was set up in 2008 until it was eventually merged with the Central Securities Depository (GH) Limited.



## Head of Finance and Administration Department

**Mr. Dornu D. Narnor** joined the CSD in 2013 as Head of Finance and Administration. He is a Fellow of Association of Chartered Certified Accountants and a Member of Institute of Chartered Accountants Ghana (FCCA, ICAG). He holds an MBA in Finance and has vast experience in finance. He is responsible for handling the Finance and Accounting functions, Human Resource Management and the General Administration of the Depository.

# Management



## Head of Operations Department

**Ms. Faustina Coleman-Forson** joined the CSD in 2013 as Head of Operations and Surveillance. She holds an MBA in Finance from The John Hopkins University, USA. She is a FINRA registered Financial Advisor Representative. She worked with BB&T Corporation as a Wealth Management Relationship Manager and has tremendous experience in Financial Advisory, and Estate and Trust Administration. Her role is to ensure that the ultimate priorities of the Depository are achieved through delivery of efficient services in the area of depository, settlement, and registry services. She is also responsible for surveillance activities of the Depository as well as the statistics and website content management.



## Head of Information Technology Department

**Mr. Ambrose K. Karikari** joined the CSD in April, 2011. He holds an MBA degree with Finance option, Bsc .Information and Communication Technology and IT Professional Certifications. He has immense professional experience in Business Intelligence Systems & Networks, Information Security & Business Continuity Management systems and IT Service Delivery Management over the years. He worked with Ghana Telecom Ltd, Vodafone Ghana Ltd, and Electronic Data Communication Systems. He is in charge of managing the systems and networks, business continuity management system and IT Service Delivery of the Depository.

# Management



## Internal Auditor

**John Damatey Tanihu** joined the CSD in 2016 as the Internal Auditor. He is a Chartered Accountant (CPA, CGA, CA and ACCA) and a Certified Internal Auditor (CIA). He holds a B.Sc. Applied Accounting from Oxford Brookes University, UK and an MBA in Financial Services from University of East London, UK. He has over seventeen years working experience in Ghana and United Kingdom. He is responsible for providing among others an independent and objective assurance on whether the Depository's risk management, control and governance processes, as designed and approved by the Board and Management are adequate and functioning effectively.



## Head of Economic and Risk Analysis Department

**Moses K. Abakah** joined the CSD in April 2011 and worked with the Operations Department before taking on his current role in September, 2017. Moses holds B.A. (Hons) in Economics, University of Cape Coast and MPhil. Economics, University of Ghana.

# Chairman's Statement



## Introduction

**D**istinguished shareholders, it is with great pleasure that I welcome you and all stakeholders to the 6th Annual General Meeting of the Central Securities Depository (GH) Limited. To borrow from a local parlance, I say 'Akwaaba' to you all. This year's AGM is taking place at a very inauspicious time in history, when the whole world has literally been shut because of the COVID 19 pandemic. I hope that we are all following the necessary protocols to stay safe and I pray that we see the end of the pandemic soon, so that we can all resume our normal lives.

I am happy to give you an overview of the performance of the Depository in 2019. In my report, I would provide a brief overview of developments in the Ghanaian economy, give indications of some significant changes in the membership of the Board, provide an update on some of the strategic decisions of the Board during year under review, discuss the 2019 financials and end with an outlook for 2020. As far as the financials are concerned, I hasten to inform you that the 2019 financials turned out to be better than anticipated and much better than the performance in the preceding year.

## Overview of the Economy

The macroeconomic conditions in Ghana remained favourable in 2019. Provisionally, the economy grew by 6.5 percent in the year, compared to a growth rate of 6.3 percent achieved in 2018. Headline inflation remained in single digits, and generally trended downward from the second half of 2019, to end the year at 7.9 percent, down from 9.4 percent at end-2018. The policy rate of the Bank of Ghana was maintained at 16.0 percent in 2019, a percentage point below the end-2018 level.

The external sector performed creditably well. Total merchandise exports was US\$15.6 billion while merchandise imports amounted to US\$13.3 billion, leading to a trade surplus of US\$2.3 billion. The current account balance, however, recorded a deficit of US\$1.7 billion due to developments in the services, income and transfer accounts. The capital and financial account, on the other hand, registered a net inflow of US\$3.1 billion, significantly higher than the preceding year's position, driven by higher foreign direct investment and net portfolio investment inflows, mainly from the proceeds of the Eurobond issuance in the year. The overall balance of payment for 2019 as a consequence was a surplus of US\$1.3 billion, a sharp improvement over the deficit position of US\$672 million recorded in 2018. These developments resulted in an increase in the country's gross international reserves to US\$ 8.4 billion in 2019, from US\$ 7.0 billion in 2018. In spite of the positive developments in the external account, the cedi experienced demand pressures causing it to depreciate by 12.9 percent, 15.7 percent and 11.2 percent against the US dollar, the pound sterling and euro respectively in 2019.

The banking sector reforms initiated by the Bank of Ghana beginning from 2017 continued to yield some positive outcomes in the performance of the sector. The assets of deposit money banks amounted to GH¢ 129.7 billion as at the end of 2019, representing 25.5 percent year-on-year growth, compared to 10.8 percent growth recorded for the same period of 2018. There was a strong 18.3 percent growth in credit to the private sector in 2019, compared to a growth of 10.6 percent in the preceding year. There was also a reduction in the non-performing loans (NPL) of banks, with the NPL ratio declining from 18.2 percent in 2018 to 13.9 percent in 2019.

### **Membership of the Board of Directors**

There were some changes in the membership of the Board of Directors owing to the resignation of three Directors. Mr. Kofi S. Yamoah resigned following his retirement from the services of the Ghana Stock Exchange. One of the longest serving members of the Board, Mr. Yamoah's contributions to the setup of the Depository and the development of the capital market as a whole are invaluable. He leaves a big vacuum which would be difficult to fill, but we have his assurances to make himself available anytime we need to consult him. Messrs Kwasi Debrah and Maxwell David Ekow Ribeiro also resigned from the Board during the year. On behalf of all Directors and the CSD, I want to extend my profound appreciation to them for their enormous contributions towards the successful operations of the Depository over the years and to wish them every success in all their future endeavours.

Mr. Armah I. J. Akotey was appointed as a member of the Board of Directors in December 2019. He brings on board varying experience to enrich the work of the Board. I congratulate him on his appointment and urge him to work professionally to support the CSD's growth. In the meantime, steps are being taken to appoint two other Directors for the full complement of the Board.

### **Policy Decisions of the Board in 2019**

Under the direction of the Board, work started on a new strategic plan to replace the one that expired in 2019. Directors may be aware that significant achievements were made under the expired plan. These included upgrade of the main CSD system application and the merger of both debt and equity securities onto a single platform, setting up of the Settlement Guarantee Fund, use of central bank money for both debt and equity settlements, reduction of manual interventions on sale transactions involving custodian equity trades, right-sizing of the organisation to ensure that the Depository has the right functions and is appropriately staffed to deliver its services, as well as the completion of the self-assessment in accordance with the CPMI-IOSCO Principles for Financial Markets Infrastructures.

The Board provided direction and support towards the development of a new strategic plan covering the period 2020 to 2024. The new strategic plan is modelled in line with the Balanced Scorecard framework. It positions the Depository to achieve the functions enshrined in the CSD Act, 2007 (Act 733), keep pace with the development of the financial markets both locally and internationally and ultimately achieve its vision of being a globally recognised provider of efficient and reliable securities services, contributing to a well-organised and robust financial market in Ghana.

Distinguished shareholders, you would recall that in my statement last year, I informed you that the Board approved the implementation of a fully-fledged SWIFT initiative standards as a way to align the activities of the CSD to best market practices in the securities market and position the CSD for future growth. This project has started and will aid market transparency, improve operational efficiency and facilitate real-time communication of securities market transactions among counterparties. It will also afford the Depository an opportunity to link with other international CSDs for cross border settlement of instruments including the Eurobonds issued by the Government of Ghana. To realise the full benefits of this exercise, it is important for the Board to support the Depository to further upgrade its infrastructure.

In collaboration with the Repo Stakeholder Committee and with support from Frontclear and the International Capital Market Association (ICMA), the Bank of Ghana in December, 2019 launched the Guidelines for Repurchase Agreements in Ghana under the Global Master Repurchase Agreement (GMRA-2011 Version). In view of this, the Depository also upgraded its repo infrastructure to facilitate repo under GMRA transactions which has been scheduled for implementation in the second quarter of 2020. The Depository would continue to collaborate with stakeholders and support projects that are geared towards the positive development of the financial market of the country.

Finally, I am happy to announce to you that effective March, 2019 the Depository was admitted as a member of the International Capital Market Association (ICMA), a highly recognised association of capital market practitioners. This would afford the CSD an opportunity to leverage on the experiences of other members from different jurisdictions to improve on its operations and become more efficient.

## Financial Performance

There was a sharp improvement in the financial performance of the Depository in 2019 compared to 2018. The Depository recorded a net profit of GH¢ 12.4 million, much higher than a net profit of GH¢ 7.6 million recorded in 2018. The operating income of the company increased by 14.1 percent from GH¢ 34.6 million in 2018 to GH¢ 40.3 million. The increase in the operating income is largely due to the size of securities issued by the Bank of Ghana and the Government of Ghana in 2019. On the expenditure side, the level of expenses incurred by the company declined marginally from GH¢ 24.2 million in 2018 to GH¢ 23.1 million. The level of the company's assets grew from GH¢ 58.2 million in 2018 to GH¢ 70.7 million in 2019, and shareholders' fund increased by 22.3 percent from GH¢ 51.6 billion to GH¢ 63.1 million.

## Declaration of Dividend

In view of the improved financial outcome in 2019 and in conformity with the dividend policy of the company, the Board of Directors recommends a dividend pay-out of GH¢ 0.7 per share for Shareholders' approval. The total amount of dividend to be paid is GH¢ 2.5 million compared to a dividend payment of GH¢ 0.9 million in 2018. The Board is confident that under its direction and through prudent adherence to good corporate governance and business practices, the Depository would continue to enhance shareholder value.

## Future Outlook

The year 2020 promises to be a very uncertain one. The outbreak of Covid-19 pandemic in the latter part of 2019 and its rapid spread across the world has not only created challenges to macroeconomic management but also redefined the way to deliver service. I am happy to note that the Depository is well-equipped to remotely deliver service to all its major stakeholders, seamlessly! No doubt when the dust settles on the pandemic, the Board would work with Management to use the experiences gained to review the overall operations of the Depository.

The Board is aware that the pandemic would have an adverse impact on the general business operations and would continue to monitor the situation and make adjustments, as required, to the benefit of both staff and stakeholders. I am happy to note that the Depository has adequate reserves as buffer to support its operations for a significant period of time, well in excess of the six-month period recommended by the CPMI-IOSCO Principles for FMIs. The Board deems it imperative that the Depository consistently grows its reserves to better position it to provide uninterrupted services to the financial market when faced with any event that may have unanticipated adverse impact on macroeconomic conditions and its finances.

The newly developed strategic plan of the Depository which is aimed at developing robust and agile financial market infrastructure in the country would be vigorously pursued by the Board and Management of the Depository. The objective is that by the end of the strategic plan, the Depository would be adequately equipped and or resourced to offer service excellence which exceeds customer expectations to all stakeholders; diversify its business operations; and also actively participate in strategic alliance with other stakeholders which are geared towards the development of the Ghanaian market.

There is no doubt that the Depository is a key infrastructure in the country's financial market, poised to play a pivotal role in the development of the financial market of Ghana. As shareholders, I encourage you to continue to support the Depository to deepen its role in the financial market of the country. You have the assurances of the Board that it would not rest on its oars but continue to provide the required leadership and support in the areas of good corporate governance and risk management practices and to provide strategic direction to the Depository.

## **Acknowledgment**

On behalf of the Board of Directors, I want to thank shareholders for the confidence reposed in the Board and to assure you that the confidence is not misplaced. I again wish to express the Board's gratitude to the three Directors who resigned in 2019 and wish them God's blessings. The Board also recognises the hardworking Management and Staff of the Depository and encourages them not to relent in their efforts to lift high the Central Securities Depository (GH) Limited. Finally, I say a big thank you to all stakeholders for their continuous support to the Depository.



# Chief Executive Officer's Statement

## Introduction

Shareholders, Chairman and Directors of the Board, and all Stakeholders, it is with great delight that I welcome you all to the 6th Annual General Meeting of the Central Securities Depository (GH) Limited. Another financial year has just ended and I deem it an honour to report to you on the financial and operational performances of the Company during 2019.

## Overview of the Economy

Ghana's macroeconomic performance in 2019 was remarkable. The economy is estimated to have grown by 6.5 percent in 2019, compared to 6.3 percent growth experienced in the preceding year. The external sector performed strongly, resulting in an overall balance of payments surplus of US\$ 1,341.0 million compared to a deficit of US\$ 671.5 million in 2018. Consequently, the gross foreign reserves increased to over US\$8.4 billion at the end of 2019.

The disinflationary process continued during the year, with headline inflation falling to 7.9 percent at the end of the year from an end-2018 level of 9.4 percent. Following the easing of inflationary pressures and improvements in the macroeconomic fundamentals, the Bank of Ghana reduced the Monetary Policy Rate (MPR) to 16.0 percent in January 2019 and maintained it at that level throughout the year.

## 2019 Financial Performance

The Depository's financial performance in 2019 was very good. It recorded a profit before tax of GH¢ 16.8 million in 2019, registering a year-on-year growth of 61.8 percent from GH¢ 10.4 million attained in 2018. Revenue increased between 2019 and 2018, while there was a slight reduction in the level of operating expenses. The revenue for 2019 stood at GH¢ 40.3 million, up by 14.1 percent from GH¢ 34.6 million in 2018. The operating expenses reduced to GH¢ 23.1 million 2019, marginally lower than the total operating expenses of GH¢ 24.2 million incurred in 2018.

There was 21.5 percent growth in the asset of the company from GH¢ 58.2 million in 2018 to GH¢ 70.7 million in 2019. Total equity increased from GH¢ 51.5 million to GH¢ 63.1 million.

## 2019 Operational Performance

The total number of Depository Participants in 2019 was 66, up from 64 in 2018. This follows the appointment of 4 new members during 2019 and withdrawal of 2 members whose licenses were revoked by their regulators, Bank of Ghana, and Securities and Exchange Commission. The number of securities accounts opened by investors with the Depository continues to grow.

In 2019, the Depository recorded a total of 151,375 new securities accounts, increasing the number of securities accounts to 1.1 million at the end of the year.

In the year, securities of 14 issuers of fixed income securities and 38 issuers of equity securities were admitted into the Depository. The value of fixed income securities admitted was GH¢145,732.7 million, compared to GH¢137,980.7 million fixed income securities admitted in 2018. The Bank of Ghana and the Government of Ghana continued to be the dominant issuers of fixed income securities that are admitted into the Depository; participation by corporates in the fixed income space is comparatively very low.

The stock of fixed income securities held in the depository was GH¢100,893.2 million in 2019, 24.5 percent above the GH¢81,020.0 million held in 2018. The proportion of outstanding debt stock held by domestic investors increased by 34.5 percent in 2019 whilst that of foreign investors increased by 5.3 percent during the same period. A total amount of GH¢155,372.7 million was generated by the Depository as interest and maturity proceeds in 2019 compared to GH¢144,325.3 million proceeds generated in 2018.

There was 43.8 percent increase in the number of secondary trades settled by CSD between 2018 and 2019. The total number of debt trades settled by CSD in 2019 was 119,082 compared to 82,820 debt trades settled in 2018. In monetary terms, the settlement value of these trades increased by 47.1 percent to GH¢55,715.3 million in 2019, up from GH¢37,865.3 million in 2018. In addition to the settlement of the cedi denominated securities, the Depository settled 198 trades in the secondary market for Government of Ghana dollar-denominated domestic securities, higher than the 188 trades settled in 2018. The monetary value of these dollar trades increased by 168 percent from US\$90.6 million in 2018 to US\$238.3 million in 2019.

The number of repo transactions settled by the Depository increased by 9.8 percent from 5,427 in 2018 to 5,957 in 2019. The monetary value of these repo transactions increased by 25.8 percent to GH¢201,605.3 million in 2019, from GH¢160,234.0 million in 2018. In the area of pledging of securities to financial institutions, a total of 1,042 pledge transactions were executed through the Depository in 2019, down from 1,637 in 2018. Consequently, there was a reduction in the face value of the securities used in the pledge transactions by 18.5 percent to GH¢11.6 billion in 2019.

The equity market continued to be bearish in 2019, unable to recover from the experiences of 2018. The number of equity trades settled by the Depository declined by 20.1 percent from 20,406 transactions in 2018 to 16,241 transactions in 2019. In monetary terms, the total value of the equity transactions settled by the Depository reduced by 64.9 percent from GH¢658.3 million in 2018 to GH¢231.1 million in 2019. The Ghana Stock Exchange Composite Index (GSE-CI) contracted by 12.2 percent from 2,572.22 in December 2018 to 2,257.17 in December 2019. Over the same period the market capitalisation declined by 7.1 percent from GH¢61,136.5 million to GH¢56,791.3 million.

The volume of equities held in the Depository increased by 22.5 percent from 11,743.8 million in 2018 to 14,384.5 million shares in 2019. Out of the total volume of shares in the Depository, foreign investors held 48.1 percent whilst domestic investors held 51.9 percent.

During 2019, the size of the settlement guarantee fund was increased by an additional amount of GH¢1.0 million from contributions by the DPs and the Depository. As at the end of December 2019, the settlement guarantee fund stood at GH¢2.7 million, inclusive of interest earned from investment in high quality securities. The Depository is engaged in discussions with the settlement bank on the modalities for operationalisation of the fund.

An important milestone for the year was the completion of the maiden self-assessment report on the observance of the CPMI-IOSCO Principles for Financial Market Infrastructures. The report has since been published on the Depository's website. Areas identified and recommended for improvement include regular review of the rules and procedures of the Depository, enhancement of the administration of the settlement guarantee fund, development of comprehensive default procedures, disclosure of Board charter on the website, and developing and testing a recovery and resolution plan.

## Outlook for 2020

The Depository is determined to continually enhance its performance, and a major step in achieving this objective is to address the gaps identified from the assessment report on the observance of the CPMI-IOSCO Principles for Financial Market Infrastructure, which was completed by the CSD in 2019. Modalities to address these gaps have been integrated into the new strategic plan being developed.

The Depository will undertake a review of the technologies it deploys in support of its operations. A focus of this exercise will be to increase the level of self-service in the operations of the Depository. The review will aim at facilitating rapid digitisation and execution of online transactions by stakeholders, thereby reducing the level of direct contact between the Depository and its stakeholders. Overall, the Depository will improve the level of efficiency in service delivery without compromising regulatory standards and risk management practices surrounding the operational processes.

The Depository plans to enhance its enterprise risk management framework in 2020, with particular focus on cyber security and business continuity management, to ensure the Depository provides an uninterrupted services to the market and stakeholders at all times. In addition to the existing measures in place to address cyber security risks, the Depository will continue to enhance its cyber security risk management and security operations to provide real time detection and response to security threats and incidents.

Development of staff capacity will also be pursued during the year. The aim is to keep improving the knowledge, skills and competencies of staff positioning them to deliver high level of professional services to the market at all times. As its contribution to market development, the Depository in collaboration with GSE has contracted the International Capital Market Association (ICMA) to organise a two day workshop for the members of the Ghana Securities Industry Association (GSIA) in 2020. The Depository will continue its collaborations with other stakeholders to deepen the securities market in the country.

The Depository will continue its collaboration with Frontclear and ABN AMRO Clear and other market stakeholders towards improving the settlement process and enhancing the operational procedures of the Settlement Guarantee Fund. Similarly, the project started with SWIFT in 2019 to use ISO 20022 for communicating financial information on payment and securities settlement would be sustained in 2020.

## Appreciation

On behalf of Management and Staff, my deep appreciation to the Chairman and all Directors for their support, direction and advice. To the Shareholders, and all stakeholders, I say a big thank you, for your confidence and support. And finally, sincere gratitude to the Management and Staff, whose hard work over the years is highly acknowledged. I encourage them to work even harder to push the Depository to greater heights.

# Corporate Governance

## Introduction

Central Securities Depository (GH) Ltd. (CSD) is a Financial Market Infrastructure (FMI) established to provide safe, secured, dependable clearing, settlement, depository, registrar and other related securities services in Ghana's financial market. The activities of CSD are governed by the Central Securities Depository Act, 2007 (Act 733), the Securities Industry Act, 2016 (Act 929), the Securities and Exchange Commission Regulations, 2007 (LI 1728), the Companies Act, 2019 (Act 992), the Data Protection Act 2012, (Act 843) and other applicable laws. The CSD is regulated by the Securities and Exchange Commission of Ghana.

The operations of CSD are also guided by the Principles of Financial Market Infrastructures (FMIs) developed by the International Organisation of Securities Commissions (IOSCO) and the Bank for International Settlements (BIS). The goal of the Principles of FMIs is to promote efficiency, transparency, soundness, and fairness in all undertakings involving FMIs globally.

The CSD is the main institution providing securities depository, clearing and settlement services in Ghana's financial market. This follows the merger of the two Depositories; CSD and GSE Securities Depository Company Ltd (GSD), which previously operated in the country until December, 2013. Prior to the merger, CSD was responsible for the management of debt securities issued by Government of Ghana, Cocobod and Bank of Ghana while GSD handled equities. As at the end of December 2019, CSD was 70% and 30% owned by the Bank of Ghana and the Ghana Stock Exchange respectively. Among the objectives of the merger was to improve market efficiency, reduce transactional costs in the market and to realize economies of scale.

Considering the fundamental role of the Depository as a key strategic FMI established to improve investors' confidence in the securities market of Ghana, the Depository is ardent to operate on the ethics of good corporate governance as specified in SEC'S code of conduct on corporate governance and that of the Companies Act, 2019 (Act 992).

In pursuing the agenda of good corporate governance, the Board of Directors of the Depository provide policy guidelines for implementation by the Management of the company. The Board of Directors is responsible for the Enterprise Risk Management objectives of the company. It consistently evaluates the operations of the Depository and continuously carries out an impartial appraisal of the performance of the Management.

In line with good corporate governance objectives of the CSD, the two shareholders of the Depository; the Bank of Ghana and the Ghana Stock Exchange are adequately and reliably informed vis-à-vis the operations of the Depository.

## Board of Directors

The Board Charter prescribes a seven-member Board of Directors. This comprises six Non-Executive Directors and one Executive Director. The Chairman of the Board is a Non-Executive Director. The Board has a charter to govern its activities. Areas covered in the charter include composition and size of the Board, responsibilities and duties of the Board, relationship between the Board and Management, tenure and conditions for replacement of directors etc.

## Capacity Building of Board Directors

The Board recognizes the importance of building the capacity of Directors on a continuous basis. This is to deepen their knowledge and exposure on matters relating to good corporate governance and the operations of the CSD, so that the Board can be effective in its roles. In 2019, some Directors benefited from the capacity building programmes.

## Board Meetings

Five board meetings were held in 2019. In accordance with the Board Charter, meetings are held at least every quarter. In addition, the Board may hold an extraordinary meeting. Below is information on the participation of Board of Directors to meetings in 2019.

Name of Board Member	Meetings attended in 2019	Status
Dr. Maxwell Opoku-Afari	5/5	Appointed
Mr. Yao A. Abalo	5/5	Appointed
Mr. Ekow Afedzie	5/5	Re-appointed
Mrs. Caroline Otoo	5/5	Re-appointed
Mr. Kofi S. Yamoah	2/5	Resigned
Mr. Kwasi Debrah	3/5	Resigned
Mr. Maxwell Ekow Ribeiro	3/5	Resigned
Mr. Armah I. J. Akotey	1/5	Appointed

## Board Committees

Four committees have been set up by the Board, each with its own charter. The committees are structured to support the Board in the performance of its corporate governance mandate. The committees report directly to the overall Board.

### Business Conduct Committee (BCC).

The role of the BCC is to handle complaints relating to violation of applicable rules and procedures of the CSD by Depository Participants, and to exercise powers dispensed to it by the Board of Directors in relation with disciplinary actions. Additionally, it is the responsibility of the BCC to develop and implement the Settlement Guarantee Fund for efficient functioning of the Clearing and Settlement activities of the CSD.

Two meetings were held by the Business Conduct Committee in 2019. Below is the meeting attendance of members in 2019.

Name of Committee Member	Meetings attended in 2019
Mr. Ekow Afedzie	2/2
Mr. Winston Nelson	2/2
Mr. Alexander Williams	2/2
Mrs. Trudy Osae	2/2
Ms. Carol Annang	1/2

### Finance and Audit Committee

The role of the Finance and Audit Committee is to ensure the existence of quality, transparency and integrity in the financial operations of the company. The committee also ensures that the company's financial reporting standard complies with applicable international financial reporting standards, tax laws and other financial regulations. The external and internal auditing of the company's financials are overseen by the Finance and Audit Committee.

Two meetings were held by the Finance and Audit Committee in 2019. Below is the meeting attendance of the members in 2019.

Name of Committee Member	Meetings attended in 2019
Mr. Kwasi Debrah	2/2
Mrs. Caroline Otoo	2/2
Mr. Kofi S. Yamoah	2/2
Mr. Maxwell David Ekow Ribeiro	2/2

## Risk Committee

The Risk Committee oversees the enterprise wide risk management practices of the Depository and among other purposes provides risk assurance to the Board.

Two meetings were held by the Risk Committee in 2019. Below is the meeting attendance of members in 2019.

Name of Committee Member	Meetings attended in 2019
Mr. Ekow Afedzie	2/2
Mr. Maxwell David Ekow Ribeiro	2/2
Mr. Kofi S. Yamoah	2/2

## Human Resource and Legal Committee (HRLC)

The Human Resource and Legal Committee reviews, monitors, evaluates and proffers recommendation to the Board on matters relating to staff remuneration, recruitment and retirement. It is the duty of the committee to develop and maintain highly skilled workforce and also provide legal advice on issues that border on the Depository's operations.

The committee also provides oversight responsibility on the relevant laws binding on the operations of the depository including but not limited to the Data Protection Act 2012, (Act 843), Securities and Exchange Commission Regulations (LI 1728), the CSD Act, 2007 (Act 733), Securities and Exchange Act, 2016 (Act 929), Rules and Procedures of the CSD.

A meeting was held by the HRLC in 2019. Below is the meeting attendance of the members of the HRLC in 2019.

Name of Committee Member	Meetings attended in 2019
Mrs. Caroline Otoo	1/1
Mr. Kofi S. Yamoah	1/1
Mr. Kwasi Debrah	1/1

# Highlight of 2019 Key Activities

## Staff Matters and Staff Development

There were no recruitments or resignations in 2019, and the CSD ended the year with a total staff capacity of thirty-two.

The Depository keeps equipping the Staff to enhance their knowledge, skills and abilities with the objective to enable them to provide excellent services to customers and also become abreast with developmental trends in the global securities market. In 2019 Staff and Management benefited from a multiplicity of in-house training programmes, online courses as well as external programmes. Areas covered included Securities Operations Foundation Qualification, Securities Market Operations, Information Security Management System, Classic repo (Repo under Global Master Repurchase Agreement 2011 version), Enterprise Risk Management, Auditing, IT, SWIFT, HR, Finance, Legal and Corporate Governance. Staff also participated at various conferences and seminars.

In addition, a three-day annual residential staff retreat was organised in August, 2019. Staff were trained on Performance Management System with particular emphasis on the balanced scorecard. There was also an overview of the status of implementation of the five-year strategic plan for the period 2014 to 2019.

## SWIFT Project

The CSD, in furtherance of its strategic vision to be a leading provider of efficient and reliable post trade services in the financial sector in Ghana and to improve market access to investors, engaged with SWIFT during the year in a project to address gaps and challenges in its current infrastructure by implementing international best practice and standards in communications. CSD would leverage on the extensive experience of SWIFT to address these gaps, implement the ISO Standards, allow the CSD to interface with international depositories and open up the Ghana market to external investors, improve revenue collection and distribution, and aid accounts reconciliation. It is also expected that implementing the ISO standards would lead to better regulatory reporting as well as stronger risk management. The CSD, officially became a member of SWIFT, with its own BIC, in March, 2019.

## Revision of Rules of the CSD

The Rules of the CSD were revised during the year. In compliance with the Central Securities Depository Act, 2007 (Act 733), the revised Rules were submitted to the Securities and Exchange Commission and approved in October, 2019. The revised Rules were to be effective January, 2020.

## Introduction of Repo under GMRA

In 2019, the Guidelines for Repurchase Agreements in Ghana were finalised by the stakeholder group formed by the Bank of Ghana. The CSD was a member of the stakeholder group, which included the Ghana Stock Exchange, the Securities and Exchange Commission and the Ministry of Finance as well as some commercial banks. The work of the group was supported with technical and legal advice from Frontclear, the International Capital Markets Association (ICMA) and Bentsi-Enchill, Letsa & Ankomah ("BELA").



The Vice-President of the Republic of Ghana, Dr. Alhaji Mahamudu Bawumia (R) and the Governor of the Bank of Ghana, Dr. Ernest Kwamina Yedu Addison (L) jointly launched the Guidelines in November 2019. On the (L) of the Governor is Dr. Maxwell Opoku-Afari, the first Deputy Governor of the Bank of Ghana and the Board Chairman of CSD.

The introduction of repo under GMRA is projected to deepen market liquidity, minimise risk and increase turnaround transactions in the securities market of Ghana. According to the Bank of Ghana, the Repo under GMRA would be operational in the second quarter of 2020. The Depository has enhanced its repo platform to facilitate the permissible Repo transactions - repo, sell/buy back, outlined in the Guidelines for Repurchase Agreements in Ghana.

### **Workshop on the Settlement Guarantee Fund and Settlement Process Improvements**

In September 2019, the CSD in collaboration with Frontclear and ABN AMRO Clear, hosted a two-day diagnostic workshop on the settlement arrangement of the depository. The objective of the workshop was to identify challenges and opportunities of the settlement procedures of the CSD, and exploit potential opportunities to operationalise and increase the size of the Settlement Guarantee Fund. The participants for the workshop were drawn from the Bank of Ghana, Securities and Exchange Commission, Ghana Stock Exchange and market operators including Brokers, and Commercial and Custodian Banks.

### **CPMI-IOSCO PFMI's Self-Assessment**

The Depository completed its initial CPMI-IOSCO PFMI's self-assessment exercise in 2019. Following a no objection from the regulator, Securities and Exchange Commission the Report is earmarked for publication in the first half of 2020. In the meantime, gaps identified during the assessment process are being addressed as part of the CSD's work programme.

### **Training of Depository Participants**

A total of forty-four new users benefited from the regular training programmes organised by CSD for new users in 2019. They were drawn from seventeen Depository Participants. In addition, five current users were given a free refresher course.

As part of the preparation for the introduction of the Repo under GMRA fifty two users were trained by CSD on how to use the upgraded version of the CSD infrastructure designed to enable Repo under GMRA transactions. The trainees were drawn from twenty seven Depository Participants.

### **International Affiliations**

In March, 2019, CSD became a member of Society for Worldwide Interbank Financial Transactions (SWIFT) and joined the International Capital Market Association (ICMA). This is in addition to its membership of the International Securities Services Association (ISSA), Switzerland, the Africa and Middle East Depositories Association (AMEDA).

The CSD participated at various international conferences including the World Forum of Central Securities Depositories (WFC) in Marrakech Morocco, the Annual Meeting of ICMA in Stockholm, Sweden.

The Depository also participated in the annual Depository Information-Gathering Project for 2019-2020 by the Association of Global Custodians (AGC) and the 2019 Thomas Murray's Central Securities Depository (CSD) Risk Assessments exercise conducted on CSDs by Thomas Murray and the Depository maintained its "A-" rating.

### **Corporate Social Responsibility (CSR)**

As part of its Corporate Social Responsibility, the Depository supported the activities of the Sickle Cell Unit of the Korle-Bu Teaching Hospital. The CSD donated GH¢ 40,000.00, towards the printing of leaflets on sickle cell disease in furtherance of the Unit's public education campaign. The money was also used to refurbish the waiting areas of the clinic, the consulting rooms for doctors and washrooms as well as for provision of seats for the waiting areas and the consulting rooms.

# Outlook for 2020

## **Implementation of ISO Standard Initiative with SWIFT**

CSD is already engaged with SWIFT to introduce ISO messaging standards in the securities market of Ghana. The project is in three key phases. The first phase of the project involves the migration of the current SWIFT services being provided to CSD by Bank of Ghana. A lot of work has been done on Phase one with support from both the Bank of Ghana and the SWIFT teams, and is projected for completion within the second quarter of 2020. Phase two focuses on payments whilst phase three centers on SWIFT for securities. The time horizon for the completion of the entire project is by close of 2020.

## **Settlement Guarantee Fund and Settlement Process Improvement**

The Depository will work towards improving the risk management practices associated with its settlement functions. As a result, the Depository will further engage ABN AMRO Clearing and Frontclear, with the prime objective of improving the settlement processes in the securities market and enhance the procedure for the utilisation of the Settlement Guarantee Fund. Other issues to be addressed during the engagement include the current settlement routines and the potential for multiple settlement cycles, single counterparty limit settling, T+0 settlements and guarantee fund contributions.

The outcome of this review will serve as a key benchmark element for the Depository to review the Settlement Guarantee Fund Guidelines, Clearing and Settlement Rules, and the CSD Operational Procedures in order to address any limitations and incorporate new opportunities that may be identified. It is anticipated these would be factored into the new five year strategic plan being developed by CSD.

## **CSD, GSE and ICMA Securities Market Training**

The CSD in collaboration with the Ghana Stock Exchange (GSE) has engaged the services of ICMA to offer a two day training programme for the members of Ghana Securities Industry Association (GSIA) in 2020. Topics to be covered during the training include the different types of risk, the psychology of cheating, behavioural finance, managing trading activity, ethics and morality in banking and finance, legal and compliance issues, and governance.

# Market Performance

## Depository Participants (DPs)

Four new institutions –ADB Custody Services, GCB Bank Custody Services, Black Star Brokerage Limited and GFX Brokers Limited - were appointed as Depository Participants in 2019, whilst the license of GN Savings and Loans Limited was revoked by the Bank of Ghana and that of QFS Securities Limited was revoked by the regulator, Securities and Exchange Commission. This brings the total number of Depository Participants to sixty- six.

The sixty-six DPs comprise 23 Commercial Banks, 15 Custodian Banks, 23 Brokerage Firms, 2 Investment Advisory Firms, ARB Apex Bank, the Social Security and National Insurance Trust (SSNIT) and the Bank of Ghana.

Due to failure to maintain its membership at the Ghana Stock Exchange, First Atlantic Brokers Limited continued to remain in suspension at CSD.

## Number of Registered Securities' Accounts

A total of 151,375 new securities accounts were opened by various investors in 2019, an increase of 108.3% compared to the number of accounts opened in the preceding year. The main reason for the surge in new accounts was the issuance of the electronic IPO of MTN shares when it was listed on the Ghana Stock Exchange. The number of securities accounts at the Depository was 1.1 million in 2019.

**Table 1: Yearly Distribution of New Securities Accounts' Opened**

Year	No. of New Accounts Opened	Total No. of Accounts Opened
2019	151,375	1,122,778
2018	72,660	971,403
2017	47,208	898,743
2016	95,007	851,535
2015	109,316	756,528
2014	90,375	647,212
2013	89,692	556,837
2012	70,563	467,145
2011	40,536	396,682

## Primary Market Activities

### Debt Securities Issued in 2019

In value terms, GH¢ 145,732.7 million issued debt securities were admitted into the Depository in 2019. This represented 5.7% increase compared to GH¢ 137,980.7 million securities admitted in 2018.

The main issuers were Bank of Ghana, which issued GH¢ 84,182.0 million or 57.8% and Government of Ghana which issued GH¢ 47,457.3 million or 32.6% of securities admitted into the depository in 2019. Cocobod issued GH¢ 12,514.0 million or 5.6% and GH¢ 1,584.4 million or 2.0% were securities issued by other corporate organisations.

The value of Bank of Ghana securities admitted in 2019 represented a 2.6% reduction when compared to the value of its issued securities admitted in 2018. On the other hand, Government of Ghana, Cocobod and other Corporate firms recorded increases of 12.0%, 54.7% and 48.6%, respectively in admitted securities between the two years. See table 2 below for more information on issued debt securities admitted by the depository.

**Table 2: Distribution of Debt Securities Admitted by Issuers (2018 & 2019)**

Name of Issuer	2018	2019	% Change	2018	2019	% Change
	Face Value in GH¢'m			No. of Times Issued		
Bank of Ghana	86,464.9	84,182.0	(2.64)	101	99	(1.98 )
Corporate Firms	1,066.3	1,584.4	48.59	214	173	(19.16)
Cocobod	8,087.5	12,514.0	54.73	16	22	37.50
Government of Ghana	42,362.0	47,457.3	12.02	145	145	–
<b>Total</b>	<b>137,980.7</b>	<b>145,732.7</b>	<b>5.62</b>	<b>476</b>	<b>439</b>	<b>(7.77)</b>

### Additional Securities Issued by Government

During the year, the Depository admitted an additional face value of GH¢19,760.9 million securities which was issued by the Government through re-opening and or tap-in of some of the existing issued securities.

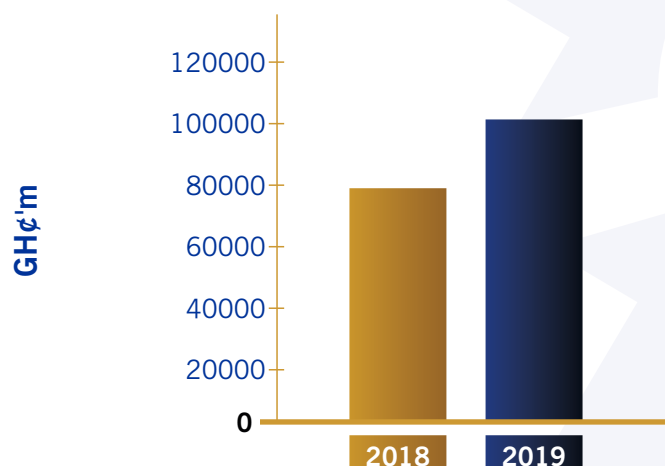
### Outstanding Debt Stocks

The stock of debt securities held in the Depository in 2019 was GH¢ 100,893.2 million an increase of 24.5% relative to GH¢ 81,020.0 million outstanding stock of debt securities held in 2018.

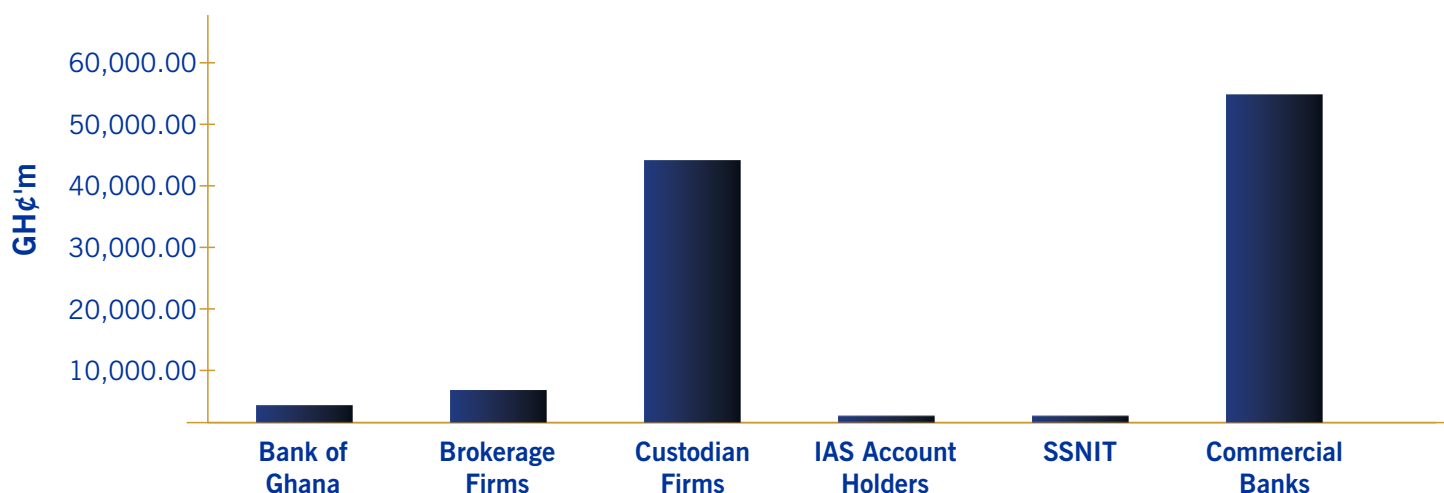
The outstanding stock in 2019 comprised GH¢ 81,501.7 million or 80.8% of Government of Ghana securities, GH¢ 5,539.4 million or 5.5% of Bank of Ghana securities, GH¢ 6,948.9 million or 6.9% of Cocobod securities and GH¢ 6,903.2 million or 6.8% being securities issued by other corporate institutions. See table 3 below.

**Table 3 : Distribution of Outstanding Debt Stocks by Issuers, (2018 & 2019)**

Name of Issuer	2018		2019		% Change in Stock
	Face Value in GH¢'m	% of Total	Face Value in GH¢'m	% of Total	
Government of Ghana	62,685.0	77.37	81,501.7	80.78	23.22
Cocobod	5,453.1	6.73	6,948.9	6.89	1.85
Energy Sector Petroleum Levy Act	5,664.7	6.99	6,000.0	5.95	0.41
Bank of Ghana	6,360.7	7.85	5,539.4	5.49	(1.01)
Ezwe Loans Ltd	80.0	0.10	80.0	0.08	-
Bond Savings and Loans	60.4	0.07	70.0	0.07	0.01
AFB Loans Ltd	227.2	0.28	234.3	0.23	0.01
Barclays Bank of Ghana	214.7	0.26	232.3	0.23	0.02
Bayport Financial Services	185.8	0.23	206.5	0.20	0.03
Quantum Terminal Limited	45.0	0.06	45.0	0.04	–
Dalex Finance & Leasing Company Plc	17.5	0.02	17.5	0.02	–
Edendale Properties Plc.	16.5	0.02	8.0	0.01	(0.01)
Ghana Home Loans	9.6	0.01	9.6	0.01	-
<b>Total</b>	<b>81,020.0</b>	<b>100.00</b>	<b>100,893.2</b>	<b>100.00</b>	<b>24.53</b>

**Chart 1: Face Value (GH¢' m) of Outstanding Debt Stocks, (2018 & 2019)****Holders of Outstanding Debt Stock by Type of DPs**

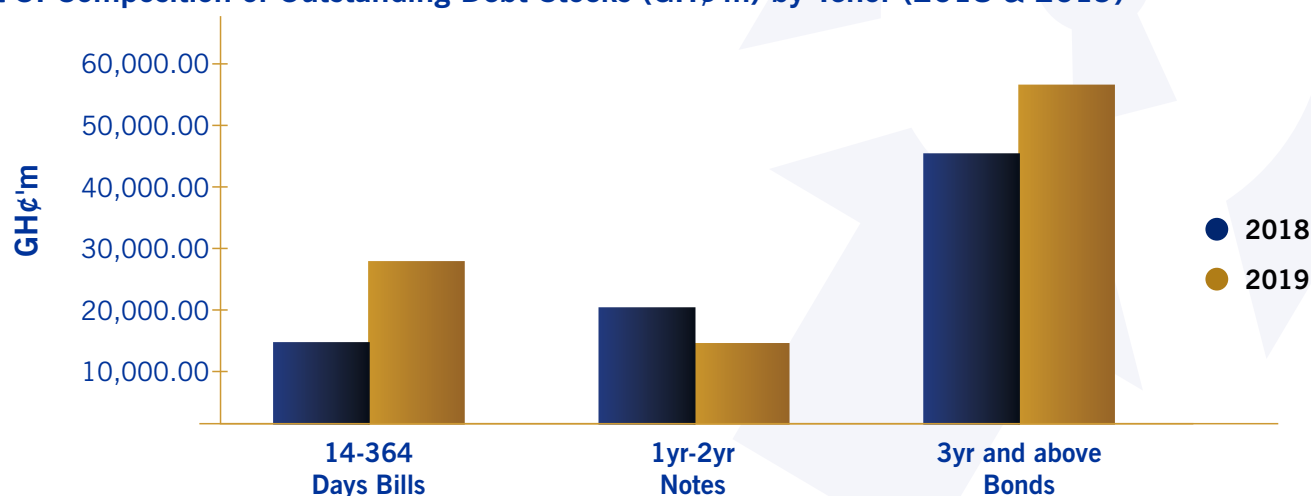
Commercial banks held GH¢ 54,570.5 or 54.1% out of the total amount of GH¢ 100,893.2 million outstanding stock held at the depository. Custodian banks held GH¢ 42,631.4 million or 42.3%, Bank of Ghana, Brokerage Firms and SSNIT, respectively, held GH¢ 641.2 million (0.64%), GH¢2,425.1 million (2.4%) and GH¢ 352.8 million (0.4%), while Investor Account Service (IAS) holders held GH¢ 272.2 million (0.3%).

**Chart 2: Holders of Outstanding Debt Stocks (GH¢'m) by Type of DPs, 2019****Composition of Outstanding Debt Stocks by Tenor**

The outstanding debt stock held in the Depository comprised GH¢ 57,102.9 million of long term securities (securities with tenor of 3 years and beyond), GH¢ 16,250.7 of medium term securities (securities with 1 year and 2 year tenor) and GH¢ 27,539.6 million of short term securities (securities with a tenor equivalent to 182 day or less).

In comparison with the preceding year, the face value of long term securities increased by 25.2% in 2019, and that of short term securities increased by 77.1%, medium term securities, on the other hand, declined by 18.2%.

**Chart 3: Composition of Outstanding Debt Stocks (GH¢'m) by Tenor (2018 & 2019)**



**Table 4: Distribution of Outstanding Debt Stocks by Tenor (2018 & 2019)**

Tenor	2018		2019		% Change
	Face Value in GH¢'m	% of Total	Face Value in GH¢'m	% of Total	
91 Day - 182 Day Bills	15,547.9	19.19	27,539.6	27.30	77.13
1yr - 2yr Notes	19,862.2	24.52	16,250.7	16.11	(18.18 )
3 yr and above Bonds	45,609.9	56.29	57,102.9	56.60	25.20
<b>Total</b>	<b>81,020.0</b>	<b>100.00</b>	<b>100,893.2</b>	<b>100.00</b>	<b>24.53</b>

#### Distribution of Outstanding Debt Stocks by Tenor and Investor Types

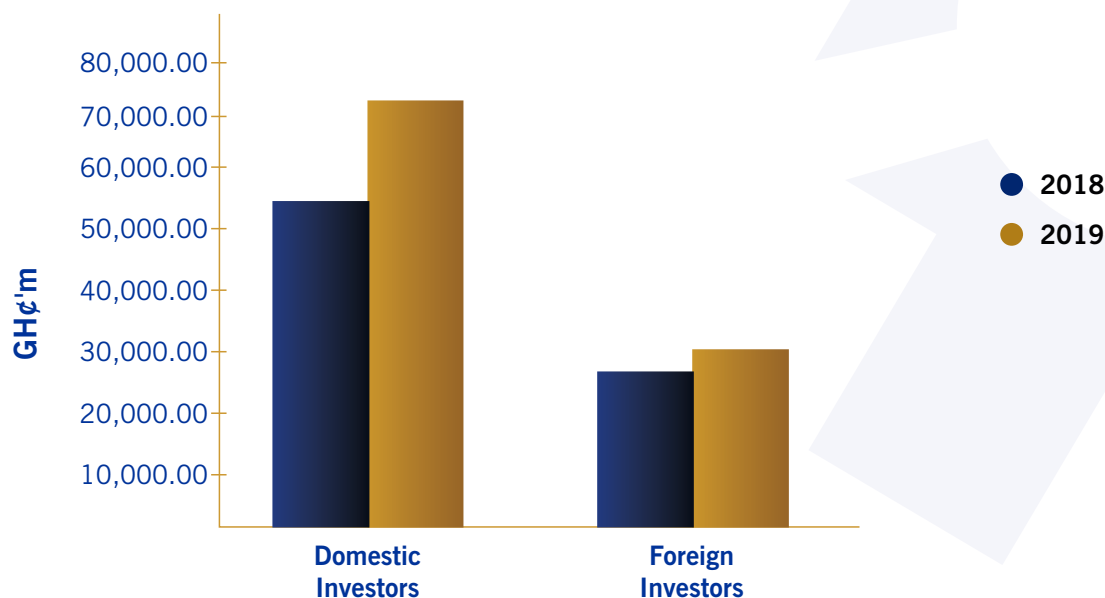
Domestic investors held a greater proportion of the outstanding debt stock in 2019, with GH¢ 71,826.0 million or 71.2%, of the outstanding debt stock whilst foreign investors held GH¢ 29,067.2 or 28.8%.

Comparative to 2018, the value of outstanding stock held by foreign investors increased by 5.3% in 2019. For domestic investors, their stock position increased by 34.5% between the two years.

**Table 5: Distribution of Outstanding Debt Stocks by Tenor and Investor Types**

Tenor	Domestic Investors			Foreign Investors		
	2018	2019	% Change	2018	2019	% Change
	Face Value in GH¢'m			Face Value in GH¢'m		
14 Day – 364 Day Bills*	15,547.2	27,538.9	77.13	0.7	0.8	7.68
1 Year– 2 Year Notes	16,750.9	12,165.6	(27.37)	3,111.3	4,085.2	31.30
3 Year and beyond	21,121.3	32,121.6	52.08	24,488.6	24,981.3	2.01
Total	53,419.4	71,826.0	34.46	27,600.7	29,067.2	5.31

\* Are securities held by foreign investors that are resident in Ghana. Non Foreign resident investors are not allowed to hold debt securities with tenors of less than 2 Years.

**Chart 4 : Holders of Outstanding Debt Stocks (GH¢'m) (2018 & 2019)**

## Secondary Market Activities

### Value of Interest and Maturity Proceeds Generated by CSD

The Depository generates interest and maturity proceeds entitlements for four issuers of debt securities in Ghana market, namely Government of Ghana, Bank of Ghana, Cocobod and ABSA Bank Ghana Limited.

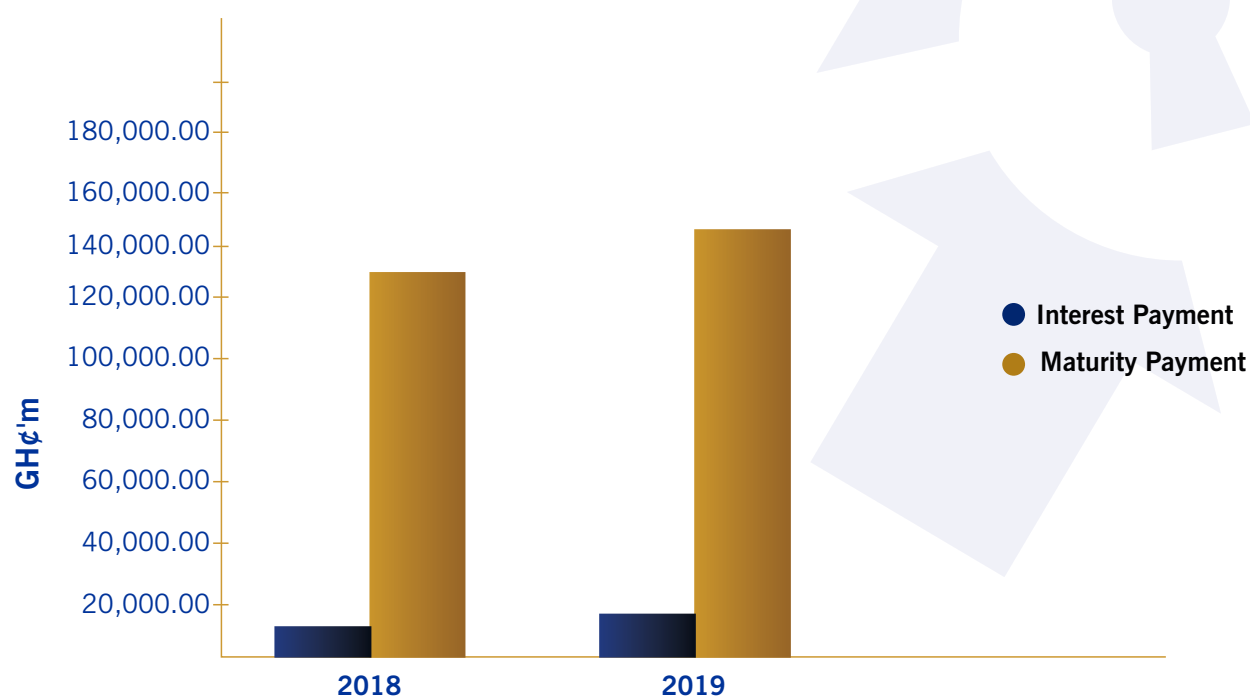
A total amount of GH¢155,372.7 million entitlement proceeds were generated for payments by the four issuers to the benefit of 1,228,122 beneficiary investors. Of this total, maturity proceeds was GH¢ 143,259.4 million or 92.2% and interest payments amounted to GH¢ 12,113.3 million or 7.8%.

The value of interest proceeds generated by the depository increased by 18.7% from GH¢ 10,201.6 million in 2018 to GH¢ 12,113.3 million in 2019. Also the value of maturity proceeds increased by 6.8% from GH¢ 134,123.5 million in 2018 to GH¢ 143,259.4 million in 2019.

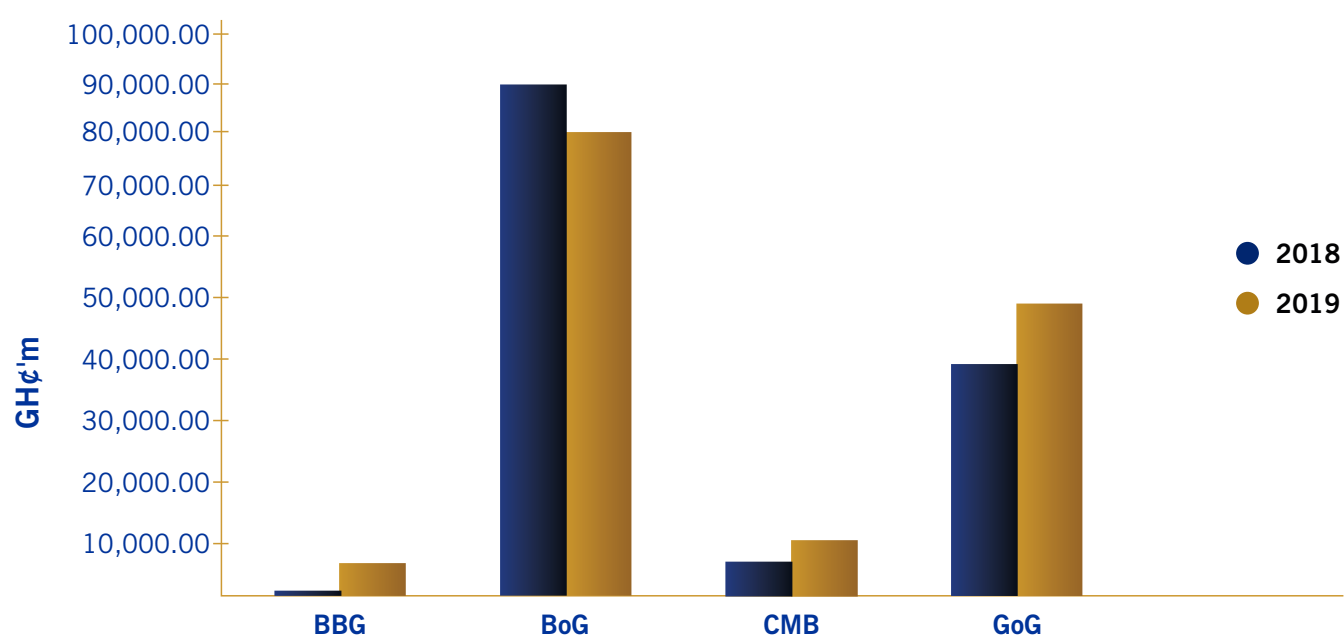
**Table 6: Interest and Maturity Proceeds (GH¢) Generated by CSD per Issuer (2018 & 2019)**

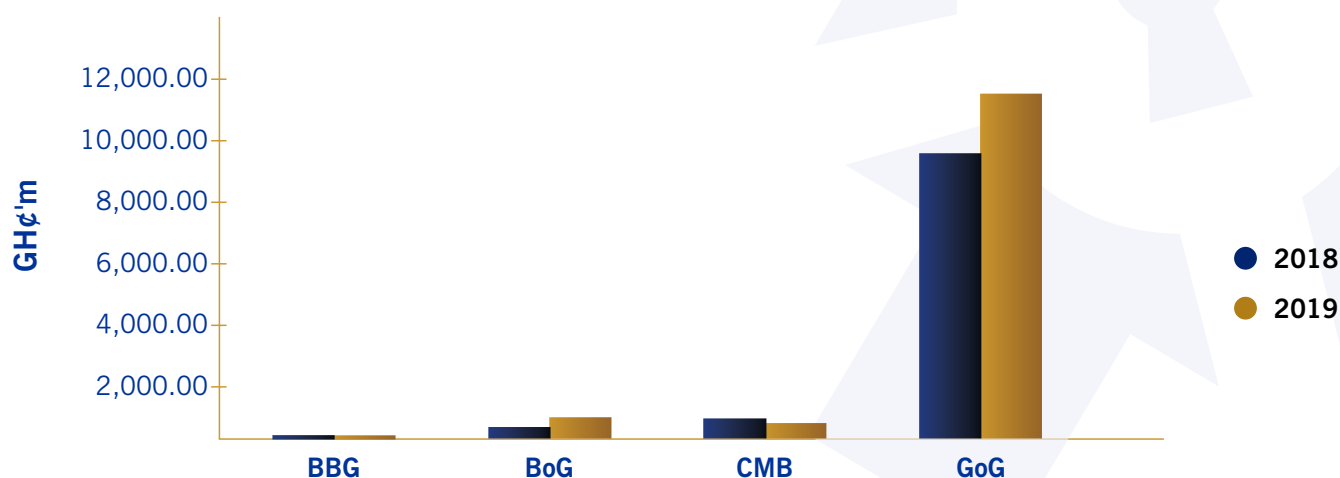
Name of Issuer	2018			2019		
	IP	MP	Total	IP	MP	Total
	GH¢'m			GH¢'m		
ABSA Bank Ltd	68.6	471.6	540.2	57.1	4,755.8	4,812.9
Bank of Ghana	217.1	90,423.3	90,640.4	343.4	79,994.4	80,337.8
Cocobod	362.0	5,792.4	6,154.4	338.6	11,960.1	12,298.7
Government of Ghana	9,554.0	37,436.3	46,990.2	11,374.3	46,549.1	57,923.3
<b>Total</b>	<b>10,201.6</b>	<b>134,123.5</b>	<b>144,325.2</b>	<b>12,113.3</b>	<b>143,259.4</b>	<b>155,372.7</b>

**Chart 5: Interest and Maturity Proceeds (GH¢'m) Generated by CSD (2018 & 2019)**



**Chart 6: Maturity Proceeds (GH¢'m) Generated by CSD per Issuer (2018 & 2019)**



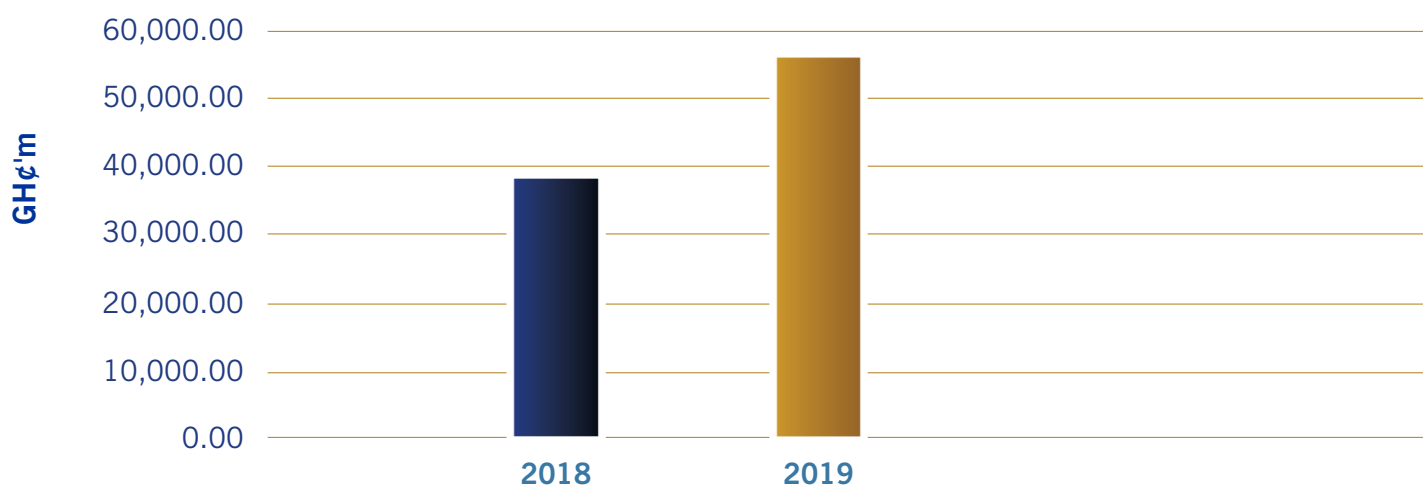
**Chart 7: Interest Proceeds (GH¢'m) Generated by the CSD per Issuer (2018 & 2019)**

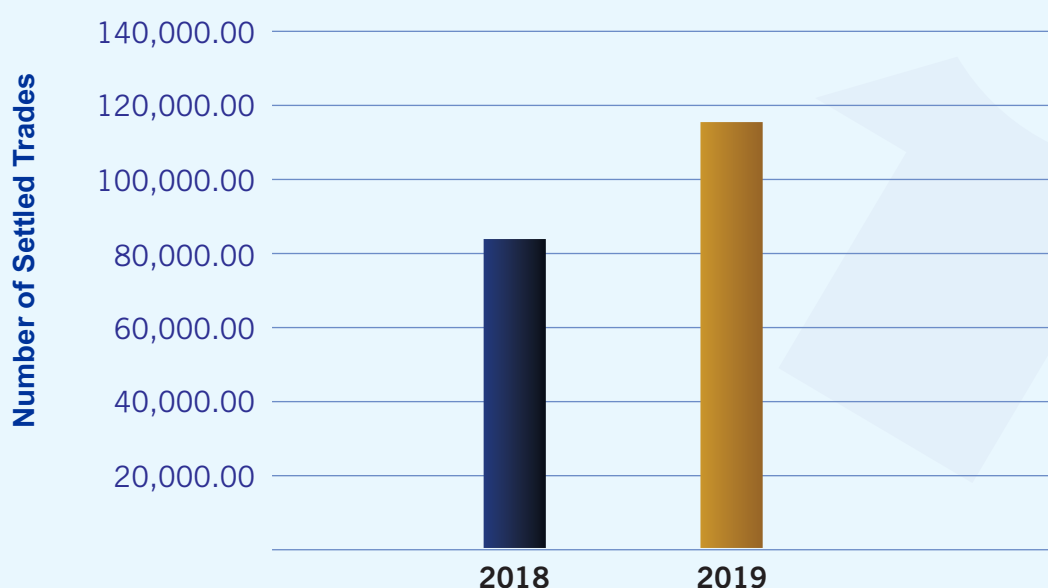
### Settlement of Secondary Trades for Debt Securities

There was a 43.8% increase in the total number of secondary trades settled in 2019 compared to 2018. Total secondary trades settled by CSD in 2019 was 119,082, compared to 82,820 secondary trades settled in 2018. In monetary terms, the settlement value of these trades increased by 47.1% to GH¢55,715.3 million in 2019, up from GH¢ 37,865.3 million in 2018.

**Table 7: Face Value & Settlement Value (GH¢'m) of Settled Debt Trades (2018 & 2019)**

	2018	2019	% Change
Face Value in GH¢'M	36,009.2	54,360.9	50.96
Settlement Value in GH¢'M	37,865.3	55,715.3	47.14
No. of Transactions	82,820	119,082	43.78

**Chart 8: Settlement Value (GH¢'m) of Settled Debt trades (2018 & 2019)**

**Chart 9: Number of Secondary Market Trades Settled by CSD (2018 & 2019)****Distribution of Settled Debt Trades by Domestic and Foreign Investors**

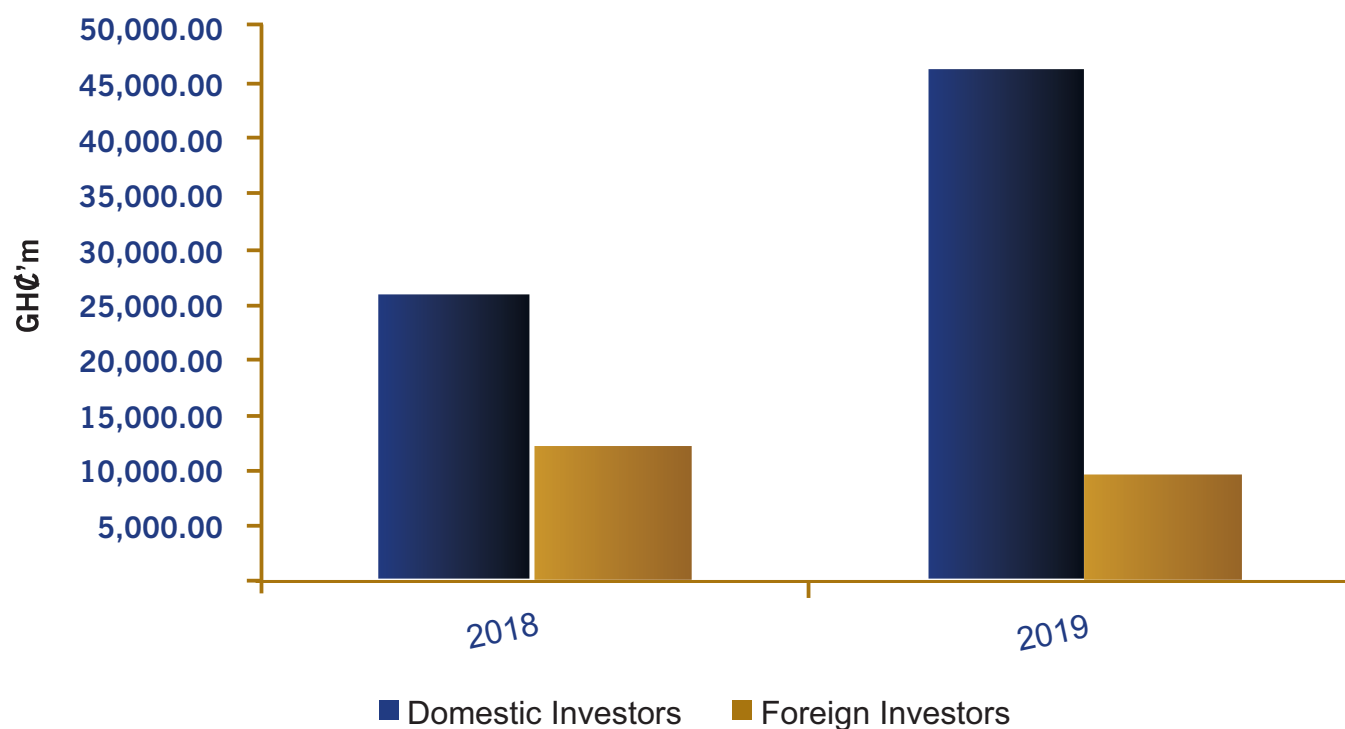
Settlement of both buy and sell sides of secondary market trades were dominated by activities of domestic investors in 2019.

On the buy side, domestic investors purchased GH¢ 45,970.4 million or 77.9% of the GH¢ 55,715.3 million securities settled in 2019 as against an amount of GH¢ 9,744.9 million or about 17.5% purchased by foreign investors. Between the two years, the value of securities purchased by domestic investors increased by 82.5% while purchases by foreign investors declined by 19.1%.

On the sell side, domestic investors accounted for GH¢ 44,498.0 million, out of the overall settlement amount of GH¢ 55,715.3 million settled in 2019 and foreign investors sold GH¢ 11,217.3 million. There was an increase of 63.5% in the value of securities sold by domestic investors between 2018 and 2019, while sales by foreign investors increased by 5.4% in the same period.

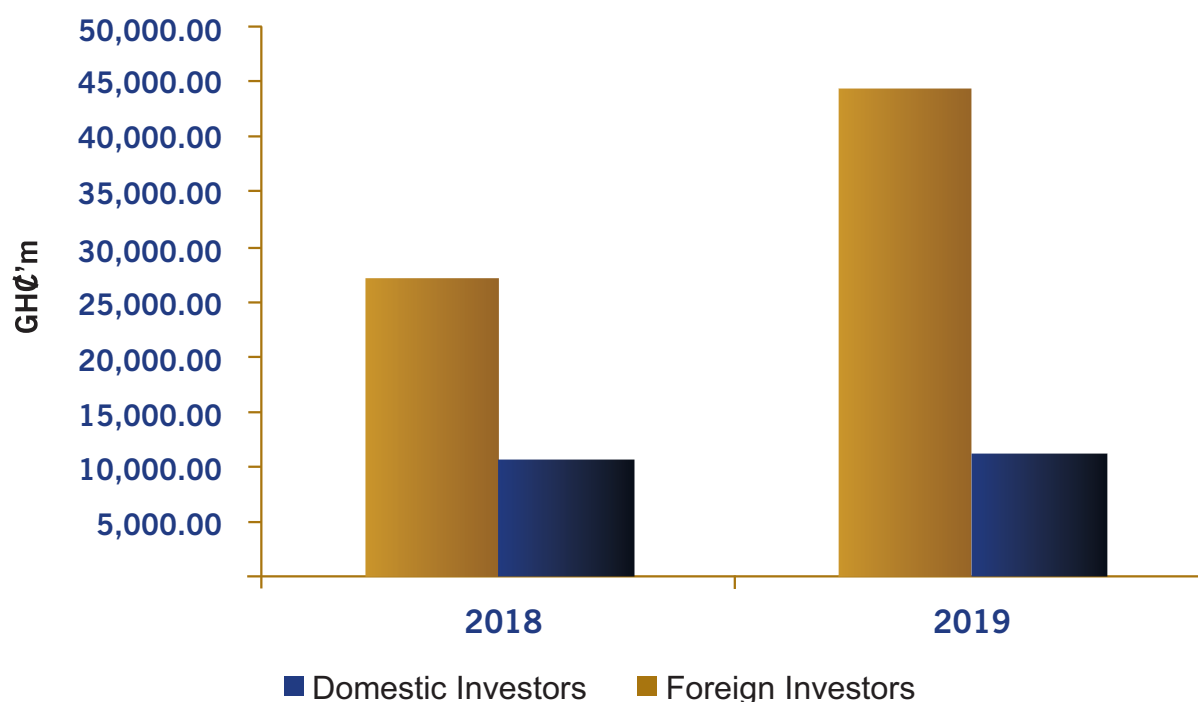
**Table 8: Distribution of Settled Debt Trades Purchased by Domestic and Foreign Investors (2018 & 2019)**

Investor Type	2018	2019	% Change	2018	2019
	Settlement Value in GH¢'m			No. of Trades	
Domestic Investors	25,838.7	45,970.4	77.91	79,706	116,790
Foreign Investors	12,026.6	9,744.9	(18.97 )	3,114	2,292
<b>Total</b>	<b>37,865.3</b>	<b>55,715.3</b>	<b>47.14</b>	<b>82,820</b>	<b>119,082</b>

**Chart 10: Distribution of Settled Debt Trades (GH¢'m) Purchased by Investors (2018-2019)****Table 9: Distribution of Settled Debt Trades Sold by Domestic and Foreign Investors, (2018 & 2019)**

Investor Type	2018	2019	% Change	2018	2019
	Settlement Value in GH¢'m			No. of Trades	
Domestic Investors	27,225.0	44,498.0	63.45	79,945	117,24
Foreign Investors	10,640.3	11,217.3	5.42	2,875	81,834
Total	37,865.3	55,715.3	47.14	82,820	119,082

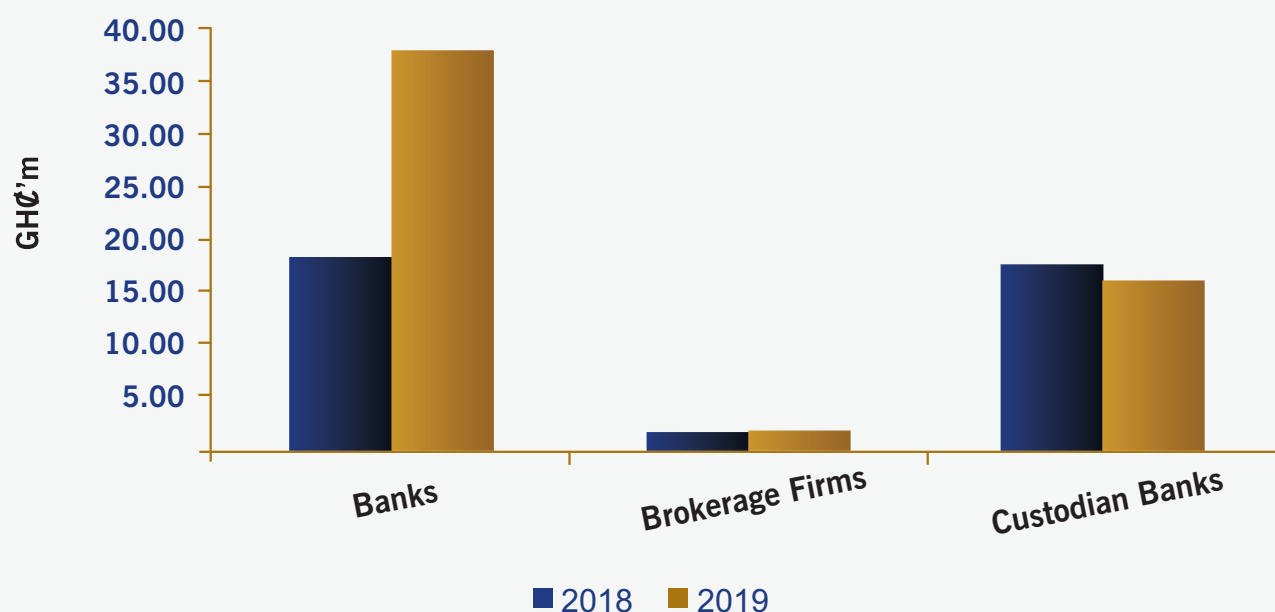
**Chart 11: Distribution of Settled Debt Trades (GH¢'m) Sold by Domestic and Foreign Investors (2018 & 2019)**



#### Settlement activities of the DPs

The banks were the dominant DPs on the secondary market, compared to the brokers and custodian banks. On the buy side of the secondary market, an amount of GH¢ 37,969.9 billion purchased securities was settled through the banks, GH¢ 1,669.2 million purchased securities was also settled by the brokerage firms and GH¢15,605.0 million of the purchased securities was settled by the Custodian Banks.

On the sell side of the secondary market, an amount of GH¢ 41,045.6 million sold securities was settled directly by the banks, brokerage firms settled an amount of GH¢ 1,002.0 million securities which was sold in 2019 and an amount of GH¢ 13,667.7million sold securities were settled by the custodian banks.

**Chart 12: Distribution of Settled Debt Trades Purchased by DP Type (2018 & 2019)****Table 10: Distribution of Settled Debt Trades Purchased by DP Type (2018 & 2019)**

DP Type	2018		2019		2018 & 2019
	GH¢'m		GH¢'m		% Change in Settlement Value
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	17,237.9	18,404.3	37,112.5	37,969.9	106.31
Brokerage Firms	1,631.1	1,678.1	1,643.4	1,669.2	(0.53 )
Custodian Banks	17,140.3	17,782.9	15,605.0	16,076.2	(9.60 )
Total	36,009.2	37,865.3	54,360.9	55,715.3	47.14

Chart 13: Distribution of Settled Debt Trades Sold under DP Type (2018 &amp; 2019)

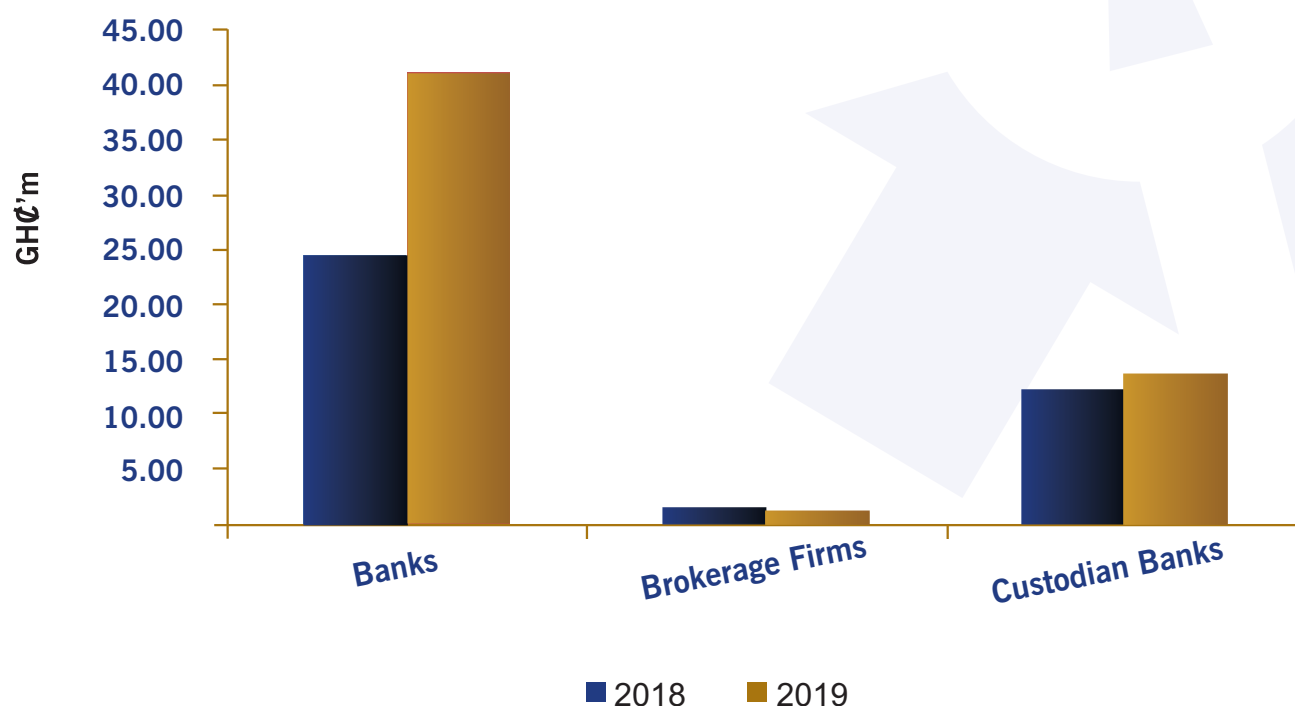
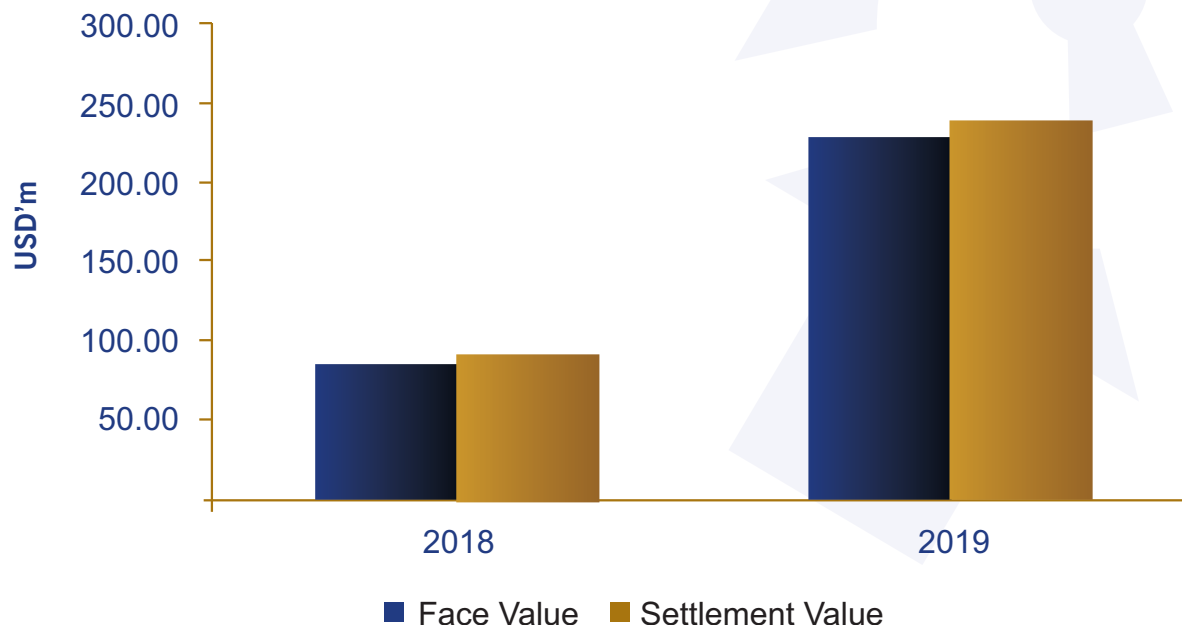


Table 11: Distribution of Settled Debt Trades Sold under DP Type in 2019

DP Type	2018		2019		% Change in Settlement Value
	GH¢'m		GH¢'m		
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	23,230.8	24,428.4	40,129.1	41,045.6	68.02
Brokerage Firms	1,262.1	1,308.4	975.6	1,002.0	(23.42 )
Custodian Banks	11,516.4	12,128.6	13,256.2	13,667.7	12.69
Total	36,009.2	37,865.3	54,360.9	55,715.3	47.14

#### Settlement Value of trades in Government Dollar Denominated Securities

The Depository settled 198 trades in dollar-denominated domestic debt securities in 2019 compared to 188 trades settled in 2018. The value of the trades increased from US\$ 90.6 million in 2018 to US\$ 238.3 million in 2019, an increase of 168%.

**Chart 14: Settlement Value (US\$m) of Settled Trades in GoG Domestic Dollar Bond (2018 & 2019)****Settlement of Repurchase Agreement Transactions (Collateral Borrowing/Lending)**

The number of repo transactions settled by CSD increased by 9.8% from 5,427 in 2018 to 5,957 in 2019. The settlement value of all the repo transactions also increased by 25.8% to GH¢ 201,605.3 million in 2019 from GH¢ 160,234.0 million in 2018.

**Table 12: Settled Repo Transactions (GH¢'m) by the CSD (2018 & 2019)**

	2018	2019	% Change
Repo Value in GH¢'m	160,234.0	201,605.3	25.81
Collateral Value in GH¢'m	161,529.3	204,385.8	26.53
No. of Transaction	5,427	5,957	9.77

Chart 15: Settlement (GH¢'m) of Repo Transactions by the CSD (2018 &amp; 2019)

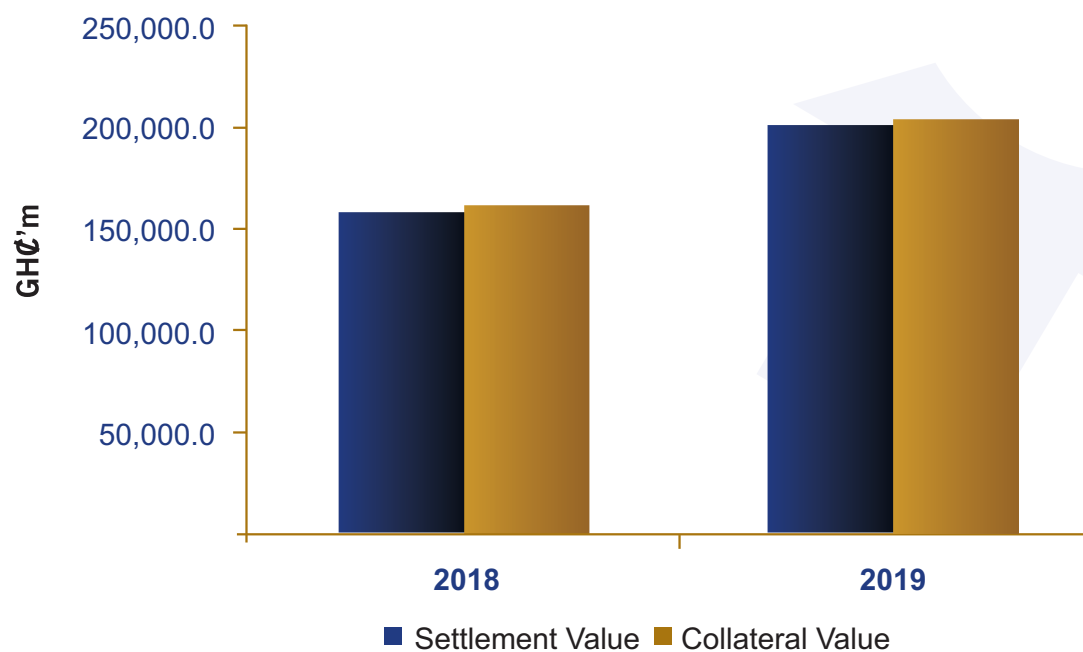
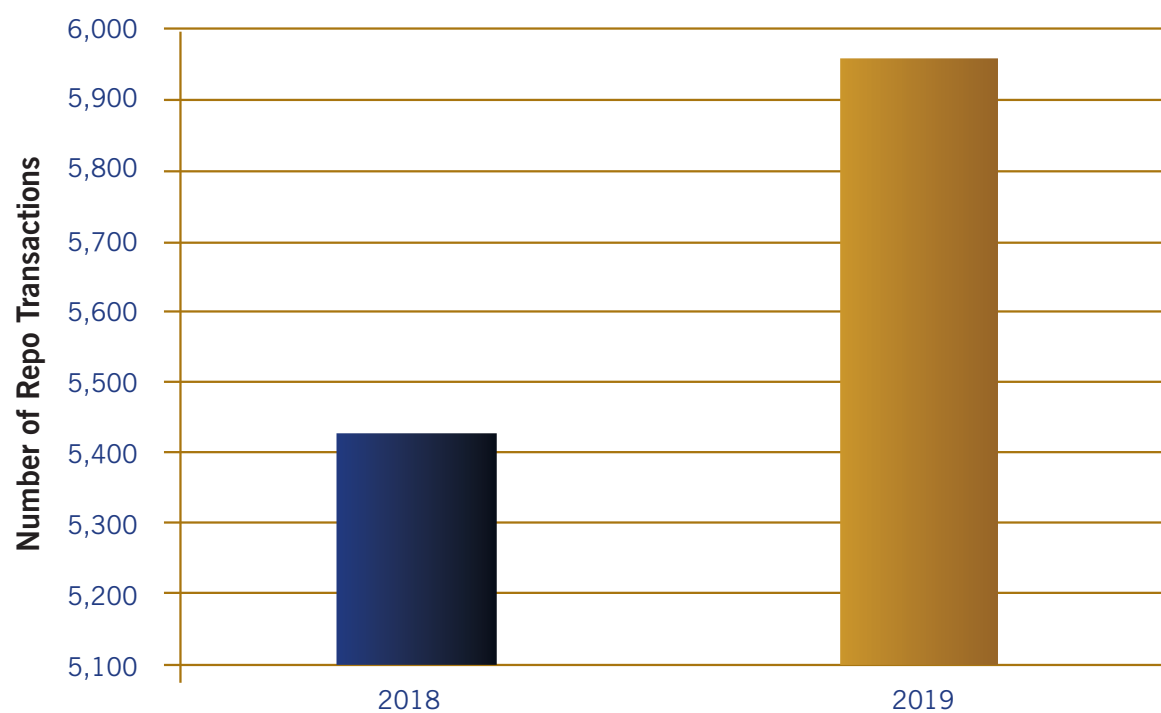


Chart 16: Number of Repo Transaction (2018 &amp; 2019)



## Repo Transactions settled by Type of DPs

Out of GH¢ 201.6 billion repo settlement carried out in 2019, GH¢ 119.5 billion (59.4%) were transactions settled among the commercial banks. Bank of Ghana repo transactions with the commercial banks in 2019 totalled GH¢64.6 billion or 32.0% percent of the overall value of repo transactions. SSNIT repo deals with commercial banks amounted to GH¢17.5 billion forming 8.7% of the overall repo amount.

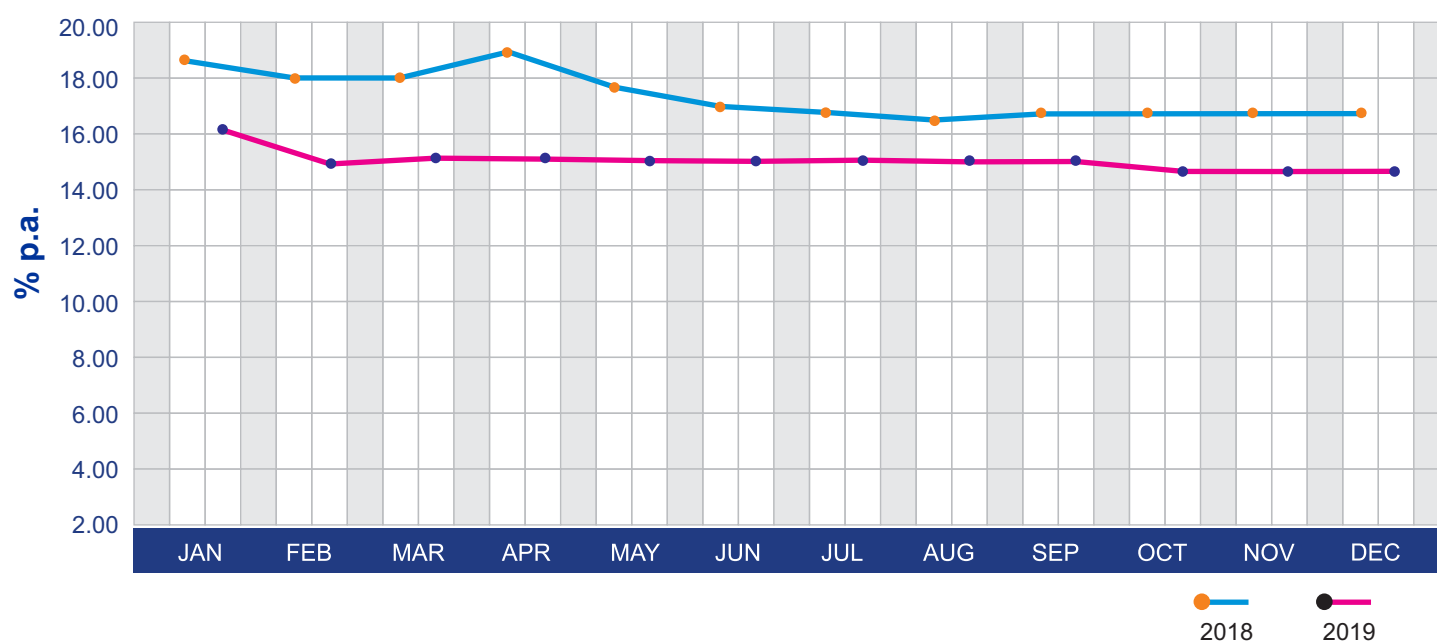
**Table 13: Distribution of Repo Transactions Settled by Type of DP in 2019**

Member Type		Repo Value		Collateral Value		Number of Transactions		Average Repo Rates (%P.A)
Lender of Cash	Borrower of Cash	(Gh¢m)	% of total	(Gh¢m)	% of total	Counts	% of total	
Bank of Ghana	Commercial Banks	64,594.9	32.04	65,208.3	31.90	977	16.40	17.07
Commercial Banks	Commercial Banks	119,484.4	59.27	121,427.8	59.41	3,763	63.17	15.31
SSNIT	Commercial Banks	17,526.0	8.69	17,749.7	8.68	1217	20.43	14.61
<b>Total</b>		<b>201,605.3</b>	<b>100.00</b>	<b>204,385.8</b>	<b>100.00</b>	<b>5,957</b>	<b>100.00</b>	<b>N/A</b>

## Repo Rates

Compared to 2018 the annual average repo rate dropped from 17.17% p.a. in 2018 to 15.41% p.a. in 2019. There was a persistent fall in the monthly average repo rate from 15.43% p.a. in March, 2019 through to 15.23% p.a. in December, 2019.

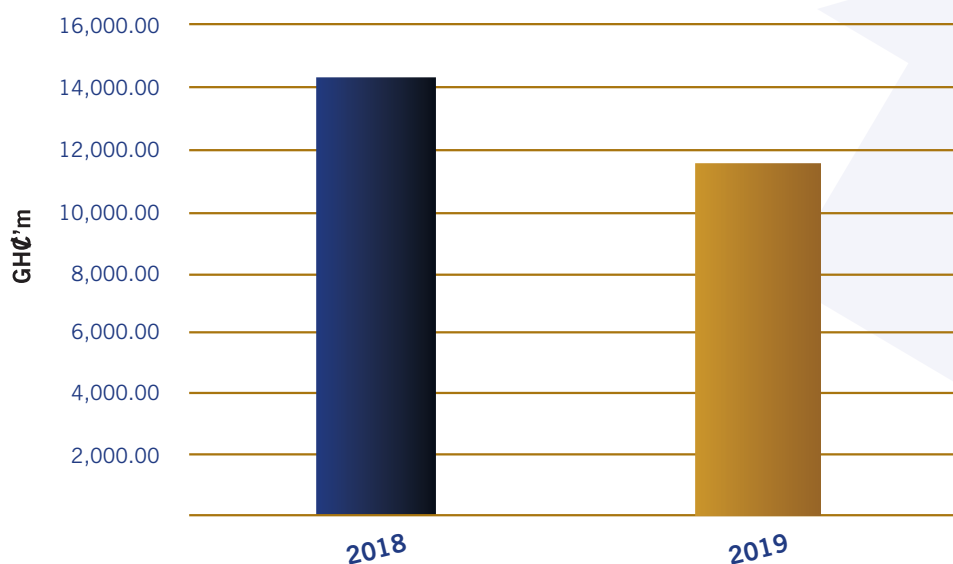
**Chart 17: Monthly Average Repo Rates % p.a. (2018 & 2019)**



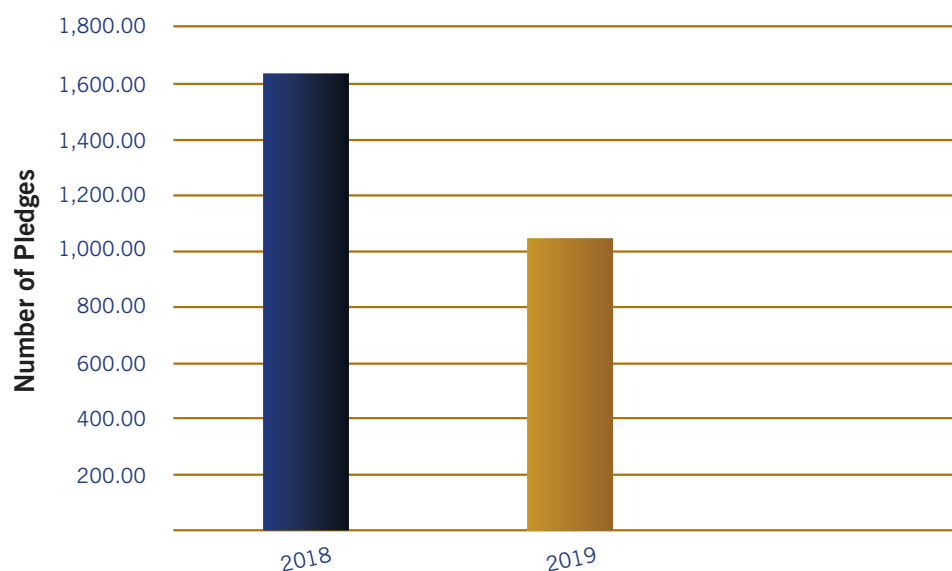
### Pledging of Debt Securities

A total of 1,042 pledge transactions were carried out in 2019 down from 1,637 in 2018. There was also a reduction in the size of the face value of securities used in the pledge transactions by 18.5% to GH¢11.605 million in 2019.

**Chart 18: Face Value (GH¢) of Debt Securities Pledged by Investors (2018 & 2019)**



**Chart 19: Number of Pledge Transactions (2018 & 2019)**

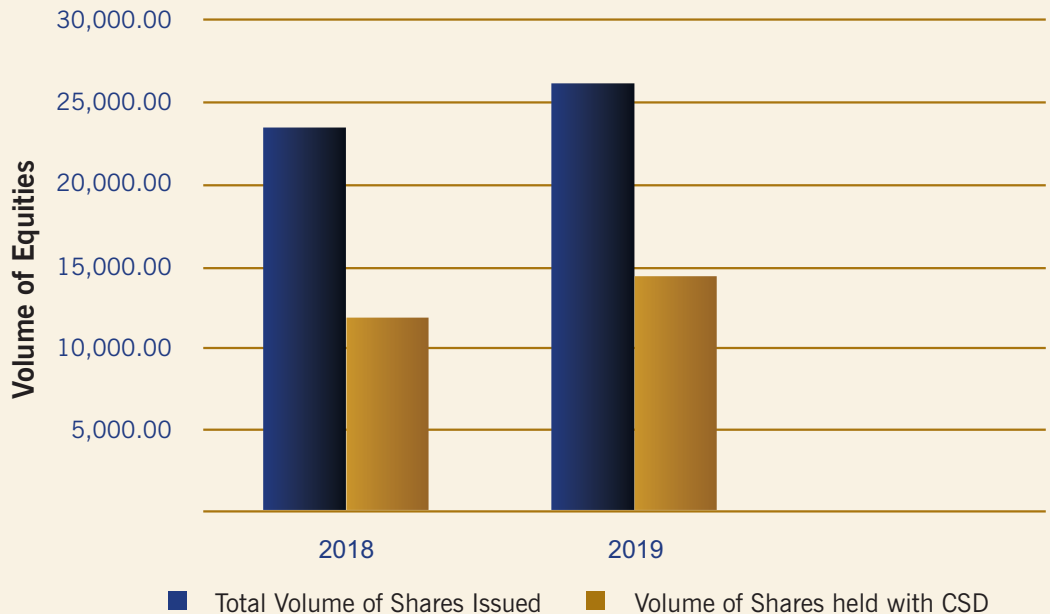


### Volume of Equities in the Depository

The volume of equities held with the depository increased by 22.5% from 11,743.8 million in 2018 to 14,384.5 million equities in 2019. Out of the total volume of equities held with the depository in 2019, foreign investors held 6,921.7 million or 48.1% with domestic investors holding 7,462.8 million or 51.9%.

*(Refer to Table 3a in the appendix for detailed information on the volume of shares held in custody by the CSD in 2019).*

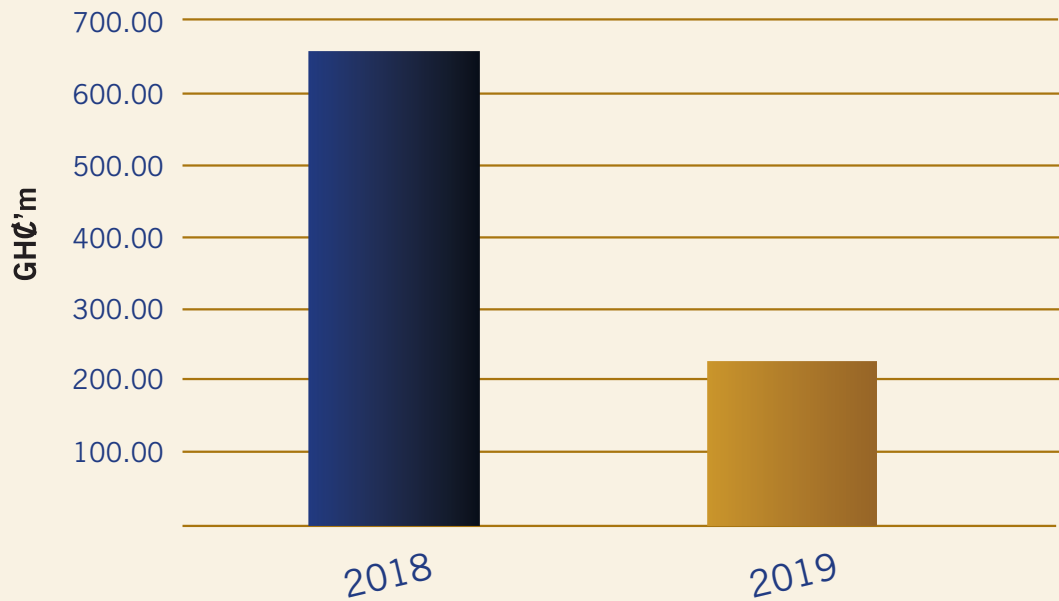
**Chart 20: Volume of Issued Equities held with the CSD (2018 & 2019)**

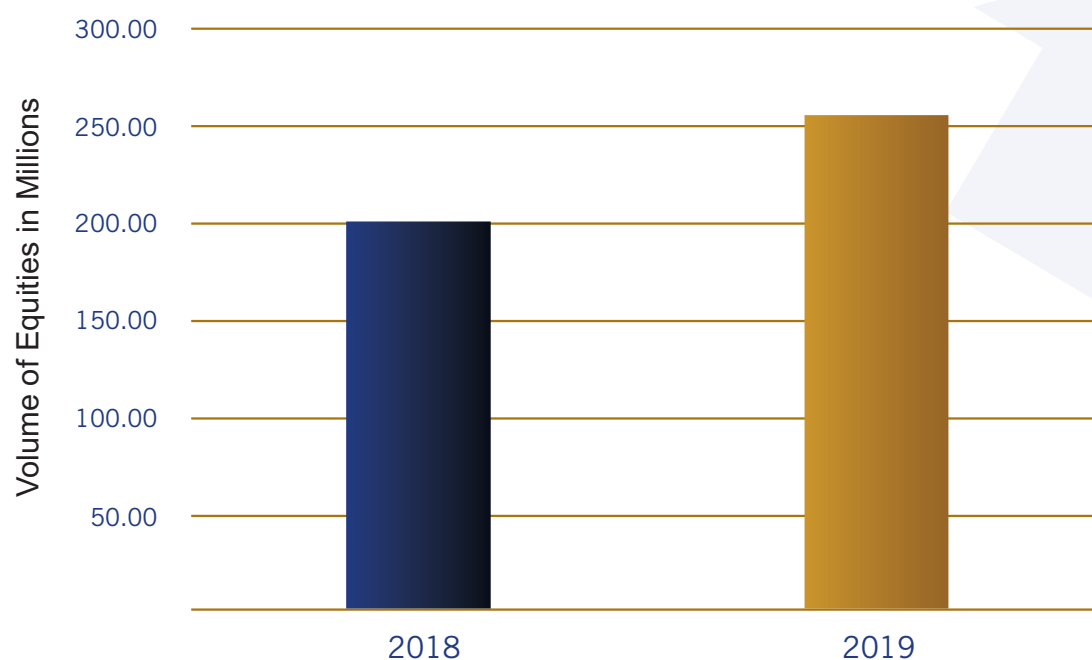
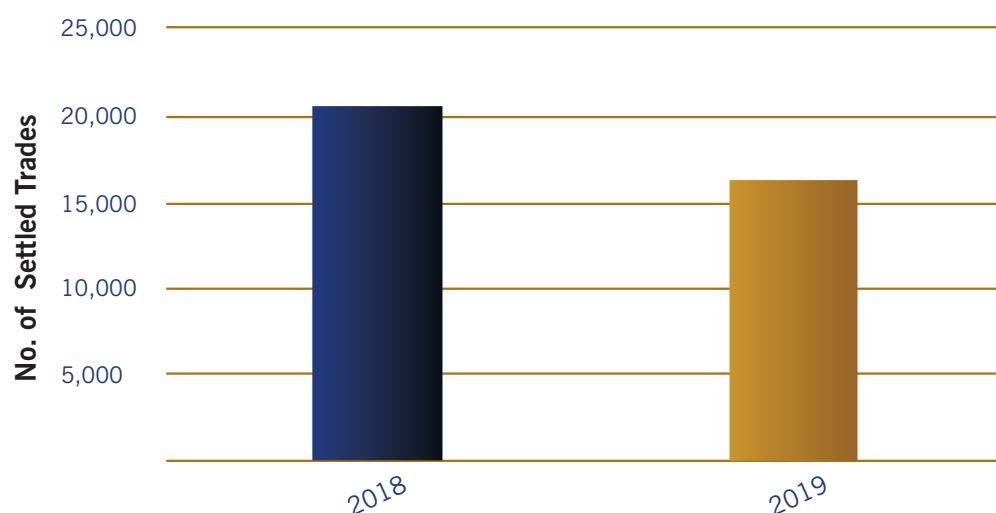


**Clearing and Settlement of Equity Trades**

The number of equity trades settled by CSD decreased by 20.1% from 20,406 transaction in 2018 to 16,241 trades in 2019. In monetary value terms equity trades settled declined by 64.9% from GH¢ 658.3 million in 2018 to GH¢ 231.1 million in 2019. and in terms of volume - number of shares - of equity trades settled by the CSD recorded an upward movement from 198.6 million shares in 2018 to 254.8 million shares in 2019.

**Chart 21: Settlement Value (GH¢'m) of Equity Trades Settled by CSD (2018 & 2019)**



**Chart 22: Volume of Equity Trades Settled by CSD (2018 & 2019)****Chart 23: Number of Equity Trades settled by CSD (2018 & 2019)****Settled Equity Trades Purchased and Sold under DP and Investor Types**

On the buy side of secondary market trades, foreign investors purchased GH¢164.9 million of securities in 2019, a decline of 59.9 % compared to 2018. The value of equity trades purchased and settled by domestic investors was GH¢66.1 million, a decline of 73.6% over the same period.

On the sell side of the secondary market trades, foreign investors sold GH¢ 176.8 million securities whilst domestic investors sold GH¢ 54.3 million securities 2019. The value of equity securities sold by foreign investors decreased by 11.2% between 2018 and 2019, and securities sold by domestic investors declined by 90.7% over the same period.

Chart 24: Distribution of Settled Equity Trades Purchased by Investor Types (2018 & 2019)

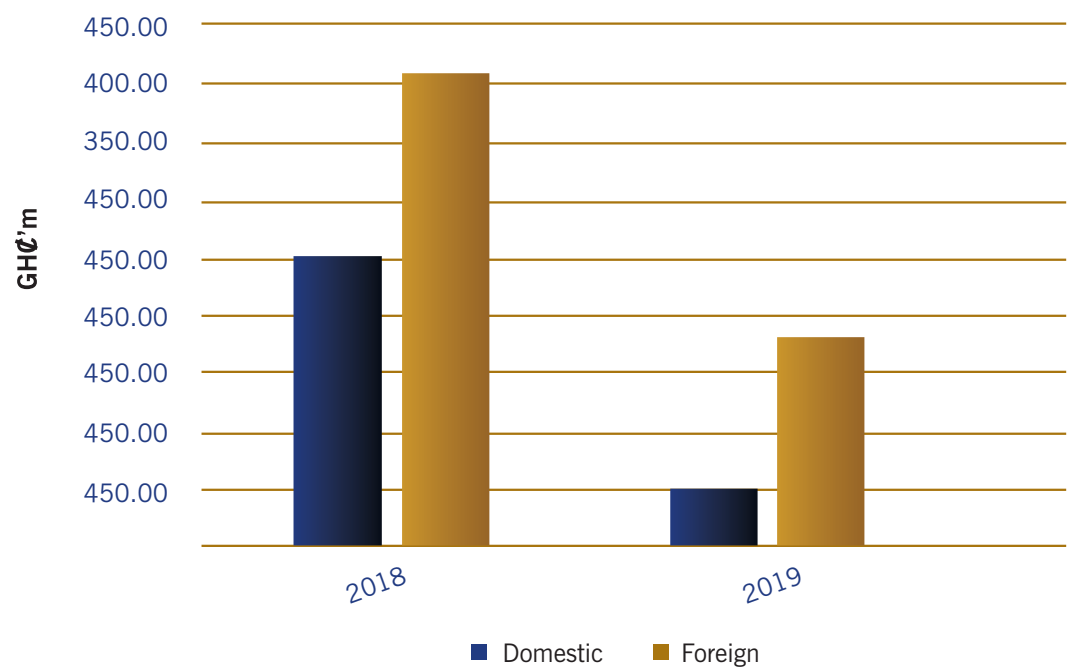
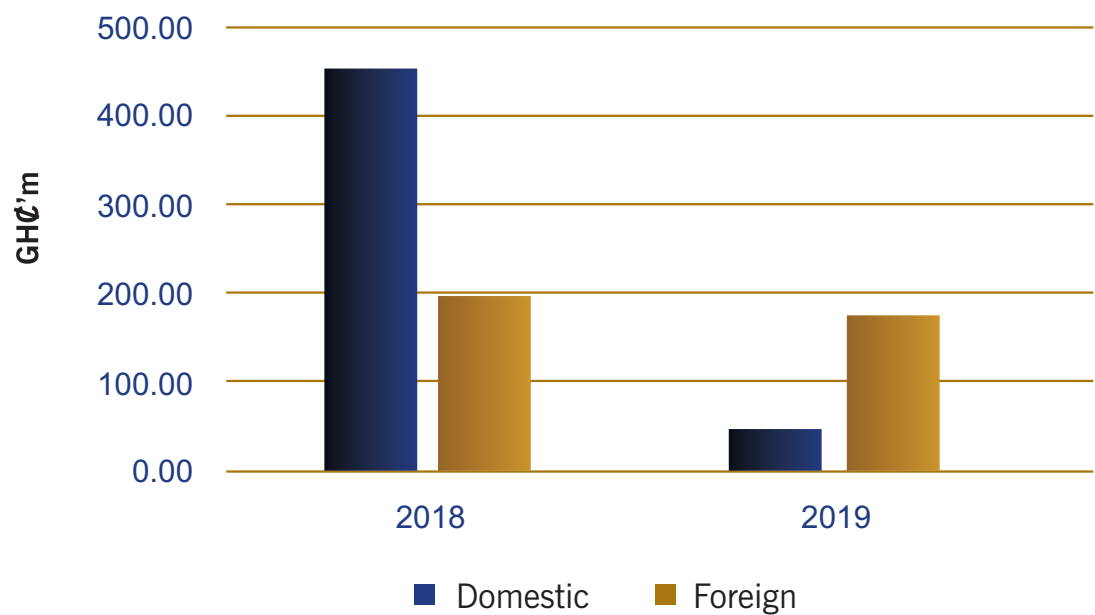


Chart 25: Distribution of Settled Equity Trades sold by Investor Types (2018 & 2019)



# Appendix

## Lists of Depository Participants (DPs)

### COMMERCIAL BANKS/ARB APEX BANK

- Access Bank (Ghana) Plc
- ADB Bank Ltd.
- ABSA Bank Ghana Limited
- Bank of Africa Ghana Limited
- Cal Bank Ltd
- Consolidated Bank Ghana Limited
- Ecobank Ghana Ltd.
- FBN Bank (Ghana) Ltd
- Fidelity Bank Ghana Ltd
- First Atlantic Bank Ltd
- First National Bank (Ghana) Limited
- GCB Bank Ltd.
- Guarantee Trust Bank Ghana Ltd
- National Investment Bank Ltd
- OmniBSIC Bank Limited
- Prudential Bank Ltd
- Republic Bank (Ghana) Limited
- Societe Generale (Ghana) Limited
- Stanbic Bank (Ghana) Ltd
- Standard Chartered Bank (Ghana) Limited
- United Bank for Africa (Ghana) Limited
- Universal Merchant Bank Limited
- Zenith Bank (Ghana) Ltd

### CUSTODIAN BANKS

- Access Bank Custody Services
- ADB Bank Custody Services
- Cal Bank Custody Services
- Ecobank Custody Services
- Fidelity Custody Services
- First Atlantic Bank Limited Custody Services
- Guaranty Trust Bank Custody Services
- GCB Bank Custody Services
- Prudential Bank Custody Services
- Republic Bank Custody Services
- Securities Services –Standard Chartered Bank
- Societe General (Ghana) Limited Custody Services
- Stanbic Bank Custody Services
- Universal Merchant Bank Custody
- Zenith Bank Custody Services

### BROKERAGE FIRMS

- African Alliance Securities Gh. Ltd.
- BlackStar Brokerage Ltd.
- Bullion Securities Ltd.
- Cal Brokers Ltd.
- CDH Securities Ltd.
- Chapel Hill Denham Securities (Gh) Ltd
- Databank Brokerage Ltd.
- EDC Stockbrokers Ltd.
- First Atlantic Brokers Ltd
- FirstBanc Brokerage Services Limited
- GFX Brokers
- Teak Tree Brokerage Limited (previously Gold Coast Securities)
- IC Securities (Ghana) Limited.
- Liberty Capital Gh. Ltd.
- Merban Stockbrokers Ltd.
- NTHC Securities Ltd.
- Prudential Securities Ltd.
- Republic Securities (GH) Limited
- SBG Securities (Gh) Limited
- Serengeti Capital Markets Limited
- SIC Brokerage Limited
- Strategic African Securities Limited
- Worldwide Securities Limited.

### INVESTMENT ADVISERS

- UMB-Investment Holdings Ltd.
- IFS Capital Management Limited

### OTHERS

- ARB Apex Bank Ltd
- Bank of Ghana
- Social Security and National Insurance Trust (SSNIT)

# Lists of Issuers in the Depository System

## Debt Securities

The Depository holds debt instruments issued by the following fourteen Institutions.

- Afb Plc.
- ABSA Bank Ghana Limited
- Bond Savings and Loans Ltd.
- Izwe Savings and Loans PLC.
- Bayport Financial Services Ltd.
- Dalex Financial Services
- Edendale Properties Plc.
- Government of Ghana
- Bank of Ghana10Cocobod
- Energy Sector Petroleum Levy Acts (ESLA)
- Ghana Home Loans Ltd.
- Produce Buying Company
- Quantum Terminal Ltd

- Trust Bank Ltd ( The Gambia)
- Tullow Oil PLC
- Unilever Ghana Ltd

## Unlisted Equities

- Accra Brewery Ltd
- Accra Hearts of Oak Ltd
- CFAO Ghana Ltd

## Registrars

There are four institutions operating as Registrars for issued shares in the equity market of Ghana. Registrars for each of the issued shares are listed below.

## Equity Securities

The Depository held both listed and unlisted equities issued by the following Institutions.

### Listed Equities on the Ghana Stock Exchange (GSE)

- ADB Bank
- Access Bank
- Aluworks Ltd
- AngloGold Ashanti Depository Shares
- AngloGold Ashanti Ltd
- Ayrton Drug Manufacturing Ltd.
- Benso Oil Palm Plantation
- CAL Bank Ltd9Camelot Gh. Ltd
- Cocoa Processing Company Ltd
- DigiCut Production
- Ecobank Gh. Ltd
- Ecobank Transnational Inc.
- Enterprise Group Ltd
- Fan Milk Ltd
- GCB Bank Ltd.
- Ghana Oil Company Ltd
- Golden Star Resources Ltd
- Guinness Ghana Breweries Ltd
- Republic Bank Ltd
- Hords Ltd.
- Intravenous Infusions Ltd
- Mechanical Llyod Company Ltd
- Mega African Capital Ltd.
- Meridian Marshall
- NewGold Issuer Ltd
- Produce Buying Company Ltd
- PZ Cussons Gh. Ltd
- Sam Woode Ltd
- Samba Food
- SIC Insurance Company Ltd
- Societe General Gh. Ltd
- Standard Chartered Bank Gh. Ltd
- Starwin Products Ltd
- Total Petroleum Gh. Ltd

### CSD Registrar

- Access Bank Limited
- Agricultural Development Bank (ADB)
- Cal Bank Ghana
- DigiCut Production & Advertising Limited (DPA)
- Hords Limited
- Mega Africa Company (MAC)
- Meridian-Marshalls Holdings (MMH)
- NewGold Limited (GLD)
- Scancom Limited (MTN)
- Tullow Oil Plc (TLW)

### GCB Registrar

- Ecobank Ghana Limited
- Ecobank Transnational Inc.
- GCB Bank Limited
- GSR Ordinary Shares
- Intravenous Infusions Limited
- Standard Chartered Bank Ghana (Ordinary Shares)
- Standard Chartered Bank Ghana (Preference Shares)

### NTHC Registrar

- AngloGold Asanti Depository Shares (AADS)
- AngloGold Asanti Limited (AGA)
- Ayrton Limited (AYRTON)
- Benso Oil Palm Plantation (BOPP)
- Clydestone (Ghana ) Limited (CLYD)
- Cocoa Processing Company Limited (CPC)
- Enterprise Group Limited (EGL)
- Fan Milk Limited (FML)
- Ghana Oil Company Limited
- Pioneer Kitchenware Limited (PKL)
- Produce Buying Company Limited (PBC)
- Sam Woode Limited (SWL)

- Societe Genrale (Ghana) Limited (SOGEGH)
- Starwin Products Limited (SPL)
- State Insurance Company Limited (SIC)
- Transaction Solutions (Ghana) Limited (TRANSOL)

### UMB Registrar

- Aluworks Ltd (ALW)
- Camelot Ghana Ltd (CMLT)
- Guinness Ghana Breweries Ltd (GGBL)
- Mechanical Llyod Company Plc (MLC)
- Pz Cussons Ghana Ltd (PZC)
- Republic Bank Ghana Ltd (HFC)
- Samba Foods Ltd (SAMBA)
- Total Petroleum Ghana Ltd (TOTAL)
- Trust Bank (Gambia) Ltd (TBL)
- Unilever Ghana Ltd (UNIL)

**Table 1a: Distribution of Debt Securities Issued by Issuer and Tenor (2018-2019)**

Issuer	Security Tenor	Issuer Code	Jan-Dec, 2018		Jan-Dec, 2019	
			Face Value (GH¢)	No. of Times Issued	Face Value (GH¢)	No. of Times Issued
Corporate Firms	14 -91 Day NCD	BBG	546,219,232	175	203,173,272	96
	182 Day	BBG	83,365,712	14	214,678,656	59
	364 Day	BBG			2,041,800	3
	1 Year	BOSL			7,500,000	2
	1 Year	BBG	22,197,824	8	110,000	1
	1 Year	PBC	80,000,000	1	-	-
	2 Year	DFL	39,964,400	1	-	-
	3 Year	EPL	16,000,000	2	-	-
	3 Year	BFS	20,000,000	1	30,000,000	1
	3 Year	ILL	9,000,000	1	-	-
	5 Year	BFS	-	-	30,000,000	1
	5 Year	AFB	82,609,600	2	23,000,000	2
	6 Year	AFB	30,000,000	1	15,000,000	1
	7 Year	AFB	48,800,000	3	-	-
	7 Year	ESLA	-	-	-	-
	10 Year	ESLA	-	-	1,000,000,000	1
	3 Year	BOSL	58,116,000	3	18,000,000	2
	3 Year	BOSL	30,000,000	2	30,000,000	1
	5 Year	BOSL			866,000	1
	5 Year	GHL	-	-	10,000,000	2
<b>Sub Total</b>			<b>1,066,272,768</b>	<b>214</b>	<b>1,584,369,728</b>	<b>173</b>
Cocobod	182 Day	CMB	5,536,373,028	11	12,514,040,695	22
	1 Year	CMB	2,551,161,000	5	-	-
<b>Sub Total</b>			<b>8,087,534,028</b>	<b>16</b>	<b>12,514,040,695</b>	<b>22</b>
Bank of Ghana	14 Day	BoG	53,842,149,860	41	74,535,177,724	52
	56 Day	BoG	31,909,355,512	58	8,824,801,512	46
	1 Year	BoG	713,409,809	2	821,974,440	1
<b>Sub Total</b>			<b>86,464,915,181</b>	<b>101</b>	<b>84,181,953,676</b>	<b>99</b>

Issuer	Security Tenor	Issuer Code	Jan-Dec, 2018		Jan-Dec, 2019	
			Face Value (GH¢)	No. of Times Issued	Face Value (GH¢)	No. of Times Issued
Government of Ghana	91 Day	GoG	20,860,497,126	53	26,708,465,592	52
	182 Day	GoG	6,250,828,412	53	6,384,461,232	52
	364 Day	GoG	-	-	3,840,940,462	18
	1 Year	GoG	3,649,773,493	22	1,704,159,100	9
	2 Year	GoG	4,242,640,604	8	4,314,533,009	6
	3 Year	GoG	4,080,576,222	5	1,240,316,602	2
	5 Year	GoG	1,990,189,500	1	1,804,310,695	2
	6 Year	GoG	-	-	370,308,430	1
	10 Year	GoG	477,596,000	1	503,948,542	1
	15 Year	GoG	-	-	423,755,500	1
	20 Year	GoG			162,131,557	1
Sub Total			41,552,101,357	143	47,457,330,721	145
Over all Total			137,170,823,334	474	145,737,694,820	439

**Table 2a: Distribution of Outstanding Debt Stocks by Security Tenor, Issuer and Client Type as at December 2019.**

Issuer CODE	Tenor of Security	CLIENT TYPE									Total (GH¢)
		Bank of Ghana (GH¢)	Commercial Bank (GH¢)	Firms / Inst (GH¢)	Insurance Co. (GH¢)	Foreign Investors (GH¢)	Rural Banks (GH¢)	SSNIT (GH¢)	Pension (GH¢)	Others (GH¢)	
BOG	2 WK BOG BILL	-	2,825,553,076	-	-	-	-	-	-	-	2,825,553,076
BOG	56 DAY BOG BILL	-	1,191,886,151	-	-	-	-	-	-	-	1,191,886,151
GOG	91 DAY GOG BILL	3,544,382	702,174,616	1,251,821,436	12,050,038	152,347*	331,121,417	1,016,169	-	4,851,545,831	7,153,426,236
BBG	91 DAY BBG BILL	-	-	4,538,000	-	-	-	-	-	-	4,538,000
BBG	180 DAY BBG BILL	-	-	4,777,000	-	-	-	-	-	-	4,777,000
GOG	182 DAY GOG BILL	1,333,000	524,971,048	1,113,431,399	82,595,298	363,802*	137,962,255	1,838,926	-	980,160,637	2,842,656,365
BBG	182 DAY BBG BILL	-	45,000	181,442,319	-	-	-	-	35,302,624	4,040,000	220,829,943
CMB	182 DAY CMB BILL	1,156,160	5,691,337,087	747,838,699	26,913,753	33,401*	434,550	21,076,700	68,603,556	391,530,187	6,948,924,093
BBG	364 DAY BBG BILL	-	-	1,641,800	-	-	-	-	400,000	110,000	2,151,800
GOG	364 DAY GOG BILL	2,032,925	4,034,253,534	1,762,533,341	13,463,087	221,976*	79,880,550	4,844,895	69,212,107	378,450,073	6,344,892,488
GOG	1 YR FXR GOG NOTE	-	-	-	-	1,895,700,680*	-	-	-	-	1,895,700,680
BOG	1 YR FXR BOG NOTE	-	-	-	-	821,974,440*	-	-	-	-	821,974,440
BOSL	1 YR FXR BOSL NOTE	-	-	1,500,000	-	-	-	-	5,500,000	-	7,000,000
GOG	2 YR FXR GOG NOTE	2,130,076	7,583,462,465	3,000,808,736	50,646,719	1,367,481,064	52,628,767	70,404,168	452,529,402	945,969,171	13,526,060,568
GOG	3 YR FXR GOG BOND	102,643,121	4,247,507,135	3,093,832,984	72,350,779	4,307,085,588	69,222,367	35,192,550	546,624,060	455,131,285	12,929,589,869
ILL	3 YR FXR ILL BOND	-	160,000	8,027,410	-	-	-	-	30,000	782,590	9,000,000
ILL	3 YR FLR ILL BOND	-	-	15,794,000	-	-	-	-	635,000	571,000	17,000,000
EPL	3 YR FXR EPL BOND	-	-	8,000,000	-	-	-	-	-	-	8,000,000
BSF	3 YR FLR BFS BOND	-	-	17,225,804	-	-	-	-	1,375,294	250,236	18,851,334
BSF	3 YR FXR BFS BOND	-	-	102,014,800	-	-	-	-	8,306,000	4,670,500	114,991,300
BOSL	3 YR FLR BOSL BOND	-	10,000	11,868,000	-	-	-	-	12,266,000	-	24,144,000
BOSL	3 YR FXR BOSL BOND	-	-	29,805,000	-	-	-	-	8,150,000	35,000	37,990,000
AFB	4 YR FLR AFB BOND	-	-	4,820,000	-	-	-	-	180,000	-	5,000,000
AFB	5 YR FLR AFB BOND	-	-	99,809,400	-	-	-	-	11,001,200	4,383,300	115,193,900
AFB	5 YR FXR AFB BOND	-	-	8,576,077	-	-	-	-	40,000	383,923	9,000,000
BFS	5 YR FXR BFS BOND	-	-	62,223,200	-	8,010,000	-	-	2,131,500	334,960	72,699,660
ILL	5 YR FLR ILL BOND	-	-	16,414,000	-	-	-	-	1,563,000	23,000	18,000,000
ILL	5 YR FXR ILL BOND	-	-	24,552,000	500,000	-	-	-	868,000	80,000	26,000,000
GHL	5 YR FXR GHL BOND	-	-	8,564,000	-	-	-	-	1,000,000	-	9,564,000
BOG	5 YR FXR BOG BOND	53,484,663	628,168,337	14,525,000	2,822,000	-	-	-	-	1,000,000	700,000,000
BOSL	5 YR FXR BOSL BOND	-	-	866,000	-	-	-	-	-	-	866,000
GOG	5 YR FXR GOG BOND	165,329,167	2,771,427,938	2,622,719,667	110,647,155	8,582,489,596	18,051,490	10,000,000	985,938,868	541,347,907	15,807,951,788
DFL	5 YR FXR DFL BOND	-	-	15,281,386	-	-	-	-	1,474,614	700,000	17,456,000
ILL	6 YR FLR ILL BOND	-	-	10,000,000	-	-	-	-	-	-	10,000,000
AFB	6 YR FLR AFB BOND	-	-	51,926,600	-	-	-	-	13,372,000	8,000	65,306,600
GOG	6 YR FXR GOG BOND	10,000	308,969,789	356,018,560	36,925,019	673,088,286	-	-	81,129,336	324,593,826	1,780,734,816
AFB	7 YR FXR AFB BOND	-	-	2,000,000	-	22,000,000	-	-	-	-	24,000,000
AFB	7 YR FLR AFB BOND	-	-	15,822,917	-	-	-	-	7,000	-	15,829,917
GOG	7 YR FXR GOG BOND	-	1,529,186,164	607,992,349	68,344,290	1,944,080,413	3,262,335	17,312,300	282,459,723	128,164,464	4,580,802,038
ESLA	7 YR FXR ESLA BOND	57,028,843	1,110,160,374	595,681,376	35,789,032	29,382,242	-	68,877,285	228,485,726	134,162,058	2,259,566,936
GOG	10 YR FXR GOG BOND	2,434,799	464,134,565	835,071,669	102,693,865	5,330,164,957	-	-	1,811,228,961	119,387,361	8,665,116,177
ESLA	10 YR FXR ESLA BOND	-	1,418,283,318	935,401,011	51,932,317	52,300	-	122,270,000	519,763,179	692,730,939	3,740,433,064
QTL	10 YR FXR QTL BOND	-	-	41,700,000	-	-	-	-	3,300,000	-	45,000,000
GOG	15 YR FXR GOG BOND	250,055,000	446,668,964	163,131,211	27,001,000	4,074,439,079	489,891	-	812,326,960	38,539,456	5,812,651,561
GOG	20 YR FXR GOG BOND	-	92,884,673	31,532,389	-	10,495,000	4,884,923	-	3,643,000	18,691,572	162,131,557
	<b>TOTAL (GH¢)</b>	<b>641,182,136</b>	<b>35,571,244,234</b>	<b>17,881,529,540</b>	<b>694,674,352</b>	<b>29,067,215,171</b>	<b>697,938,545</b>	<b>352,832,993</b>	<b>5,968,847,110</b>	<b>10,017,777,276</b>	<b>100,893,241,357</b>

**Table 3a: Distribution of OTC Trades Cleared and Settled by Issuer and Tenor (2018 – 2019)**

Security Tenor	Issuer Code	Jan-Dec, 2018			Jan-Dec, 2019		
		Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades	Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades
14 Day	BBG	52,302,244	52,302,244	85	4,446,000	4,446,039	17
14 Day	BOG	148,202,948	147,262,240	56	-	-	-
21 Day	BBG	5,000,000	5,000,000	2	-	-	-
30 Day	BBG	88,550,858	88,577,106	108	29284586	29322441	49
31 Day	BBG	-	-	-	950000	950000	4
56 Day	BOG	339,737,971	331,801,331	126	4246602	4199654	4
60 Day	BBG	21,237,020	21,237,136	45	7933800	7934242	30
61 Day	BBG	200,000	200,000	2	3125630	3125630	6
63 Day	BBG	1,100,000	1,100,000	2	-	-	-
91 Day	BBG	317,181,331	317,226,633	546	127080856	127111483	311
91 Day	GOG	1,431,366,997	1,530,266,853	49,543	1671555158	1628679657	61728
180 Day	BBG				4777000	4777000	14
182 Day	BBG	183,120,253	183,209,610	250	251685956	251717445.8	341
182 Day	CMB	1,438,458,435	1,358,712,511	1,768	3348367241	3140498448	6402
182 Day	GOG	391,648,819	846,692,631	10,206	712896932	678583393.1	14288
1 Year FXR	BBG	200,000	200,000	1	110000	110000	1
1 Year FXR	CMB	903,595,032	928,767,942	884	6286422	6641508	17
1 Year FXR	GOG	296,443,957	310,949,790	1,536	81333495	83267808.05	660
364 Day Bill	BBG	-	-	-	2041800	2041800	9
364 Day Bill	GOG	-	-	-	865775474	808305508.4	2947
1 Year FXR	PBC	3,383,128	3,777,192	6	0	0	0
1 Year FLR	EPL	50,000	57,283	1	2445072976	2512761089	1523
2 Year FXR	GOG	5,243,791,741	5,424,259,950	5,008	9571835805	9920214997	10438
3 Year FLR	ILL	-	-	-	755000	789271	1
3 Year FXR	ILL				323780	327083.01	3
3 Year FLR	AFB	30,000	33,309	1	1033000	1071499	2
3 Year FLR	BFS	15,997,531	17,742,422	48	1074100	1092030.08	7
3 Year FXR	BFS	-	-	-	4866859	4968989.56	27
3 Year FLR	BOSL	256,600	271,730	2	937957809	987106090	953
3 Year FLR	BOSL				52000	53758	1
3 Year FXR	GOG	7,440,406,335	7,720,311,247	4,749	6397977871	6636056971	6275
4 Year FLR	AFB				300000	302630	1
5 Year FXR	AFB	3,948,000	4,240,114	11	1252577	1323274	4
5 Year FLR	AFB	-	-	-	314000	335195	2
5 Year FLR	ILL	1,035,000	1,067,317	8	1013000	1023779	5
5 Year FXR	ILL				3420000	3721007.73	3
5 Year FXR	BFS				90400	94902	2
5 Year FLR	BFS	7,500,000	9,185,160	12	7238524	7965756	5
5 Year FXR	DFL	1,082,304	1,126,409	6	0	0	0
5 Year FXR	GOG	8,409,092,204	8,958,260,592	3,663	10538808003	11091299350	6877
5 Year FXR	BOG	-	-	-	85507571	85301217.51	5
6 Year FXR	GOG	-	-	-	2978125706	3232153412	932

**Table 3a: Distribution of OTC Trades Cleared and Settled by Issuer and Tenor (2018 – 2019)**

Security Tenor	Issuer Code	Jan-Dec, 2018			Jan-Dec, 2019		
		Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades	Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades
6 Year FLR	ILL	3,500,000	3,505,298	2	0	0	0
6 Year FLR	AFB	776,900	794,562	1	2341000	2528301	3
7 Year FLR	AFB	6,495,316	7,013,126	8	0	0	0
7 Year FXR	ESLA	1,438,015,046	1,498,333,847	1,619	1377487394	1401692824	1048
7 Year FXR	GOG	1,909,695,056	1,976,842,362	715	3771596629	3829249391	1329
10 Year FXR	ESLA	3,121,688,653	3,160,448,353	1,112	2279508767	2350970917	941
10 Year FXR	GOG	2,708,489,196	2,866,961,160	639	4266891300	4274372472	1264
10 Year FLR	QTL	11,453,839	11,737,827	29	457499250	459519570	131
15 Year FXR	GOG	64,184,790	75,842,553	20	1945586677	1961123106	411
20 Year FXR	GOG	-	-	-	161093263	166149216.8	61
<b>TOTAL</b>		<b>36,009,217,504</b>	<b>37,865,317,841</b>	<b>82,820</b>	<b>54,360,920,213</b>	<b>55,715,280,158</b>	<b>119,082</b>

**Table 4a: Distribution of Listed Shares held in the Depository by Investors as at December 2019.**

Name of Issuer	Share Code	Distribution of Volume of Shares in the CSD			Total Issued Shares		No. of Shareholders per Share in CSD		
		Domestic Investors	Foreign Investors	Quantity in CSD	Issued Quantity	% in CSD	Domestic Investors	Foreign Investors	Total
Anglo Gold Asanti Depository Shares	AADS	1,427,662	21,167	1,448,829	15,844,800	9.14	1,710	13	1,723
Access Bank Limited	ABG	4,895,893	162,735,539	167,631,432	173,947,596	96.37	632	26	658
Agriculture Development Bank	ADB	181,126,928	31,400	181,158,328	261,721,483	69.22	452	4	456
AngloGold Asanti Limited	AGA	239,546	-	239,546	400,877	59.76	27	-	27
Aluworks Ltd	ALW	173,616,461	57,258,779	230,875,240	236,687,001	97.54	1,435	24	1,459
Ayrton Limited	AYRTN	211,087,967	115,260	211,203,227	215,000,000	98.23	1,222	12	1,234
Benso Oil Plan Plantation	BOPP	31,984,466	69,366	32,053,832	34,800,000	92.11	2,670	41	2,711
Cal Bank Ghana	CAL	326,547,545	266,894,148	593,441,693	628,712,525	94.39	9,005	137	9,142
Camelot Ghana Ltd	CMLT	5,154,192	14,411	5,168,603	6,829,276	75.68	191	6	197
Cocoa Processing Company Ltd	CPC	1,964,446,292	1,168,090	1,965,614,382	2,038,074,176	96.44	10,431	36	10,467
Ecobank Ghana Limited	EBG	77,933,236	239,263,086	317,196,322	322,551,209	98.34	5,788	91	5,879
Enterprise Group Limited	EGL	123,754,781	39,191,312	162,946,093	170,827,825	95.39	2,236	62	2,298
Ecobank Transnational Inc.	ETI	1,064,401,467	3,495,008,526	4,559,409,993	4,787,508,128	95.24	11,700	205	11,905
Fan Milk Limited	FML	83,284,261	25,432,123	108,716,384	116,207,288	93.55	2,876	88	2,964
GCB Bank Limited	GCB	171,922,413	52,470,999	224,393,412	265,000,000	84.68	8,790	140	8,930
Guinness Ghana Breweries Ltd	GGBL	35,655,445	265,748,835	301,404,280	307,594,827	97.99	1,623	53	1,676
Ghana Oil Company Ltd	GOIL	357,667,655	18,269,392	375,937,047	391,863,128	95.94	6,606	87	6,693
Golden Star Resources Limited	GSR	11,636	474	12,110	30,196	40.10	431	12	443
Republic Bank Ghana Ltd (HFC)	RBGH	272,943,202	576,279,032	849,222,234	851,966,373	99.68	1,100	28	1,128
Mega Africa Company	MAC	9,241,822	443,092	9,684,914	9,948,576	97.35	95	6	101
Mechanical Llyod Company Plc	MLC	40,225,161	160,512	40,385,673	50,095,925	80.62	953	19	972
Scancom Ltd-MTN (GH)	MTN	575,564,652	1,206,424,378	1,781,989,030	12,290,474,360	14.50	110,911	271	111,182
Produce Buying Company Limited	PBC	429,553,578	10,609,108	440,162,686	480,000,000	91.70	3,242	33	3,275
PZ Cussons Ghana Ltd	PZC	8,431,647	868,513	9,300,160	168,000,000	5.54	957	16	973
Standard Chartered Bank Ghana	SCB	117,872,532	10,394,137	128,266,669	134,758,498	95.18	2,766	75	2,841
State Insurance Company Limited	SIC	148,637,475	35,828,539	184,466,014	195,645,000	94.29	5,585	58	5,643
Societe Genrale (Ghana) Limited	SOGEGH	249,850,677	439,601,045	689,451,722	709,141,367	97.22	9,442	97	9,539
Starwin Products Limited	SPL	208,814,164	298,550	209,112,714	259,864,299	80.47	1,598	16	1,614
Sam Woode Limited	SWL	17,996,599	19,000	18,015,599	21,828,035	82.53	232	3	235
Trust Bank (Gambia) Ltd	TBL	5,718,690	87,916	5,806,606	200,000,000	2.90	373	5	378
Tullow	TLW	2,024,621	18,049	2,042,670	2,043,162	99.98	8,869	41	8,910
Total Petroleum Ghana Ltd	TOTAL	17,004,950	2,920,276	19,925,222	111,874,072	17.81	2,124	49	2,173
Unilever Ghana Ltd	UNIL	5,786,054	10,265,853	16,051,907	62,500,000	25.68	2,197	69	2,266
<b>Sub Total (A)</b>		<b>6,924,823,670</b>	<b>6,917,910,907</b>	<b>13,842,734,573</b>	<b>25,521,740,002</b>	<b>54.24</b>	<b>218,269</b>	<b>1,823</b>	<b>220,092</b>

**Table 4a: Distribution of Listed Shares held in the Depository by Investors as at December 2019.**

Name of Issuer	Share Code	Distribution of Volume of Shares in the CSD			Total Issued Shares		No. of Shareholders per Share in CSD		
		Domestic Investors	Foreign Investors	Quantity in CSD	Issued Quantity	% in CSD	Domestic Investors	Foreign Investors	Total
PREFERENCE SHARE									
Standard Chartered Bank GH. Ltd.	SCBPREF	1,316,308	35,615	1,351,923	17,489,066	7.73	432	6	438
Sub Total (B)		1,316,308	35,615	1,351,923	17,489,066	7.73	432	6	438
COMPANIES LISTED UNDER GAX									
Digicut Production & Advertising	DPA	117,019,871	1,870,750	118,890,621	118,890,621	100.00	269	11	280
HORDS Ltd.	HORDS	114,917,561	30,000	114,947,561	114,947,561	100.00	537	6	543
Meridian Marshalls Holding Company Ltd.	MMH	95,635,066	449,100	96,084,166	96,084,166	100.00	146	9	155
Samba Processed Foods and Spices Ltd.	SAMBA	5,975,126	927	5,976,053	5,976,053	100.00	41	3	44
Intravenous Infusions Ltd.	IIL	203,126,596	1,427,500	204,554,096	226,621,246	90.26	1,298	13	1,311
Sub Total (C)		536,674,220	3,778,277	540,452,497	562,519,647	96.08	2,291	42	2,333
Overall Total (A+B+C)		7,462,814,198	6,921,724,799	14,384,538,993	26,101,748,715	55.11	220,992	1,871	222,863

# Glossary

**Corporate Action:**

Any activity undertaken by the issuer of securities that affects the securities and the holder of the securities.

**Coupon Rate:**

Interest rate stated on notes and bonds.

**Dematerialisation:**

The process of converting paper share certificates into an electronic book entry system.

**Depository Participants (DP):**

Financial institutions, corporations and agencies which act as intermediaries between the CSD and the general investing public.

**Financial Market Infrastructure:**

The channels through which securities and financial transactions are cleared, settled and recorded.

**Primary Dealers:**

Financial institutions approved by Bank of Ghana to participate in the auction of Government of Ghana, Cocoa Board and Bank of Ghana securities at the primary market.

**Primary Market:**

A market that deals with the issuance of new securities. Here securities are purchased directly from the issuer.

**Issuer:**

Signifies government, corporation, or an agency that sells initial securities to the general public.

**Secondary Market:**

Refers to post primary market transactions in the instruments.

**Securities:**

Are financial instruments that represent ownership of an investment such as equities, debts etc.

**Settlement:**

Is the delivery or movement of securities in exchange of fund.

**Settlement Guarantee Fund:**

Is the value of funds and securities set aside to serve as a warranty in the fulfilment of transactions during securities trade.

**Straight through Processing (STP):**

Is an electronic clearing and settlement processing arrangement which allows delivery of securities and payments of funds from one party to another without manual interventions.



# CENTRAL SECURITIES DEPOSITORY (GH) LIMITED

FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2019

# Report of the Board of Directors

We, the Board of Central Securities Depository (GH) Limited (the 'Company'), submit herewith the Annual Report on the state of affairs of the Company for the year ended 31 December 2019.

## Statement of directors' responsibilities

The Directors are responsible for the preparation of the financial statements that give a true and fair view of Central Securities Depository (GH) Limited's financial position at 31 December 2019, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992). In addition, the directors are responsible for the preparation of this directors' report.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act 2019 (Act 992). The directors further accept responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

## Principal activities

The Company is authorised to provide central depository services and registrar services. There was no change in the nature of business of the Company during the year.

## Financial results

The financial results for the year ended 31 December 2019 are set out below:

	2019 (GH¢)	2018 (GH¢)
Profit before tax	16,814,675	10,390,655
to which is deducted income tax charge of	(4,400,205)	(2,824,419)
giving a profit for the year after income tax of	12,414,470	7,566,236
which is added to amount brought forward on income surplus account of	47,453,990	45,794,561
	<b>59,868,460</b>	<b>53,360,797</b>
out of which is deducted dividend of and	(910,000)	(4,130,000)
impact of the adoption of IFRS 9 of	-	(1,776,807)
	<b>58,958,460</b>	<b>47,453,990</b>

### Dividend

The directors have proposed the payment of dividend of GH¢ 0.7 per share amounting to GH¢ 2,450,000 for the year ended 31 December 2019 (2018: GH¢ 0.26 per share amounting to GH¢ 910,000).

### Interest in other body corporates

The Company had no subsidiaries or associate entities during the year or as at year end.

### Corporate social responsibilities

The Company spent a total amount of GH¢28,994 on corporate social responsibilities during the year.

### Audit fee payable

Audit fee payable as at the date of this report is GH¢122,760.

### Directors

The names of the present directors and those who served during the year are listed on page 3. No director had any interest at any time during the year, in any contract of significance, other than a service contract with the Company. No directors had interest in the shares of the Company.

Signature:



**Dr. Maxwell Opoku-Afari**  
Chairman

Date: 9 March 2020

### Company Secretary

Ms Faustina Coleman-Forsen resigned as company secretary on 30 September 2019. Ms Horlali Bodza-Lumor was appointed on 1 October 2019 as the company secretary.

### Capacity of directors

The Company ensures that only fit and proper persons are appointed to the Board. The directors undertake relevant training and capacity building programs to enable them discharge their duties.

### Mission/vision of the company

To be a leading global provider of efficient and reliable post trade services; playing a pivotal role in the financial market in Ghana.

### Ownership structure

The Central Securities Depository (GH) Limited is 70% owned by Bank of Ghana, the central bank of the Republic of Ghana and 30% owned by Ghana Stock Exchange, a company limited by guarantee and incorporated in Ghana to facilitate the trade of securities in Ghana.

### Auditor

The auditor, PricewaterhouseCoopers, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992).

Signature:



**Mr. Yao A. Abalo**  
Director

# Independent Auditor's Report to the Members of Central Securities Depository (GH) Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Central Securities Depository (GH) Limited (the "Company") as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

### What we have audited

We have audited the financial statements of Central Securities Depository (GH) Limited for the year ended 31 December 2019.

### The financial statements comprise:

- Statement of financial position as at 31 December 2019;
  - The statement of comprehensive income for the year then ended;
  - The statement of changes in equity for the year then ended;
  - The statement of cash flows for the year then ended; and
  - The notes to the financial statements, which include a summary of significant accounting policies.
- 

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

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### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key audit matter

### Impairment of trade receivables and investment securities

At 31 December 2019, the Company's gross trade receivable was GH¢ 4,088,108 and gross investment securities was GH¢ 57,138,634.

Expected credit loss of GH¢ 318,627 and GH¢ 8,154,242 respectively was recognised on these financial assets.

The Company recognises impairment losses based on IFRS 9, the determination of which is subjective and judgemental.

Expected credit losses (ECLs) incorporate judgements and assumptions including the identification of significant increases in credit risk and the application of forward-looking information, reflecting management's view of potential future economic environment.

For accounts receivable, the Company uses a provisioning matrix which is adjusted to reflect forward-looking information such as interest rates on Government securities and the Ghana cedi – US Dollar exchange rate. The expected loss rates are based on the aging of outstanding debts and the debtors' payment history. The basis for the determination of the impairment of trade receivable is disclosed in notes 10 and 25.

Investment securities comprise Government securities and fixed deposits. Government securities denominated in Ghana cedi were deemed to have a very low probability of default (PD) and thus no impairment were recognized on these. For fixed deposits with financial institutions, the Bank of Ghana proxy PD of 10% for unrated institutions was used and adjusted to reflect forward-looking information such as interest rates on Government securities, the Ghana cedi – US Dollar exchange rate and inflation. The impairment loss on fixed deposits is disclosed in notes 11 and 25 of the financial statements.

Key judgements and estimates in respect of the timing and measurement of expected credit losses (ECL) include:

- Definition of default and credit impaired assets focusing on both the qualitative and quantitative criteria used by the Company;
- Allocation of assets to stage 1, 2, or 3 using the significant increase in credit risk (SICR) criteria and focusing on both the qualitative and quantitative indicators;
- Accounting interpretations and modelling assumptions used to build the models that calculate the ECL such as the Probability of Default – PD, Exposure At Default – EAD and Loss Given Default – LGD;
- Completeness and accuracy of data used to calculate the ECL;
- Inputs and assumptions used to estimate the impact of multiple economic scenarios such as inflation rate, interest rate and the Ghana Cedi and US Dollar exchange rate;

The accounting policies and critical estimates and judgements set out in notes 2.4 and 3 to the financial statements.

## How our audit addressed the key audit matter

Our audit procedures related to the Company's impairment of trade receivables included the following:

We obtained an understanding of and evaluated controls supporting management's estimate, judgements and assumptions.

We assessed the reasonableness of forward-looking information incorporated into the impairment calculations.

We tested the aged analysis of receivables which was the basis of the provisioning matrix and assessed the reasonableness of the initial loss rate associated with each age bracket.

We re-performed certain model calculations to evaluate the inputs and risk parameter outputs.

We performed back-test procedures for expected credit losses ('ECL') recognised in prior years against actual results.

Our audit procedures related to the Company's impairment of investment securities included the following:

We obtained an understanding of and evaluated controls supporting management's estimate, judgements and assumptions.

We tested the assumptions adopted in staging credit exposures for reasonableness.

We tested data used and assessed the measurement decisions and the ECL models developed by the Company which include challenging management's determination of:

- significant increase in credit risk,
- default, probability of default,
- exposure at default, and
- loss given default.

Reconciled the model data to the underlining accounting records and recomputed the model outputs.

We performed back-test procedures for expected credit losses ('ECL') recognised in prior years against actual results.

## Other information

The directors are responsible for the other information. The other information comprises the Corporate Information and the Report of the Board of Directors but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the Statement on Corporate Governance, Chairman's Statement, Statement of the Chief Executive Officer, 2019 Activities and Market Performance which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Statement on Corporate Governance, Chairman's Statement, Statement of the Chief Executive Officer, 2019 Activities and Market Performance if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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## Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii. In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii. The Company's statement of financial position and the Company's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).

**PricewaterhouseCoopers**  
(ICAG/F/2020/028)  
Chartered Accountants  
Accra, Ghana  
20 March 2020



# Statement of Financial Position

(All amounts are in Ghana cedis)

At 31 December

		2019	2018
<b>Assets</b>	<b>Note</b>		
<b>Non- current assets</b>			
Plant and equipment	7	1,476,045	1,796,308
Intangible assets	8	6,131,780	7,205,907
Right-of-use assets	9	1,785,626	-
		9,393,451	9,002,215
<b>Current assets</b>			
Accounts receivable	10	7,940,308	6,937,994
Investment securities	11	48,984,392	34,101,622
Other assets	12	1,375,075	718,165
Current income tax asset	16	213,268	793,735
Cash and bank balances	13	2,801,002	6,624,469
		61,314,045	49,175,985
		70,707,496	58,178,200
<b>Total assets</b>			
<b>Liabilities</b>			
<b>Non- current liabilities</b>			
Lease liabilities	9	1,908,016	-
Deferred tax liability	15	241,885	189,701
		2,149,901	189,701
<b>Current liabilities</b>			
Accounts payable and accruals	14	5,323,320	6,434,509
Lease liabilities	9	175,815	-
		5,499,135	6,434,509
<b>Total liabilities</b>		<b>7,649,036</b>	<b>6,624,210</b>

<b>Equity</b>			
Stated capital	17	3,500,000	3,500,000
Other reserve	18	600,000	600,000
Retained earnings	19	58,958,460	47,453,990
<b>Total equity</b>		<b>63,058,460</b>	<b>51,553,990</b>
<b>Total liabilities and equity</b>		<b>70,707,496</b>	<b>58,178,200</b>


The financial statements on pages 66 to 100 were approved by the board of directors on 9 March 2020 and signed on its behalf by:

**Signature:**



**Dr. Maxwell Opoku-Afari**  
Chairman

**Signature:**



**Mr. Yao A. Abalo**  
Director

Date: 9 March 2020

The notes on pages 66 to 100 are an integral part of these financial statements.

# Statement of Comprehensive Income

(All amounts are in Ghana cedis)

Year ended at 31 December

	Note	2019	2018
Revenue	20	31,786,851	28,815,948
Other income	21	8,504,907	5,785,277
		40,291,758	34,601,225
Operating expenses	22	(23,106,044)	(24,210,570)
Finance costs	24	(371,039)	-
<b>Profit before tax</b>		16,814,675	10,390,655
Income tax expense	16	(4,400,205)	(2,824,419)
Profit for the year		12,414,470	7,566,236
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>12,414,470</b>	<b>7,566,236</b>

# Statement of Changes in Equity

(All amounts are in Ghana cedis)

Year ended 31 December 2019	Stated Capital	Other Reserved	Retained Earnings	Total
At 1 January 2019	3,500,000	600,000	47,453,990	51,553,990
<b>Comprehensive income:</b>				
Profit for the year	---	---	12,414,470	12,414,470
<b>Total comprehensive income</b>	---	---	12,414,470	12,414,470
<b>Transactions with owners:</b>				
Payment of dividend	---	---	(910,000)	(910,000)
At 31 December 2019	3,500,000	600,000	58,958,460	63,058,460

(All amounts are in Ghana cedis)

Year ended 31 December 2018	Stated Capital	Other Reserved	Retained Earnings	Total
At 1 January 2018	3,500,000	600,000	45,794,561	49,894,561
Changes on initial application of IFRS 9				
- Increase in impairment provisioning	-	-		
Restated balance at 1 January 2018	3,500,000	600,000	(1,776,807)	(1,776,807)
			44,017,754	48,117,754
Comprehensive income:				
<b>Profit for the year</b>	-	-	7,566,236	7,566,236
Total comprehensive income	-	-	7,566,236	7,566,236
Transactions with owners:				
Payment of dividend	-	-		
At 31 December 2018	-	600,000	(4,130,000)	(4,130,000)
	3,500,000		47,453,990	51,553,990

The notes on page 66 to 100 are an integral part of these financial statements.

# Statement of Cash Flows

(All amounts are in Ghana cedis)

## Cash flows from operating activities

Year ended 31 December

	Note	2019	2018
Profit before income tax		16,814,675	10,390,655
<b>Adjustment for:</b>			
Depreciation expense	7&9	1,124,578	673,768
Amortisation expense	8	2,126,564	2,007,786
Accrued interest income	11&12	(2,343,542)	(967,173)
Premium on investment securities		94,768	-
Finance cost on lease liabilities	9	371,039	-
Exchange difference		65,053	-
Profit on disposal	7	-	(20,700)
Loss allowance on financial assets	25	304,331	6,543,043
Change in accounts receivable		(1,331,201)	(592,272)
Change in payables and accruals		(574,008)	130,993
Interest paid	9	(371,039)	-
Tax paid	16	(3,767,554)	(7,048,391)
<b>Net cash generated from operating activities</b>		<b>12,513,664</b>	<b>11,117,709</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	7	(440,074)	(862,500)
Proceeds from disposal of plant and equipment	7	-	53,000
Purchase of intangible assets	8	(1,589,619)	(385,006)
Purchase of investment securities	11	(53,642,280)	(56,635,888)
Maturity of investment securities	11	40,976,217	50,978,052
Investment in managed fund	12	(624,842)	(28,697)
<b>Net cash used in investing activities</b>		<b>(15,320,598)</b>	<b>(6,881,039)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(910,000)	(4,130,000)
Repayment of lease liabilities		(106,533)	-
<b>Net cash used in financing activities</b>		<b>(1,016,533)</b>	<b>(4,130,000)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(3,823,467)</b>	<b>106,670</b>
Cash and cash equivalents at start of period		6,624,469	6,517,799
Cash and cash equivalents at 31 December	13	2,801,002	6,624,469

The notes on page 66 to 100 are an integral part of these financial statements.

# Notes

## 1. General information

The Company is a limited liability company incorporated and domiciled in Ghana. The address of the Company's registered office is set out on page 1.

***Central Securities Depository (GH) Limited operates for the following purposes:***

- Providing a central depository for keeping record of beneficiary owners of financial instruments including government securities and in electronic form;
- Providing facilities to the public for the registration or transfer of ownership of shares, bonds and other securities;
- Undertaking clearing and settlement by book entry of financial instruments including government securities and equity;
- Providing for immobilisation and dematerialisation of securities;
- Facilitating buying, selling and other wise dealing in securities;
- Operating and managing of a central securities depository clearing and settlement services.

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### 2.1. Basis of preparation

#### (i) Compliance with IFRS

The financial statements of Central Securities Depository (GH) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

#### (ii) Historical cost convention

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### (iii) New and amended standards adopted by the Company

The following amendments and International Financial Reporting Interpretation Committee (IFRIC) interpretations were adopted by the Company for the first time for the financial year beginning on 1 January 2019.

### IFRS 16 Leases

The Company adopted IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The Company has used the simplified retrospective approach hence there is no impact on the income statement as at the transition date. The new accounting policies are disclosed in Note 2.9.

IFRS 16 affected primarily the accounting by lessees and resulted in the recognition of all leases on the balance sheet. The standard removed the distinction between operating and financing leases and required recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA changed.

Operating cash flows is higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continues to be presented as operating cash flows.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.6% for United States Dollar denominated lease liabilities and 16.1% for Ghana Cedi lease liabilities. No leases were previously classified as finance lease by the Company.

### Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

### Measurement of lease liabilities

*(All amounts are in Ghana cedis unless otherwise stated)*

	2019
Operating lease commitments disclosed as at 31 December 2018	-
Discounted using the lessee's incremental borrowing rate	-
Add: additional finance lease liabilities recognised on 1 January 2019	2,125,310
Total lease liability recognised as at 1 January 2019	2,125,310
Of which are:	
Current lease liabilities	100,474
Non-current lease liabilities	2,024,836
<b>Total</b>	<b>2,125,310</b>

### Measurement of right of use assets

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 1 January 2019.

### Adjustments recognised in the statement of financial position on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by GH¢ 2,149,868
- Prepayments – decrease by GH¢ 24,558
- Lease liabilities – increase by GH¢ 2,125,310

### Annual Improvements to IFRS Standards 2015-2017 Cycle

The following improvements were finalised in December 2017 and effective for accounting period beginning on or after 1 January 2019. These did not have any material impact on the results or financial position of the Bank for the year ended 31 December 2019.

**IFRS 3** - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.

**IFRS 11** - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

**IAS 12** - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**IAS 23** - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change. Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling separately recognise any changes in the asset ceiling through other comprehensive income.

### (iv) Standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2.2 Foreign currencies

### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Ghana cedis, which is the Company's functional and presentation currency.

### Transactions and balances

Other currency transactions are accounted for at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in currencies other than the Ghana cedis at the reporting date are translated into Ghana cedis at the exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

## 2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and the performance obligations associated with the contracts are delivered. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

### Rendering of services

Income is recognised when services are rendered.

## 2.4 Financial instruments

### 2.4.1 Financial assets

#### *Measurement methods*

##### **Amortised cost and effective interest rate**

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company becomes party to the contractual provisions of the instrument or commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the differences is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

## (i) Classification and subsequent measurement

The Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

### Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

- Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Other income' using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
- Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

### The above classifications are done using:

**Business model:** The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

**SPPI:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

### (ii) Impairment

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan and investments. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Refer to Note 4 for further details on the impairment process of financial assets.

### (iii) De-recognition other than on a modification

### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

## 2.4.2 Financial Liabilities

### (i) Classification

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

### (ii) Measurement

The 'amortised cost' of a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

### (iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income statement.

### 2.4.3 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, short-term fixed deposits with an original maturity of three months or less, bank overdrafts which are repayable on demand and which form an integral part of the company's cash management. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

### 2.4.4 Receivables

Accounts receivable and other receivables are recorded in the statement of financial position at cost after deduction of provision for expected losses.

### 2.4.5 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities quoted on stock exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, yield curve, foreign exchange rates, and counterparty spreads) existing at the reporting dates.

### 2.4.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.5 Investments securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as hold to collect or hold to sell. After initial measurement, hold to collect investments are measured at amortised cost using the effective interest method, less impairment. The losses arising from impairment are recognised in the income statement in loss allowance.

## 2.6 Accounts payable and other liabilities

Accounts payable and other liabilities are recognized for amounts to be paid in the future for goods or services received whether billed by the supplier or not.

## 2.7 Property, plant and equipment

The Company recognises an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the cost can be reliably measured by the Company.

Property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation respectively. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Equipments	25%
Furniture & Fittings	20%
Motor Vehicle	25%

Costs associated with day-to-day servicing and maintenance of assets is expensed as incurred. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the item will flow to the company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognized. Residual values, useful lives and methods of depreciation for property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

## 2.8 Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually on the reporting date either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired. Intangible assets whose useful lives can be reasonably estimated are amortised over the estimated useful lives of these assets. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement comprehensive in the expense category that is consistent with the function of the intangible assets. The current annual amortisation rate for the intangible asset (software) is 20%.

## 2.9 Leases

The Company has changed its accounting policy for leases where the Company is the lessee. The new policy is described below and the impact of the change in Notes 2.1.1 and 9.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases.

Leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases its current office and other premises under non-cancellable operating lease arrangements.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The Company's lease contracts are typically made for fixed periods of 1 year to 3 years, but may have extension options. Contracts may contain both lease and non-lease components. The Company may allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**Right-of-use assets are measured at cost comprising the following:**

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. As the Company does not revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to revalue the right-of-use buildings held by the Company.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

## 2.10 Impairment of non-financial assets

The carrying values of property, plant and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units to which the asset belongs are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. The company estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

## 2.11 Employee benefits

### Pension obligations

The Company makes contributions to a statutory pension scheme and a defined contribution to a provident fund for eligible employees. Contributions by the Company to the mandatory pension scheme are determined by law and are accounted for on accrual basis. The provident fund contributions are currently managed by Enterprise Trustees.

### Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

## 2.12 Taxation

### a) Income tax

Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in shareholders' equity or other comprehensive income, in which case it is recognised in shareholders' equity or other comprehensive income.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current tax assets and liabilities are offset when the Company intends to settle on net basis and the legal right to set-off exists.

### b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

### c) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except: where the value added tax incurred on a purchase of goods and services is not recoverable from the Taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. The net amount of value added tax recoverable from, or payable to, the Ghana Revenue Authority is included as part of receivables or payables in the statement of financial position.

## 2.13 Stated capital

**Stated capital represents non-distributable capital of the Company.**

## 2.14 Dividend on ordinary shares

Dividends on ordinary shares are recognised in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

### 3. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and directors' judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

#### Income taxes

Estimates are required in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax assets and liabilities in the period in which such determination is made.

#### Hold to collect financial assets

The Company classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as hold to collect. This classification requires significant judgement. In making this judgement, the Company uses the Business model and Solely for Payment of Principal and Interest (SPPI) model to assess that the purpose for holding these assets was to collect the contractual cash flows associated with the assets. If the Company were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Company is required to reclassify the entire category as hold to collect and sell. Accordingly, the investments would be measured at fair value instead of amortised cost.

#### Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of counterparties defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

***Refer to Note 2.4 and 4 for further details on these estimates and judgements.***

#### Determining impairment of property and equipment, and intangible assets

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists.

The Company applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

#### Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).

Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### 4. Financial risk management

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Company's business, and operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The risks faced by the Company are market risk, credit risk and liquidity risk. Market risk includes interest rate and currency risk.

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk arising principally from customer-driven transactions and they include foreign currency risk and interest rate risk. Financial instruments affected by market risk include accounts receivable and investment securities.

##### Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

At 31 December 2019

						Non-Interest	
	Up to 1 Month	1 to 3 Months	3 to 12 Months	Over 12 Months		Bearing	Total
<b>Financial assets</b>							
Cash and bank balances (excluding cash in hand)	-	-	-			2,800,976	2,800,976
Investment securities			16,860,514	32,123,878		-	48,984,392
Other assets	-	-	1,355,075	-		20,000	1,375,075
Accounts receivable (less prepayments)	3,517,890	-	-	-		3,774,308	7,292,198
<b>Total financial assets</b>	<b>3,517,890</b>	<b>-</b>	<b>18,215,589</b>	<b>32,123,878</b>		<b>6,595,284</b>	<b>60,452,641</b>
<b>Financial liabilities</b>							
Lease liabilities	-	-	175,815	1,908,016		-	2,083,831
Accounts payable	-	-	-	-		5,323,320	5,323,320
Finance liabilities	-	-	175,815	1,908,016		5,323,320	7,407,151
<b>Total interest repricing gap</b>	<b>3,517,890</b>	<b>-</b>	<b>18,039,774</b>	<b>30,215,862</b>		<b>1,271,964</b>	<b>53,045,490</b>

At 31 December 2018	Up to 1 Month	1 to 3 Months	3 to 12 Months	Over 12 Months	Non-Interest	
					Bearing	Total
Cash and bank balances (excluding cash in hand)	-	-	-	-	6,622,066	6,622,066
Investment securities	-	-	33,485,915	615,707	-	34,101,622
Other assets	-	-	698,165	-	20,000	718,165
Accounts receivable (less prepayments)	2,230,497	-	-	-	4,084,716	6,315,213
<b>Total financial assets</b>	<b>2,230,497</b>	<b>-</b>	<b>34,184,080</b>	<b>615,707</b>	<b>10,726,782</b>	<b>47,757,066</b>
<b>Financial liabilities</b>						
other Liabilities	-	-	-	-	6,434,509	6,434,509
<b>Total interest repricing gap</b>	<b>2,230,497</b>	<b>-</b>	<b>34,184,080</b>	<b>615,707</b>	<b>4,292,273</b>	<b>41,322,557</b>

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Included in the table are the Company's financial instruments at carrying amounts, categorised by currency.

### Financial instruments by currency

At 31 December 2019	Total	USD	GH¢
Cash and bank balance (excluding cash in hand)	2,800,976	23,888	2,777,088
Investment securities	48,984,392	-	48,984,392
Other assets	1,375,075	-	1,375,075
Accounts receivable (less prepayments)	7,292,198	-	7,292,198
<b>Total financial assets</b>	<b>60,452,64</b>	<b>23,888</b>	<b>60,428,753</b>
Accounts payable	5,323,320	-	5,323,320
Lease liabilities	2,083,831	457,411	1,626,420
<b>Total financial liabilities</b>	<b>7,407,151</b>	<b>457,411</b>	<b>6,949,740</b>
At 31 December 2018	Total	USD	GH¢
Cash and bank balance (excluding cash in hand)	6,622,066	20,811	6,601,255
Investment securities	34,101,622	-	34,101,622
Other assets	718,165	-	718,165
Accounts receivable (less prepayments)	6,315,213	-	6,315,213
<b>Total financial assets</b>	<b>47,757,066</b>	<b>20,811</b>	<b>47,736,255</b>
Accounts payable	6,434,509	-	6,434,509
	6,434,509	-	6,434,509

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily investment securities and trade receivables). Customer credit risk is managed by the Finance and Administration Department subject to the Company's established policy, procedures and control relating to customer credit risk management.

### (a) Expected credit loss measurement

#### Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

#### Quantitative criteria:

The remaining Lifetime Probability of Default (PD) at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

#### Qualitative criteria

If the counterparty meets one or more of the following criteria:

- Direct debit cancellation

- Extension to the terms granted
- Previous arrears within the last [12] months
- Significant adverse changes in business, financial and/or economic conditions in which the counterparty operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the counterparty
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cashflow or liquidity problems such as delay in servicing of facility. The assessment of SICR incorporates forward-looking information and is performed on a monthly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

### Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the counterparty is more than 30 days past due on its contractual payments.

### Low Credit Risk Exemption

The Company has not used the low credit risk exemption for any financial instruments in the period ended 31 December 2019.

### Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

#### Quantitative criteria

The counterparty is more than 90 days past due on its contractual payments

#### Qualitative criteria

The counterparty meets unlikelihood to pay criteria, which indicates the counterparty is in significant financial difficulty. These are instances where:

- The counterparty is in long-term forbearance
- The counterparty is deceased
- The counterparty is insolvent
- The counterparty is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the counterparty's financial difficulty
- It is becoming probable that the counterparty will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

### Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

#### Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

#### Economic Variable Assumptions

The most significant period end assumptions used for the ECL estimate as at 31 December 2019 are set out below:

Scenario	Weight %	Inflation %	Interest Rate %	Cedi/ dollar exchange rate %
Base Case	50	8.7	15	12
Improvement	15	7.7	16	11
Deterioration	35	9.7	14	13

**Economic Variable Assumptions**

The forward-looking economic information affecting the ECL model are as follows:

1. Inflation – Inflation is used to assess the relative health of the economy. Forward looking information is incorporated by using the projected inflation rate for the current year as a base.
2. Interest rate – Interest rate is used due to its impact on the relative liquidity and likelihood of default of counterparties. Forward looking information is incorporated by using the expected inflation rates for the next four quarters.
3. Cedi/dollar exchange rate – the fluctuation of the cedi to the dollar is used to assess the relative stability of the assets and liabilities of the counterparty. Forward looking information is incorporated by using the expected currency fluctuation rates for the next year.

At 31 December 2019, the Company's financial instruments were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition - Performing
- Stage 2 – Significant increase in credit risk since initial recognition - Underperforming
- Stage 3 – Credit impaired – Non-performing

	31 December 2019			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	2,801,002	-	-	2,801,002
Investment Securities	48,984,392	-	8,154,242	57,138,634
Accounts receivable (less prepayments)	7,382,437	-	228,388	7,610,85
Other assets	1,375,075	-	-	1,375,05
Gross carrying amount	60,542,906	-	8,382,630	68,925,536
Loss allowance	(90,239)	-	(8,382,630)	(8,472,869)
Carrying amount	60,452,667	-	-	60,452,667

	31 December 2018			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	6,624,469	-	-	6,624,469
Investment Securities	34,225,274	-	8,154,242	42,379,516
Accounts receivable (less prepayments)	6,357,169	-	172,223	6,529,392
Other assets	718,165	-	-	718,165
Gross carrying amount	47,925,077	-	8,326,465	56,251,542
Loss allowance	(165,609)	-	(8,326,465)	(8,492,074)
Carrying amount	47,759,468	-	-	47,759,468

Details of the impairment on investment securities and accounts receivable are disclosed in notes 10, 11 and 25. All other financial assets of the Company with credit risk exposure are neither past due nor impaired.

### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amounts owed.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows:

31 December 2019	Total	0-30 days	30-60 days	60-90 days	90-120 days	120-150 days	150-180 days	(>180 days)
Expected loss rate		1.70%	2.20%	3.20%	4.70%	7.70%	8.20%	9.70%
Gross carrying amount	3,859,720	3,482,960	45,582	9,804	23,574	450	18,200	279,150
Loss allowance	90,239	59,210	1,002	314	1,108	35	1,492	27,078
31 December 2018	Total	0-30 days	30-60 days	60-90 days	90-120 days	120-150 days	150-180 days	(>180 days)
Expected loss rate		0.04%	0.54%	1.54%	3.04%	6.04%	6.54%	8.04%
Gross carrying amount	4,125,028	2,873,970	717,477	15,902	5,900	196,657	55,283	259,840
Loss allowance	41,957	1,236	3,896	245	180	11,884	3,617	20,899

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2019 or 31 December 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the interest rates and the cedi/dollar change rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment losses have also been recognised for specific customers whose debts are individually assessed and are considered impaired.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligation when they fall due. The Company monitors its risk of a shortage of funds by monitoring the maturity dates of existing trade accounts payables and other liabilities. Management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows:

At 31 December 2019	Up to 1 month	1-3 months	3 -12 months	Over12 months	Total
<b>Financial liabilities</b>					
Accounts payable	5,323,320	-	-	-	5,323,320
Lease liabilities	-	-	855,149	2,549,268	3,404,417
<b>Total financial liabilities</b>	<b>5,323,320</b>	<b>-</b>	<b>855,149</b>	<b>2,549,268</b>	<b>8,727,737</b>
<b>Financial assets held for managing liquidity risk</b>					
	10,584,214	-	21,130,083	37,263,698	68,977,995
<b>At 31 December 2018</b>					
	Up to 1 month	1-3 months	3 -12 months	Over12 months	Total
Accounts payable	6,434,509	-	-	-	6,434,509
<b>Financial assets held for managing liquidity risk</b>	<b>12,939,681</b>	<b>-</b>	<b>33,485,915</b>	<b>615,707</b>	<b>47,041,303</b>

**5. Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio that support its business and maximise shareholder value. Management considers capital to consist only of equity as disclosed in the statement of financial position. In order to ensure an appropriate return for shareholder's capital invested in the Company, management thoroughly evaluates all material projects and potential acquisitions before approval.

**6. Fair value of financial assets and liabilities**

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The table below sets out the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair values:

At 31 December 2019	Amortised cost	FVOCI	Other liabilities at amortised cost	Total	Fair value
Cash and bank balances	2,801,002	-	-	2,801,002	2,801,002
Investment securities	48,984,392	-	-	48,984,392	49,964,080
Other assets	1,355,075	20,000	-	1,375,075	1,402,577
Accounts receivable	7,292,198	-	-	7,292,198	7,356,153
Total financial assets	60,432,667	20,000	-	60,452,667	61,523,812
<b>Financial liabilities</b>					
Accounts payable	-	-	5,323,320	5,323,320	5,323,320
Lease liabilities	-	-	2,083,831	2,083,831	2,083,831
Total financial liabilities	-	-	7,407,151	7,407,151	7,407,151
At 31 December 2018	Amortised cost	FVOCI	Other liabilities at amortised cost	Total	Fair value
Cash and bank balances	6,624,469	-	-	6,624,469	6,624,469
Investment securities	34,101,622	-	-	34,101,622	34,580,372
Other assets	698,165	20,000	-	718,165	8,016
Accounts receivable	6,315,213	-	-	6,315,213	6,387,679
Total financial assets	47,739,469	20,000	-	47,759,469	48,320,536
<b>Financial liabilities</b>					
Accounts payable	-	-	6,434,509	6,434,509	6,434,509
<b>Accounts receivable</b>					

Accounts receivable, including loans to staff are net of charges for impairment and provisions for bad debt. The estimated fair value of the accounts receivable represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**Other assets****Equity investments**

Investments in equity are carried at fair value through other comprehensive income. The cost of the equity investment is a reasonable approximation of its fair value.

**Investments in funds**

Investments in funds are carried at amortised cost less impairment. The estimated fair value of investments in funds represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**Investment securities**

Investment securities are carried at amortised cost less impairment. The estimated fair value of investment securities represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**Cash and bank balances**

The carrying values of cash balances with banks are a reasonable approximation of fair values.

**7. Plant and equipment**

*All amounts are in Ghana cedis unless otherwise stated*

**At 31 December 2019**

Cost	Equipments	Furniture & Fittings	Motor Vehicle	Capital Work in Progress	Total
At 1 January	1,584,188	573,434	2,111,227	199,951	4,468,800
Additions	406,624	33,450	-	-	440,074
Transfers	199,951	-	-	(199,951)	-
<b>At 31 December</b>	<b>2,190,763</b>	<b>606,884</b>	<b>2,111,227</b>	<b>-</b>	<b>4,908,874</b>
Accumulated depreciation					
At 1 January	1,129,764	357,629	1,185,099	-	2,672,492
Charge for the year	250,683	72,352	437,302	-	760,337
At 31 December	1,380,447	429,981	1,622,401	-	3,432,829
Net book amount					
At 31 December	<b>810,316</b>	<b>176,903</b>	<b>488,826</b>	<b>-</b>	<b>1,476,045</b>

**At 31 December 2018**

<b>Cost</b>	<b>Equipments</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicle</b>	<b>Capital Work in Progress</b>	<b>Total</b>
At 1 January	1,238,351	462,813	2,034,336	-	3,735,500
Additions	345,837	110,621	206,091	199,951	862,500
Disposals	-	-	(129,200)	-	(129,200)
<b>At 31 December</b>	<b>1,584,188</b>	<b>573,434</b>	<b>2,111,227</b>	<b>199,951</b>	<b>4,468,800</b>
<b>Accumulated depreciation</b>					
At 1 January	929,563	305,359	860,702	-	2,095,624
Charge for the Year	200,201	52,270	421,297	-	3,768
Disposals	-	-	(96,900)	-	(96,900)
<b>At 31 December</b>	<b>1,129,764</b>	<b>357,629</b>	<b>1,185,099</b>	<b>-</b>	<b>2,672,492</b>
<b>Net book amount</b>					
<b>At 31 December</b>	<b>454,424</b>	<b>215,805</b>	<b>926,128</b>	<b>199,951</b>	<b>1,796,308</b>

<b>Profit on disposal of property, plant and equipment:</b>	<b>2019</b>	<b>2018</b>
Gross book value	-	129,200
Accumulated depreciation	-	(96,900)
Net book value	-	32,300
Sales proceeds	-	(53,000)
Gain on disposal	-	(20,700)

## 8. Intangible assets

(Year ended 31 December 2019)

Cost	Software	Capital work in Progress	Total
Balance as at 1 January	14,329,494	260,000	14,589,494
Additions	-	1,589,619	1,589,619
Asset written off	(537,182)	-	(537,182)
Balance at 31 December	13,792,312	1,849,619	15,641,931
Accumulated amortisation			
Balance as at 1 January	7,383,587	-	7,383,587
Amortisation for the year	2,126,564	-	2,126,564
Balance at 31 December	9,510,151	-	9,510,151
Net book value			
Balance as at 31 December	<b>4,282,161</b>	-	<b>6,131,780</b>

**Intangible assets**

(Year ended 31 December 2018)

<b>Cost</b>	<b>Software</b>	<b>Capital work in Progress</b>	<b>Total</b>
Balance as at 1 January	8,671,913	5,532,575	14,204,488
Additions	125,006	260,000	385,006
Transfers	5,532,575	(5,532,575)	-
<b>Balance at 31 December</b>	<b>14,329,494</b>	<b>260,000</b>	<b>14,589,494</b>
<b>Accumulated amortisation</b>			
Balance as at 1 January	5,375,801	-	5,375,801
Amortisation for the year	2,007,786	-	2,007,786
Balance at 31 December	7,383,587	-	7,383,587
<b>Net book value</b>			
Balance as at 31 December	<b>6,945,907</b>	<b>260,000</b>	<b>7,205,907</b>

**9. Leases**

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases;

Right of use assets	31 December 2019	1 January 2019
Buildings	1,785,626	2,149,868
<b>Lease liabilities</b>		
Current	175,815	100,474
Non-current	1,908,016	2,024,836
Amounts recognised in profit or loss	2,083,831	2,125,310

**The statement of comprehensive income shows the following amounts relating to leases;**

Depreciation charge of right of use of assets – Buildings	364,241	-
Interest expense on lease liabilities	364,241	-
Exchange loss on lease liabilities	65,053	-

**10. Accounts receivable**

	2019	2018
Net trade receivable	3,769,481	4,082,972
Staff loans	3,517,890	2,230,497
Prepayments	648,110	622,781
Staff salary advance	4,827	1,744
<b>Details of trade receivable balance is as follows:</b>		
Gross balance	4,088,108	4,297,152
Loss allowance	(318,627)	(214,180)
<b>Total</b>	<b>3,769,481</b>	<b>4,082,972</b>

## 11. Investments Securities

	2019	2018
Treasury bills	16,860,514	7,490,268
Treasury bonds	32,123,878	26,021,628
Fixed deposits	8,154,242	8,867,620
	57,138,634	42,379,516
Expected credit loss on fixed deposits	(8,154,242)	(8,277,894)
<b>Total</b>	<b>48,984,392</b>	<b>34,101,622</b>

The movement in investment securities is as follows:

Year ended 31 December 2019	Treasury bills	Treasury bonds	Fixed deposits	Totals
At start of year	7,490,268	26,021,628	589,726	<b>34,101,622</b>
Additions	23,820,367	29,678,435	143,478	<b>53,642,280</b>
Maturities	(14,821,385)	(25,421,627)	(733,204)	<b>(40,976,216)</b>
Accrued interest	371,264	1,940,210	-	<b>2,311,474</b>
Unwinding of premium on bonds	-	(94,768)	-	<b>(94,768)</b>
Loss allowance	-	-	-	<b>-</b>
<b>At end of year</b>	<b>16,860,514</b>	<b>32,123,878</b>	<b>-</b>	<b>48,984,392</b>

Year ended 31 December 2018	Treasury bills	Treasury bonds	Fixed deposits	Totals
At start of year	29,076,516	-	9,660,359	<b>38,736,875</b>
Additions	31,272,957	25,256,221	106,710	<b>56,635,888</b>
Maturities	(52,997,990)	-	(907,093)	<b>(53,905,083)</b>
Accrued interest	138,785	765,407	7,644	<b>911,836</b>
Loss allowance	-	-	(8,277,894)	<b>(8,277,894)</b>
<b>At end of year</b>	<b>7,490,268</b>	<b>26,021,628</b>	<b>589,726</b>	<b>34,101,622</b>

<b>Maturing as follows:</b>	<b>2019</b>	<b>2018</b>
Within 91 days of acquisition	-	-
After 91 days of acquisition	48,984,392	34,101,622
	<b>48,984,392</b>	<b>34,101,622</b>

Fixed deposits amounting to GH¢ 8,154,242 is due from two fund managers, whose licenses were revoked by their regulator, Securities and Exchange Commission, Ghana in November 2019. An impairment provision for the full amount was made in 2018. The movement in expected credit loss on financial assets is disclosed in note 25.

## 12. Other Assets

	<b>2019</b>	<b>2018</b>
Investment in guarantee fund	1,355,075	698,165
Equity investment	20,000	20,000
	<b>1,375,075</b>	<b>718,165</b>

### **Movement in investment in Guarantee fund is shown below:**

At start of the year	698,165	614,131
AdditionsInterest income accrued	624,842	28,697
At end of the year	32,068	55,337
	<b>1,355,075</b>	<b>698,165</b>

(i) Investment in guarantee fund represents a 50% initial contribution of GH¢ 1,000,000 to the Settlement Guarantee fund and interest income earned to date. The fund is managed by Central Securities Depository (GH) Limited and is invested in 182-day treasury bills.

(ii) Central Securities Depository (GH) Limited contributed GH¢ 20,000 as a 10% equity interest in Ghana Investment and Securities Institute Limited (GISI) in March 2017. The investment is measured at fair value through other comprehensive income. As at 31 December 2019, the cost of the investment is deemed as a fair approximation of the fair value.

## 13. Cash and Bank balances

	<b>2019</b>	<b>2018</b>
Bank Balance	2,800,976	6,622,066
Cash on Hand	26	2,403
<b>Total</b>	<b>2,801,002</b>	<b>6,624,469</b>

**For purposes of the statement of cash flows, cash and cash equivalents comprise:**

	2019	2018
Cash and Bank balances	2,801,002	6,624,469
Investment securities maturing within 91 days of acquisition	-	-
	<b>2,801,002</b>	<b>6,624,469</b>

**14. Accounts payable and accruals**

	2019	2018
Creditors	349,585	2,736,089
SEC levy	896,625	391,344
GSE levy	991,097	464,085
Unutilized merger grant	104,664	104,664
Withholding Tax	498,336	330,775
Accruals	1,883,615	1,943,506
Payable to Bank of Ghana	183,836	183,836
Other payables	415,56	280,210
	<b>25,323,320</b>	<b>6,434,509</b>

**15. Deferred income tax**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25%.

The movement on the deferred income tax account is as follows:

	2019	2018
At start of period	(189,701)	(119,462)
Charge to profit or loss	(52,184)	(70,239)
<b>At 31 December</b>	<b>(241,885)</b>	<b>(189,701)</b>

Deferred income tax liabilities are attributable to the following:

Year ended 31 December 2019	At 1 January	Charged to profit or loss	At 31 December
Deferred income tax (liabilities)/asset			
Plant and equipment and intangible assets	(189,701)	(52,184)	(241,885)

Year ended 31 December 2018	At 1 January	Charged to profit or loss	At 31 December
Deferred income tax (liabilities)/asset			
Plant and equipment and intangible assets	(119,462)	(70,239)	(189,701)

## 16. Income Tax

Income Tax expense	2019	2018
Current income tax	4,348,021	2,754,180
Deferred income tax	52,184	70,239
<b>Total</b>	<b>4,400,205</b>	<b>2,824,419</b>

The movement in current income tax is as follows;

### 2019

Year ended 31 December	Balance as at 1 January	Payments during the year	Charge for the year	Balance as at 31 December
Up to 2018	(793,735)	-	-	(793,735)
2019	-	(3,767,554)	4,348,021	580,467
<b>Total</b>	<b>(793,735)</b>	<b>(3,767,554)</b>	<b>4,348,021</b>	<b>(213,268)</b>

### 2018

Year ended 31 December	Balance as at 1 January	Payments during the year	Charge for the year	Balance as at 31 December
Up to 2017	3,500,476	-	-	3,500,476
2018	-	(7,048,391)	2,754,180	(4,294,211)
<b>Total</b>	<b>3,500,476</b>	<b>(7,048,391)</b>	<b>2,754,180</b>	<b>(793,735)</b>

**Tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory tax rate of 25% as follows:

	2019	2018
Profit before tax	16,814,675	10,390,655
Tax using the domestic corporate tax rate of 25%	4,203,669	2,597,664
Tax effect of:	990,236	736,953
Expenses not deductible for tax purposes	-	256,346
Adjustment in respect of prior periods	(793,700)	(766,544)
Tax effect on capital allowance	4,400,205	2,824,419
Effective Rate	26.17%	27.18%

**17. Stated capital**

The authorised shares of the Company is 3,500,000 ordinary shares of no par value, all of which 3,500,000 have been issued as follows:

	2019		2018	
	Number of Shares	Proceeds	Number of Shares	Proceeds
<b>Issued for cash consideration</b>	3,500,000	3,500,000	3,500,000	3,500,000

**18. Other reserve**

This represents the value of reserve that Ghana Stock Exchange Securities Depository brought into the combined business in 2014. This reserve is currently being held as a discretionary reserve.

**19. Retained earnings**

Retained earnings represents profits retained by the Company. The amount is shown as part of statement of changes in equity.

**20. Revenue**

	2019	2018
Registration fees	70,000	20,000
Issuer fees	24,629,994	22,255,462
Transaction fees	6,802,857	6,228,486
Renewal fees	284,000	312,000
<b>Total</b>	<b>31,786,851</b>	<b>28,815,948</b>

## 21. Other income

	2019	2018
Interest earned on investments and staff loans	6,384,549	4,350,516
Miscellaneous income	1,746,122	1,250,283
Profit on disposal of motor vehicle	-	20,700
Net income from investment fund	156,910	84,034
Training fees on CSD software	217,326	79,744
<b>Total</b>	<b>8,504,907</b>	<b>5,785,277</b>

## 22. Operating Expenses

	2019	2018
Employee cost (Note 23)	11,107,146	7,938,657
Training and capacity building	1,482,846	1,678,807
Travel and motor running	409,571	305,286
General and administrative expenses	1,474,685	296,314
Stationery and printing	138,856	60,591
Communication	21,607	59,716
Impairment of financial assets (Note 25)	304,331	6,543,043
Audit fees	122,760	114,955
Board expenses	118,605	85,083
Directors fees	939,749	947,750
Consultancy	8,015	51,848
Depreciation and amortisation	3,251,142	2,681,554
Information technology expenses	3,333,397	2,847,774
Premises and equipment expense	136,168	60,190
Promotion and public education	46,707	64,881
Rent and utilities	174,559	453,946
Legal fees	6,906	14,175
Donations (Corporate social responsibilities)	28,994	6,000
<b>Total</b>	<b>23,106,044</b>	<b>24,210,570</b>

**23. Staff cost**

	2019	2018
Basic salaries and allowances	6,781,288	4,626,945
Employer social security contributions	489,212	360,647
Other staff related costs	3,836,646	2,951,065
<b>Total</b>	<b>11,107,146</b>	<b>7,938,657</b>

**24. Finance cost**

Interest expense on lease liabilities	371,039	-
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**25. Impairment of financial assets**

31 December 2019	Investment securities		Accounts receivable		Total
	General Provision	Specific Provision	General Provision	Specific Provision	
Balance at 1 January 2019	123,652	8,154,242	41,957	172,223	<b>8,492,074</b>
Impairment charge/(release) for the year	(123,652)	-	48,282	228,388	<b>153,018</b>
Provisions no longer required	-	-	-	(172,223)	<b>(172,223)</b>
Balance at 31 December 2019	-	8,154,242	90,239	228,388	<b>8,472,869</b>

**Impairment of financial assets**

31 December 2018	Investment securities		Accounts receivable		Total
	General Provision	Specific Provision	General Provision	Specific Provision	
Balance at 1 January 2018	-	-	-	172,223	172,223
<b>Impact of adoption of IFRS 9:</b>					
Impairment charge	1,671,240	-	105,568	-	1,776,808
Restated balance at 1 January 2018	1,671,240	-	105,568	172,223	1,949,031
Impairment charge/(release) for the year	(1,547,588)	8,154,242	(63,611)	-	6,543,043
Balance at 31 December 2018	123,652	8,154,242	41,957	172,223	8,492,074

The impairment balances and charges to profit or loss are as follows:

Impairment charge	2019	2018
Impairment/(release of impairment) of accounts receivable	276,670	(63,611)
Write off of unimpaired accounts receivable	151,313	-
Impairment/(release of impairment) on investment securities	(123,652)	6,606,654
<b>Total</b>	<b>304,331</b>	<b>6,543,043</b>

(All amount are in Ghana Cedis unless otherwise stated)

## 26. Related party disclosures

The company is 70% owned by the Bank of Ghana and 30% owned by the Ghana Stock Exchange. Transactions with related parties are as follows:

Related party transactions	2019	2018
Transactions with Bank of Ghana Issuer and transaction fees	12,627,293	16,102,443
Repayment of lease liability/rent expense	360,000	240,000
Utilities expense	140,000	140,000

### Related party balances

The balances on transactions with related parties are included in accounts receivable, accounts payable and cash and bank balances as follows:

Related party transactions	2019	2018
Fees due from Bank of Ghana	1,726,647	1,211,318
<b>Bank balances</b>		
Balance with Bank of Ghana	2,146,628	5,456,269
<b>Accounts payable</b>		
Provision of office space and utilities to CSD	1,152,000	1,002,000
Amounts payable to the Ghana Stock Exchange	991,097	464,085
Amounts payable to Bank of Ghana	183,836	183,836
<b>Key management personnel compensation</b>		
Short term employee benefits	2,909,459	2,411,837
Post-employment benefits	349,691	313,539
	<b>3,259,150</b>	<b>2,725,376</b>
<b>Directors' compensation</b>		
Fees and other benefits	939,749	947,750

## 27. Contingent liabilities

There were no contingent liabilities at 31 December 2019 (2018: Nil).

## 28. Capital commitments

There were no capital commitments at 31 December 2019 (2018: Nil).

**29. Events after reporting period**

The directors have proposed the payment of dividend of GH¢0.70 per share amounting to GH¢ 2,450,000 for the year ended 31 December 2019.



**CENTRAL SECURITIES  
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