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**CENTRAL
SECURITIES
DEPOSITORY (GH) LTD**

2020

**ANNUAL REPORT &
FINANCIAL STATEMENTS**



2020

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.

Vision

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

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

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 risk.

Strategic Alliance

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

1.0 Corporate Information

Directors

Dr. Maxwell Opoku-Afari	- Chairman
Mr. Yao A. Abalo	- Chief Executive Officer
Mr. Ekow Afedzie	- Member
Mrs. Caroline Otoo	- Member
Mr. Armah I. J. Akotey	- Member
Mrs. Angela N. A. Leibel	- Member (Appointed on February 21, 2020)

Secretary

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

Registered Office

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

Auditor

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

Bankers

Bank of Ghana
Ecobank Ghana Limited

2.0 Board of Directors



Dr. Maxwell Opoku-Afari
Chairman

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 were 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.



Mr. Yao A. Abalo
Chief Executive Officer

2.0 Board of Directors cont'd



Mrs. Caroline Otoo
Member

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.



Mr. Ekow Afedzie
Member

2.0 Board of Directors cont'd



Mr. Armah I.J. Akotey

Member

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.

Mrs. Angela N.A. Leibel has over 25 years of management and professional working experience across a wide-range of the financial industry in Ghana and other parts of Africa. Her experience in the financial industry spans from consumer and payroll lending, asset based financing/leasing, asset recovery and corporate restructuring. She also has in-depth experience in consulting and has consulted for institutions including the World Bank and the Asset Management/Corporate Restructuring International Inc., (AMCRII) Virginia, USA. Mrs. Leibel is also a facilitator and has facilitated training programmes for various Institutions both locally and internationally including UNDP. She was the Deputy Managing Director of Bayport Financial Services, a position she held from 2005 until September 2017. She holds a Postgraduate Diploma in Corporate Management and Finance and a BSc. /B.A. in Social Science (Economics and Sociology) from the Kwame Nkrumah University of Science & Technology, Ghana.



Mrs. Angela N. A. Leibel

Member

2.0 Board of Directors cont'd



Horlali Bodza-Lumor
Board Secretary

Miss Horlali Bodza-Lumor holds a BSc (Marketing) from the University of Ghana Business School, a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK, a LLB (Hons) from the Faculty of Law, University of Ghana and a Qualifying Certificate in Law from the Ghana School of Law, Makola. She was called to the Ghana Bar in October 2012 and joined the CSD in August 2018 as Legal Officer. She was appointed by the Board as Company Secretary in October 2019. Miss Bodzah-Lumor previously worked Zenith Bank Ghana Limited as legal Officer and with the erstwhile Procredit Savings and Loans Company Limited.

3.0 Management



Mrs. Melvina Amofo
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. She joined the Ghana Stock Exchange since its inception and held various managerial positions in various Departments including 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.



Mr. Dornu D. Narnor
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.

3.0 Management cont'd



**Ms. Faustina
Coleman-Forson**

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, as well as 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.



Mr. Ambrose K. Karikari

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.

3.0 Management cont'd



John Damatey Tanihu
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.



Moses K. Abakah
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.

4.0 Chairman's Statement

Introduction

Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen, I welcome you all to the 7th Annual General Meeting (AGM) of the Central Securities Depository (GH) Limited, taking place nearly a year to the date of our AGM in 2020. You may recall that in my statement to you last year, I noted the inauspicious timing of our AGM, taking place when COVID-19 had literally shut the whole world down. I prayed, and I believe it was your prayer too, for an end to the pandemic, so we can resume our normal lives. Significant developments have taken place since then, particularly the discovery and deployment of vaccines to deal with the pandemic, which have lifted somewhat the gloomy environment under which businesses operated last year. It however appears we can only resume our lives under a "new normal" situation and I hasten therefore to advise that we continue to observe the COVID-19 protocols and, as soon as possible, take the vaccinations so we can remain safe.

In spite of the extreme and rather challenging circumstances, 2020 would be one of the most unforgettable years in history. To the CSD, the year would be memorable for several reasons, two of which stand out. Firstly, in compliance with Government directives to contain the spread of COVID-19, CSD for the first time completely closed down its offices and operated remotely to provide full services to the entire market. This was done without any single hitch or complaint from the market. Secondly, the CSD recorded one of its best financial outcomes during the year with revenue at its highest level ever recorded, and profits equally impressive.

Distinguished Shareholders and Directors, let me as usual preface my report to you with an overview of the economy, give an update on some key decisions of the Board in 2020, briefly touch on the financials and finally give highlights of the outlook of CSD in 2021.



Overview of the Economy

Ghana, like most other countries, was adversely impacted by the pandemic, with mixed macroeconomic performance in 2020. The gross domestic product grew by less than 1 percent, a sharp reduction from the growth rates recorded in the preceding three years – 8.1 percent in 2017, 6.3 percent in 2018 and 6.5 percent in 2019. Though output growth was low, it was still remarkable compared to the contraction experienced by many economies, especially those in the West African sub-region.

Headline inflation, previously in single digits, was recorded at 10.4 percent at the end of the year, driven mainly by food inflation. In contrast, interest rates generally fell during the year. In March, 2020 the Bank of Ghana reduced its monetary policy rate from 16.0 percent to 14.5 percent and maintained it at that level until the end of the year. In line with this development, the average interbank rate declined from 15.2 percent in 2019 to 13.6 percent in 2020 and the average lending rate similarly declined from 23.6 percent to 21.1 percent. The three-month average deposit rate however remained unchanged at 11.5 percent. Rates on government securities fell in 2020 compared to 2019: the coupon rate on the 2-year note reduced to 18.5 percent and that on the 3-year bond to 19.25 percent in 2020.

The gross international reserves increased to US

4.0 Chairman's Statement cont'd

\$ 8.62 billion, equivalent to 4.1 months of import cover, in 2020, up from US\$ 8.42 billion recorded in 2019. The surplus on the trade balance declined from US\$ 2.26 billion in 2019 to US\$ 2.02 billion in 2020; the current account balance was a deficit of US\$2.1 billion while the overall balance was a surplus of US\$368 million. The cedi remained comparatively more stable against the US dollar in 2020. Against the US dollar it depreciated by 3.9 percent in 2020, compared with a depreciation of 12.9 percent in 2019.

The banking sector remained strong during the year, a consequence of the recent financial sector reforms in the country. The total assets of the sector increased to GH¢ 149.3 billion in 2020, up from GH¢ 129.0 billion in 2019 while capital adequacy ratio increased from 17.5 percent to 19.8 percent. Total cost to income and operational cost to income ratios all fell during the period. Core liquid assets to total assets for the year was 21.2 percent while the core liquid assets to short-term liabilities was 27.8 percent in 2020. In nominal terms, credit to the private sector grew by 10.6 percent while non-performing loans ratio experienced a marginal increase to 14.8 percent from 14.3 percent in 2019.

Membership of the Board of Directors

Mrs. Angela N. A. Leibel joined the Board in February, 2020. Mrs. Leibel brings on board her wide and varied experience in the financial sector in Ghana and abroad. I congratulate her, again, and like to observe that her inclusion has enriched the work of the Board. The appointment of Mrs. Leibel brings the current membership of the Board of Directors to six. Consultations are ongoing with shareholders to appoint one additional director in 2021 for the full complement of the Board.

Key Policy Decisions of the Board in 2020

Not surprisingly, the major preoccupation of the Board in 2020 was how to ensure uninterrupted

provision of services to the market and keeping staff safe under the pandemic.

The Board has over the years worked with the Management and Staff of CSD to enhance the company's business continuity plans and risk management procedures, with the objective of making the CSD resilient and able to operate under extreme conditions. Plans and procedures were subject to periodic testing and early in 2020, following the declaration of COVID-19 as a pandemic by the World Health Organisation, the Board again requested the CSD to fully test its preparedness to operate in case of a complete lockdown. Directors provided advice, direction and logistics to ensure that the CSD was ready to operate if such a scenario should materialise. Consequently, when Accra was placed under a complete lock-down in March 2020, the CSD was ready and its plan was activated to enable full remote working by staff from their homes. The Board is proud to say that it proactively monitored the operations of the CSD and provided necessary oversight and services were seamlessly provided to the market.

A new five-year strategic plan covering the period 2021 to 2025 was developed under the Board's direction. The plan revolves around three strategic key pillars; **Service Excellence; Business Diversification; and Strategic Alliance**. Under the plan, CSD will aim to deliver incomparable services which exceed customer expectations; to develop a well-diversified business that delivers growth from new businesses while minimising risk; and to engage with relevant stakeholders to facilitate beneficial deepening and development of the financial market in the country.

The CSD in collaboration with the Ghana Stock Exchange (GSE), set up a joint technical committee to conduct a gap analysis on the current state of the core infrastructure being used by CSD and the GSE. The objective was to explore ways to support and enhance the delivery of timely and reliable services towards a well-

4.0 Chairman's Statement cont'd

organised financial market in the country. The technical committee's deliberations and report were informed by wide consultations across the market. Their report has since been subject to Board review and the major decision arising from the review is the need to acquire new software to meet the expectations of stakeholders. The Board would work with Management and staff to this end.

Financial Performance

I have earlier alluded to the remarkable developments in the CSD's finances, in spite of the challenges posed by the pandemic. The operating income of the company increased by 52.0 percent from GH¢ 40.2 million in 2019 to GH¢ 61.3 million in 2020. The increase in quantities of fixed income securities issued, the high volumes of secondary market transactions as well as higher return on investments were the main contributors to the higher income. Operating expenses were relatively well-contained, increasing by only 9.6 percent from GH¢ 23.1 million in 2019 to GH¢ 25.3 million in 2020. The year ended with an after tax profit of GH¢ 26.1 million, more than twice the profit recorded in 2019. This outstanding financial performance contributed to a further growth in the assets of the company, which increased significantly to GH¢ 99.9 million in 2020 from GH¢ 70.7 million in 2019, with shareholders' fund improving by 37.5 percent from GH¢ 63.1 million in 2019 to GH¢ 86.7 million in 2020.

Declaration of Dividend

In recognition of the sound financial base of the CSD, the strong performance in 2020 and in accordance with the Dividend Policy, The Board is recommending 20 percent of after-tax profit as dividend payment to shareholders. This represents a dividend pay-out of GH¢1.5 per share.

Outlook of CSD in 2021

Prospects are bright for reducing the negative impact of the pandemic, on the back of the vaccinations and other measures to contain COVID-19, and there are high expectations for a rebound in the world economy. The global economy is projected to grow at 5.5 percent in 2021. And Ghana's economy is expected to recover and benefit from the rebound with initial projections for a growth rate of 5.0 percent for the year. The fiscal deficit is projected at 9.5 percent and inflation at 8.0 percent.

In the new normal environment, the pandemic continues to be a major determinant of almost every decision to be taken. For that reason, CSD will heighten its risk control measures and review its controls on regular basis to minimise the risk of the pandemic. The business continuity plan (BCP), in particular, and all enterprise-wide risk management processes would be reviewed and enhanced for the attainment of the strategic objectives of the CSD.

There is no doubt that the pandemic in a way has altered the mechanisms through which businesses are generally carried out globally – a new normal. To the CSD, it is important to modify aspects of its modus operandi and integrate teleworking as part of its procedures and document it in the HR Policy of the Company. It is worth emphasising that staff of CSD have been operating from their remote locations on rotational basis since the outbreak of the pandemic in the country. This was done to ensure that there is availability of staff at all times to keep the operations of CSD running in the event of any extreme and adverse events such as the case of the COVID-19 pandemic.

The Board is cognisant that remote working comes with attendant risks, especially higher exposure to cyber security risks. The Board

4.0 Chairman's Statement cont'd

together with Management would ensure that the information security stance is enhanced and strengthened to reduce the likelihood, and effectively deal with any consequences, of a breach. The Board is already working with the CSD on an on-going project in this regard.

Development of a recovery and resolution plan would be pursued in 2021. The development of the recovery and resolution plan would equip CSD to make advance preparation to minimise the risks associated with those occasional shocks from market-wide or firm-specific stress which are likely to threaten the very survival of the company. It would create the avenue for the CSD to stress tests its activities from time to time, with the aim to return CSD to a stable and sustainable growth path in the event of any adverse shock to the company. The objective is to reduce the likelihood of failure of the CSD occurring by providing options for management to implement in extreme circumstances that the business of the CSD gets into a stress scenario.

The projected budget deficit of 9.5 percent of GDP would require significant domestic financing, implying more issues of government paper. Similarly, attainment of the low inflation target for 2021 would necessitate that the Bank of Ghana increases its mopping-up efforts. The net result of these two activities would be high issues of fixed income securities which would benefit the CSD in terms of admission fees. In combination with expected higher secondary trades and projected higher income from investments, the CSD expects income to again increase in 2021.

The capacity development programme for Directors would be sustained and broadened in 2021. In essence, it is to keep the Directors abreast with developmental trends in the market for the effective execution of their functions as Directors of the CSD.

Acknowledgement

Distinguished Shareholders, please accept from my colleague Directors and I, our firm commitment to offer excellent and strategic leadership to the CSD.

My profound gratitude to shareholders and colleague Directors for your immense support, without which the phenomenal results could not have been achieved. Special thanks to Management and Staff of the CSD for their demonstrated commitment to the CSD and to all depository participants and other market stakeholders especially our regulator for their contributions to the success story of CSD over the past years.

Finally, I encourage you all to stay safe and continue to observe the COVID-19 protocols. The fight against the pandemic can only be won when we all play our expected roles.

5.0 Chief Executive Officer's Statement

Introduction

Shareholders, Chairman and Directors of the Central Securities Depository (GH) Limited, Ladies and Gentlemen, you are all warmly welcome to the 7th Annual General Meeting (AGM) of the CSD. What a year we have all endured, with challenges that we could only have dreamt about! I doubt any one of us has been through a more challenging period in their life! Yet, I am happy to report that it was a year that has shaped and prepared the CSD for a brighter future. Preparations made to manage risks enabled the CSD to operate under the most trying environment to the benefit of the market; and it was rewarded with an exceptional financial outcome. But more importantly, the lessons learnt from our operations last year would be applied to make the CSD a more resilient company.

Overview of the Economy

The year 2020 started with high expectations of further consolidation of the macroeconomic gains of the preceding year. But the prospects of this happening quickly fizzled following the declaration of COVID-19 as a pandemic and the recording of the first case in the country in March 2020. The focus shifted, as was to be expected, towards measures to contend with the pandemic, with particular emphasis on promoting observance of the COVID-19 protocols. Economic activities were stalled and output growth, initially targeted at 6.8 percent was revised sharply down to under 1 percent.

Government fiscal operations were adversely impacted by the combined effects of reduced revenues as a result of the fall in economic activity and increased expenditure to meet COVID-19 related activities. Provisional figures show that year-end revenue was GH¢ 55.1 billion, a sharp drop from a level of GH¢ 67.1 billion in 2019. Expenditure, on the other hand, increased from GH¢ 85.9 billion to GH¢ 100 billion, resulting in



a deficit of 11.4 percent of GDP, significantly higher than targeted.

The country's gross international reserves was US\$ 8,624 million in 2020 equivalent to 4.1 months import cover, slightly up from US\$ 8,418.0 million in 2019 equivalent to 4.0 months import cover. The surplus on the trade account fell to US\$ 2,043 million and the deficit on the current account increased to US\$ 2,135 million in 2020. Over the same period, the deficit in the current account increased from US\$ 1,864.0 million in 2019 to US\$ 2,014.0. The overall balance was a modest surplus of US\$ 368 million, compared to a surplus of US\$ 1,340 million in 2019 of the economy. In the foreign exchange market, the cedi was relatively stable against the US dollar, registering a depreciation of 3.9 percent in 2020.

In the face of the challenging macroeconomic conditions, the Bank of Ghana reduced its policy rate by 150 basis point to 14.5 percent in March, 2020 to ease the effect of the pandemic on the economy. Other interest rates generally followed a downward path but the disinflationary process was adversely affected: the year-on-year inflation rate increased from 7.9 percent in 2019 to 10.9 percent in 2020.

The stock market rebound marginally in 2020 compared to the preceding year's performance. The year-to-date market capitalization on the GSE

5.0 Chief Executive Officer's Statement cont'd

grew by 3.9 percent in 2020 compared to a fall of 0.9 percent in 2019. Over the same period, the growth in the year-to-date GSE composite index was 1.8 percent as against a fall of 0.5 percent in 2019.

The 2020 Financial Performance

The financial performance in 2020 was exceptional with revenue hitting GH¢61.3 million, its highest level ever. This was 52.0 percent higher than its level in 2019. As in previous years, admission fees on fixed income securities constituted the major source of revenue, but this time fees on secondary transactions and interest income from investments all contributed significantly to the increase in revenue. Expenditure increased by 9.6 percent from GH¢23.1 million in 2019 to GH¢25.3 million in 2020. Profit before tax grew by 111.5 percent from GH¢16.8 million in 2019 to GH¢35.5 million in 2020.

The improved financial performance resulted in further growth of the company's assets by 41.3 percent from GH¢70.7 million in 2019 to GH¢99.9 million. The equity position of the company also increased by 37.5 percent from GH¢63.1 million in 2019 to GH¢86.7 million in 2020.

2020 Operational Performance of CSD

The CSD's readiness to provide services under the most extreme of circumstance was tested to the limit by COVID-19. And I am proud to say the CSD passed the test with flying colours. Following analysis of the risk attendant the pandemic, the CSD worked with the Board and all its stakeholders to prepare for the possibility of a lock-down. CSD tested its preparedness, identified gaps and addressed them immediately. Staff were equipped and there was constant communication with all DPs and other stakeholders to ensure they could easily contact and access service at the CSD. This created the platform for CSD to offer uninterrupted services

to the market, the results of which I am sure all stakeholders can attest to.

The CSD appointed three new institutions as Depository Participants and withdrew the appointment of three other DPs during the year. The number of DPs was sixty-six in 2020, unchanged from 2019. The number of new securities accounts registered with CSD in 2020 was 68,345. This increased the total number of securities accounts registered with the CSD to 1.2 million at the end of the year.

The face value of new debt securities issued and admitted to the CSD increased by 42.7 percent from GH¢145,737.7 million in 2019 to GH¢207,907.9 million in 2020. In addition, the depository admitted an aggregate face value of GH¢40,490.8 million debt securities through tap-ins of existing securities in 2020.

The face value of outstanding debt stock in the depository increased by 44.3 percent from GH¢100,893.2 million in 2019 to GH¢145,582.5 million at the end of 2020. The face value of the outstanding debt stocks held by domestic investors increased by 62.5 percent from GH¢71,826.0 million in 2019 to GH¢116,738.2 million, representing 80.2 percent of the outstanding stock in 2020. Over the same period, the face value of outstanding securities held by foreign investors was largely stable with a marginal decline of 0.8 from GH¢29,067.2 million in 2019 to GH¢28,844.3 million, 19.8 percent of the debt stock.

The monetary value of corporate action entitlement proceeds processed by CSD was GH¢221,512.3 million, an increase of 42.7 percent from the level in 2019. This was paid to 1,409,561 beneficial investors.

Transactions in fixed income securities on the secondary market increased in the year. The number of secondary market trades cleared and settled by CSD increased by 52.4 percent from 119,082 in 2019 to 181,650 in 2020. In monetary

5.0 Chief Executive Officer's Statement cont'd

terms, the settlement value of the trades cleared and settled increased by 96.6 percent from GH¢ 55,715.3 million in 2019 to GH¢ 109,522.1 million in 2020.

Settlement of transactions in the government domestic dollar bond also improved in 2020 as against 2019. The monetary value of the domestic dollar bond cleared and settled in the secondary market for 2020 was US\$ 328.6 million, up by 37.9 percent from US\$ 238.3 million in 2019. The number of underlying transactions cleared and settled for the government domestic dollar bond also increased by 69.7 percent from 198 in 2019 to 336 in 2020.

In the repo market, the settlement amount of repo transactions reduced by 31.4 percent from GH¢ 201.6 billion in 2019 to GH¢ 138.3 billion in 2020. An amount of GH¢1.75 billion constituted repo transactions settled under the GMRA for the period October to December, 2020

The number of pledge transactions fell but the value increased in 2020. The number of pledge transactions was down by 39.2 percent from 1,042 in 2019 to 634 in 2020. But the face value of the securities used to facilitate these pledge transactions increased by 7.0 percent from GH¢ 11.6 billion in 2019 to GH¢ 12.4b billion in 2020.

The number of equity transactions cleared and settled by CSD decreased by 35.5 percent from 16,241 in 2019 to 10,474 transactions in 2020, but the monetary value of these transactions increased by 94.1 percent from GH¢ 231.1 million in 2019 to GH¢ 448.5 million in 2020.

Outlook for 2021

The outlook is for an improved macroeconomic environment in 2021, with higher output growth and lower inflation targets, while fiscal operations are projected to result in a deficit of 9.5 percent of GDP. CSD envisages that significant quantities of fixed income securities would be issued by

the Government to finance the fiscal deficit, and by the Bank of Ghana to mop up liquidity in furtherance of its objective to contain inflation. These would positively impact CSD'S finance through the fees charged on admission of securities into the depository.

Despite the success achieved in dealing with the pandemic, COVID-19 would continue to cast its shadow in 2021. The influence of the pandemic has been factored into CSD'S plans for 2021 and beyond, contained in its Strategic Plan for 2021 to 2025 which was developed under Board direction. The plan revolves around three strategic pillars: Service Excellence, Business Diversification and Stakeholder Engagement.

The key objectives of the plan are to improve service delivery and customer satisfaction, enhance enterprise risk management, tools and technology, improve communication, strengthen frameworks, develop and expand market and product options, and improve brand image. The plan also aims at improving capacity of staff as well as strengthening internal collaboration.

Several initiatives would be pursued to achieve these objectives, including a comprehensive review of CSD'S systems and processes, which has already started. The purpose of this initiative is to assess the level of efficiency and robustness of the systems and procedures. The interim report recommended procurement of new and advanced systems which are more user friendly, reduce manual interventions and promote greater digitisation for better and efficient service delivery, to the benefit of the investor public.

The risk attendant from the increasing use of technology is the high incident of more sophisticated cyber threats and attacks against such infrastructures. The CSD will continuously assess the risks its faces and take proactive steps to manage them. Good governance, effective compliance and risk management would be the catchwords.

5.0 Chief Executive Officer's Statement cont'd

The CSD recognises that there is tremendous scope to grow the investor base in the securities market. It envisages a strategic alliances with market stakeholders, especially the Securities and Exchange Commission, the Ghana Stock Exchange and the Ghana Securities Industry Association to develop and implement programmes designed to improve knowledge about the securities market. Similar strategic alliances are planned towards achievement of complete dematerialisation of securities and expansion of product options.

Programmes and activities which have already commenced from the preceding year would be continued in 2021. One of these key strategic programmes which is ongoing is the SWIFT infrastructure project designed to apply SWIFT messaging standards in the securities market transactions. This will improve the quality of services the CSD is offering the investing public and improve market transparency as well.

The CSD recognises and places high priority on capacity building. Without a well-trained and well-resourced staff, the attainment of the vision and the objectives risks failure. Staff capacity building and developments programmes would be a key agenda of the CSD.

The pandemic would continue to affect service delivery but I am confident that in the short to medium term, CSD would provide services that, at the minimum, meet stakeholder expectations and the overall outlook for a strong financial performance in 2021.

Appreciation

On behalf of the Management and Staff of the CSD, my sincere thanks to the Shareholders, Chairman and Directors for your tremendous support, good counsel and direction. My deepest gratitude to SEC our regulator, the DPs, and all stakeholders particularly the investing public for their collaboration and understanding during the year. Finally, my special appreciation goes to the entire staff of the CSD for their exceptional commitment and outstanding performance in 2020. Their hard work and determination, in the wake of the pandemic, ensured that services of the CSD were not disrupted. I encourage them to sustain the momentum and continue to offer their outmost in 2021 and the years ahead.

6.0 Corporate Governance

Introduction

Central Securities Depository (GH) Ltd. (CSD) is a Financial Market Infrastructure (FMI) established to provide a secure, dependable and efficient clearing, settlement, depository, registrar and other related securities services to satisfy customers 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 of 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 2020, 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 the Securities and Exchange Commission's code of conduct on corporate governance, the Companies Act, 2019 (Act 992) and other best corporate governance standards and practices.

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 is responsible for the Enterprise Risk Management objectives of the company. It is also responsible for providing strategic leadership to the organization. The Board consistently evaluates the operations of the Depository and continuously carries out an impartial appraisal of the performance of the Management.

In line with the 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 on regular basis.

Board of Directors

The Board has a charter to guide 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; risk management, compliance, internal controls.

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-

6.0 Corporate Governance cont'd

Executive Director. The Directors on the Board hold qualifications and skills in areas such as accounting, finance and banking, law, economics and capital market operations amongst others.

Capacity Building of Board Directors

The Board recognizes the importance of developing the capacity of its Directors on a continuous basis. This is to deepen their knowledge and exposure on matters relating to good corporate governance, enterprise risk management, business continuity and the general operations of the CSD, so that the Directors can

effectively and efficiently perform their roles. Newly appointed Board members are also taken through a standard orientation programme.

Board Meetings

Four meetings were held in 2020 by the Board. This was in conformance with the Board Charter which requires that a Board meeting is organised at least once every quarter. In addition, the Board may hold an extraordinary meeting. Below is information on the participation of Board of Directors to meetings in 2020.

Name of Board Member	Meetings Attended in 2020	Status
Dr. Maxwell Opoku-Afari	4/4	Appointed August 01, 2017
Mr. Yao A. Abalo	4/4	Appointed June 01, 2017
Mr. Ekow Afedzie	4/4	Re-appointed June 01, 2017
Mrs. Caroline Otoo	4/4	Re-appointed June 01, 2017
Mr. Armah I. J. Akotey	4/4	Appointed December 12, 2019
Mrs. Angela N. A. Leibel	2/4	Appointed February 21, 2020

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 delivery of its corporate governance mandate. The four committees report directly to the overall Board. These are the Business Conduct Committee, Finance and Audit Committee, Risk Committee, and Human Resource and Legal Committee (HRLC).

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,

and also make recommendations to the Board on the appointment of Depository Participants.

Three meetings were held by the Business Conduct Committee in 2020. Below is the meeting attendance.

Name of Committee Member	Meetings Attended in 2020
Mr. Ekow Afedzie	3/3
Mr. Winston Nelson	3/3
Mr. Alexander Williams	3/3
Mrs. Truedy Osae	2/3
Ms. Carol Annang	3/3

Finance and Audit Committee

The role of the Finance and Audit Committee is to ensure that, there is existence of quality, transparency and integrity in the financial operations of the company. The committee also ensures that the company's financial reporting

6.0 Corporate Governance cont'd

standard complies with applicable international financial reporting standards, tax laws and other financial regulations. The external and internal auditing of the company's financials and business operations are also overseen by the Finance and Audit Committee.

Two meetings were held by the Finance and Audit Committee in 2020. Below is the meeting attendance.

Name of Committee Member	Meetings Attended in 2020
Mr. Ekow Afedzie	2/2
Mrs. Caroline Otoo	2/2
Mr. Armah Akotey	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 2020. Below is the meeting attendance.

Name of Committee Member	Meetings Attended in 2020
Mr. Ekow Afedzie	2/2
Mr. Angela Leibel	2/2
Mr. Armah Akotey	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.

Two meetings were held by the HRLC in 2020. Below is the meeting attendance.

Name of Committee Member	Meetings Attended in 2020
Mrs. Caroline Otoo	2/2
Mrs. Angela Leibel	2/2
Mr. Armah Akotey	2/2

7.0 Highlights of 2020 Key Activities

7.1 Covid-19 Pandemic and Activation of CSD's Business Continuity Plan.

As a systemically important financial market infrastructure (FMI) in Ghana's financial ecosystem and the main Depository in the country, CSD is committed to offering uninterrupted services to the financial market at all times. Business continuity and disaster recovery plans are important elements of CSD's enterprise risk management function. The plans are subject to periodic testing to ensure that the CSD is prepared and adequately resourced to deal with any disruptive event.

At the outbreak of the COVID-19 pandemic, the CSD activated its business continuity plan to enable staff to work remotely during the lockdown imposed on Accra and some major parts of the country by the President of the Republic of Ghana. Additional tools, resources and training were provided to equip staff for effective and efficient delivery of services. The CSD at all times engaged with the DPs which enabled smooth deployment of the plan. The plan was tested to the limit but CSD was able to offer uninterrupted services to stakeholders. It will continue to strategically invest time, effort and resources in its BCP to ensure that it is ready to offer services under the most trying of conditions.

7.2 Staff Matters and Development

There was no change in the number of staff employed by the Depository. Staff strength remained at thirty-two in 2020.

Programmes for staff development and capacity building were affected by the pandemic. Planned physical participation at workshops and conferences, locally and internationally, were all cancelled in the interest of staff safety. Instead, CSD resorted to online training programmes offered by providers both local and outside the country. Some of the training programmes participated in by staff

in 2020 were: business continuity management, data protection, operations certificate programme, securities lending and borrowing, repo, SWIFT and among others.

Also, a one-day non-residential retreat was held for all the staff on 12th September, 2020 with strict adherence to the Covid-19 protocols. The retreat was used to sensitise the entire staff on the new five year strategic plan for the period 2021-2025, and also acquaint staff with the corporate values of the organisation. Moreover, each of the Departments at CSD, organised a three-day residential retreats to further embed the new strategic plan among staff.

Development of staff competencies and skills remain a key focus area for the CSD in order to equip staff to be proficient in their services.

7.3 Corporate Social Responsibility (CSR)

Corporate Social Responsibility is important and continues to be at the heart of the CSD and is budgeted for annually. During the COVID-19 pandemic, CSD donated an amount of GH¢ 100,000.00 to the COVID-19 National Trust Fund. The donation was in support of the national efforts towards the fight against the COVID-19 pandemic in the country.

7.4 Implementation of Repo under Global Master Repurchase Agreement

Effective October, 2020, the Guidelines for Repurchase Agreement Agreements in Ghana launched by the Bank of Ghana in collaboration with some key market stakeholders in 2019 was operationalised. The aim is to improve on the existing repo market in the country by aligning it to best market practices internationally. In terms of system capabilities to support the operationalisation of the repo under the GMRA in the country, the CSD successfully enhanced its repo functionality platform ahead of time to

7.0 Highlights of 2020 Key Activities cont'd

facilitate settlement of Repo under GMRA on the depository platform.

7.5 Completion of CPMI-IOSCO PFMI's Self-Assessment

In March, 2020 the CSD disclosed its first CPMI-IOSCO PFMI's self-assessment report to the public on its website, www.csd.com.gh.

7.6 Training of Depository Participants

Following the outbreak of the Covid-19 pandemic, CSD resorted to online training of DP. A total of twenty users benefited from the online training programme in 2020.

7.7 Strategic Alliance with GSE

In May, 2020 the CSD and the GSE set up a joint Technical Committee to review the current CSD and GSE systems, from trading to settlement, network infrastructure and other third party interfaces. Given the high level of interconnectedness between these two companies, this strategic exercise was aimed at increasing the level of market efficiency in the country's securities market. Gaps identified through this exercise are being addressed. In future, the CSD would continue similar alliances with other institutions to the benefit of the securities market of Ghana.

7.8 User Group Meetings

The user group meeting is a forum where depository participants and the CSD interact, and share knowledge and experiences on the activities of the CSD towards a more efficient services. In 2020 two user group meetings were organised in June and December for the market. These meetings were held virtually. Topics discussed at the first user group meeting in

June centred on the provision of services under Covid-19 and thereafter; free of payment directive by Securities and Exchange Commission; Participation Agreement and Email Indemnity. The second user group meeting focused on the audit reports of the Settlement Guarantee Fund the period 2016 to 2019; the recommendations of a technical assistance report by prepared Frontclear and ABN AMRO Clearing on improving settlement risks at the CSD; highlight of the new 5 Year Strategic Plan of the CSD (2021-2025) among other topics.

In addition to the User Group meetings, the CSD maintains strong communication with stakeholders through various engagements bilaterally. Depository Participants also have the option to discuss any issues of concern with the CSD either individually or on a class basis. The Business Conduct Committee of the Board is also available to handle any issue presented to it by the Depository Participants and other stakeholders.

7.9 International Affiliations

The CSD maintained its membership of the following international associations

- » Society for Worldwide Interbank Financial Transactions (SWIFT)
- » International Capital Market Association (ICMA).
- » International Securities Services Association (ISSA), Switzerland,
- » The Africa and Middle East Depositories Associations (AMEDA),

CSD also maintained its membership of the Ghana Securities Industry Association (GSIA).

The Depository participated in the Association of Global Custodians' Annual Depository

7.0 Highlights of 2020 Key Activities cont'd

Information-Gathering Project for 2020 to 2021, the 2020 WFC Fact book by World Forum of CSDs, and the 2020 Central Securities Depository Risk Assessments exercise conducted on CSDs by Thomas Murray, which maintained the CSDs "A-" rating.

7.10 Outlook for 2021

7.10.1 Implementation of ISO Standard Initiative with SWIFT

The CSD entered into an agreement earlier in 2019 with SWIFT to introduce ISO messaging standards in the securities market of Ghana. The project which involved three phases and commenced in 2020 is ongoing and will be continued in 2021. The first phase which involves the migration of the current SWIFT services being offered to CSD by the Bank of Ghana is near the completion stage and user acceptance testing has commenced. The other two stages of the project - payments and SWIFT for securities - are projected for completion by close of year.

7.10.2 Settlement Guarantee Fund and Settlement Process Improvement

The report of the technical assistance provided by Frontclear and ABN AMRO Clearing on reducing risks throughout the settlement process was presented in 2020. In 2021, the recommendations would be subject to wider stakeholder consultation and subsequently implemented. Key recommendations of the reports are introduction of multiple settlement and economic trading abilities, introduction of securities borrowing and lending, and restructuring of the settlement guarantee fund to limit its applicability to only equity transactions and bond transactions settling according to market practice.

7.10.3 CSD, GSE and ICMA Securities Market Training

As part of its contribution towards enhancing professionalism in the markets, CSD in collaboration with the Ghana Stock Exchange proposes a workshop on Professional Standards in the Finance Industry to be facilitated by ICMA for the members of Ghana Securities Industry Association (GSIA) in 2021. Areas to be covered during the workshop 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.

8.0 Market Performance

8.1 Depository Participants (DPs)

Three new institutions namely Apakan Securities Limited, First National Bank Custody Services and FINCAP Securities Limited, were appointed as DPs in 2020.

The appointment of Liberty Securities Limited and First Atlantic Brokers Limited as DPs were terminated due to the revocation of their operating licenses by the regulator, Securities and Exchange Commission. The appointment of Cal Brokers Limited as a Depository Participant also ceased owing to its voluntary exit from the market by the Shareholder.

The total number of DPs was sixty-six in 2020. This comprised twenty-three commercial banks,

sixteen custodian banks, twenty-two brokerage firms, two investment advisory firms, ARB Apex Bank, the Social Security and the National Insurance Trust, and the Bank of Ghana.

8.2 Number of Registered Securities' Accounts

A total of 68,345 new securities accounts were opened by investors in 2020, a 54.6 percent reduction from the number opened in 2019. This brought the total number of securities accounts at the CSD to 1.2 million as at the end of the year. Of the new securities accounts opened in 2020, 65,912 were opened for local individuals; 757 for local companies; 307 for foreign individuals; 185 for foreign companies and 35 for pension funds.

Table 1a : Distribution of New Securities Accounts Opened by Account Type, 2020

Account Type	No. of Accounts Opened	% of total
Local Minor	1,028	1.5
Local Individual	65,912	96.4
Local Company	757	1.1
Foreign Minor	18	0.0
Foreign Individual	307	0.4
Resident Foreigner	103	0.2
Foreign Company	185	0.3
Pension Fund	35	0.1
Total	68,345	100.0

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

Year	No. of New Accounts Opened	Total No. of Accounts Opened
2020	68,345	1,191,123
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

8.0 Market Performance cont'd

8.3 Primary Market Activities

8.3.1 Debt Securities Issued in 2019

The face value of newly issued securities admitted by CSD in 2020 was GH¢ 207,907.9 million, up from GH¢ 145,737.7 million in 2019. The main issuers for the year, as in previous years, were Bank of Ghana, Government of Ghana, and Cocobod. Of the total issued securities, Bank of Ghana securities accounted for GH¢ 124,318.8 million (59.8 percent); Government of Ghana securities accounted for GH¢ 62,786.7 million

(30.2 percent); Cocobod securities accounted for GH¢ 18,600.3 million (9.0 percent) and the rest totalling GH¢ 2,202.1 million (1.1 percent) were issued by seven other corporate organisations.

Compared to 2019, the face value of securities issued by Bank of Ghana, Government of Ghana, Cocobod and corporate organisations increased by 47.7 percent, 32.3 percent, 48.6 percent and 39.0 percent respectively. Table 2 below provides more information on issued debt securities admitted by the CSD in 2019 and 2020.

Table 2 : Distribution of Debt Securities Admitted by Issuer (2019 & 2020)

Name of Issuer	Face Value (GH¢'m)			No. of Times Issued		
	2019	2020	% Change	2019	2020	% Change
Bank of Ghana	84,182.0	124,318.8	47.68	99	89	89.00
Corporate Firms	1,584.4	2,202.1	38.99	173	81	81.00
Cocobod	12,514.0	18,600.3	48.64	22	23	23.00
Government of Ghana	47,457.3	62,786.8	32.30	145	152	152.00
Total	145,737.7	207,907.9	42.66	439	345	345.00

8.3.1.1 Additional Securities Issued by Government

The face value of additional securities admitted in 2020 by CSD, either through tap-in or re-opening, was GH¢40,490.8 million as against GH¢ 19,760.9 million securities admitted in 2019. These additional securities are issued periodically and form part of an existing security already issued in the primary market.

8.3.2 Value of Outstanding Debt Stocks by Issuers

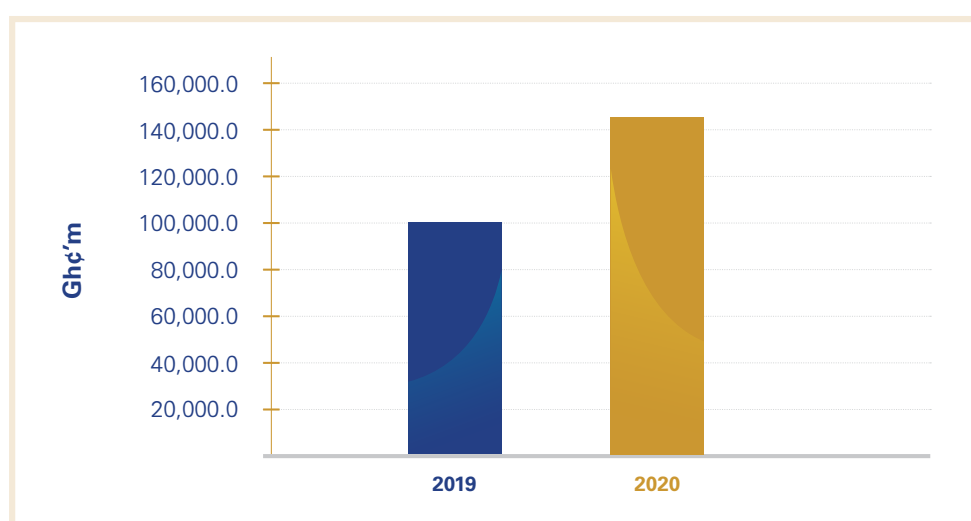
The face value of outstanding debt stock in the depository at the end of 2020 was GH¢ 145,582.5 million, an increase of 44.3 percent over the 2019 level. Of the outstanding stock, GH¢ 120,686.6 million (82.9 percent) was government securities; GH¢ 5,539.7 million (3.8 percent) was Bank of Ghana securities; GH¢ 9,600.9 million (6.6 percent) was Cocobod securities and GH¢ 9,755.3 million (7.2 percent) being securities issued by ten other corporates. See table 3 below for more information.

8.0 Market Performance cont'd

Table 3 : Distribution of Outstanding Debt Stocks by Issuers (2019 & 2020)

Name of Issuer	2019		2020		% change in stock (2019-2020)
	Face Value in GH¢'m	% of total	Face Value in GH¢'m	% of total	
AFB Loans Ltd	234.3	0.2	229.3	0.2	-2.1
Bank of Ghana	5,539.4	5.5	5,539.7	3.8	0.0
Bond Savings and Loans	70.0	0.1	57.1	0.0	-18.4
ABSA Bank of Ghana	232.3	0.2	102.5	0.1	-55.9
Bayport Financial Services	206.5	0.2	222.8	0.2	7.9
Cocobod	6,948.9	6.9	9,600.9	6.6	38.2
Daakye Trust PLC (DTP)	-	-	1,392.6	1.0	-
Dalex Finance & Leasing Company Plc	17.5	0.0	17.5	0.0	-0.3
Edendale Properties Plc.	8.0	0.0	8.0	0.0	-
Ezwe Loans Ltd	80.0	0.1	56.0	0.0	-30.0
Energy Sector Petroleum Levy Act	6,000.0	6.0	7,629.5	5.2	27.2
Government of Ghana	81,501.7	80.8	120,686.6	82.9	48.1
Ghana Home Loans	9.6	0.0	-	-	-100.0
Quantum Terminal Limited	45.0	0.0	40.0	0.0	-11.1
Total	100,893.2	100.0	145,582.5	100.0	44.3

Chart 1: Face Value (GH¢' m) of Outstanding Debt Stocks (2019 & 2020)



8.3.3 Distribution of Outstanding Debt Stock by Type of DPs

Commercial banks held GH¢ 85,978.9 million (59.1 percent) of the outstanding debt stock; custodian banks held GH¢ 46,221.1 million (31.8 percent); Bank of Ghana held GH¢ 8,694.2 million (6.0 percent); Brokerage Firms had GH¢ 3,141.9 million (2.2 percent); SSNIT GH¢ held 1,156.2 million (0.8 percent); and Investor Account Service (IAS) holders had GH¢ 390.2 million (0.3 percent).

8.0 Market Performance cont'd

Chart 2 Distribution of Outstanding Debt Stocks (GH¢'m) by Type of DPs (2020)

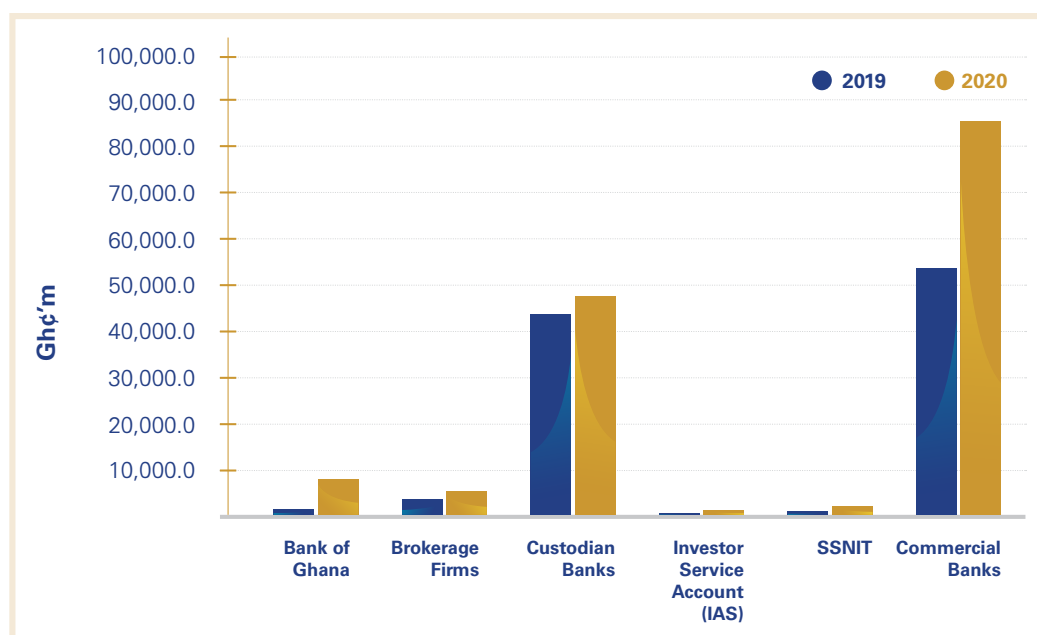


Table 4 : Distribution of Outstanding Debt Stocks (GH¢'m) by Type of DPs (2019 & 2020)

DP Type	2019		2020		% change (2019-2020)
	Face Value	% of total	Face Value	% of total	
Bank of Ghana	641.2	0.6	8,694.2	6.0	1,256.0
Brokerage Firms	2,425.0	2.4	3,141.9	2.2	29.6
Custodian Banks	42,631.4	42.3	46,221.1	31.8	8.4
Investor Service Account (IAS)	272.2	0.3	390.2	0.3	43.4
SSNIT	352.8	0.3	1,156.2	0.8	227.7
Commercial Banks	54,570.5	54.1	85,978.9	59.1	57.6
Total	100,893.2	100.0	145,582.5	100.0	44.3

8.3.4 Distribution of Outstanding Debt Stocks by Tenor

A large percentage of the outstanding debt stock in 2020 comprised of securities with tenors of three years and more. These long-term securities totalled GH¢ 96,728.9 million, constituting 66.4 percent of total debt securities outstanding, while securities with tenors of two years and below (short term) constituted GH¢ 48,853.7 (33.6 percent).

The face value of both the long term and short term outstanding debt stock increased in 2020 relative to 2019. The value of long term outstanding debt stock increased by 69.4 percent from GH¢ 57,102.8 million in 2019 to GH¢ 96,728.9 million in 2020. Equally, the face value of short term outstanding debt stock increased by 33.6 percent from GH¢ 43,790.4 million in 2019 to GH¢ 48,853.7 million.

8.0 Market Performance cont'd

Chart 3 : Distribution of Outstanding Debt Stocks (GH¢'m) by Tenor (2019 & 2020)

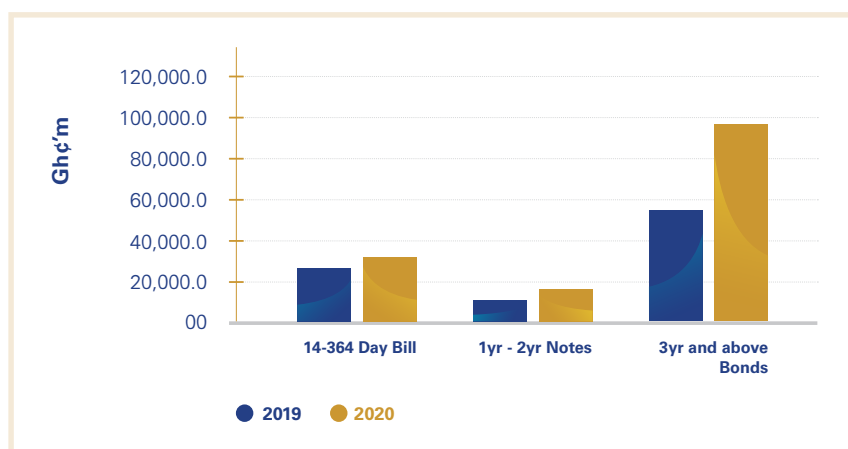


Table 5 : Distribution of Outstanding Debt Stocks by Tenor (2019 & 2020)

Tenor	2019		2020		% change (2019-2020)
	Face Value in GH¢'m	% of total	Face Value in GH¢'m	% of total	
91 Day – 364 Day Bills	27,539.6	27.3	30,349.1	20.8	10.2
1 Year – 2 Year Notes	16,250.7	16.1	18,504.5	12.7	13.9
3 Year and above Bonds	57,102.9	56.6	96,728.9	66.4	69.4
Total	100,893.2	100.0	145,583	100.0	44.3

8.3.5 Distribution of Outstanding Debt Stocks by Tenor and Investor Types

Domestic investors continued to hold a larger and increased percentage of the outstanding debt stock in 2020 comparable to that of 2019. Domestic investors held GH¢ 116,738.2 million (80.2 percent) of the GH¢ 145,582.5 million outstanding debt stock in 2020 with foreign investors holding GH¢ 29,067.2 (19.8 percent).

On year-on-year basis, the face value of outstanding debt stock held by domestic investors increased by 62.5 percent from GH¢ 71,826.0 million in 2019 to GH¢ 116,738.2 million in 2020. Over the same period, the value of outstanding debt stock held by foreign investors remained relatively stable with a marginal decline of 0.8 percent from GH¢ 29,067.2 million to GH¢ 28,844.3 million.

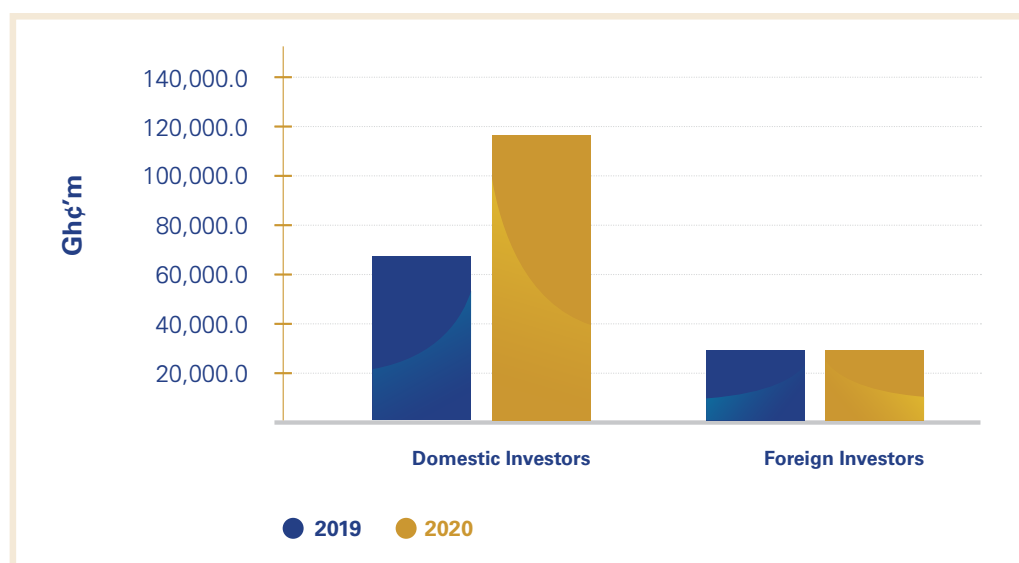
Table 6: Distribution of Outstanding Debt Stocks by Tenor and Investor Types (2019 & 2020)

Tenor	Domestic Investors (GH¢)			Foreign Investors (GH¢)		
	2019	2020	% Change	2019	2020	% Change
14 Day – 364 Day Bills	27,538.9	30,253.7	9.9	0.8*	95.5*	12,275.2
1 Year – 2 Year Notes	12,165.6	15,912.3	30.8	4,085.2	2,592.3	(36.5)
3 Year and above Bonds	32,121.6	70,572.3	119.7	24,981.3	26,156.6	4.7
Total	71,826.0	116,738.2	62.5	29,067.2	28,844.3	(0.8)

* 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.

8.0 Market Performance cont'd

Chart 4 : Holders of Outstanding Debt Stocks (GH¢'m) (2019&2020)



8.4 Secondary Market Activities

8.4.1 Value of Interest and Maturity Proceeds Generated by CSD

The CSD generated interest and maturity proceeds entitlements for four issuers in the debt market, namely Government of Ghana, Bank of Ghana, Cocobod and ABSA Bank Ghana Limited.

A total amount of GH¢221,512.3 million, comprising maturity proceeds of GH¢ 206,452.9 million (93.2 percent) and interest payments of GH¢ 15,059.4 million (6.8 percent), was generated as entitlement proceeds for payment to 1,409,561 investors.

In comparison to 2019, the value of interest proceeds generated by the depository increased by 24.3 percent while the value of maturity proceeds increased by 44.1 percent.

Table 7 : Interest and Maturity Proceeds (GH¢) Generated by CSD per Issuer (2019 & 2020)

Name of Issuer	IP*	MP**	2019	2020		
			Total	IP	MP	total
ABSA Bank Ltd	57.1	4,755.8	4,812.9	41.3	5,569.1	5,610.4
Bank of Ghana	343.4	79,994.4	80,337.8	323.6	120,714.0	121,037.6
Cocobod	338.6	11,960.1	12,298.7	-	16,168.4	16,168.4
Government of Ghana	11,374.3	46,549.1	57,923.3	14,694.5	64,001.4	78,695.9
Total	12,113.3	143,259.4	155,372.7	15,059.4	206,452.9	221,512.3

* Interest Payment (IP); **Maturity Payment (MP)

8.0 Market Performance cont'd

Chart 5 : Interest and Maturity Proceeds (GH¢'m) Generated by CSD (2019 & 2020)

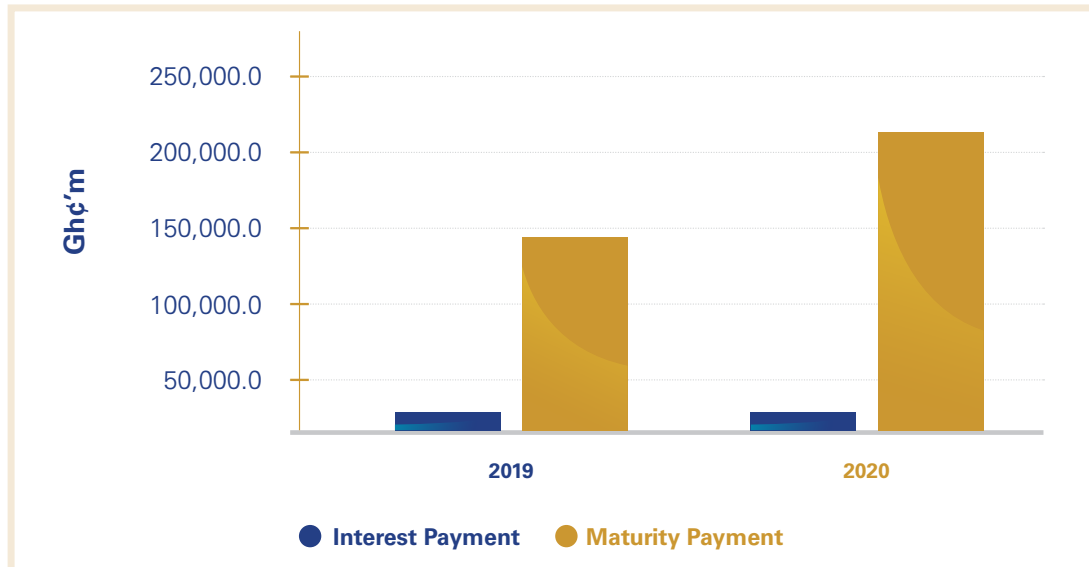
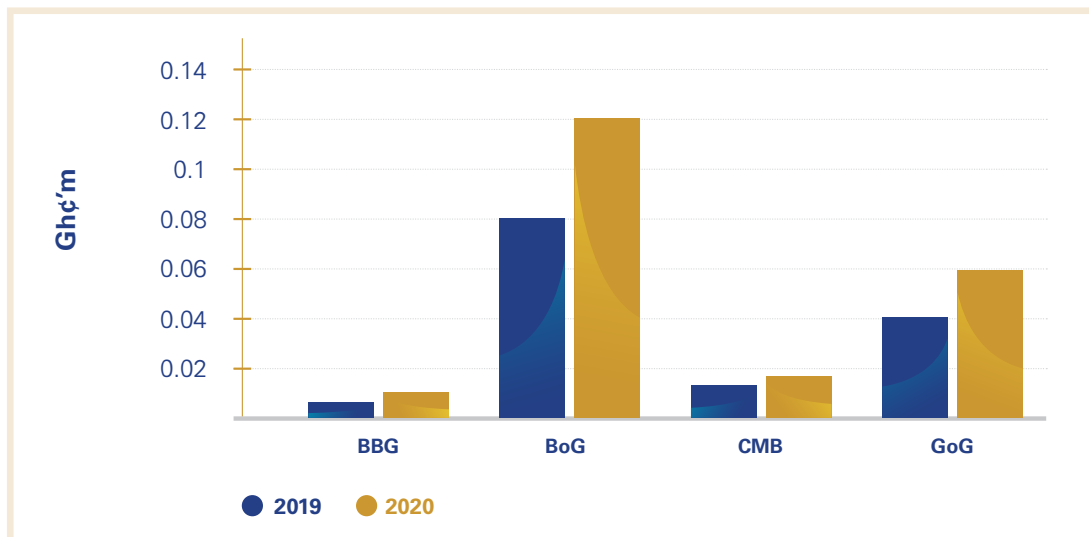
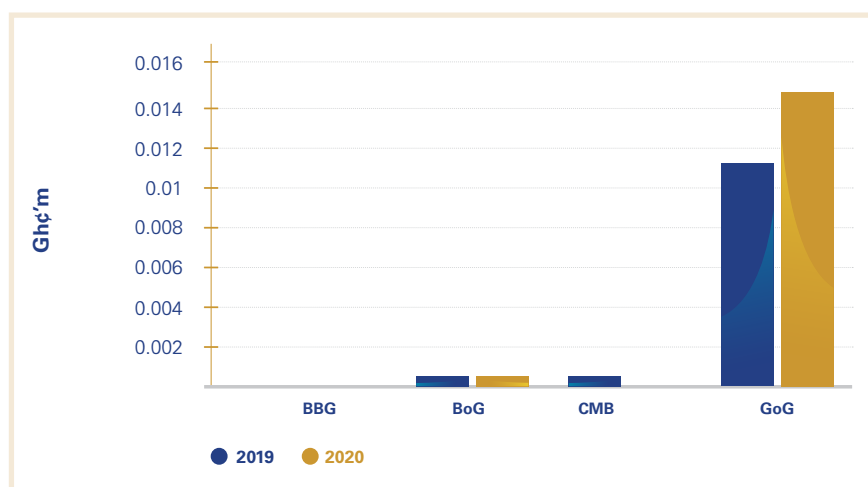


Chart 6 : Maturity Proceeds (GH¢'m) Generated by CSD per Issuer (2019 & 2020)



8.0 Market Performance cont'd

Chart 7 : Interest Proceeds (GH¢'m) Generated by the CSD per Issuer (2019 & 2020)



8.4.2 Settlement of Secondary Market Trades for Debt Securities

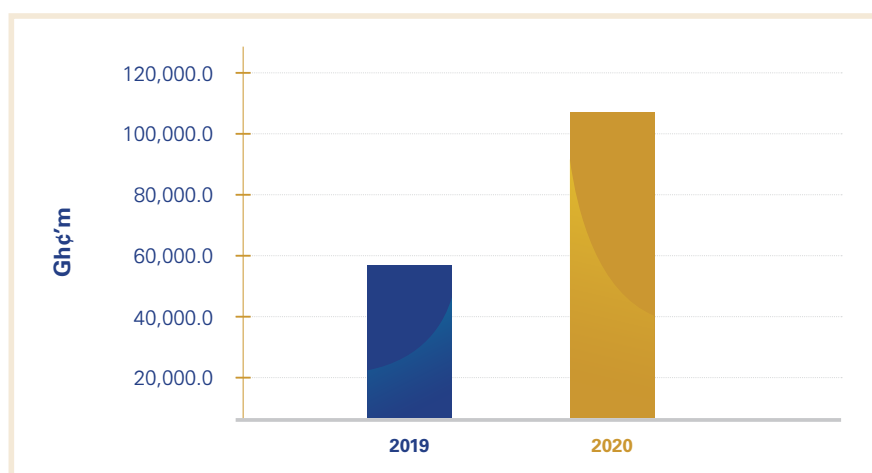
The secondary market saw a positive growth in terms of the number of transactions and the monetary value of trades cleared and settled by CSD in 2020 as compared to the previous year.

The number of secondary market trades cleared and settled through the CSD platform increased by 52.4 percent from 119,082 in 2019 to 181,650 in 2020. In monetary terms, the settlement amount of these trades almost doubled from GH¢ 55,715.3 million in 2019 to GH¢ 109,522.1 million in 2020.

Table 8 : Face Value & Settlement Value (GH¢'m) Debt Trades Cleared and Settled by CSD (2019 & 2020)

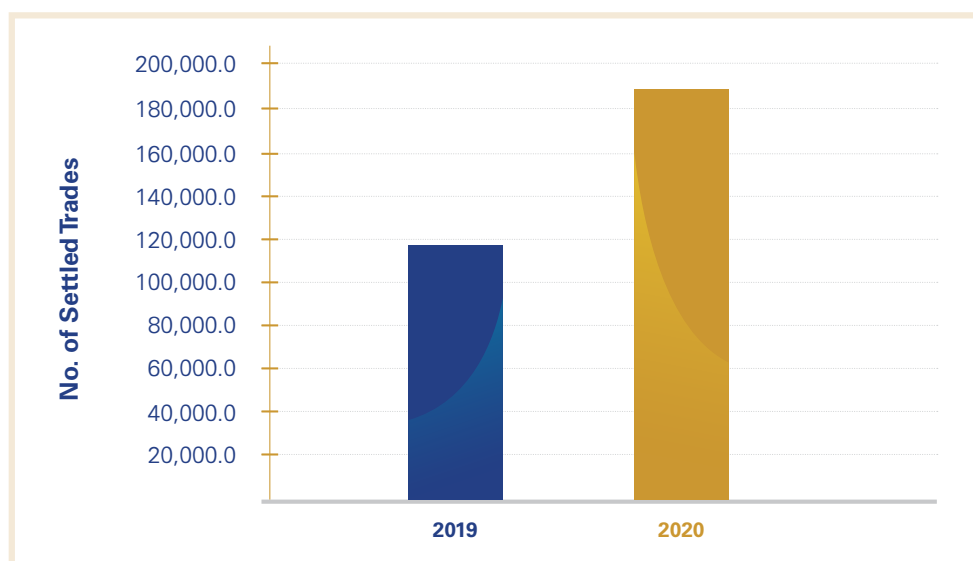
	2019	2020	% Change (2019-2020)
Face Value in GH¢'M	54,360.9	107,261.8	97.3
Settlement Value in GH¢'M	55,715.3	109,522.1	96.6
No. of Transactions	119,082	181,650	52.5

Chart 8: Settlement Value (GH¢'m) Debt trades cleared and Settled by CSD (2019 & 2020)



8.0 Market Performance cont'd

Chart 9: Number of Debt Trades Cleared and Settled by CSD (2019 & 2020)



8.4.3 Distribution of Cleared and Settled Debt Trades by Domestic and Foreign Investors

Domestic investors dominated settlement activities during 2020 on both the buy and sell sides of the secondary market.

On the buy side of the market, domestic investors accounted for GH¢ 89,329.6 million (81.6 percent) of the GH¢ 109,522.1 million trades cleared and settled in 2020 with foreign investors accounting for GH¢ 20,192.5 million (18.4 percent). Between 2019 and 2020, the value of purchased securities cleared and settled on the accounts of domestic investors in the secondary market nearly doubled (94.3 percent) with purchases by foreign investors doubling (107.2 percent).

On the sell side of the market, domestic investors accounted for GH¢ 89,298.3 million (81.5 percent) of the GH¢ 109,522.1 million trade cleared and settled in the secondary in 2020, with foreign investors accounting for GH¢ 20,223.7 million (18.5 percent). The monetary value of securities sold by domestic and foreign investors between 2019 and 2020 increased by 100.7 percent and 80.3 percent respectively.

Table 9 : Distribution of Purchase Trades Settled by Domestic and Foreign Investors (2019 & 2020)

Investor Types	2019	2020	% Change	2019	2020	% Change
	Settlement Value in GH¢'m			No. of Trades		
Domestic Investors	45,970.4	89,329.6	94.3	116,790.0	179,182.0	53.42
Foreign Investors	9,744.9	20,192.5	107.2	2,292.0	2,468.0	7.7
Total	55,715.3	109,522.1	96.6	119,082.0	181,650.0	61.1

8.0 Market Performance cont'd

Chart 10 : Distribution of Purchase Debt Trades Settled (GH¢'M) by Investors (2019 & 2020).

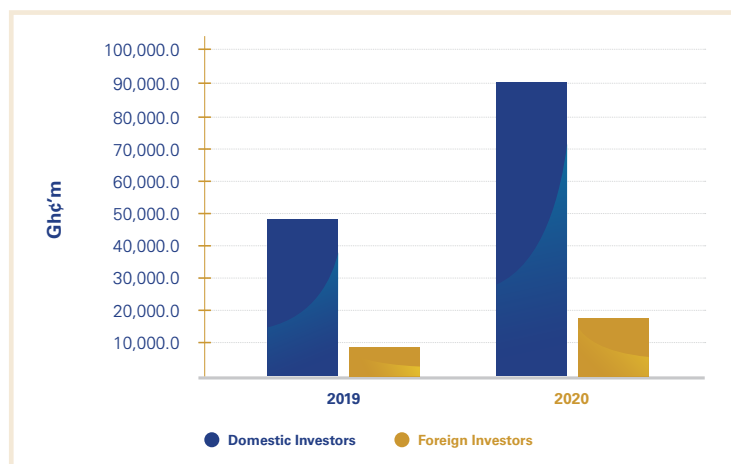
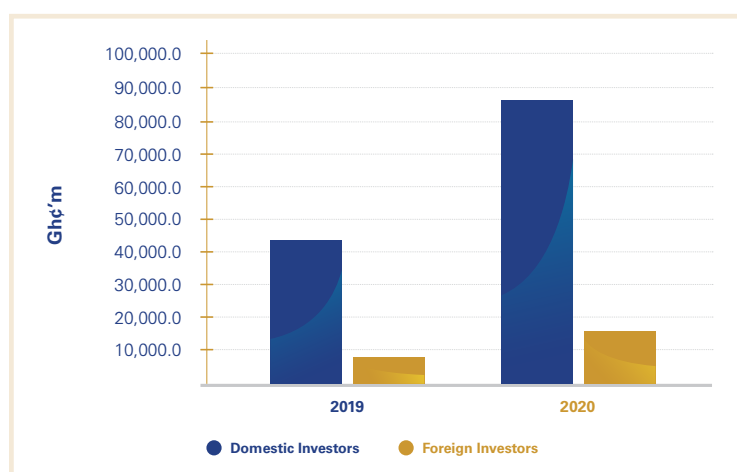


Table 10 : Distribution of Sell Debt Trades Settled by Domestic and Foreign Investors, (2019 & 2020)

Investor Type	2019	2020	% Change	2019	2020	% Change
	Settlement Value in GH¢'m			No. of Trades		
Domestic Investors	44,498.0	89,298.3	100.68	117,248	179,162	52.8
Foreign Investors	11,217.3	20,223.8	80.29	1,834	2,488	35.7
Total	55,715.3	109,522.1	96.57	119,082	181,650	52.5

Chart 11 : Distribution of Sell Debt Trades (GH¢'m) by Domestic and Foreign Investors (2019- 2020)



8.4.4 Settlement activities by type of Depository Participants (DPs)

The banks dominated transactions on the secondary market.

On the buy side of the secondary market, an amount of GH¢ 77,170.9 million worth of securities was settled directly through the banks; GH¢ 29,877.9 million of securities was settled by the custodian banks with GH¢ 2,473.3 million of securities being settled by the brokerage firms.

8.0 Market Performance cont'd

On the sell side of the secondary market, an amount of GH¢ 83,689.5 million securities was sold and settled directly by the banks, brokerage firms settled GH¢ 1,523.7 million of securities which was sold with an amount of GH¢ 24,308.9 million being securities settled directly by the custodian banks.

Chart 12 : Distribution of Purchase Debt Trades Settled by DP Types (2019 & 2020)

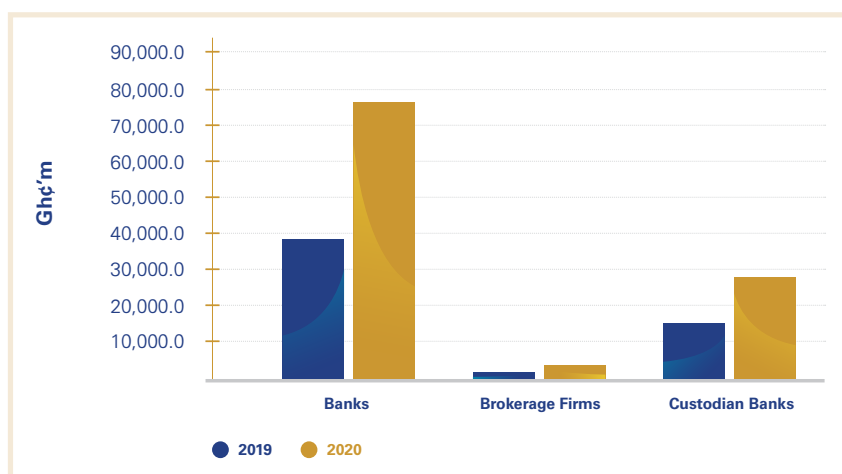
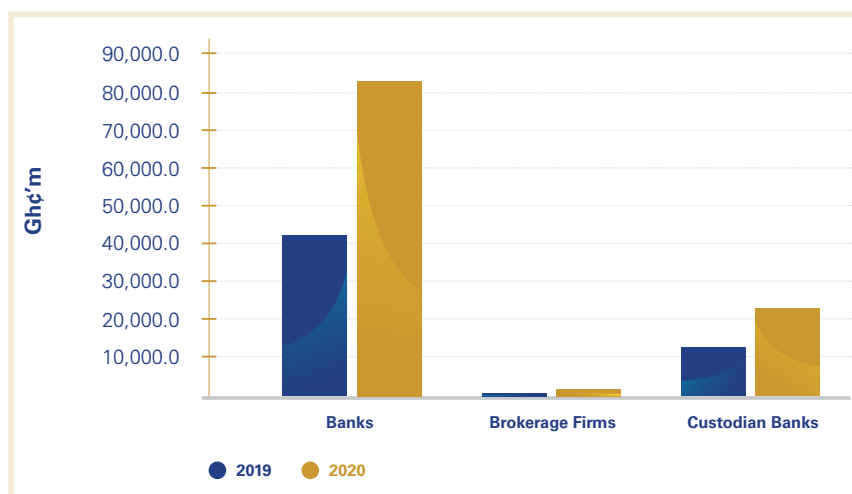


Table 11 : Distribution of Purchase Debt Trades Settled by DP Type (2019 – 2020)

DP Type	2019 GH¢'m		2020 GH¢'m		% Change (2019-2020)
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	37,112.5	37,969.9	75,595.5	77,170.9	103.24
Brokerage Firms	1,643.4	1,669.2	2,428.7	2,473.3	48.17
Custodian Banks	15,605.0	16,076.2	29,237.7	29,877.9	85.85
Total	54,360.9	55,715.3	107,261.8	109,522.1	96.57

Chart 13: Distribution of Sell Debt Trades Settled by DP Types (2019 -2020)



8.0 Market Performance cont'd

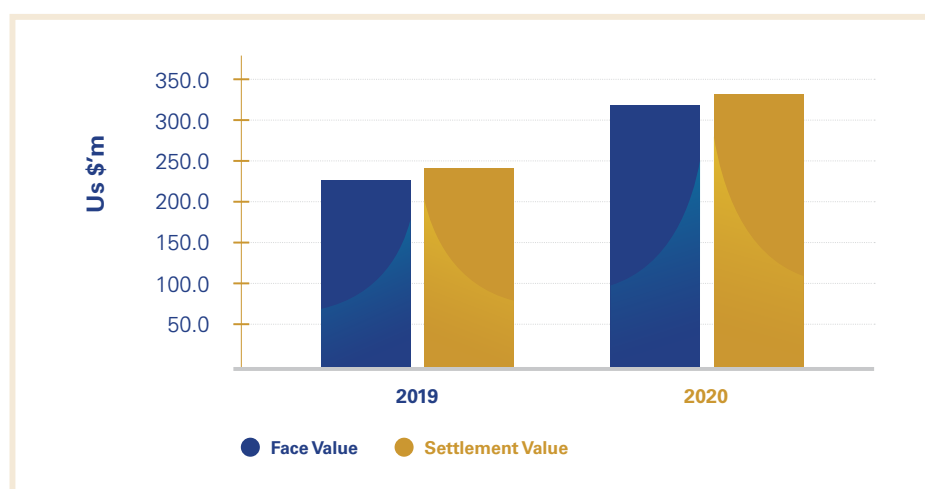
Table 12 : Distribution of Sell Debt Trades Settled by DP Types in 2019

DP Types	2019 GH¢'m		2020 GH¢'m		% Change (2019-2020)
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	40,129.1	41,045.6	82,142.1	83,689.5	103.9
Brokerage Firms	975.6	1,002.0	1,488.8	1,523.7	52.1
Custodian Banks	13,256.2	13,667.7	23,630.9	24,308.9	77.9
Total	54,360.9	55,715.3	107,261.8	109,522.1	96.6

8.4.5 Settlement Value of trades in Government Dollar Denominated Securities

The settlement value of the domestic dollar bonds traded and settled on the secondary market for 2020 was US\$ 328.6 million, an increase of 37.9 percent over the trades in 2019. In terms of the number of transactions involving government domestic dollar bond, there was an increase of 69.7 percent from 198 in 2019 to 336 in 2020.

Chart 14 : Settlement Value (US\$'M) of GoG Domestic Dollar Bond traded and settled (2019-2020)



8.4.6 Settlement of Repurchase Agreement Transactions (Repo)

The CSD platform supports settlement of collateralised repos and repo under the Global Master Repurchase Agreement (GMRA) which was implemented by the Bank of Ghana in October, 2020. The settlement amount of all the repo transactions decreased by 31.4 percent from GH¢ 201.605.3 million in 2019 to GH¢ 138,285.5 million in 2020. An amount of GH¢1,759.0 million constituted repo transactions settled under the GMRA for the period October to December, 2020. A face value of GH¢ 141,731.3 million securities was used to secure the settlement of the repo transactions carried out in 2020. The number of repo transactions settled by CSD declined by 27.6 percent from 5,957 in 2019 to 4,311 in 2020. Repo transactions under the GMRA accounted for 24 of the repo transactions settled in 2020.

8.0 Market Performance cont'd

Table 13 : Repo Transactions Settled by the CSD (2019-2020) (GH¢'m)

Repo Type	2019	2020	% Change (2019-2020)
Collateral Repo			
Repo Value GH¢'m)	201,605.30	136,526.50	(32.3)
Collateral Value GH¢'m)	204,385.80	139,846.10	(31.6)
No. of Transactions	5,957	4,287	(28.0)
Repo under GMRA			
Repo Value GH¢'m)	-	1,759.0	-
Collateral Value GH¢'m)	-	1,885.20	-
No. of Transactions	-	24	-
Total			
Repo Value GH¢'m)	201,605.30	138,285.50	(31.4)
Collateral Value GH¢'m)	204,385.80	141,731.30	(30.7)
No. of Transactions	5,957.00	4,311.00	(27.6)

Chart 15: Settlement (GH¢'m) of Repo Transactions by the CSD (2019-2020)

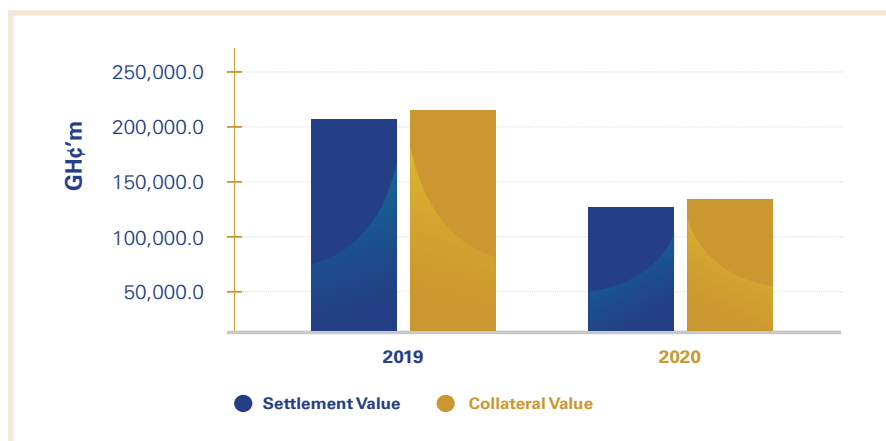
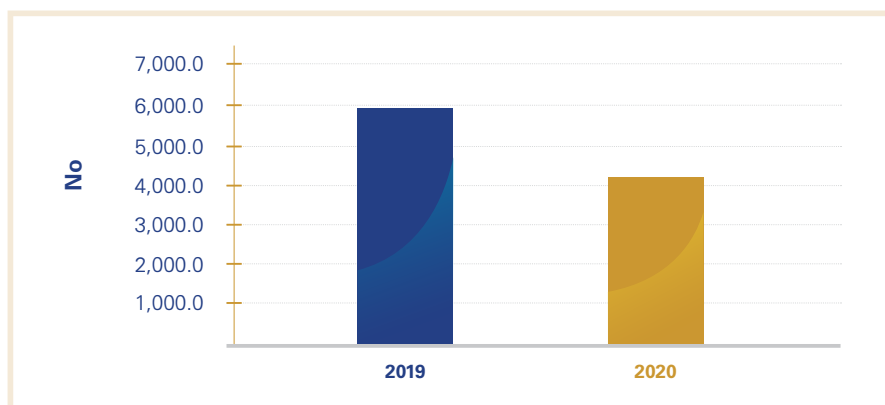


Chart 16 : Number of Repo Transaction (2019-2020)



8.0 Market Performance cont'd

8.4.7 Repo Transactions settled by Type of DPs

8.4.7.1 Collateralised Repo

Out of GH¢ 136,526.5 million collateralised repo transactions settled during 2020, GH¢ 116,482.5 million (85.2 percent) were transactions settled among the Commercial Banks; transactions between the Bank of Ghana and the Commercial Banks accounted for GH¢ 2,722.0 million (2.1 percent); with transactions between SSNIT and the Commercial Banks accounting for GH¢ 17,322.0 million or (12.7 percent).

Table 14 : Distribution of Collateralised Repo Transactions Settled by Type of DP in 2020

Lender of Cash	DP Type	Repo Value		Collateral Value		Number of Transactions		Average Repo
	Borrower of Cash	GH¢	%	GH¢	%	Counts	%	Rates (%PA)
Bank of Ghana	Commercial Banks	2,722.0	2.11	3,132.6	2.13	17	0.4	17.86
Commercial Banks	Commercial Banks	116,48.5	85.22	119,071.5	85.24	3,217	75.04	13.58
SSNIT	Commercial Banks	17,322.0	12.67	17,641.9	12.63	1053	24.56	13.12
Total		136,526.5	100.00	139,846.0	100.00	4,287	100.00	N/A

8.4.7.2 Repo under GMRA

Out of the GH¢ 1,759.0 million repo transactions carried out under GMRA in 2020, GH¢ 420.0 million (23.9 percent) comprise of transactions settled between the Bank of Ghana and the Commercial Banks whilst the remaining GH¢1,339.0 million (76.1 percent) are transactions performed among the Commercial Banks.

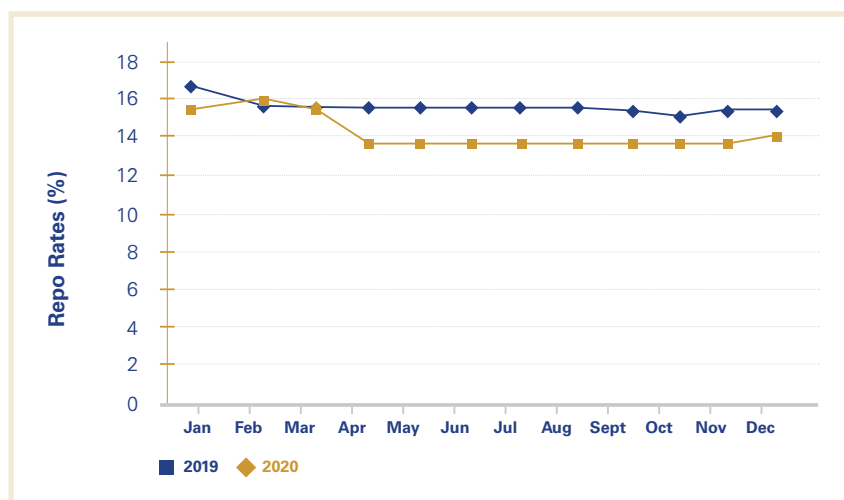
8.4.8 Repo Rates

The annual average repo rate for collateralised repo in 2020 was 14.3 percent, down from 15.4 percent in 2019. There was a continuous decline in the monthly weighted average repo rate from 15.3 percent in January, 2020 to 13.6 percent in December, 2020.

In terms of the repo under GMRA transactions, the weighted average repo rate for the year was 14.4 percent.

8.0 Market Performance cont'd

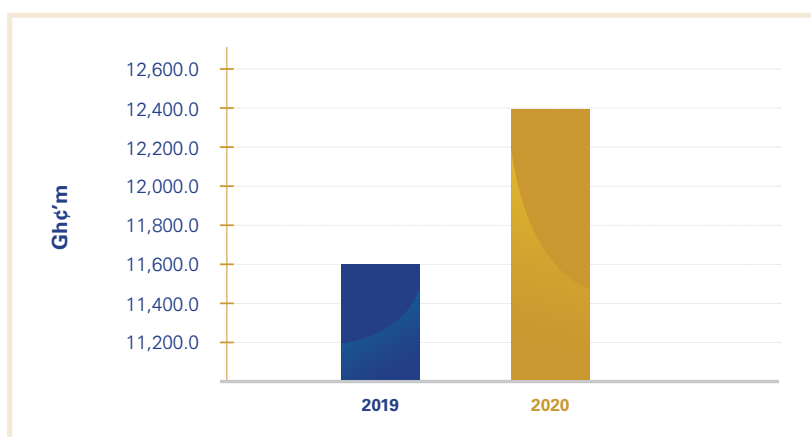
Chart 17 : Monthly Average Repo Rates (%) for Collateralised Repo (2019 & 2020).



8.4.9 Pledging of Debt Securities

The number of pledge transactions was down by 39.2 percent from 1,042 in 2019 to 634 in 2020. There was, however, an increase of 7.0 percent in the face value of the securities used for the pledge transactions from GH¢ 11,605.3 million in 2019 to GH¢ 12,413.7 million in 2020.

Chart 18 : Face Value (GH¢) of Debt Securities Pledged by Investors (2019 & 2020)



8.4.10 Volume and Value of Equity Securities in the Depository

The volume of equity securities held by CSD in 2020 was 14,118.2 million, down by 1.9 percent from 14,384.5 million in 2019. The shares of three companies, namely Ayrton, Dannex and Starwin merged into Dannex Ayrton Starwin Plc during the year accounting largely for the decrease in the volume of equity securities held in the depository. Out of the equity securities held with the depository, domestic investors held 7,252.5 million (51.4 percent) while foreign investors held 6,865.5 million (48.6 percent). Table 3a in the appendix gives detailed information on the volume of shares held in custody by the CSD in 2020.

8.0 Market Performance cont'd

Chart 19 : Volume of Issued Equities held with the CSD (2019 & 2020)

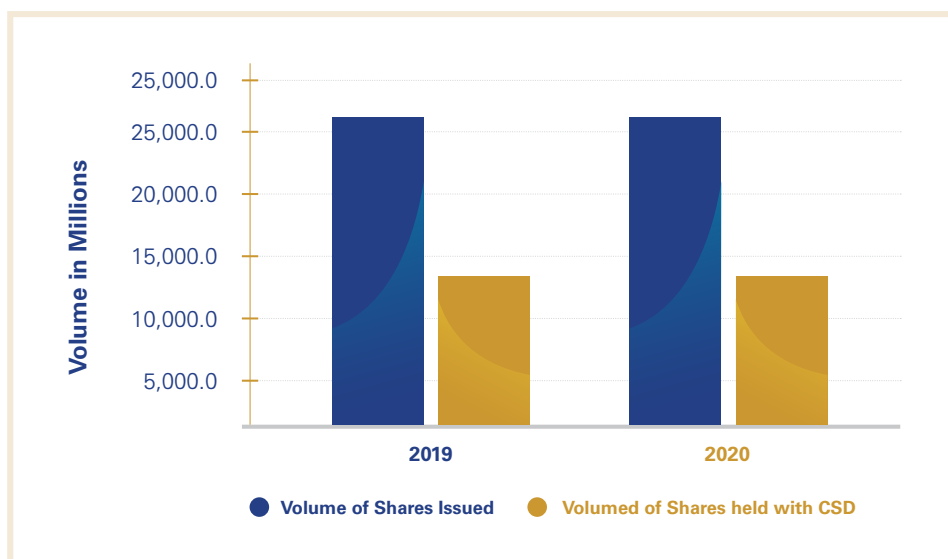
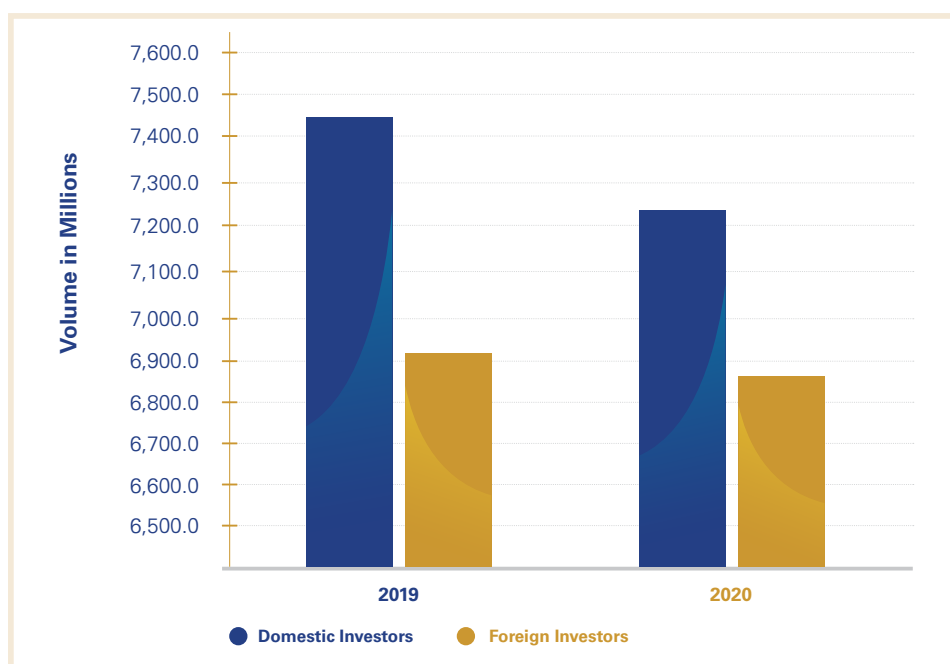


Chart 20: Distribution of Volume of Equity Securities held with CSD by Investor Type (2019 & 2020)



8.4.11 Clearing and Settlement of Equity Trades

The number of equity trades cleared and settled by CSD decreased by 35.5 percent from 16,241 transactions in 2019 to 10,474 transactions in 2020. In monetary terms, the value of equity trades cleared and settled increased by 94.1 percent from GH¢ 231.1 million in 2019 to GH¢ 448.5 million in 2020. Also the volume of equity transactions settled through the CSD was up by 122.3 percent from 254.8 million shares in 2019 to 566.3 million shares in 2020.

8.0 Market Performance cont'd

Chart 21: Settlement Value (Gh¢'m) of Equity Trades Settled by CSD (2019 & 2020)

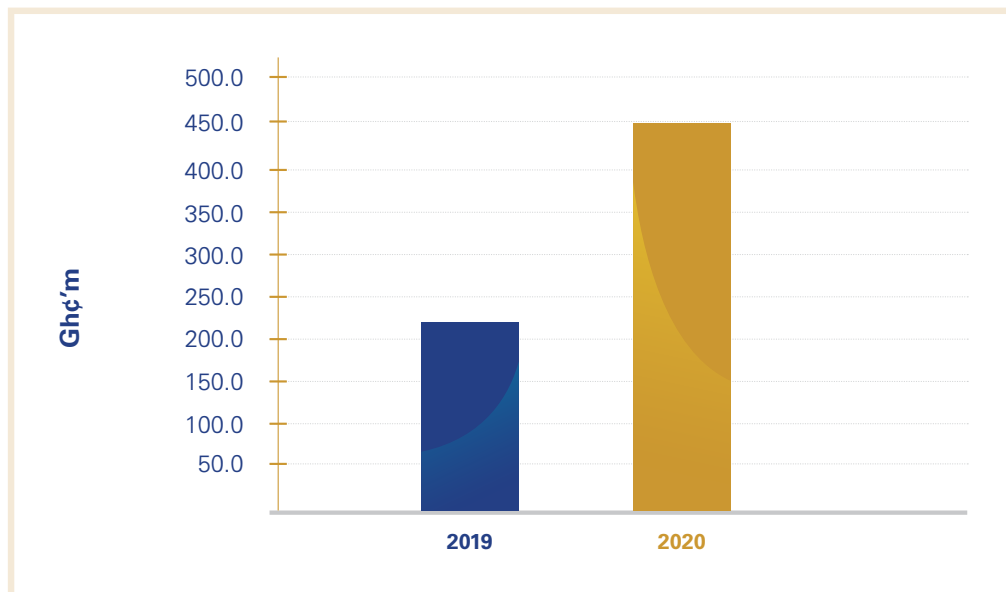
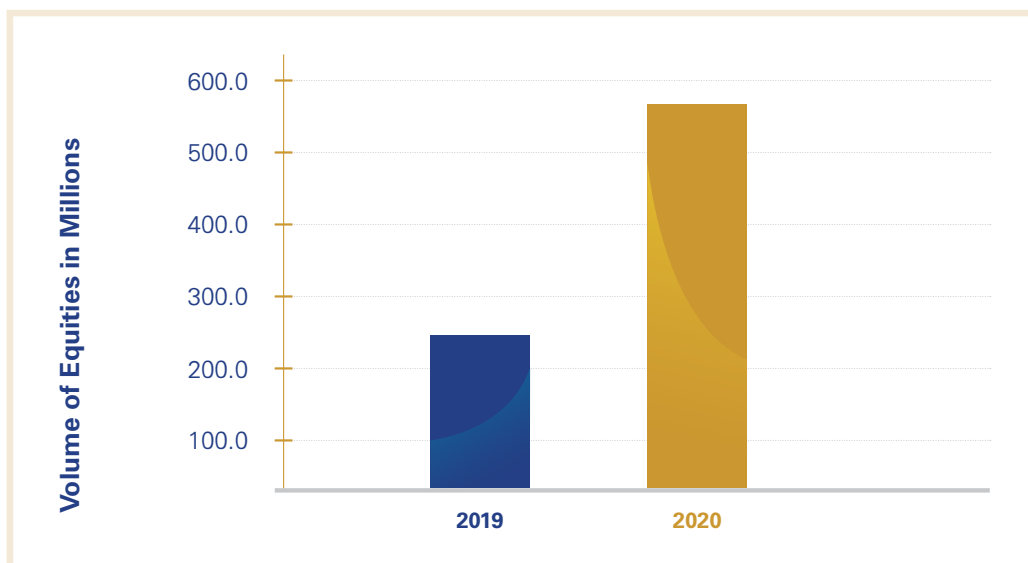
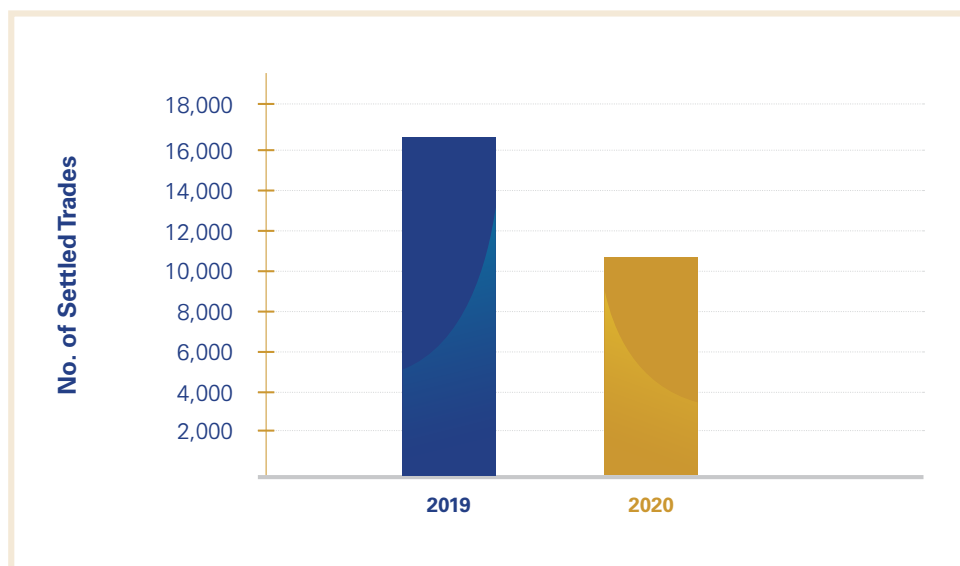


Chart 22 : Volume of Equity Trades Settled by CSD (2019 & 2020)



8.0 Market Performance cont'd

Chart 23 : Number of Equity Trades settled by CSD (2019 & 2020)



8.4.11 Settled Equity Trades Purchased and Sold under DP and Investor Types

The participation of foreign investors in the equity secondary market was high during the year compared to that of domestic investors.

On the buy side of the equity secondary market, foreign and domestic investors accounted respectively for GH¢263.4 million and GH¢ 185.0 million of the GH¢ 448.5 million equity trades cleared and settled in 2020. The value of equity trades purchased and settled by foreign investors increased by 45.2 percent from GH¢ 181.4 million in 2019 to GH¢ 263.4 million in 2020. During the same period, the value of equity trades purchased and settled by domestic investors also increased by 272.9 percent from GH¢ 49.6 million to GH¢ 185.0 million.

On the sell side of the equity secondary market, the value of equity trades sold and settled by foreign investors in 2020 was GH¢ 413.6 million, up by 129.6 percent from GH¢ 180.1 million in 2019. For domestic investors, the value of equity securities sold and settled in 2020 was GH¢ 34.9 million in 2020, down by 31.6 percent from a value of GH¢ 50.9 million in 2019.

8.0 Market Performance cont'd

Chart 24 : Distribution of Purchase Equity Trades Settled by Investor Type (2019 & 2020)

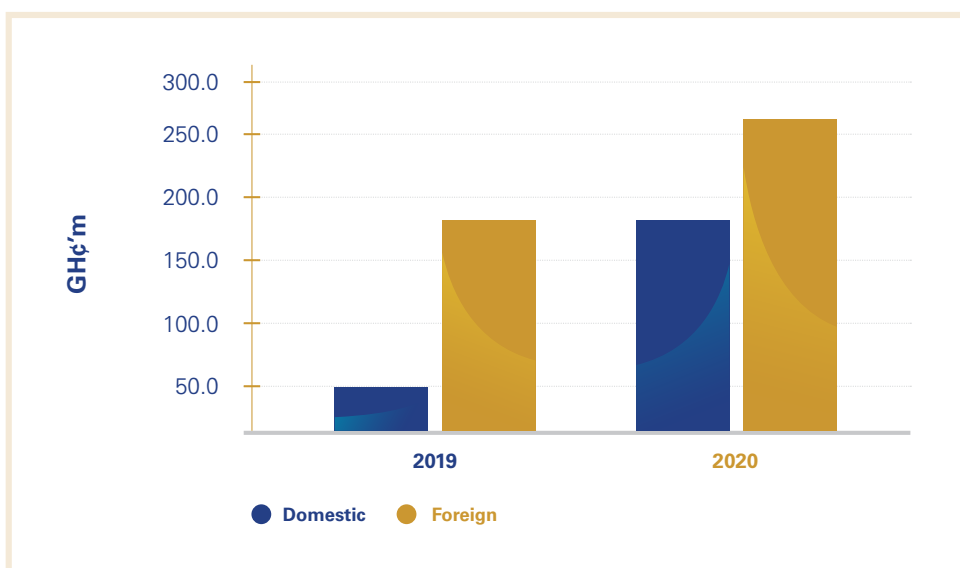
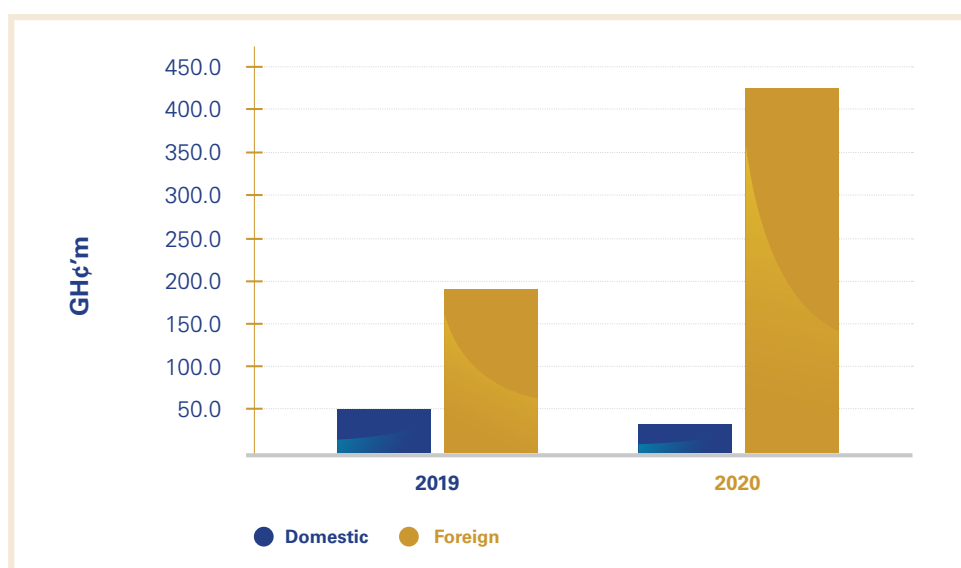


Chart 25 : Distribution of Sell Equity Trades Settled by Investor Type (2019 & 2020)



9.0 Appendix

9.1 Lists of Depository Participants (DPs)

A. Commercial Banks

1	Access Bank (Ghana) Plc	13	Guarantee Trust Bank Ghana Ltd
2	ADB Bank Ltd.	14	National Investment Bank Ltd
3	Bank of Africa Ghana Limited	15	OmniBSIC Bank Limited
4	ABSA Bank Ghana Limited	16	Prudential Bank Ltd
5	Cal Bank Ltd	17	Republic Bank (Ghana) Limited
6	Consolidated Bank Ghana Limited	18	Societe Generale (Ghana) Limited
7	Ecobank Ghana Ltd.	19	Stanbic Bank (Ghana) Ltd
8	FBN Bank (Ghana) Ltd	20	Standard Chartered Bank (Ghana) Limited
9	Fidelity Bank Ghana Ltd	21	United Bank for Africa (Ghana) Limited
10	First Atlantic Bank Ltd	22	Universal Merchant Bank Limited
11	First National Bank (Ghana) Limited	23	Zenith Bank (Ghana) Ltd
12	GCB Bank Ltd.		

B. Custodian Banks

1	Access Bank Custody Services	9	GCB Bank Custody Services
2	ADB Bank Custody Services	10	Prudential Bank Custody Services
3	Cal Bank Custody Services	11	Republic Bank Custody Services
4	Ecobank Custody Services	12	Securities Services–Standard Chartered Bank
5	Fidelity Custody Services	13	Societe General (Ghana) Limited Custody Services
6	First National Bank Custody Services	14	Stanbic Bank Custody Services
7	First Atlantic Bank Limited Custody Services	15	Universal Merchant Bank Custody
8	Guaranty Trust Bank Custody Services	16	Zenith Bank Custody Services

C. Brokerage Firms

1	Amber Securities Limited	13	IC Securities (Ghana) Limited.
2	Apakan Securities Limited	14	Merban Stockbrokers Ltd.
3	BlackStar Brokerage Ltd.	15	NTHC Securities Ltd.
4	Bullion Securities Ltd.	16	Prudential Securities Ltd.
5	CDH Securities Ltd.	17	Republic Securities (GH) Limited
6	Chapel Hill Denham Securities (Gh) Ltd	18	SBG Securities (Gh) Limited
7	Databank Brokerage Ltd.	19	Serengeti Capital Markets Limited
8	EDC Stockbrokers Ltd.	20	SIC Brokerage Limited
9	FINCAP Securities Limited	21	Strategic African Securities Limited
10	FirstBanc Brokerage Services Limited	22	Worldwide Securities Limited.
11	GFX Brokers		
12	Teak Tree Brokerage Limited		

9.0 Appendix cont'd

D. Investment Advisers

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

E. Others

1. ARB Apex Bank Ltd
2. Bank of Ghana
3. Social Security and National Insurance Trust (SSNIT)

9.2 Lists of Issuers in the Depository System

9.2.1 Debt Securities

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

1	Afb Plc.	8	Government of Ghana
2	Barclays Bank of Ghana	9	Bank of Ghana
3	Bond Savings and Loans Ltd.	10	Cocobod
4	Izwe Savings and Loans PLC.	11	Energy Sector Petroleum Levy Acts (ESLA)
5	Bayport Financial Services Ltd.	12	Ghana Home Loans Ltd.
6	Dalex Financial Services	13	Produce Buying Company
7	Edendale Properties Plc.	14	Quantum Terminal Ltd

9.2.2 Equity Securities

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

9.2.2.1 Listed Equities on the Ghana Stock Exchange (GSE)

1	ADB Bank	14	Enterprise Group Ltd	27	Produce Buying Company Ltd
2	Access Bank	15	Fan Milk Ltd	28	PZ Cussons Gh. Ltd
3	Aluworks Ltd	16	GCB Bank Ltd.	29	Sam Woode Ltd
4	AngloGold Ashanti Depository Shares	17	Ghana Oil Company Ltd	30	Samba Food
5	AngloGold Ashanti Ltd	18	Golden Star Resources Ltd	31	SIC Insurance Company Ltd
6	Ayrton Drug Manufacturing Ltd.	19	Guinness Ghana Breweries Ltd	32	Societe General Gh. Ltd
7	Benso Oil Palm Plantation	20	Republic Bank Ltd	33	Standard Chartered Bank Gh. Ltd
8	CAL Bank Ltd	21	Hords Ltd.	34	Starwin Products Ltd
9	Camelot Gh. Ltd	22	Intravenous Infusions Ltd	35	Total Petroleum Gh. Ltd
10	Cocoa Processing Company Ltd	23	Mechanical Llyod Company Ltd	36	Trust Bank Ltd (The Gambia)
11	Digicut Production	24	Mega African Capital Ltd.	37	Tullow Oil PLC
12	Ecobank Gh. Ltd	25	Meridian Marshall	38	Unilever Ghana Ltd
13	Ecobank Transnational Inc.	26	NewGold Issuer Ltd		

9.0 Appendix cont'd

9.2.2.2 Unlisted Equities

1. Accra Brewery Ltd
2. Accra Hearts of Oak Ltd
3. CFAO Ghana Ltd

9.3 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.

9.3.1 CSD Registrar

1	Access Bank Limited	6	Mega Africa Company (MAC)
2	Agricultural Development Bank (ADB)	7	Meridian-Marshalls Holdings (MMH)
3	Cal Bank Ghana	8	NewGold Limited (GLD)
4	Digicut Production & Advertising Limited (DPA)	9	Scancom Limited (MTN)
5	Hords Limited	10	Tullow Oil Plc (TLW)

9.3.2 GCB Registrar

1	Ecobank Ghana Limited	5	Intravenous Infusions Limited
2	Ecobank Transnational Inc.	6	Standard Chartered Bank Ghana (Ordinary Shares)
3	GCB Bank Limited	7	Standard Chartered Bank Ghana (Preference Shares)
4	GSR Ordinary Shares		

9.3.4 NTHC Registrar

1	AngloGold Asanti Depository Shares (AADS)	9	Ghana Oil Company Limited
2	AngloGold Asanti Limited (AGA)	11	Pioneer Kitchenware Limited (PKL)
3	Benso Oil Palm Plantation (BOPP)	12	Produce Buying Company Limited (PBC)
4	Clydestone (Ghana) Limited (CLYD)	13	Sam Woode Limited (SWL)
5	Cocoa Processing Company Limited (CPC)	14	Societe Genrale (Ghana) Limited (SOGEGH)
6	Dannex Ayrton Starwin Plc	15	State Insurance Company Limited (SIC)
7	Enterprise Group Limited (EGL)	16	Transaction Solutions (Ghana) Limited (TRANSOL)
8	Fan Milk Limited (FML)		

9.3.5 UMB Registrar

1	Aluworks Ltd (ALW)	6	Samba Foods Ltd (SAMBA)
2	Camelot Ghana Ltd (CMLT)	7	Total Petroleum Ghana Ltd (TOTAL)
3	Guinness Ghana Breweries Ltd (GGBL)	8	Trust Bank (Gambia) Ltd (TBL)
4	Mechanical Llyod Company Plc (MLC)	9	Unilever Ghana Ltd (UNIL)
5	Republic Bank Ghana Ltd (HFC)		

9.0 Appendix cont'd

Table 1a: Distribution of Debt Securities Issued by Issuer and Tenor (2019-2020)

Issuer	Security Tenor	Issuer Code	Jan - Dec, 2019		Jan - Dec, 2020	
			Face Value (GH¢)	No. of Times Issued	Face Value (GH¢)	No. of Times Issued
Corporate Firms	14 -91 Day NCD	ABGH	203,173,272	96	169,066,976	19
	182 Day	ABGH	-	-	5,953,000	2
	182 Day	ABGH	214,678,656	59	287,461,376	53
	364 Day	ABGH	2,041,800	3	4,500,000	2
	1 Year	BOSL	7,500,000	2	8,045,984	2
	1 Year	ABGH	110,000	1	-	-
	3 Year	BFS	30,000,000	1	-	-
	5 Year	BFS	30,000,000	1	-	-
	7 Year	DTP	-	-	1,294,056,660	1
	5 Year	AFB	23,000,000	2	-	-
	6 Year	AFB	15,000,000	1	-	-
	10 Year	ESLA	1,000,000,000	1	-	-
	12 Year	ESLA	-	-	430,469,716	1
	3 Year	BOSL	48,000,000	3	2,500,000	1
	5 Year	BOSL	866,000	1	-	-
	5 Year	GHL	10,000,000	2	-	-
Sub Total			1,584,369,728	173	2,202,053,712	81
Cocobod	182 Day	CMB	12,514,040,695	22	18,600,311,523	23
Sub Total			12,514,040,695	22	18,600,311,523	23
Bank of Ghana	14 Day	BoG	74,535,177,724	52	120,113,179,205	53
	56 Day	BoG	8,824,801,512	46	4,205,572,582	36
	1 Year	BoG	821,974,440	1	-	-
Sub Total			84,181,953,676	99	124,318,751,787	89
Government of Ghana	91 Day	GoG	26,708,465,592	52	35,333,797,452	52
	182 Day	GoG	6,384,461,232	52	5,791,809,553	52
	364 Day	GoG	3,840,940,462	18	3,973,790,629	28
	1 Year	GoG	1,704,159,100	9	-	-
	2 Year	GoG	4,314,533,009	6	4,690,269,065	6
	3 Year	GoG	1,240,316,602	2	8,221,276,344	8
	5 Year	GoG	1,804,310,695	2	2,690,905,400	3
	6 Year	GoG	370,308,430	1	358,647,933	1
	7 Year	GoG	-	-	1,726,263,954	2
	10 Year	GoG	503,948,542	1	-	-
	15 Year	GoG	423,755,500	1	-	-
	20 Year	GoG	162,131,557	1	-	-
Sub Total			47,457,330,721	145	62,786,760,330	152
Overall Total			145,737,694,820	439	207,907,877,352	345

9.0 Appendix cont'd

Table 2a: Distribution of Outstanding Debt Stocks by Security Tenor, Issuer and Client Type as at December 2020.

CLIENT TYPES											
ISSUER CODE	TENOR/SHORT NAME	BANK OF GHANA (GH¢)	COMMERCIAL BANKS (GH¢)	FIRMS/ INST (GH¢)	INSURANCE CO (GH¢)	FOREIGN INVESTORS (GH¢)	RURAL BANKS (GH¢)	SSNIT (GH¢)	PENSION (GH¢)	OTHERS (GH¢)	TOTAL (GH¢)
BOG	2 WK BOG BILL	-	3,279,973,000	-	-	-	-	-	-	-	3,279,973,000
ABGH	19 DAY ABGH BILL	-	-	1,000,000	-	-	-	-	-	-	1,000,000
BOG	56 DAY BOG BILL	-	410,902,259	-	-	-	-	-	-	-	410,902,259
GOG	91 DAY GOG BILL	6,150,536	1,311,545,332	2,000,464,104	10,671,051	327,596*	684,940,778	15,170,886	-	6,001,453,979	10,030,724,262
GOG	182 DAY GOG BILL	2,162,146	442,042,243	767,518,286	101,414,936	118,663*	328,717,003	127,096	-	1,214,406,841	2,856,507,214
BOG	182 DAY BOG BILL	-	-	-	-	93,850,489*	-	-	-	-	93,850,489
CMB	182 DAY CMB BILL	731,200	8,206,598,898	589,332,094	18,807,248	962,320*	65,215,237	50,307,000	61,881,835	607,021,756	9,600,857,588
ABGH	182 DAY ABGH BILL	-	1,000,000	85,293,100	-	-	-	-	10,467,900	272,000	97,033,000
BBG	364 DAY BBG BILL	-	-	1,900,000	-	-	-	-	-	-	1,900,000
ABGH	364 DAY ABGH BILL	-	-	2,600,000	-	-	-	-	-	-	2,600,000
GOG	364 DAY GOG BILL	3,131,344	1,794,880,590	1,529,110,997	15,062,170	218,640*	187,123,652	28,576,517	16,077,023	399,609,696	3,973,790,629
BOG	1 YR FXR BOG NOTE	-	-	-	-	1,054,977,330	-	-	-	-	1,054,977,330
BOSL	1 YR FXR BOSL NOTE	-	-	1,663,557	-	-	-	-	6,382,427	-	8,045,984
GOG	2 YR FXR GOG NOTE	73,343,525	10,480,500,330	3,184,192,996	63,546,617	1,537,290,623	183,150,075	108,882,000	383,889,250	1,426,709,042	17,441,504,458
GOG	3 YR FXR GOG BOND	4,357,033,928	11,085,635,731	5,562,842,417	100,880,118	3,775,951,819	152,864,096	98,149,000	744,719,959	1,464,648,326	27,342,725,394

9.0 Appendix cont'd

Table 2a: Distribution of Outstanding Debt Stocks by Security Tenor, Issuer and Client Type as at December 2020. cont'd

ILL	3 YR FXR ILL BOND	-	-	8,058,990	-	-	-	130,000	811,010	9,000,000	0.01	
EPL	3 YR FXR EPL BOND	-	-	8,000,000	-	-	-	-	-	8,000,000	0.01	
CLIENT TYPES												
ISSUER CODE	TENOR/SHORT NAME	BANK OF GHANA(GH¢)	COMMERCIAL BANKS(GH¢)	FIRMS/ INST(GH¢)	INSURANCE CO(GH¢)	FOREIGN INVESTORS (GH¢)	RURAL BANKS (GH¢)	SSNIT (GH¢)	PENSION (GH¢)	OTHERS (GH¢)	TOTAL (GH¢)	%
BFS	3 YR FXR BFS BOND	-	-	116,511,100	-	65,000	-	-	10,799,000	3,864,200	131,239,300	0.09
BOSL	3 YR FLR BOSL BOND	-	-	12,818,000	-	-	-	-	7,566,000	5,700,000	26,084,000	0.02
BOSL	3 YR FXR BOSL BOND	-	-	13,918,000	-	-	-	-	8,150,000	35,000	22,103,000	0.02
AFB	5 YR FLR AFB BOND	-	-	100,973,700	-	-	-	-	7,286,200	6,934,000	115,193,900	0.08
AFB	5 YR FXR AFB BOND	-	-	8,634,155	-	-	-	-	90,000	275,845	9,000,000	0.01
BFS	5 YR FXR BFS BOND	-	-	61,788,200	-	8,010,000	-	-	2,138,500	762,960	72,699,660	0.05
ILL	5 YR FLR ILL BOND	-	-	16,349,606	-	-	-	-	1,608,394	42,000	18,000,000	0.01
ILL	5 YR FXR ILL BOND	-	-	17,902,000	-	-	-	-	868,000	230,000	19,000,000	0.01
BOG	5 YR FXR BOG BOND	53,484,663	623,968,337	14,525,000	2,822,000	-	-	5,200,000	-	-	700,000,000	0.48
BOSL	5 YR FXR BOSL BOND	-	-	866,000	-	-	-	-	-	-	866,000	0.00
GOG	5 YR FXR GOG BOND	215,707,888	5,788,444,565	4,945,612,524	125,788,213	8,527,213,098	100,459,458	20,000,000	1,218,169,402	1,558,224,113	22,499,619,261	15.45
DFL	5 YR FXR DFL BOND	-	-	15,265,386	-	-	-	-	1,490,614	700,000	17,456,000	0.01
ILL	6 YR FLR ILL BOND	-	-	10,000,000	-	-	-	-	-	-	10,000,000	0.01

9.0 Appendix cont'd

Table 2a: Distribution of Outstanding Debt Stocks by Security Tenor, Issuer and Client Type as at December 2020. cont'd

CLIENT TYPES												
ISSUER CODE	TENOR/SHORT NAME	BANK OF GHANA(GH¢)	COMMERCIAL BANKS(GH¢)	FIRMS/ INST(GH¢)	INSURANCE CO(GH¢)	FOREIGN INVESTORS (GH¢)	RURAL BANKS (GH¢)	SSNIT (GH¢)	PENSION (GH¢)	OTHERS (GH¢)	TOTAL (GH¢)	%
AFB	6 YR FLR AFB BOND	-	-	51,464,600	-	-	-	-	4,342,000	9,500,000	65,306,600	0.04
GOG	6 YR FXR GOG BOND	277,000	977,524,598	771,171,908	49,497,702	442,919,756	100,000	5,000,000	206,638,498	417,493,008	2,870,622,470	1.97
AFB	7 YR FXR AFB BOND	-	-	2,000,000	-	22,000,000	-	-	-	-	24,000,000	0.02
AFB	7 YR FLR AFB BOND	-	-	15,822,917	-	-	-	-	7,000	-	15,829,917	0.01
GOG	7 YR FXR GOG BOND	467,500	1,369,055,845	1,336,959,303	90,659,131	1,834,704,560	12,047,369	-	464,280,683	279,970,905	5,388,145,296	3.70
ESLA	7 YR FXR ESLA BOND	-	996,899,269	647,719,361	35,789,032	6,125,060	-	161,230,600	227,536,402	184,267,212	2,259,566,936	1.55
DTP	7 YR FXR DTP BOND	-	1,162,307,029	106,013,411	-	-	-	-	103,842,938	20,417,622	1,392,581,000	0.96
GOG	10 YR FXR GOG BOND	2,567,032	3,214,442,762	1,685,630,921	141,764,853	4,915,534,451	28,195,196	-	2,060,796,820	552,836,956	12,601,768,991	8.66
ESLA	10 YR FXR ESLA BOND	-	1,332,741,156	950,820,686	51,932,317	113,217	-	663,556,000	397,683,185	343,586,503	3,740,433,064	2.57
QTL	10 YR FXR QTL BOND	-	-	37,066,667	-	-	-	-	2,933,333	-	40,000,000	0.03
ESLA	12 YR FXR ESLA BOND	-	713,183,044	411,443,888	-	56,152	13,329,827	-	242,160,209	249,349,242	1,629,522,362	1.12
GOG	15 YR FXR GOG BOND	3,979,046,333	2,784,948,999	826,508,107	89,790,713	6,596,901,824	4,411,419	-	980,120,784	80,910,252	15,342,638,431	10.54
GOG	20 YR FXR GOG BOND	107,500	141,834,897	81,680,280	19,295,580	26,995,000	7,011,659	-	12,138,726	49,534,456	338,598,098	0.23
TOTAL		8,694,210,595	56,118,428,884	26,018,652,065	917,721,681	28,844,335,598	1,767,565,769	1,156,199,099	7,185,580,376	14,879,823,160	145,582,517,227	100.00
%		5.97	38.55	17.87	0.63	19.81	1.21	0.79	4.94	10.22	100.00	

*

9.0 Appendix cont'd

Table 3a: Distribution of OTC Trades Cleared and Settled by Issuer and Tenor (2019 – 2020)

Security Tenor	Issuer Code	Jan -Dec,2019			Jan-Dec, 2020		
		Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades	Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades
14 Day	ABGH	4,446,000	4,446,039	17	2,079,840	2,079,840	4
14 Day	BOG	-	-	-	28,241,278	28,095,835	1
19 Day	ABGH				1,000,000	1,000,000	1
30 Day	ABGH	29,284,586	29,322,441	49	3,171,400	3,185,433	3
31 Day	ABGH	950,000	950,000	4	-	-	-
56 Day	BOG	4,246,602	4,199,654	4	-	-	-
60 Day	ABGH	7,933,800	7,934,242	30	-	-	-
61 Day	ABGH	3,125,630	3,125,630	6	-	-	-
63 Day	ABGH	-	-	-	-	-	-
91 Day	ABGH	127,080,856	127,111,483	311	293,213,637	289,964,789	83
91 Day	GOG	1,671,555,158	1,628,679,657	61,728	1,674,803,448	1,630,797,688	67,610
180 Day	ABGH	4,777,000	4,777,000	14	28,634,500	28,685,965	35
182 Day	ABGH	251,685,956	251,717,446	341	252,502,676	252,818,988	283
182 Day	ABGH				23,513,600	23,514,056	38
182 Day	CMB	3,348,367,241	3,140,498,448	6,402	5,160,364,355	4,851,182,248	15,017
182 Day	GOG	712,896,932	678,583,393	14,288	460,945,436	438,193,404	14,507
1 Year FXR	ABGH	110,000	110,000	1	-	-	-
1 Year FXR	CMB	6,286,422	6,641,508	17	-	-	-
1 Year FXR	GOG	81,333,495	83,267,808	660	-	-	-
364 Day Bill	BBG	2,041,800	2,041,800	9	89,119,496	80,610,167	731
364 Day Bill	GOG	865,775,474	808,305,508	2,947	547,340,634	494,114,143	4,384
1 Year FXR	PBC	-	-	-	-	-	-
1 Year FLR	EPL	2,445,072,976	2,512,761,089	1,523	-	-	-
2 Year FXR	GOG	9,571,835,805	9,920,214,997	10,438	15,502,673,078	16,204,771,081	25,236
3 Year FLR	ILL	755,000	789,271	1	-	-	-
3 Year FXR	ILL	323,780	327,083	3	-	-	-
3 Year FLR	AFB	1,033,000	1,071,499	2	-	-	-
3 Year FLR	BFS	1,074,100	1,092,030	7	1,240,200	1,329,940	14
3 Year FXR	BFS	4,866,859	4,968,990	27	15,437,100	16,085,401	30
3 Year FXR	BOSL	937,957,809	987,106,090	953	3,537,000	3,863,645	5
3 Year FLR	BOSL	52,000	53,758	1	-	-	-
3 Year FXR	GOG	6,397,977,871	6,636,056,971	6,275	26,444,444,656	27,530,816,415	18,923
4 Year FLR	AFB	300,000	302,630	1	12,729,000	17,546,472	16
5 Year FXR	AFB	1,252,577	1,323,274	4	2,989,508	3,166,568	10
5 Year FLR	AFB	314,000	335,195	2	1,251,100	1,290,993	10
3 Year FXR	ILL				134,000	145,575	4
5 Year FLR	ILL	1,013,000	1,023,779	5	775,394	810,844	8
5 Year FXR	ILL	3,420,000	3,721,008	3	1,845,000	1,878,552	9

9.0 Appendix cont'd

Table 3a: Distribution of OTC Trades Cleared and Settled by Issuer and Tenor (2019 – 2020) cont'd

Jan -Dec,2019					Jan-Dec, 2020		
Security Tenor	Issuer Code	Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades	Face Value (GH¢)	Settlement Value (GH¢)	Total No. of Trades
5 Year FXR	BFS	90,400	94,902	2	7,411,800	7,837,968	16
5 Year FXR	DFL	-	-	-	-	-	-
5 Year FXR	GOG	10,538,808,003	11,091,299,350	6,877	20,649,598,747	21,508,592,963	17,754
5 Year FXR	BOG	85,507,571	85,301,218	5	-	-	-
6 Year FXR	GOG	2,978,125,706	3,232,153,412	932	3,390,223,024	3,536,634,581	1,148
6 Year FLR	ILL	-	-	-	-	-	-
6 Year FLR	AFB	2,341,000	2,528,301	3	1,802,500	1,842,298	12
7 Year FLR	AFB	-	-	-	57,500	56,903	1
7 Year FLR	DTP	-	-	-	6,466,718	6,511,620	9
7 Year FXR	ESLA	1,377,487,394	1,401,692,824	1,048	368,344,245	381,186,727	369
7 Year FXR	GOG	3,771,596,629	3,829,249,391	1,329	7,679,873,127	7,777,491,242	3,285
10 Year FXR	ESLA	2,279,508,767	2,350,970,917	941	505,557,502	511,023,514	604
10 Year FXR	GOG	4,266,891,300	4,274,372,472	1,264	12,884,002,778	12,795,191,925	5,786
12 Year FXR	ESLA	-	-	-	3,719,592,759	3,534,539,428	1,757
10 Year FLR	QTL	457,499,250	459,519,570	131	-	-	-
15 Year FXR	GOG	1,945,586,677	1,961,123,106	411	4,594,788,973	4,504,816,455	1,396
20 Year FXR	GOG	161,093,263	166,149,217	61	399,149,071	408,930,641	358
Total		54,360,920,213	55,715,280,158	119,082	107,261,782,851	109,522,081,007	181,650

9.0 Appendix cont'd

Table 4a: Distribution of Listed Shares Held in the Depository by Investors as at December, 2020

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	1,600,401	25,096	1,626,251	15,844,800	10.26	1,707	15	1,722
Access Bank Limited	ABG	5,232,586	162,736,164	167,969,250	173,947,596	96.56	657	27	684
Agriculture Development Bank	ADB	266,357,698	31,400	266,389,098	346,952,253	76.78	453	4	457
AngloGold Asanti Limited	AGA	239,389	0	239,389	400,877	59.72	26	0	26
Aluworks Ltd	ALW	172,454,229	58,439,581	230,893,810	236,687,001	97.55	1,435	22	1,457
Benso Oil Plan Plantation	BOPP	31,990,240	70,202	32,060,892	34,800,000	92.13	2,681	43	2,724
Cal Bank Ghana	CAL	339,628,668	254,125,592	593,755,517	628,712,525	94.44	8,995	130	9,125
Camelot Ghana Ltd	CMLT	5,154,192	14,411	5,168,603	6,829,276	75.68	202	6	208
Cocoa Processing Company Ltd	CPC	1,964,546,343	1,172,890	1,965,723,553	2,038,074,176	96.45	10,425	38	10,463
Dannex Ayrton Startwin Plc	DASP	75,172,980	60,834	75,242,211	84,765,898	88.76	2,618	26	2,644
Digitut Production & Advertising	DPA *	117,019,871	1,870,750	118,890,621	118,890,621	100.00	263	11	274
Ecobank Ghana Limited	EBG	79,918,404	237,301,857	317,220,261	322,551,209	98.35	5,815	87	5,902
Enterprise Group Plc.	EGL	127,103,877	35,953,246	163,097,123	170,827,825	95.47	2,227	59	2,286
Ecobank Transnational Inc.	ETI	1,065,026,869	3,494,814,416	4,559,847,185	4,787,508,128	95.24	11,711	205	11,916
Fan Milk Limited	FML	91,021,089	18,019,703	109,048,140	116,207,288	93.84	2,934	78	3,012
GCB Bank Limited	GCB	181,142,254	43,352,793	224,512,399	265,000,000	84.72	8,778	130	8,908
Guinness Ghana Breweries Ltd	GGBL	34,914,553	266,507,318	301,421,871	307,594,827	97.99	1,660	55	1,715
Ghana Oil Company Ltd	GOIL	357,852,989	18,165,416	376,023,685	391,863,128	95.96	6,634	89	6,723
Golden Star Resources Limited	GSR	11,556	574	12,130	30,196	40.17	428	13	441
Republic Bank Ghana Ltd (HFC)	RBGH	273,128,730	576,272,482	849,401,360	851,966,373	99.70	1,110	27	1,137
HORDS Ltd	HORDS*	114,917,561	30,000	114,947,561	114,947,561	100.00	536	6	542
Intravenous Infusions Limited	ILL	203,125,496	1,428,600	204,554,096	274,408,345	74.54	1,292	15	1,307
Mega Africa Company	MAC	9,252,472	443,092	9,695,564	9,948,576	97.46	96	6	102

9.0 Appendix cont'd

Table 4a: Distribution of Listed Shares Held in the Depository by Investors as at December, 2020 cont'd

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
Mechanical Llyod Company Plc	MLC	40,228,036	160,512	40,388,548	50,095,925	80.62	955	19
Meridian Marshalls Company Ltd.	MMH*	95,635,066	449,100	96,084,166	96,084,166	100.00	143	9
Produce Buying Company Limited	PBC	429,576,312	587,535	430,163,847	480,000,000	89.62	3,242	32
Scancom Ltd-MTN (GH)	MTN	585,271,009	1,197,085,011	1,782,389,430	12,290,474,360	14.50	111,143	307
PZ Cussons Ghana Ltd	PZC	8,900,969	874,513	9,775,482	168,000,000	5.82	983	17
Samba Foods and Spices Ltd	SAMBA*	5,968,226	7,827	5,976,053	5,976,053	100.00	40	4
Standard Chartered Bank Ghana	SCB	117,923,585	10,399,704	128,323,289	134,758,498	95.22	2,773	69
Standard Chartered Bank GH. Ltd.	SCBPREF	1,336,308	35,615	1,371,923	17,489,066	7.84	432	6
State Insurance Company Limited	SIC	152,314,841	32,208,029	184,529,670	195,645,000	94.32	5,559	62
Societe Genrale (Ghana) Limited	SOGEGH	250,004,196	439,575,464	689,593,712	709,141,367	97.24	9,433	99
Sam Woode Limited	SWL	17,997,999	19,000	18,016,999	21,828,035	82.54	232	3
Trust Bank (Gambia) Ltd	TBL	5,718,401	89,154	5,807,555	200,000,000	2.90	373	7
Tullow	TLW	2,024,350	18,320	2,042,670	2,043,162	99.98	8,867	45
Total Petroleum Ghana Ltd	TOTAL	17,017,780	2,935,742	19,953,518	111,874,072	17.84	2,097	50
Unilever Ghana Ltd	UNIL	5,815,366	10,265,043	16,080,659	62,500,000	25.73	2,227	70

* Listed on the Alternative Market of the GSE

10. 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.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020.

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 2020, 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 the 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 2020 are set out below:

	2020 GH¢
Profit before tax	35,559,395
to which is deducted income tax charge of	(9,445,039)
giving a profit for the year after income tax of	26,114,356
which is added to the brought forward retained earnings of	58,958,460
	85,072,816
out of which is deducted dividend of	(2,450,000)
leaving retained earnings carried forward of	82,622,816

Dividend

The directors have proposed the payment of dividend of GH¢1.5 per share amounting to GH¢5,250,000 for the year ended 31 December 2020 (2019: GH¢ 0.7 per share amounting to GH¢ 2,450,000).

Interest in other body corporates

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

Report of the Board of Directors cont'd

Corporate social responsibilities

The Company spent a total amount of GH¢121,862 on corporate social responsibilities during the year.

Audit fee payable

Audit fee for the year ended 31 December 2020 is GH¢134,320.

Directors

The names of the present directors and those who served during the year are listed on page 1. 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.

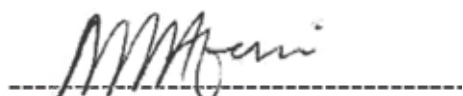
Capacity of directors

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

Mission

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



Dr. Maxwell Opoku-Afari
Chairman

Vision

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

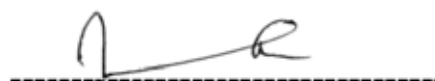
Ownership structure

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).

By Order of the Board



Mr. Yao A. Abalo
Director

24th February, 2021

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 2020, 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 2020.

The financial statements comprise:

- The statement of financial position as at 31 December 2020;
- 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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Independent Auditor's Report cont'd



Key audit matter	How our audit addressed the key audit matter												
<p>Impairment of trade receivables and investment securities</p> <p>IFRS 9 requires the Company to recognise expected credit losses ('ECL') on financial instruments, which involves significant judgement and estimates. This requires considerable judgement and interpretation and the application of forward-looking economic information reflecting management's view of potential future economic environment in its implementation.</p> <p>The Company's credit exposures and respective impairment at 31 December 2020, where applicable, are as follows:</p> <table><tr><th>Exposures assessed for expected credit loss</th><th>Gross balance</th><th>Impairment</th></tr><tr><td></td><td>GHS</td><td>GHS</td></tr><tr><td>Investment securities</td><td>80,082,894</td><td>8,154,242</td></tr><tr><td>Trade receivables</td><td>5,913,129</td><td>740,012</td></tr></table> <p>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 was recognised on these.</p> <p>For fixed deposits with financial institutions, the company uses the Expected Credit Loss (ECL) approach, which takes into account a broad range of information, including forward-looking macroeconomic conditions with a number of underlying assumptions regarding the choice of inputs such as interest rates, exchange rates, inflation rates and the effect of probability of default (PD), Exposure at default (EAD) and Loss given default (LGD). The impairment loss on investment securities and fixed deposits is disclosed in notes 11 and 25 of the financial statements.</p> <p>For accounts receivable, the Company uses a simplified provisioning matrix where trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles over a period of 24 month and the corresponding historical credit losses experienced within this period. The historic loss rates are adjusted to reflect forward-looking information such as interest rates on Government securities and the Ghana cedi – US Dollar exchange rate. The impairment of trade receivable is disclosed in notes 10 and 25.</p>	Exposures assessed for expected credit loss	Gross balance	Impairment		GHS	GHS	Investment securities	80,082,894	8,154,242	Trade receivables	5,913,129	740,012	<p>Our audit procedures related to the Company's impairment of investment securities included the following:</p> <p>We tested the assumptions adopted in staging credit exposures for reasonableness.</p> <p>We tested data used and assessed the measurement decisions and the ECL models developed by the Company which include challenging management's determination of:</p> <ul style="list-style-type: none">• Significant increase in credit risk,• Definition of default,• Probability of default,• Exposure at default, and• Loss given default. <p>We checked the model data input to the underlining accounting records and recomputed the model outputs.</p> <p>We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied to capture non-linear losses.</p> <p>We tested the disclosures on IFRS 9 and compared them to underlying accounting records.</p>
Exposures assessed for expected credit loss	Gross balance	Impairment											
	GHS	GHS											
Investment securities	80,082,894	8,154,242											
Trade receivables	5,913,129	740,012											

Independent Auditor's Report cont'd



Key audit matter	How our audit addressed the key audit matter
<p>Key judgements and estimates in respect of the timing and measurement of expected credit losses (ECL) include:</p> <ul style="list-style-type: none"> • 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; • Forward-looking information 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; <p>The accounting policies and critical estimates and judgements set out in notes 2.4 and 3 to the financial statements.</p>	<p>Our audit procedures related to the Company's impairment of trade receivables included the following:</p> <p>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.</p> <p>We assessed the reasonableness of forward-looking information incorporated into the impairment calculations.</p> <p>We re-performed certain model calculations to evaluate the inputs and risk parameter outputs.</p> <p>We tested the disclosures on IFRS 9 and compared them to underlying accounting records.</p>

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, 2020 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

Independent Auditor's Report cont'd



of the Chief Executive Officer, 2020 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.

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

Independent Auditor's Report cont'd



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, actions taken to eliminate threats or safeguards applied.

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/2021/028)
Chartered Accountants
Accra, Ghana
4 March 2021**

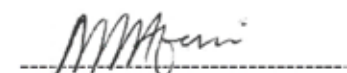
Statement of Financial Position

(All amounts are in Ghana cedis)

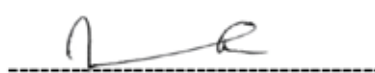
As at 31 December

Assets	Note	2020	2019
Non- current assets			
Plant and equipment	7	1,697,364	1,476,045
Intangible assets	8	5,308,373	6,131,780
Right-of-use assets	9	1,413,572	1,785,626
		8,419,309	9,393,451
Current assets			
Accounts receivable	10	10,253,199	7,940,308
Investment securities	11	71,928,652	48,984,392
Other assets	12	1,676,631	1,375,075
Current income tax	16	-	213,268
Cash and bank balances	13	7,661,329	2,801,002
		91,519,811	61,314,045
Total assets		99,939,120	70,707,496
Liabilities			
Non- current liabilities			
Lease liabilities	9	1,649,232	1,908,016
Deferred income tax	15	372,968	241,885
		2,022,200	2,149,901
Current liabilities			
Accounts payable and accruals	14	8,041,989	5,323,320
Current income tax	16	2,880,229	-
Lease liabilities	9	271,886	175,815
		11,194,104	5,499,135
Total liabilities		13,216,304	7,649,036
Equity			
Stated capital	17	3,500,000	3,500,000
Other reserve	18	600,000	600,000
Retained earnings	19	82,622,816	58,958,460
Total equity		86,722,816	63,058,460
Total liabilities and equity		99,939,120	70,707,496

The financial statements on pages 67 to 102 were approved by the board of directors on 24 February 2021 and signed on its behalf by:



Dr. Maxwell Opoku-Afari
Chairman



Mr. Yao A. Abalo
Director

24th February, 2021

The notes on pages 71 to 102 are an integral part of these financial statements.

Statement of Comprehensive Income

(All amounts are in Ghana cedis)

Year ended 31 December

	Note	2020	2019
Revenue	20	48,982,935	31,786,851
Other income	21	12,272,531	8,504,907
		61,255,466	40,291,758
Operating expenses	22	(25,335,709)	(23,106,044)
Finance costs	24	(360,362)	(371,039)
Profit before tax		35,559,395	16,814,675
Income tax expense	16	(9,445,039)	(4,400,205)
Profit for the year		26,114,356	12,414,470
Other comprehensive income		-	-
Total comprehensive income for the year		26,114,356	12,414,470

The notes on pages 71 to 102 are an integral part of these financial statements.

Statement of Changes in Equity

(All amounts are in Ghana cedis)

Year ended 31 December 2020	Stated capital	Other reserve	Retained earnings	Total
At 1 January 2020	3,500,000	600,000	58,958,460	63,058,460
Comprehensive income:				
Profit for the year	-	-	26,114,356	26,114,356
Total comprehensive income	-	-	26,114,356	26,114,356
Transactions with owners:				
Payment of dividend	-	-	(2,450,000)	(2,450,000)
At 31 December 2020	3,500,000	600,000	82,622,816	86,722,816
Year ended 31 December 2019	Stated capital	Other reserve	Retained earnings	Total
At 1 January 2019	3,500,000	600,000	47,453,990	51,553,990
Comprehensive income:				
Profit for the year	-	-	12,414,470	12,414,470
Total comprehensive income	-	-	12,414,470	12,414,470
Transactions with owners:				
Payment of dividend	-	-	(910,000)	(910,000)
At 31 December 2019	3,500,000	600,000	58,958,460	63,058,460

The notes on page 71 to 102 are an integral part of these financial statements.

Statement of Cash Flows

(All amounts are in Ghana cedis)

Year ended 31 December

Cash flows from operating activities	Note	2020	2019
Profit before income tax		35,559,395	16,814,675
Adjustment for:			
Depreciation expense	7&9	1,358,546	1,124,579
Amortisation expense	8	2,328,789	2,126,564
Accrued interest income	11&12	(4,446,625)	(2,343,542)
Premium on investment securities	11	216,481	94,768
Finance cost on lease liabilities	9	360,362	371,039
Exchange difference	9	14,686	65,054
Loss allowance on financial assets	25	421,385	304,331
Change in accounts receivable		(2,734,276)	(1,331,202)
Change in payables and accruals		2,718,669	(574,008)
Interest paid	9	(360,362)	(371,039)
Tax paid	16	(6,220,459)	(3,767,554)
Net cash generated from operating activities		29,216,591	12,513,665
Cash flows from investing activities			
Purchase of plant and equipment	7	(1,207,811)	(440,074)
Purchase of intangible assets	8	(1,505,382)	(1,589,619)
Purchase of investment securities	11	(45,606,035)	(53,642,280)
Maturity of investment securities	11	26,773,164	40,976,216
Purchase of equity investment	12	(73,228)	-
Investment in managed fund	12	(109,573)	(624,842)
Net cash used in investing activities		(21,728,865)	(15,320,599)
Cash flows from financing activities			
Dividend paid		(2,450,000)	(910,000)
Repayment of lease liabilities	9	(177,399)	(106,533)
Net cash used in financing activities		(2,627,399)	(1,016,533)
Increase/(decrease)in cash and cash equivalents		4,860,327	(3,823,467)
Cash and cash equivalents at start of period		2,801,002	6,624,469
Cash and cash equivalents at 31 December	13	7,661,329	2,801,002

The notes on page 71 to 102 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by Companies Act, 2019 (Act 992).

(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 2020.

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

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.
- Revised Conceptual Framework for Financial Reporting

Notes cont'd

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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 2020 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

Notes cont'd

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:

Notes cont'd

- 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:

- a) Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represents 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.
- b) 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.
- c) 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

Notes cont'd

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

Notes cont'd

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

Notes cont'd

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.

• 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.

2.5 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.

2.6 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:

Equipment	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.

Notes cont'd

2.7 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%.

2.8 Leases

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

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.

Notes cont'd

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.

2.9 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.

Notes cont'd

2.10 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.

2.11 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.

Notes cont'd

2.12 Stated capital

Stated capital represents non-distributable capital of the Company.

2.13 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.

Notes cont'd

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.

Determining impairment of property and equipment, and intangible assets (continued)

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.

Notes cont'd

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.

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.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will

At 31 December 2020	Up to 1 month	1 - 3 months	3 - 12 months	Over 12 months	Non-interest bearing	Total
Financial assets						
Cash and bank balances (excluding cash in hand)	-	-	-	-	7,659,205	7,659,205
Investment securities	-	-	8,594,361	63,334,291	-	71,928,652
Other assets	-	-	1,583,403	-	93,228	1,676,631
Accounts receivable (less prepayments)	4,081,701	-	-	-	5,173,117	9,254,818
Total financial assets	4,081,701	-	10,177,764	63,334,291	12,925,550	90,519,306
Financial liabilities						
Lease liabilities	-	-	271,886	1,649,232	-	1,921,118
Accounts payable	-	-	-	-	8,041,989	8,041,989
Finance liabilities	-	-	271,886	1,649,232	8,041,989	9,963,107
Total interest repricing gap	4,081,701	-	9,905,878	61,685,059	4,883,561	80,556,199

Notes cont'd

At 31 December 2019	Up to 1 month	1 - 3 months	3 -12 months	Over 12 months	Non-interest bearing	Total
Financial assets						
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
Total financial assets	3,517,890	-	18,215,589	32,123,878	6,595,284	60,452,641
Financial liabilities						
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
Total interest repricing gap	3,517,890	-	18,039,774	30,215,862	1,271,964	53,045,490

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 2020	Total	USD	GH¢
Cash and bank balance (excluding cash in hand)	7,659,205	24,883	7,634,322
Investment securities	71,928,652	-	71,928,652
Other assets	1,676,631	-	1,676,631
Accounts receivable (less prepayments)	9,254,818	-	9,254,818
Total financial assets	90,519,306	24,883	90,494,423
Accounts payable	8,041,989	-	8,041,989
Lease liabilities	1,921,118	399,678	1,521,440
Total financial liabilities	9,963,107	399,678	9,563,429

Notes cont'd

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
Total financial assets	60,452,641	23,888	60,428,753
Accounts payable	5,323,320	-	5,323,320
Lease liabilities	2,083,831	457,411	1,626,420
Total financial liabilities	7,407,151	457,411	6,949,740

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

Notes cont'd

- 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.
- 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

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 2020.

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

- 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:

Notes cont'd

- 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).

Measuring ECL — Explanation of inputs, assumptions and estimation techniques (continued)

- 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 2020 are set out below:

Scenario	Weight %	Inflation %	Interest rate %	Cedi/ dollar depreciation rate %
Base Case	50%	11.2	14.5	4
Improvement	15%	10.2	15.5	3
Deterioration	35%	12.2	13.5	5

Notes cont'd

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 2020, 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 2020	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	7,661,329	-	-	7,661,329
Investment securities	71,928,652	-	8,154,242	80,082,894
Accounts receivable (less prepayments)	9,522,592	-	472,238	9,994,830
Other assets	1,676,631	-	-	1,676,631
Gross carrying amount	90,789,204	-	8,626,480	99,415,684
Loss allowance	(267,774)	-	(8,626,480)	(8,894,254)
Carrying amount	90,521,430	-	-	90,521,430

31 December 2019	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	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	7,610,825
Other assets	1,375,075	-	-	1,375,075
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

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.

Notes cont'd

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 2020 and 31 December 2019 was determined as follows:

31 December 2020	Total	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	120 to 150 days	150 to 180 days	180 to 365 days	>365 days
Expected loss rate		3.20%	4.10%	5.70%	7.09%	9.70%	14.20%	19.70%	100%
Gross carrying amount	5,913,129	3,815,610	307,100	120,820	814,252	63,679	10,836	308,594	472,238
Loss allowance	740,012	122,100	12,590	6,886	57,690	6,176	1,539	60,793	472,238

31 December 2019	Total	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	120 to 150 days	150 to 180 days	180 to 365 days	>365 days
Expected loss rate		1.70%	2.20%	3.20%	4.70%	7.70%	8.20%	9.70%	100%
Gross carrying amount	4,088,108	3,482,960	45,582	9,804	23,574	450	18,200	279,150	228,388
Loss allowance	318,627	59,210	1,002	314	1,108	35	1,492	27,078	228,388

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2020 or 31 December 2019 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.

Notes cont'd

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 2020	Up to 1 month	1 - 3 months	3 -12 months	Over 12 months	Total
Financial liabilities					
Accounts payable	8,041,989	-	-	-	8,041,989
Lease liabilities	-	-	604,927	2,287,726	2,892,653
Total financial liabilities	8,041,989	-	604,927	2,287,726	10,934,642
Financial assets held for managing liquidity risk	17,183,921	-	8,594,032	63,334,620	89,112,573

At 31 December 2019	Up to 1 month	1 - 3 months	3 -12 months	Over 12 months	Total
Financial liabilities					
Accounts payable	5,323,320	-	-	-	5,323,320
Lease liabilities	-	-	855,149	2,549,268	3,404,417
	5,323,320	-	855,149	2,549,268	8,727,737
Total financial liabilities					
Financial assets held for managing liquidity risk	10,093,200	-	16,860,514	32,123,878	59,077,592

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.

Notes cont'd

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 2020	Amortised cost	FVOCI	Other liabilities at amortised cost	Total	Fair value
Cash and bank balances	7,661,329	-	-	7,661,329	7,661,329
Investment securities	71,928,652	-	-	71,928,652	77,564,503
Other assets	1,583,403	93,228	-	1,676,631	1,795,554
Accounts receivable (less prepayments)	9,254,818	-	-	9,254,818	10,466,063
Total financial assets	90,428,202	93,228	-	90,521,430	97,487,449
Financial liabilities					
Accounts payable	-	-	8,041,989	8,041,989	8,041,989
Lease liabilities	-	-	1,921,118	1,921,118	1,921,118
Total financial liabilities	-	-	9,963,107	9,963,107	9,963,107

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 (less prepayments)	7,292,198	-	-	7,292,198	7,356,153
Total financial assets	60,432,667	20,000	-	60,452,667	61,523,812
Financial liabilities					
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

Accounts receivable

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.

Notes cont'd

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

Year ended 31 December 2020	Equipment	Furniture and fittings	Motor vehicle	Capital work in progress	Total
Cost					
At 1 January	2,190,763	606,884	2,111,227	-	4,908,874
Additions	687,411	-	520,400	-	1,207,811
At 31 December	2,878,174	606,884	2,631,627	-	6,116,685
Accumulated depreciation					
At 1 January	1,380,447	429,981	1,622,401	-	3,432,829
Charge for the year	370,545	70,227	545,720	-	986,492
At 31 December	1,750,992	500,208	2,168,121	-	4,419,321
Net book amount					
At 31 December	1,127,182	106,676	463,506	-	1,697,364

Year ended 31 December 2019	Equipment	Furniture and fittings	Motor vehicle	Capital work in progress	Total
Cost					
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)	-
At 31 December	2,190,763	606,884	2,111,227	-	4,908,874
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	810,316	176,903	488,826	-	1,476,045

Notes cont'd
8. Intangible assets

Year ended 31 December 2020	Software	Capital work in progress	Total
Cost			
Balance as at 1 January	13,792,312	1,849,619	15,641,931
Additions	900,986	604,396	1,505,382
Balance at 31 December	14,693,298	2,454,015	17,147,313
Accumulated amortisation			
Balance as at 1 January	9,510,151	-	9,510,151
Amortisation for the year	2,328,789	-	2,328,789
Balance at 31 December	11,838,940	-	11,838,940
Net book value			
Balance as at 31 December	2,854,358	2,454,015	5,308,373

Year ended 31 December 2019	Software	Capital work in progress	Total
Cost			
Balance as at 1 January	14,329,494	260,000	14,589,494
Additions	-	1,589,619	1,589,619
Transfers	(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	4,282,161	1,849,619	6,131,780

9. Leases

The movement in right- of- use assets is as follows:

	2020	2019
Right- of- use assets - Buildings		
Cost		
Balance as at 1 January and 31 December	2,149,868	2,149,868
Accumulated depreciation		
Balance as at 1 January	364,242	-
Depreciation for the year	372,054	364,242
Balance at 31 December	736,296	364,242
Net book value		
Balance as at 31 December	1,413,572	1,785,626

Notes cont'd

The movement in lease liabilities is as follows:

	2020	2019
Lease liabilities		
Balance at 1 January	2,083,831	2,125,310
Interest expense	360,362	371,039
Interest expense paid	(360,362)	(371,039)
Repayment of lease liabilities	(177,399)	(106,533)
Exchange loss on lease liabilities	14,686	65,054
	1,921,118	2,083,831
Analysis:		
Current	271,886	175,815
Non-current	1,649,232	1,908,016
	1,921,118	2,083,831

10. Accounts receivable

	2020	2019
Net trade receivable	5,173,117	3,769,481
Staff loans	4,081,701	3,517,890
Prepayments	998,381	648,110
Staff salary advance	-	4,827
	10,253,199	7,940,308

Details of trade receivable balance is as follows:

Gross balance	5,913,129	4,088,108
Loss allowance	(740,012)	(318,627)
	5,173,117	3,769,481

11. Investment securities

	2020	2019
Treasury bills	8,594,032	16,860,514
Treasury bonds	63,334,620	32,123,878
Fixed deposits	8,154,242	8,154,242
	80,082,894	57,138,634
Expected credit loss on fixed deposits	(8,154,242)	(8,154,242)
	71,928,652	48,984,392

Notes cont'd

The movement in investment securities is as follows:

Year ended 31 December 2020	Treasury bills	Treasury bonds	Fixed deposits	Total
At start of year	16,860,514	32,123,878	-	48,984,392
Additions	15,406,035	30,200,000	-	45,606,035
Maturities	24,232,954	2,540,210	-	26,773,164
Accrued interest	560,437	3,767,433	-	4,327,870
Unwinding of premium on bonds	-	(216,481)	-	(216,481)
Loss allowance	-	-	-	-
At end of year	8,594,032	63,334,620	-	71,928,652

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

Maturing as follows:

	2020	2019
Within 91 days of acquisition	-	-
After 91 days of acquisition	71,928,652	48,984,392
	71,928,652	48,984,392

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.

Notes cont'd
12. Other assets

	2020	2019
Investment in guarantee fund	1,583,403	1,355,075
Equity investment	93,228	20,000
	1,676,631	1,375,075

Movement in investment in Guarantee fund is shown below:

	2020	2019
At start of the year	1,355,075	698,165
Additions	109,573	624,842
Interest income accrued	118,755	32,068
At end of the year	1,583,403	1,355,075

- (i) Investment in guarantee fund represents a 50% 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 treasury bills and bonds .
- (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. An additional contribution of GH¢ 73,228 was made in June 2020. The investment is measured at fair value through other comprehensive income. As at 31 December 2020, the cost of the investment is deemed as a fair approximation of the fair value.

13. Cash and bank balances

	2020	2019
Bank balance	7,659,205	2,800,976
Cash on hand	2,124	26
	7,661,329	2,801,002

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

	2020	2019
Cash and Bank balances	7,661,329	2,801,002
Investment securities maturing within 91 days of acquisition	-	-
	7,661,329	2,801,002

Notes cont'd
14. Accounts payable and accruals

	2020	2019
Creditors	79,535	349,585
SEC levy	1,651,996	896,625
GSE levy	3,479,201	991,097
Unutilized merger grant	104,664	104,664
Withholding Tax	529,689	498,336
Accruals	1,707,882	1,883,615
Payable to Bank of Ghana	183,836	183,836
Other payables	305,186	415,562
	8,041,989	5,323,320

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:

	2020	2019
At start of period	(241,885)	(189,701)
Charge to profit or loss	(131,083)	(52,184)
At 31 December	(372,968)	(241,885)

Deferred income tax liabilities are attributable to the following:

Year ended 31 December 2020	At 1 January	Charged to profit or loss	At 31 December
Deferred income tax (liabilities)/asset			
Plant and equipment and intangible assets	(241,885)	(131,083)	(372,968)

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

16. Income tax

	2020	2019
Income tax expense		
Current income tax	9,313,956	4,348,021
Deferred income tax	131,083	52,184
	9,445,039	4,400,205

Notes cont'd

The movement in current income tax is as follows;

Year ended 31 December 2020	Balance as at 1 January	Payments during the year	Charge for the year	Balance as at 31 December
Up to 2019	(213,268)	-	-	(213,268)
2020	-	(6,220,459)	9,313,956	3,093,497
	(213,268)	(6,220,459)	9,313,956	2,880,229

Year ended 31 December 2019	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
	(793,735)	(3,767,554)	4,348,021	(213,268)

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:

	2020	2019
Profit before tax	35,959,395	16,814,675
Tax using the domestic corporate tax rate of 25%	8,989,849	4,203,669
Tax effect of:		
Expenses not deductible for tax purposes	923,846	990,236
Tax effect on capital allowance	(468,656)	(793,700)
	9,445,039	4,400,205
Effective tax rate	26.27%	26.17%

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:

	2020		2019	
	Number of shares	Proceeds	Number of shares	Proceeds
Issued for cash consideration	3,500,000	3,500,000	3,500,000	3,500,000

There are no unpaid liability on shares at the reporting date. There were no shares held in treasury at year end (2019: Nil).

Notes cont'd

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 represent cumulative annual profits that are available for distribution to the shareholders of the Company. The amount is shown as part of statement of changes in equity.

20. Revenue

	2020	2019
Registration fees	55,000	70,000
Issuer fees	37,312,257	24,629,994
Transaction fees	11,351,781	6,802,857
Renewal fees	263,897	284,000
	48,982,935	31,786,851

21. Other income

	2020	2019
Interest earned on investments and staff loans	11,220,018	6,384,549
Miscellaneous income	811,185	1,746,122
Net income from investment fund	228,328	156,910
Training fees on CSD software	13,000	217,326
	12,272,531	8,504,907

22. Operating expenses

	2020	2019
Employee cost (Note 23)	13,342,443	11,107,146
Exchange loss on lease liabilities (Note 9)	14,686	65,054
Training and capacity building	497,129	1,482,846
Travel and motor running	354,618	409,571
General and administrative expenses	1,844,536	1,409,631
Stationery and printing	81,115	138,856
Communication	45,039	21,607
Impairment of financial assets (Note 25)	421,385	304,331
Audit fees	134,320	122,760
Board expenses	64,990	118,605
Directors fees	886,878	939,749
Consultancy	5,025	8,015
Depreciation and amortisation	3,687,335	3,251,142
Information technology expenses	3,648,956	3,333,397
Premises and equipment expense	-	136,168

Notes cont'd

Promotion and public education	22,000	46,707
Utilities	163,392	174,559
Legal fees	-	6,906
Donations (corporate social responsibilities)	121,862	28,994
	25,335,709	23,106,044

23. Staff cost

	2020	2019
Basic salaries and allowances	8,344,107	6,781,288
Employer social security contributions	583,318	489,212
Other staff related costs	4,415,018	3,836,646
	13,342,443	11,107,146

24. Finance costs

	2020	2019
Interest expense on lease liabilities	360,362	371,039

25. Impairment of financial assets

	Investment securities		Accounts receivable		
	General provision	Specific provision	General provision	Specific provision	Total
31 December 2020					
Balance at 1 January 2020	-	8,154,242	90,239	228,388	8,472,869
Impairment charge/(release) for the year	-	-	177,535	243,850	421,385
Balance at 31 December 2020	-	8,154,242	267,774	472,238	8,894,254
31 December 2019					
Balance at 1 January 2019	123,652	8,154,242	41,957	172,223	8,492,074
Impairment charge/(release) for the year	(123,652)	-	48,282	228,388	153,018
Provisions no longer required	-	-	-	(172,223)	(172,223)
Balance at 31 December 2019	-	8,154,242	90,239	228,388	8,472,869

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

	2020	2019
Impairment charge		
Impairment of accounts receivable	421,385	276,670
Write off of unimpaired accounts receivable	-	151,313
Release of impairment on investment securities	-	(123,652)
	421,385	304,331

Notes cont'd

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:

	2020	2019
Related party transactions		
Transactions with Bank of Ghana		
Issuer and transaction fees	19,872,614	12,627,293
Repayment of lease liability/rent expense	406,000	360,000
Utilities expense	160,000	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:

	2020	2019
Related party transactions		
Accounts receivable		
Fees due from Bank of Ghana	1,890,764	1,726,647

	2020	2019
Bank balances		
Balance with Bank of Ghana	6,403,171	2,146,628
Accounts payable		
Provision of office space and utilities to CSD payable to Bank of Ghana	1,312,000	1,152,000
Amounts payable to the Ghana Stock Exchange	3,479,201	991,097
Amounts payable to Bank of Ghana	183,836	183,836

Key management personnel compensation

	2020	2019
Short term employee benefits	3,982,873	2,909,459
Post-employment benefits	613,535	349,691
	4,596,408	3,259,150

Directors' compensation

	2020	2019
Fees and other benefits	886,878	939,749

Notes cont'd**27. Contingent liabilities**

There were no contingent liabilities at 31 December 2020 (2019: Nil).

28. Capital commitments

There were no capital commitments at 31 December 2020 (2019: Nil).

29. Events after reporting period**Proposed dividend**

The directors have proposed the payment of dividend of GH¢1.5 per share amounting to GH¢ 5,250,000 for the year ended 31 December 2020.



Central Securities Depository (GH) Ltd.

4th Floor, Cedi House I PMB CT 465

Cantonments, Accra, Ghana

Tel: +233-302 689 313 I 0302 689 314 I

Fax: +233-302 689 315

Email: info@csd,gh I www.csd.com.gh