

# 2022 ANNUAL REPORT & FINANCIAL STATEMENTS



**CENTRAL  
SECURITIES  
DEPOSITORY (GH) LTD**  
*You invest, we protect*



**2022**  
**ANNUAL  
REPORT**  
& FINANCIAL  
STATEMENTS

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## Mission

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

## Vision

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

## Core Values

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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

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### 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

Dr. Maxwell Opoku-Afari	Chairman	
Mr. Michael E. Mensah	Chief Executive Officer	
Mr. Ekow Afedzie	Member	(Resigned November 23,2022)
Mrs. Caroline Otoo	Member	(Resigned January 22,2022)
Mrs. Angela N. A. Leibel	Member	
Dr. Mark Assibey-Yeboah	Member	
Ms. Abena Amoah	Member	
Mr. Stephen Opata	Member	(Appointed June 06, 2022)
Mr. Frank Berle	Member	(Appointed December 20,2022)

### Secretary

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

### Registered Office

Central Securities Depository (GH) LTD  
4<sup>th</sup> Floor, Cedi House, Liberia Road  
PMB CT 465, Cantonments, Accra, Ghana

### Auditor

PricewaterhouseCoopers  
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** 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 degree 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 was with the IMF for over eight 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. Michael Ewusi Mensah** is the Chief Executive Officer of the Central Securities Depository (GH) LTD. He was appointed to the role in October 2021. He has worked for over 25 years with the Bank of Ghana, rising to Director and Head of ICT Department in October 2017. He has played key roles in various projects in the Bank, including leading in the establishment and certification of the Information Security Management System and the Cybersecurity Management System as well as the implementation of the Ghana Interbank Settlement System for the banking industry in Ghana. He was a member of the team that produced the Cyber and Information Security Directives for the banking Industry. He was instrumental in the certification of the ISMS of the Central Securities Depository (GH) LTD. Between 2005 and 2013, Mr. Mensah led teams to the Central Bank of Liberia and Bank of Sierra Leone to implement their banking and accounting systems and provide training. He has facilitated ICT and accounting programmes at the Bank of Ghana Training School, National Banking College and West African Institute for Finance and Economic Management in Nigeria. He holds a BSc. in Computer Science from the Kwame Nkrumah University of Science and Technology, and a Masters Achievement in Business Resilience from Business Resilience Certification Consortium International (BRCCI). He has a number of IT professional certifications including Certified Business Resilience Manager, Certified Business Resilience IT Professional, Certified Business Resilience Auditor from BRCCI, Canada, Certified Cyber Risk Manager, Learning Tree, UK and Lead Information Security Auditor ISO27001, Lloyds, UK. Mr. Mensah has extensive experience in ICT, risk management and information/cybersecurity systems.



**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. Afedzie retired from the services of the Ghana Stock Exchange in November 2022.

**Mrs. Caroline Otoo** holds an LLB (Hons), BL from the Ghana School of Law and Advanced Diploma in Legislative Drafting. She held various positions at the Bank of Ghana including the Director of Ethics and Internal Investigations Unit and the Secretary of the Bank of Ghana. She previously served as Head of the Legal Department of the Bank of Ghana. She retired from the services of the Bank of Ghana in January 2022.



**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 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 varied 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.



**Dr. Mark Assibey -Yeboah** was appointed to the Board of the CSD on September 10, 2021. Dr Assibey-Yeboah is the Senior Partner of Knox Consulting. He was the Member of Parliament for New Juaben South Constituency in the 6th and 7th Parliaments, as well as the Chairman of the Finance Committee of Parliament from 2017 to 2021. He holds a B.Sc.(Hons) Degree in Agricultural Economics from KNUST, Kumasi, and M.S. in Agricultural and Resource Economics from the University of Delaware, USA. He also holds an M.A and a Ph.D. both in Economics from the University of Tennessee, USA, specializing in International Macroeconomics, Monetary Economics and Econometrics. Before he joined the Legislature, he was a Senior Economist at the Bank of Ghana. Prior to joining the Central Bank of Ghana, he was a lecturer at the Ghana Institute of Management



and Public Administration (GIMPA). He also previously worked as a Lecturer at the University of Tennessee and as an Adjunct faculty member at Milligan College in USA. Dr. Assibey-Yeboah has published in reputable journals such as Economic Record, International Journal of Finance and Economics, Journal of International Trade and Economic Development and the North American Journal of Economics and Finance. He is a member of the American Economic Association.

**Ms. Abena Amoah** is the Managing Director of the Ghana Stock Exchange. She was the Deputy Managing Director of the Ghana Stock Exchange prior to her appointment as the Managing Director. Ms. Amoah is an accomplished investment banker and capital markets expert who has led on many landmark transactions for more than 20 years. Abena's experience covers stock market listings and trading, mergers and acquisitions advisory, investment research, asset management, private placement of equity, debt and hybrid instruments, large infrastructure project development, business start-ups and incubation, public education on investment and financial matters, and capital markets development strategies, across diverse sectors of the Ghanaian environment.



She has served on boards of companies – publicly listed, private and not-for-profit – such as Access Bank PLC, African Women's Development Fund, Ghana Stock Exchange, Ghana Petroleum Funds, Kosmos Energy Ghana HC Advisory Council, The Foschini Group Ghana Ltd, University of Ghana Council, Venture Capital Trust Fund and Wapic Insurance Ghana Ltd. She has been an advisor to the Government of Ghana and financial sector regulators in West Africa on the deepening of financial markets and is highly respected in her industry for her outstanding professionalism and integrity.

Abena is an alumna of the University of Ghana Business School and has also undertaken academic and leadership studies at the Stanford Graduate School of Business, Harvard Business School and the University of Denver's Daniels College of Business, all in the USA. She was a founding executive of the Ghana Securities Industry Association, an Authorised Dealing Officer of the Ghana Stock Exchange and an Assessor (Capital Markets Expert) of the Commercial Division of the High Court of Ghana.

**Mr. Stephen Opat** is the Director of the Financial Markets Department at the Bank of Ghana and a member of the Monetary Policy Committee. He also represents the Bank of Ghana on the Investment Advisory Committee of the Ghana Petroleum Fund. He joined the Bank of Ghana in 2006 and serves on the Reserves Management, Investments and Auctions Committees at the Central Bank. He was a member of the Ghana team that in February 2020 successfully issued a US\$3billion Eurobond. He was appointed as a member of Ghana's National



Risk Management Committee from 2010-2012; this Committee managed the oil hedging program on behalf of the Government of Ghana.

Mr. Opata also served on an Advisory Committee on the Bank of International Settlements (BIS) New Cooperative Project (NCP) in Asset Management Services (2013-2014) that designed investment guidelines for some foreign reserve investment portfolios.

Prior to joining the Bank of Ghana, Mr. Opata worked with JPMorgan Chase Bank, Wilmington, Delaware and New York in the United States of America as an Assistant Vice President, Risk Management and also worked with BearingPoint (Formerly KPMG Consulting) McClean, Virginia in the USA as a Senior Management Consultant and Westcon Inc, Chantilly, Virginia, USA as a Senior Business Analyst.

**Mr. Frank Yoofi Mensa Berle** has been with the Ghana Stock Exchange since January 2004 and currently serves as its Head of Finance & Administration. He is a well-rounded finance professional with decades of practical experience in finance & accounting, capital market processes, taxation, financial economics, wealth management and performance optimisation.



Prior to joining the Exchange, he served as a financial accountant for various companies including Coconut Groove Hotel, Elmina, and Cadbury Ghana Ltd. He was a lecturer in finance & accounting at the, now, Cape Coast Technical University and the School of Business Studies, University of Cape Coast. Frank has extensive professional training in finance & accounting, business strategy and capital market regulation & processes including study tours to many Stock Exchanges in Africa, America, Asia, and Europe.

Frank is a chartered accountant and has additional chartered qualifications in taxation, financial economics, and wealth management. He is a Fellow of the Chartered Institute of Taxation, Ghana, and has memberships of the Institute of Chartered Accountants, Ghana, Association of Certified Chartered Economists, USA, Global Academy of Finance & Management, USA and the Institute of Directors, Ghana. In addition, Frank holds the chartered management accounting qualification and membership of the Chartered Institute of Management Accountants (CIMA), UK. He subsequently earned the coveted Chartered Global Management Accountant (CGMA) designation of the Association of International Certified Professional Accountants (AICPA), the largest global accountancy body that combines the strength of the American CPA and the British CIMA. Frank Berle completed his secondary education at the St. Augustine's College, Cape Coast, then to University of Cape Coast where he earned a Master of Philosophy degree in Economics; and a Bachelor of Commerce degree done concurrently with Diploma in Education.

**Board Secretary**

**Ms. 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 and also heads the Legal Unit of the CSD. Ms. Bodza-Lumor previously worked with Zenith Bank Ghana Limited as Legal Officer and with the erstwhile Procredit Savings and Loans Company Limited.



### 3.0 MANAGEMENT

#### Deputy Chief Executive Officer

**Mrs. Melvina Amofo** joined the CSD in 2014 as Deputy Chief Executive Officer. She holds an Executive MBA from the Ghana Institute of Management and Public Administration (GIMPA) and a B.A. (Hons) in Economics and Geography, University of Ghana. 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) LTD.



#### 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.



#### 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.



#### 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.



### Internal Auditor

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



### Head of Economic and Risk Analysis Department

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



## 4.0 CHAIRMAN'S STATEMENT

### AT THE 9<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE CENTRAL SECURITIES DEPOSITORY (GH) LTD

#### Introduction

Dear Shareholders, Directors, Ladies, and Gentlemen, I welcome you to the 9<sup>th</sup> Annual General Meeting (AGM) of the Central Securities Depository (GH) LTD. Again, it is a pleasure to present the Chairman's statement highlighting the critical points about the Ghanaian economy, the financial performance of the CSD, some essential strategic decisions undertaken by the Board of Directors in 2022, and the outlook of the CSD in 2023.

The year under review was undeniably a remarkable one; unluckily for us, as we thought we were getting out of the woods as a country from the global effect of the Covid-19, the Ghanaian economy began to suffer from the impacts stemming from the geopolitical implications of the Ukraine-Russia war and the lingering effects from the Covid.

As I reflect on some of the activities in the global economic environment during the year under review and the impact on the domestic economy and businesses at large, I wish to state that I am incredibly grateful to the leadership of the CSD for their foresight, support, and the dynamic measures they continue to adopt and implement in guaranteeing the protection of shareholder value and for the smooth operation of the organization in 2022.

Fellow Directors and Shareholders, I am also elated to inform you that despite the economic challenges faced in 2022, CSD performed moderately well, making the company financially stable for business operations and optimisation of resources for the growth of the company in the coming year.



#### Overview of the Economy

Globally, 2022 will go down as one of the most complex and challenging years in recent times for most economies, of which Ghana is not an exception. Emerging and frontier markets recorded general slowness in economic activities due to the impact of the global economic conditions in 2022. As a result, the growth prospects of these economies were disrupted. The worldwide fight against inflation tightened global financing conditions, and spillover effects from the geopolitical shocks are some of the major factors accounting for this.

On the domestic front, the Ghanaian economy experienced some adverse economic conditions in 2022. The previous year's gains were quickly eroded, indicating the impact of world economic conditions on the country's financial performance. As a result, Ghana's macroeconomic performance in 2022 was, in fact, remarkably shaped by the challenging developments in the global economic landscape resulting in unfavourable macroeconomic outturns. To save the situation, the government embarked on a multiplicity of monetary and fiscal policy interventions to reverse the ailing economic conditions during the year. One such intervention was the announcement of the domestic debt exchange programme in the 4<sup>th</sup> quarter of 2022, aimed at restructuring the country's rising debt level onto a sustainable debt path.

Despite the government's policy interventions in 2022, the country recorded a low level of growth, exchange rate depreciation, high inflation rate,

#### 4.0 Chairman's Statement Cont'd

unsustainable debt burden, fiscal stress, and external sector shocks during 2022. The provisional data shows a 24.4 percent rise in the country's gross public debt from GHS58,640.0 million in 2021 to GHS52,622.2 million in 2022. In addition, the provisional data again indicate that the overall GDP growth for the first three quarters of 2022 recorded an average year-on-year growth of 2.9 percent, lower than the annual target of 3.7 percent and the average increase of 6.5 percent recorded for the same period in 2021.

The headline consumer price inflation, which started from 13.9 percent in January 2022, rose as high as 54.1 percent in December 2022. The sharp currency depreciation and upward adjustment in ex-pump prices of petroleum products all contributed to the increase in the general price levels. High-interest rates accompanied the hikes in the general price levels. In view of this, interest rates were generally high in 2022 compared to 2021. The monetary policy rate of the Bank of Ghana, which stood at 14.5 percent in December 2021, increased to 27.0 percent as of December 2022. The 91-day and 182-day T-bill interest rates rose to 35.48 percent and 36.23 percent, respectively, as of the end of 2022, from 12.49 percent and 13.19 percent, in December 2021. Also, the interest rate on the 364-day instrument increased to 36.06 percent from 16.46 percent over the same period. The weighted average interbank rate in the banking sector also increased from 12.68 percent in December 2021 to 25.51 percent in December 2022. As a result, the average lending rate of Domestic Money Banks (DMBs) equally recorded an upward trend from 20.04 percent in December 2021 to 35.58 percent at the end of 2022, consistent with developments in the interbank market.

The country's performance in the external sector was not significantly different from the performance of the domestic sector. The unfavorable development in the external and capital accounts of the country

resulted in an overall balance of payment deficit of US\$3,369.5 million in 2022 compared to a balance of payment surplus of US\$510.0 million in 2021. Furthermore, worsening the country's balance of payment deficit led to a further drawdown of the country's gross international reserve from 2021 to 2022. As a result, the Gross International Reserves of US\$6,238.2 million (equivalent to 2.7 months of import cover) as of December 2022 was far lower than the reserve level of US\$9,695.2 million (equivalent to 4.3 months of import) at the end of December 2021.

There was a high level of volatility in the foreign exchange market in 2022. The foreign exchange market came under intense pressure, with the local currency performing poorly in 2022 compared with 2021. The Ghana cedi depreciated against the United States Dollar (USD), the Great British Pound (GBP), and the Euro (EUR) by 30.0 percent, 25.3 percent, and 21.2 percent, respectively. In comparison with the same period of last year, the Ghana Cedi had depreciated by 4.1 percent, 3.1 percent, against the USD and GBP, while it appreciated by 3.5 percent against the EUR. Factors such as pressures from corporates and the energy sectors, monetary policy normalization in advanced economies, and the downgrade of government credit ratings were partly offset by inflows from the mining sector, portfolio reversals, lower foreign direct investment inflows, and remittances accounted for the sharp depreciation in the cedi against the major trading currencies.

In 2022, difficult economic conditions impacted the various sectors of the economy, including the securities market industry in which the CSD operates. However, we are confident that with the government's ongoing efforts to improve the country's current economic conditions, 2023 will be much better than 2022.

#### 4.0 Chairman's Statement Cont'd

##### Membership of the Board of Directors

Per the Board Charter, the membership of the Board of Directors was maintained at seven in 2022. There were, however, some changes in the Board Membership during 2022. Two Directors, Mrs. Caroline Otoo and Mr. Ekow Peterson Afedzie, resigned from the membership of the Board in January 2022 and November 2022, respectively.

Mrs. Caroline Otoo, having served on the CSD Board for nearly eleven years since the inception of the CSD Board in 2010, resigned on the backdrop of her retirement from the services of the Bank of Ghana as a Director and Head of the Ethics Department of the Bank. Also, Mr. Ekow Afedzie, after serving on the Board of CSD for nearly eight years, resigned from the membership of the Board after his retirement as the Managing Director of the Ghana Stock Exchange. Fellow Directors, we would like to thank our colleague Directors for their distinguished leadership, contribution, and insights offered at Board meetings and for the general growth of the CSD business in the financial industry of Ghana. We wish them success in all their future endeavours.

The development occasioned the appointment of two new Directors, Mr. Stephen Opatia, a Director and Head of the Financial Markets Department of the Bank of Ghana, and Mr. Frank Yoofi Mensa Berle, the Head of FAD of the Ghana Stock Exchange, to complement the number of Directors appointed to the Board of CSD in September and December 2022, respectively. We are privileged to have Mr. Opatia and Mr. Berle on the Board, and we look forward to their support and tapping into their worth of knowledge & expertise.

Fellow Directors and shareholders, with the full complement of the Board of Directors, we are committed to delivering value to the shareholders and all our stakeholders in the years ahead. We

further assure you of the Board's commitment to achieving the strategic vision set for the CSD.

##### Some Key Policy Decisions of the Board in 2022

As mentioned, the 2022 financial year had some unique peculiarities and for some time to come, it may be foreseeable as one of the years to be remembered in the accounts of the securities market industry of Ghana. Taking into consideration the macroeconomic challenges of the time, the potential outcome of the Domestic Debt Exchange Programme (DDEP) announced by the government on the operations of the CSD & the entire financial sector industry, and the fact that the government maintains its dominant force in the securities market industry of the country as the leading issuer, there was an urgent need for the Board to strategically and tactically manage the inherent risks of the DDEP on the operations of the CSD. Given this, the board's core strategic focus and priority during the year was ensuring that the CSD rendered stable and uninterrupted services to its customers while minimizing macroeconomic risks. To reiterate, our motivation and driving force as the Board of Directors in 2022 was always guiding the Executive Management to enable them to render stable and uninterrupted services to the financial market industry of the country. To achieve this, a combination of multiple measures was enforced, including the optimal utilization of financial resources, business continuity management strategies, and investment in cyber security tools, among others were enhanced and aggressively pursued. Thus, as part of the efforts to minimize the impacts of macroeconomic risks on the operations of the CSD, existing measures were improved, and new measures were introduced where applicable.

Fellow Directors and Shareholders, one strategic achievement from the perspective of market development in 2022 is the central role played by the CSD leading to the successful execution of the

#### 4.0 Chairman's Statement Cont'd

DDEP announced by the government following the DDE program's announcement by the government, the Management of CSD under the guidance of the Board of Directors immediately mapped out technical strategies to seamlessly execute the role assigned to it under the DDE program. To the admiration of all stakeholders, the successful role performed by CSD in the execution of the DDEP by the government cannot be underemphasized, and the Management and the Staff of the CSD deserve our special commendation. This was the first time that such an exercise was carried out on a large scale by the CSD since the business of the CSD was introduced in the country in 2004. However, notwithstanding the success chalked by the CSD team during the execution phase of the DDEP, a few challenges and gaps were identified. As Directors, we would provide the needed guidance and support to enable Management to address them for the mutual benefit of the market.

In 2022, the Board of Directors continued to play its role in the successful implementation of the strategic vision of the CSD. Much progress has been made since implementing the company's strategic plan to enhance our services to the market. A critical strategic milestone achieved in 2022 and worth mentioning was the selection of a prospective vendor to assist the CSD in changing its current financial market infrastructure used for depository, clearing & settlement, and registrar services. The development is integral and forms one of the company's core strategic objectives to enhance its tools and technology. Moreover, it is eminent to satisfy the market's growing demands and address specific gaps in the current infrastructure. The work of a Tender Evaluation Committee set up by the Board of Directors to undertake the evaluation exercise and make recommendations to the Board for selecting an ideal vendor has advanced and is at the final stages. I am confident that the selection process will conclude soon to pave the way for work on the actual implementation to commence. Looking

into the future, we anticipate that the change in the infrastructure would position the CSD to serve the market more proficiently, efficiently, and effectively.

#### 2022 Financial Performance

In 2022, the primary focus of the CSD was to maintain a stable and sound financial position whilst efficiently managing the company's expenditures. As a result, we successfully recorded significant growth in our operating revenue and the asset base of the company as evidenced in the 2022 financial statements. However, as a result of Government's DDEP, we had to absorb a significant impairment of approximately GH¢23.8 million which contributed to an overall reduction in the company's profitability levels and the asset base from 2021 to 2022.

The development reduced the year-on-year profit before tax of CSD by 92.9 percent from GH¢43.6 million in 2021 to GH¢3.1 million. The development also led to a reduction in the annual income tax payable by the CSD by 93.1 percent from GH¢10.7 million in 2021 to GH¢0.73 million in 2022. Be that as it may, the CSD recorded a marginal gain of 2.6 percent in the value of the company's assets from GH¢124.5million in 2021 to GH¢127.8million in 2022. At the end of the period, the shareholder fund was also impacted slightly by the outcome of the impairment resulting in a 3.0 percent reduction in the shareholders' fund from GH¢114.4million in 2021 to GH¢111.0 million.

Dear Shareholders and Directors, you would entirely agree with me that even though the impairment affected the financial performance of CSD in 2022, the company is financially sound and stable to carry on its usual business operations in 2023. This is a result of prudent financial measures already put in place by the Board; hence I want to assure our shareholders that as Directors of the company, we would continue to provide financial leadership always to make the CSD a going concern.

#### 4.0 Chairman's Statement Cont'd

##### Declaration of Dividend

Dear Shareholders, in response to the impairment of CSD's reserves arising from the impact of the domestic debt exchange programme by the government on the company's profitability and earnings in 2022, for the first time since the merger of the two CSDs in the country in 2014, the Board is not recommending a dividend pay-out for the 2022 financial year to the shareholders of the CSD.

The dividend suspension is paramount to ensure the company is well-capitalized and resourced for the year. Moreover, the development would also support the CSD in safeguarding its financial reserves for future expenses, mainly by reducing cash constraints on its operations in 2023 and procuring the new CSD systems.

Nevertheless, we are optimistic that consequent to the effort by the government to improve the macroeconomic environment of the country in 2023, re-investing the retained earnings into the growth of the company will eventually result in strong profitability and earning levels in the year ahead hence paving the avenue for a dividend payment to shareholders. Thus, we are confident that 2023 will be better than 2022, so shareholders can benefit from the dividend pay-out.

Dear Shareholders, for us as Directors, our ultimate goal is to continually put in place the relevant measures and policies to protect and add value to the investment you have so far made toward the company's growth.

##### Outlook of the CSD in 2023

Having gone through 2022 successfully, we envisage that 2023 will be a better year owing to various interventions by the government. The Ghanaian economy was indeed not spared from the global economic challenges arising from the Ukraine-

Russia War and the hysteresis effect of the Covid-19 pandemic in 2022. The development constrained the government of Ghana to embark on a sustainable debt restructuring programme. However, following the successful outcome of the DDEP by the Government of Ghana and the ongoing discussion between the government and IMF and its external creditors, we anticipate a rebound of the Ghanaian economy in 2023.

Directors and Shareholders, you would agree with me that considering the successful outcome of the DDEP and the instrumental role performed by the CSD, we can conclude that the operations of the CSD business have come a long way in the development of the country's financial market ecosystem, however, there are always opportunities to adapt and evolve. To that end, the Board will support the Management of CSD with the appropriate measures and investments to improve its operations in the country's financial industry in 2023.

Fortunately for us, and coincidentally, the CSD is in the process of acquiring new financial market infrastructure to replace its existing depository, clearing, and settlement system, and I believe that lessons learned from the DDEP, among others, would be factored in the business specification requirements of the new systems by Management. Moreover, along with acquiring the core CSD systems, other systems, such as the investor portal, would be procured to enhance investor interaction with their securities accounts at the CSD. The Board would therefore support Management with the needed resources to procure the new systems in 2023.

Over time, the CSD has become a significant reference point for accessing information on the country's domestic debt by various categories of stakeholders. In addition, there is a growing demand for securities market-related data from the CSD hence considering CSD's central role in providing data services in the

country's securities industry, the provision of data services will remain a core strategic component in the operations of the CSD going forward. Given this, it is time we make a strategic investment in the data service arrangements of the CSD. This will help to increase transparency, reduce risk, and *drive efficiency in the data management services of the CSD; this was even more eminent during the DDEP*. Because of this, as we head into the future and the lessons learned under the DDE program, data services would be another critical strategic focus of the CSD to serve as a one-stop shop for providing data on the country's securities market to stakeholders. The development will increase transparency and allow the CSD to simplify the complexity of data management across transaction types and deliver referential and activity-based data to the market, increasing transparency, mitigating risk, and driving efficiencies for financial firms. To achieve this, the Board would strategically support the CSD in areas of data warehouse and data analytic tools to serve as a referential source for securities market data.

Fellow Directors and shareholders, over time, the CSD business has grown since its inception as a wholly owned subsidiary of the Bank of Ghana in 2010. The company that started with a total staff strength of eleven has now grown to a staff capacity of thirty-four as of year-end 2022. As part of the strategic vision of the company, there is scope for further growth of the organization, of which the current office location serves as a constraint. Because of this, to promote a safe working environment, reduce the constraints on the current operation of the CSD, and support the organization's growth agenda, the Board would guide Management to relocate to a more spacious and conducive environment in 2023. I am happy to inform you that steps have already been initiated on this matter.

I am glad to report that the discussion is far advanced with the relevant stakeholder to relocate from its current location to the new Office Complex of GHIPPS. Thus, relocation of the office premise will

be one of the key agendas of the Board of Directors in 2023.

Finally, in order to deliver long-term value for our stakeholders, the Board would continue monitoring the implementation of the company's strategy by focusing on the three underlying themes of Service Excellence, Business Diversification, and Strategic Looking into the foreseeable future, we are confident that our strategy and proposition to stakeholders will drive the growth of the CSD and contribute to the shared value created for our shareholders and customers.

In conclusion want to assure stakeholders that owing to the crucial role of the CSD in the financial market development of Ghana and, more importantly, being the main CSD responsible for the handling of the country's sovereign securities, the Board of CSD will not rest on its oars but continue to adopt and enforce appropriate governance, compliance, and risk management (GCR) tools in the organization consistently to make it a going concern.

### Acknowledgment

My most significant appreciation goes to the shareholders of the CSD and the Board of Directors for their invaluable support in providing immense value to all the stakeholders. Indeed, we could not have made it without the help of our shareholders and the Directors. I also extend my special appreciation and gratitude to the Chief Executive Officer and his team for the proficient services they continue to render to the market. Finally, I extend an appreciation to the market regulators and all the Stakeholders, mainly the Depository Participants, for their varied roles in the affairs of the CSD.



**Dr. Maxwell Opoku-Afari**

Chairman

## 5.0 CHIEF EXECUTIVE OFFICER'S STATEMENT

### AT THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE CENTRAL SECURITIES DEPOSITORY (GH) LTD

#### Introduction

Dear Chairman, Directors, and Distinguished Shareholders, I am excited to share with you the progress and achievements made during the past year ended December 31, 2022. The statement will also provide a brief outlook for the new year 2023.

Distinguished shareholders, in the year 2022, the country experienced some setbacks in its economic performance owing to the tough economic conditions faced during the year. The securities industry of Ghana, in which the CSD operates, had its fair share of the effect from the challenging economic times suffered by the country, the apex being the impact of the domestic debt exchange program announced by the government on 5<sup>th</sup> December 2022. Indeed, 2022 was generally a demanding year for most businesses. Nonetheless, we had a successful and stable operation in 2022, thanks to the collective efforts of our Shareholders, our directors, and our Staff.

#### The 2022 Financial Performance Review

Leveraging our distinct advantages and core strengths in the country's financial market, the CSD has progressively recorded steady growth in both its operational and financial performances since its inception in the year 2012 as a full-fledged company and the story is no different from the year under review.

The CSD continued to deliver on its Strategic plan which is hinged on the three strategic pillars of Service Excellence, Business Diversification, and Strategic Alliances in its effort to be a resilient service provider aimed at protecting shareholder value whilst enhancing our operational capabilities. For that reason, despite the economic challenges



encountered during the year 2022, the company made some modest financial gains as part of its operations, increasing the asset base of the company by 2.6 percent from GH¢124.5 million in 2021 to GH¢127.8 million in 2022.

However, the financial gains made by the CSD in 2022 were largely eroded on account of our participation in the Domestic Debt Exchange Programme (DDEP) announced by the government during the year. Consequently, the CSD recorded a low after-tax profit of GH¢2.4 million, representing a 92.8 percent drop in its after-tax profit from GH¢33.0 million in 2021.

Revenue from our core operations increased slightly by 0.2 percent from GH¢53.0 million in 2021 to GH¢53.1 million in 2022. On the other hand, revenue from non-core services recorded a 12.6 percent reduction from GH¢24.0 million in 2021 to GH¢20.9 million in 2022 contributing to an overall reduction in the full-year revenue by 3.8 percent from GH¢76.9 million in 2021 to GH¢74.0 million in 2022. This was worsened by the impairment of CSD's investment in government bonds by an amount of GH¢23.8 million overwhelmingly reducing the expected income from our investments. Thus, the seemingly poor financial performance of CSD for the year 2022 compared to previous years can be largely attributable to the economic conditions of the country during 2022 as well as the DDEP.

The operating expenses incurred by the CSD, increased by 41.9 percent from GH¢33.00 million in 2021 to GH¢46.8 million in 2022. The unfavourable

### 5.0 Chief Executive Officer's Statement Cont'd

macroeconomic conditions in 2022 combined with the rising levels of inflation and the sharp depreciation of the Cedi again accounted for the sharp increase in the operating expenses of the CSD in 2022.

Despite the low profit recorded in 2022, the balance sheet of the CSD is robust enough to support the smooth operations of the CSD going forward and withstand any short to medium-term headwinds likely to be faced by the CSD.

Amid the current economic challenges and their impact on business operations, and with the support of the Board of Directors, a wide array of cost control measures has been introduced to protect shareholder value. The goal ultimately is to manage the asset base prudently to preserve shareholder value as we navigate the current challenging business environment.

#### 2023 Operational Performance of the CSD

In spite of the global economic uncertainties in 2022 and their rippling effect on the Ghanaian economy, we succeeded in delivering on our mandate as the primary provider of depository, clearing, and settlement services for the securities market industry in Ghana. The company's operational performance stayed resilient during the year, and we were able to render our services in compliance with the regulatory requirements of the securities industry as well as the relevant applicable laws and best market standards. Thus, our Governance, Compliance, and Risk framework functioned effectively, and there were no defaults, operational issues, or systems downtime during the year in our service delivery.

The buoyancy of our operational resilience was brought to bear at the back of the announcements of the Domestic Debt Exchange Programme (DDEP) by the Government of Ghana to restructure its domestic debt. But with the right tools and staff capacity already in place, we seamlessly administered our operational role as required under the government's DDEP.

The number of institutions admitted as Depository Participants continued to grow. In 2022 one new institution called Obsidian Archernar Securities Limited was appointed to operate as a Depository Participant of the CSD. This brought the number of institutions appointed to function as Depository Participants to seventy as of the close of the year 2022.

We also recorded an improvement in the number of new securities accounts opened and registered by investors in 2022 compared to 2021. The number of new securities accounts registered annually by investors with the CSD increased by 16.0 percent to 90,031 in 2022 from 77,630 in 2021. The total number of eligible securities accounts in the CSD, therefore, stood at 1.4 million at the close of the year 2022.

**On the debt side of the market**, the face value of debt securities issued and admitted into the CSD system annually recorded a decrease of 19.2 percent from GH¢201,556.7 million in 2021 to GH¢162,809.6 million in 2022. Like previous years, the Government of Ghana, the Bank of Ghana, and the Cocobod remained the principal issuers in 2022 with lesser issuances by Corporate Institutions. As a result, the proportion of securities issued by the Government of Ghana, Bank of Ghana, Cocobod, and Corporates Institutions in 2022 constituted 49.8 percent, 35.8 percent, 13.6 percent, and 0.8 percent respectively of securities issued and admitted into the CSD in 2022.

The year-on-year face value of outstanding debt stock held by investors with the CSD increased by 3.8 percent to GH¢188,509.0 million in 2022 from GH¢181,686.8 million in 2021. With respect to ownership distribution of the outstanding debt stock, the ratio of Domestic investor to Foreign investor ownership stands at 90:10 respectively. The main Issuers of the outstanding debt stock for the year under review were made up of Government (85 percent), Cocobod (4.6 percent),

### 5.0 Chief Executive Officer's Statement Cont'd

the Bank of Ghana (4.1), and Corporate Institutions (6.2 percent).

There was a step-up in the **settlement activities** performed by CSD in the trading of debt securities in the secondary market during 2022 compared to 2021, as the number of debt trades settled at the CSD increased by 52.3 percent from 346,730 in 2021 to 528,121 in 2022. Consequently, the monetary amount settled for these trades increased by 2.1 percent from GH¢215,527.3 million in 2021 to GH¢220,021.3 million in 2022.

**On the equity side of the market**, the volume of issued shares registered and held with the depository increased by 74.7 percent from 14,076.3 million in 2021 to 24,589.0 million in 2022. The total volume of shares held with the CSD in 2022, therefore, represents 94.8 percent of the total issued shares **dematerialized** into the depository. Even though this is a significant milestone in the country's effort and journey to achieving complete dematerialization of equity instruments, the CSD would continue to work with our regulator and the relevant stakeholders to achieve 100 percent dematerialization for the Ghana market. In 2022 the CSD started an initial engagement with the regulator, the Securities and Exchange Commission, on the subject and the regulator is currently working with market participants to develop guidelines for the full dematerialization of the shares in Ghana.

Regarding **settlement services for equity trades**, the CSD settled trades to the tune of GH¢786.2 million in 2022, representing a 51.1 percent improvement over the GH¢520.2 million equity trades settled in 2021. Also, a total amount of GH¢1,743.4 million was processed as **dividend payments** to shareholders of **MTN, Cal Bank, Access Bank, and Hords' shares** together in 2022 by the CSD, representing a 78.8 percent increase from the GH¢975.8 million dividend payment processed in 2021.

Like prior years, an assessment of our operational performance in the year 2022 demonstrates that the securities industry is dominated by activities in the debt market relative to the equity market. We, therefore, expect the implementation of the 10-Year Capital Market Master Plan developed for the market by the Securities and Exchange Commission to bring some level of balanced growth in the country's securities market by introducing new products and increasing the number of issuers, especially corporate issuers in the Ghana market.

### Operational Outlook for 2023

This year promises to be busy for the Government of Ghana because of the planned objective to ameliorate the country from the prevailing economic challenges and ultimately achieve macroeconomic stability. We are therefore expectant of the government's efforts to restore macroeconomic stability; as a result, we anticipate improved macroeconomic conditions in 2023 comparable to 2022.

Similarly, at the institutional level, 2023 promises to be a busy year in the operational activities of the CSD. Firstly, we have engaged a software solutions provider for the replacement of our core applications used for the provision of a securities depository, clearing, settlement, and registrar services, and much technical effort and corporation is expected from the Staff of the CSD for a successful project outcome. Secondly, the project is unique in the sense that since the inception of the CSD business in the country nearly nineteen years ago, this is the first time we are changing our entire system totally even though many upgrades have been conducted on our systems, with the major one occurring in March 2016. Thirdly, a project of such nature has its attendant risk exposures and, if not well controlled, could result in a domino effect on the financial market industry of Ghana, especially since the CSD is the central institution providing depository, clearing, and settlement services in the country.

### 5.0 Chief Executive Officer's Statement Cont'd

Nonetheless, I want to assure our Shareholders and Directors that the necessary risk assessment has been done and we have put the relevant controls in place. The controls will be monitored, reviewed, and adjusted where necessary throughout the life of the project to minimize any potential risks that are likely to adversely impact the project. Once the project is completed, the new system would bring many reforms and enhancements in the provision of the services rendered by the CSD to the satisfaction of our stakeholders. The goal is to reduce to the barest minimum the level of manual interventions associated with some aspects of our service delivery while embracing more enhanced digital techniques.

Mr. Chairman, over the years, relevant stakeholders operating in the securities market industry of Ghana, including the CSD, have emphasized the importance of deepening the Ghanaian market by developing a more diversified market with lots of products. This development is essential to reduce the industry's exposure to overdependence on government securities. The long-held agenda of diversifying the securities market has been reawakened by the domestic debt exchange program of the government.

To help improve the undiversified nature of the products in the securities industry of Ghana, some initiatives have already been started by some market stakeholders operating in the industry. The Ghana Stock Exchange (GSE) has recently introduced the green bond guidelines to facilitate the issuance of green bonds and is currently working on a policy for Commercial paper issuance and trading in which the CSD is actively involved, for regulatory buy-in. Also, plans are underway to introduce Securities Lending and Borrowing Guidelines. Furthermore, to increase the number of equity instruments listed on the bourse, the GSE, in consultation with the State Interests and Governance Authority (SIGA), is working together to record some viable State-Owned Enterprises (SOE) on the bourse. The CSD would continue to

collaborate and support such efforts geared towards the diversification of our market. More importantly, we would configure our new systems to support these developmental efforts in the market. To ensure that investors fully participate in these new products, market education is key and the CSD will continue to collaborate with stakeholders, such as the GSE, GSIA, and the SEC during 2023.

In 2023, the CSD will also support regional efforts to integrate the West African Capital Market to enable cross-border trading and settlement. Many initiatives are underway to deepen cross-border trading and settlement of securities market transactions among the West African Monetary Zone member states. For instance, in December 2022, seven African stock exchanges successfully launched an integration project as a precursor to facilitating the agenda of cross-border trading of securities in Africa. Again, in 2022 discussions between some of the major CSDs in the sub-region to map out a strategy to support the cross-border settlement of securities market transactions using the Pan African Payment and Settlement System (PAPSS) within the WACMIC region commenced. The CSD is fully involved in these discussions and are getting our systems ready to support such vital initiatives. We would continue to support similar efforts toward developing the securities market in the sub-region.

Mr. Chairman, over time, the financial industry of Ghana has grown and is still growing and so has customers' demand for enhanced financial market services. This fast development of the financial industry requires the CSD to keep pace with the growing demand especially in the area of staff capacity. Thus, investment in staff development would remain a primary agenda of the CSD. This is of utmost importance because of the dynamic nature of the securities market industry and CSD's unique role in Ghana's financial industry landscape.

### 5.0 Chief Executive Officer's Statement Cont'd

As a digital financial market infrastructure, one of the exposure CSD faces is IT or Cyber security risks. Our systems therefore must be always robust and secure. As a company, we have made a lot of investments in Information and Cybersecurity to contain these risks over the years. Notwithstanding these investments, we would continue to monitor and enhance the cyber security environment of the CSD and invest in tools to maintain our cybersecurity posture at the highest level.

In no uncertain terms, the implementation of the domestic debt exchange programme by the government of Ghana may have some short to medium-term ramifications on institutions operating in the securities market industry of the country. Nevertheless, the CSD is well positioned, resourced, and capitalised to continue providing its services to the market. As part of our risk management framework, we would regularly monitor, analyse, and evaluate any potential exposure from the current economic conditions on our operations, and where applicable, make the relevant adjustments. Measures are also in place to conduct regular stress testing and scenario analysis to ensure that CSD continues to be a going concern. I am therefore confident that with the continuous support of the Directors and Shareholders, and a dedicated Management and staff, we would continue to consolidate our gains and chart future growth together.

To conclude, just as we have done in the past, we will continue to comply with all regulatory requirements underpinning the operations of the CSD and pursue best industry practices that would ensure that the CSD grows from strength to strength.

### Appreciation

The role of the Board in the successful operations of the CSD in 2022 must be highly recognized. The Board of Directors of the CSD played a magnificent role in the successful operations of the CSD in 2022 by providing guidance, support, and strategic direction amid the difficult economic conditions. I, therefore, want to extend my special appreciation firstly to the Chairman of the Board of Directors, and then to all the Directors for the tremendous support offered to staff and Management in 2022.

I also wish to thank our shareholders for their investment in the company and especially for sacrificing their 2022 dividend to ensure that the company is financially resilient for operations in 2023.

In addition, I want to thank my employees for their loyalty and commitment and for consistently delivering a high-quality service to our stakeholders.

Finally, I thank the Securities and Exchange Commission, the Depository Participants, and all our Stakeholders for their support during 2022.



**Mr. Michael Ewusi Mensah**  
CEO

## 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 custody or safekeeping of debt securities issued by Government of Ghana, Cocobod and Bank of Ghana while GSD handled equities. As at the end of December 2021, 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 CSD as a key strategic FMI established to improve investors'

confidence in the securities market of Ghana, the CSD 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 risk management 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 CSD and continuously carries out an impartial appraisal of the performance of Management.

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

The Board Charter prescribes a seven-member Board of Directors. This comprises six Non-Executive Directors and one Executive Director. The Chairman of the Board is a Non-Executive Director. The Directors on the Board hold qualifications and skills in areas spanning from accounting, finance and banking, law, economics and capital market operations amongst others.

## 6.0 Corporate Governance Cont'd

### Capacity Building of Board Directors

The CSD recognizes the importance of developing the capacity of its directors on a continuous basis in order to deepen their knowledge and exposure on matters relating to good corporate governance & code of conduct for directors, enterprise risk management, business continuity, financial market trends, the general operations of depository, clearing & settlement activities among other areas. The ultimate aim of the capacity building programme for the Directors is to enable them to perform effectively and efficiently in their roles as Directors of the CSD. Also, newly appointed Board of Directors are taken through a standard orientation programme designed purposely for them.

### Board Meetings

Four meetings were organised in 2022 by the Board. This is in consistent with the Board Charter which requires that a Board meeting is organised at least once every quarter. In addition, the Board Charter has provision for the Board of Directors to hold an extraordinary meeting whenever the need arises during the financial year. There was no extra ordinary meeting in 2022. Below is information on the participation of Board of Directors to the four meetings held in 2022.

Directors	Mar 23,2022	Jun 02,2022	Aug 05-06, 2022	Dec 23,2022
Dr. Maxwell Opoku-Afari (Chairman)	✓	✓	✓	✓
Mr. Michael Mensah	✓	✓	✓	✓
Mr. Ekow Afedzie	✓	✓	✓	End of Appointment
Mrs. Angela Leibel	✓	X	✓	✓
Dr. Mark Assibey-Yeboah	✓	✓	✓	✓
Ms. Abena Amoah	✓	✓	X	✓
Mr. Stephen Opat	Not a Member		✓	✓
Mr. Frank Y. M. Berle	Not a Member			✓

### Board Committees

Four committees are in place to aid the overall Board in the performance of its function, 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 & Audit Committee, Risk Committee, and Human Resource, Legal & Remuneration Committee (HRLRC).

### 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.

Two meetings were held by the Business Conduct Committee in 2022 Below is the meeting attendance.

## 6.0 Corporate Governance Cont'd

Members	Apr 06, 2022	Nov 08, 2022
Mr. Ekow Afedzie (Chairman)	✓	✓
Mr. Winston Nelson	✓	✓
Mr. Alexander Williams	✓	✓
Ms. Carol Annang	X	✓
Mrs. Truedy Osae	✓	X

### 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 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.

Three meetings were held by the Finance and Audit Committee in 2022. Below is the meeting attendance by the members of the Finance and Audit Committee in 2022

Members	Mar 01, 2022	Jul 19, 2022	Dec 16-17, 2022
Mrs. Angela Leibel (Chairwoman)	✓	✓	✓
Dr. Mark Assibey-Yeboah	✓	✓	✓
Ms. Abena Amoah	✓	✓	✓

### Risk Committee

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

Three meetings were held by the Risk Committee in 2022. Below is the meetings attendance of the members of the Risk Committee in 2022.

Members	Mar 31, 2022	July 25, 2022	Dec 06, 2022
Mr. Ekow Afedzie (Chairman)	✓	✓	✓
Mrs. Angela Leibel	✓	✓	✓
Ms. Abena Amoah	✓	✓	✓

### Human Resource Legal and Remuneration Committee (HRLRC)

The Human Resource, Legal and Remuneration 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

### 6.0 Corporate Governance Cont'd

CSD Act, 2007 (Act 733), Securities and Exchange Act, 2016 (Act 929), the Labour Act, 2002 (Act 651), the Rules and Procedures of the CSD.

Three meetings were held by the HRLRC in 2022. Below is the meeting attendance of members of the HRLRC in 2022.

Members	Mar 28, 2022	Jul 14, 2022	Nov 25, 2022
Mrs. Caroline Otoo	✓	✓	✓
Mrs. Angela Leibel	✓	✓	✓
Mr. Armah Akotey	✓	✓	✓
Mr. Stephen Opata	Not a Member		✓

## HIGHLIGHT OF SOME ACTIVITIES IN 2022.



L-R: Mr. Michael Mensah, CEO of CSD, Mr. Bryan Pascore CEO of ICMA, Sanaa Clause-Ben Abdelhadi Senior Director at ICMA with some Staff of CSD during a visit to ICMA members in Ghana.



A section of CSD staff dressed in their breast cancer awareness attire the during the annual celebration of Breast Cancer Awareness Month



Representatives of Depository Participants listening attentively to a presentation by the CEO OF CSD, Mr. Michael Mensah at a user group meeting held in July 2022



Picture taken during a due diligence visit by The Bank of New York Mellon a client of Stanbic Bank to the Ghana market.



A section of Staff of CSD having a recreational activity as part an annual Departmental retreat of Operations, Finance & Administration and Internal Audit Departments in 2022.



Mr. Michael Mensah, CEO of CSD (GH) responding to a from a participant after a presentation at a user group meeting.

## 7.0 Highlights of 2022 Key Activities

### 7.1 Staff Matters and Capacity Development

The number of full-time staff employed increased to thirty-four in 2022 from thirty-two in 2021.

During the year, a three-day annual residential staff retreat was organised from Friday 8<sup>th</sup> to Monday 11<sup>th</sup> July 2022. A key goal of the annual residential staff retreat is to promote bonding among staff and interdepartmental collaborations within the organisation. Topics covered during the retreat were broadly focused Corporate Values, Stress Management, and Public Health (Diabetes & Hypertension). Other activities undertaken at the Staff retreat included recreational activities such as aerobics, hiking, animal feeding, Waterfalls Tour among others.

To improve the knowledge, the skills, & the abilities of staff and embed the corporate values of the organisation and also motivate the staff for excellent service delivery, the CSD has in place a well-established capacity development programme for all levels of staff. In 2022, the capacity development programme for staff including training, seminars and conferences were carried out mostly through online programmes organised by both local and international training providers. Some of the programmes participated in by staff included setting of risk appetites, business continuity management, data protection, operations certificate programme, securities lending and borrowing, repo, SWIFT and among others.

### 7.2 Implementation of the CSD Strategic Plan (2021-2025)

2022 marked the second year of the implementation of the company's five year strategic plan. To ensure optimal result from the initiatives embarked upon during the previous year, 2022 was used to reinforce the initiatives that commenced in the organisation in 2022. The advancement in the implementation of

the company's strategic plan in 2022 continued to centre on the three main strategic themes Service Excellence, Business Diversification and Strategic Alliance of the plan. In 2022 CSD through its strategic alliance objectives started an engagement with Securities and Exchange Commission in achieving full dematerialisation of the equity securities issued in the Ghana market and abolish the use of dividend warrants to eliminate the number of unclaimed dividends in the market. Moreover, to serve the customers effectively and efficiently, the services of a brand research firm was engaged to undertake a study in relation to CSD's brand in the securities market of the country. The study population included Depository Participants, Institutional & Retail Investors, and other market stakeholders in the country's securities market. The results from the study would go a long way to assist the CSD to render excellent services to the country's securities market. To achieve the business diversification objective of the company, CSD envisioned that changing the current systems and adopting modern technologies as part of its operations would afford the organisation the opportunity to be system ready to handle new products that are in the offing for the market under the Capital Market Master Plan of the Regulator, Securities and Exchange Commission. Changing the system will also enable the CSD to introduce more innovative approaches such as introduction of multiple settlement, economic trading position among others to enhance the level of liquidity. As a result, during 2023, a procurement process to change the existing systems of the CSD started.

### 7.3 Training of Depository Participants

In 2022, CSD continued with the organisation of its training programme for representatives of the various Depository Participants. The number of institutions that participated in the training programme increased from thirty-two in 2021 to

forty-four in 2022. There was, however, a decline in the number of representatives trained from these institutions from two hundred and seventy-seven in 2022 to one hundred and seven. The trainings were fully organised using virtual platforms introduced in 2021.

### 7.8 User Group Meetings

A user group meeting comprising of members of all the Depository Participants was organised in July 2022. Topics covered at the meeting included an update on the proposed acquisition of the new CSD systems, use of National Identification Card during securities accounts registration, full dematerialisation of shares in the Ghana market, Revision of repo fees among others. The outcome of the meeting discussions is shown below.

#### – Update on the Proposed Acquisition of New CSD systems

The Chief Executive Officer of CSD, informed the Depository Participants about the progress of work performed towards the acquisition of the new CSD systems. CSD explained that a Request for Proposal (RFP) had been distributed to prospective vendors and it is projected that by the end of the year a preferred Vendor would have been selected successfully to commence the process for the acquisition of the new CSD systems in 2023.

#### – Use of National Identification Card

In compliance with the directive to use only the National Identification Card for all transactions by Institutions regulated by the Bank of Ghana and the Securities and Exchange Commission, CSD explained that consequently the National Identification Card would be accepted as the only identification card for onboarding new clients onto the CSD system during securities accounts

registration. Depository Participants were also urged to engage their clients which already have CSD securities account to update their records at the CSD with their National ID cards to facilitate seamless transactions. Thus, for existing clients or securities accounts holders, for purposes of account maintenance (e.g., change of name, bank account number etc) Depository Participants are required to engage with their clients to update their records at the CSD with their National ID cards.

#### – 100 Percent Dematerialisation of Shares

The importance of achieving full dematerialization for the country's equity market was discussed during the user group meeting. As a result, CSD informed the participants that the regulator, Securities and Exchange Commission in collaboration with market stakeholders plans to introduce measures in achieving full dematerialisation of issued shares in the country's equity market.

The user group meeting is a forum adopted by the CSD to interact regularly with Depository Participants on market related matters. The goal is to promote communication in the marketplace. In addition to the User Group meetings, the CSD maintains strong communication with stakeholders through various forms of engagements. 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 with 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 CSD participated in the Association of Global Custodians' Annual Depository Information-Gathering Project in 2022, the 2022 WFC Fact book by World Forum of CSDs, and the 2022 Central Securities Depository Risk Assessments exercise conducted on CSDs by Thomas Murray, which maintained the CSD's "A-" rating.

## 7.10 Key Outlook for 2023

### 7.10.1 Acquisition and Implementation of New System (s)

Following the progress of work done to change the existing systems of the CSD over the last two years, a Request for Proposal (RFP) document geared towards the selection of an ideal Vendor was developed and distributed to prospective vendors in 2022. As a result of the advancement of work in the selection of a Vendor in 2022, it is projected that during 2023 the project implementation to change the existing systems deployed by CSD would commence. At the end of the project implementation life cycle, CSD envisioned that the new systems

would address the associated gaps and issues with the existing systems and introduce additional innovations in the depository, clearing & settlement, and registrar services for the mutual benefits of customers in the country's securities market.

### 7.10.2 Strategic Plan Implementation

The implementation of the company's five-year strategic plan (2021 to 2025) further advanced during 2022. The gains made in 2022 under the strategic plan would be reinforced during 2023. Looking into 2023 and the lessons learnt under the Domestic Exchange Programme of the Government of Ghana, strategic measures would be undertaken during the year to improve investor knowledge and participation. Investor education would remain one of the primary strategic activities of the CSD in 2023. The aim is to educate investors especially on the importance of their securities accounts by supporting efforts of institutions such as Securities and Exchange Commission, Ghana Stock Exchange, Ghana Securities Industries Association among others to improve financial literacy in the country.

### 7.10.3 Implementation of ISO 20022 Standard Initiative with SWIFT

The initiative to introduce ISO messaging standards in the securities market of Ghana will be fully achieved in 2023. The project timeline has been realigned to match the planned acquisition and implementation of new systems for greater efficiency and economies of scale in 2023.

## SCENES FROM THE 2022 EDUCATIONAL OUTREACH PROGRAMMES ORGANISED BY CSD IN COLLABORATION WITH GSE & YOUNG INVESTORS NETWORK .



Ms. Thelma Anyani of the Operations Department, CSD (GH) delivering a presentation to students during an education outreach programme at the University of Cape Coast in September 2022



Front-7th from Left Ms. Thelma Anyani and Mr. Lawrence Ameku both Staff of CSD (GH) and Mrs. Joyce Boakye of GSE together with the Young Investor Network embarked on a joint educational outreach at the Kwame University of Science Technology in August 2022.



Staff of CSD, GSE, and Young Investors takes the educational tour to Koforidua Technical University in August 2022.



A section of students from Kwame Nkrumah University of Science & Technology listening attentively to a presentation by a Staff of CSD as part of an educational tour to the University.

## 8.0 MARKET PERFORMANCE

### 8.1 Depository Participants (DPs)

One new Institution was appointed to operate as a Depository Participant during 2022. This brings the total number of Depository Participant appointed to the CSD to seventy as at the end of 2022. Obsidian Achernar Securities Limited is the new institution appointed to operate as a Depository Participant in 2022.

The seventy DPs are made up of twenty-three Commercial Banks, seventeen Custodian Banks, twenty-five 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

The number of new securities accounts opened in 2021 was 90,031 up by 16.0 percent from the 77,630 new securities accounts opened in 2021. This increased the number of securities accounts at the CSD by 7.1 percent from about 1.3 million in 2021 to about 1.4 million in 2022. Out of the 90,031 new securities accounts opened in 2022, securities accounts registered by local individuals accounted for 87,584 ; local companies accounted for 777; foreign minors accounted for 3; foreign individuals accounted for 313; foreign companies accounted for 172 and with domestic pension funds accounting for 8.

**Table 1a: Distribution of New Securities Accounts Opened by Account Type (2021 & 202)**

Account Type*	2021	2022	% of Change
Local Minor (JR)	1,159	1,080	(6.8)
Local Individual (LI)	75,031	87,584	16.7
Local Company(LC)	596	777	30.4
Foreign Minor(FJ)	12	3	(75.0)
Foreign Individual (FI)	456	313	(31.4)
Foreign Resident (FR)	110	94	(14.5)
Foreign Company	251	172	(31.5)
Pension Funds	15	8	(46.7)
<b>Total</b>	<b>77,630</b>	<b>90,031</b>	<b>16.0</b>

\*

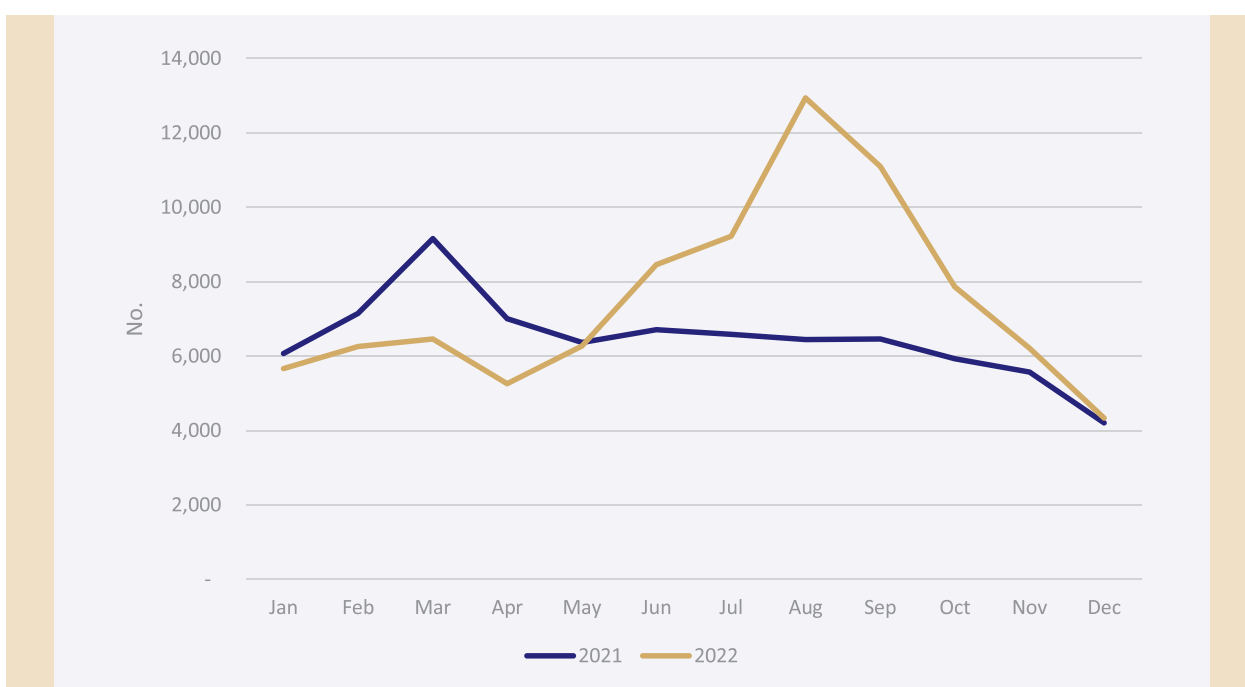
JR-Ghanaian investors aged below 18 years

LI-Ghanaian investors aged 18 years and beyond

FJ-Foreign investors aged below 18 years

FI-Foreign investors aged 18 years and beyond

FR-Foreign investors having a resident permit in Ghana

**Chart 1 : No. of Monthly New Securities Accounts Opened (2021 & 2022)****Table 1b: Annual Distribution of New Securities Accounts' Opened (2012-2022)**

Year	No. of New Accounts Opened	Total No. of Accounts Opened	Annual Growth Rate (%)
2022	90,031	1,358,784	7.1
2021	77,630	1,268,753	6.5
2020	68,345	1,191,123	6.1
2019	151,375	1,122,778	15.6
2018	72,660	971,403	8.1
2017	47,208	898,743	5.5
2016	95,007	851,535	12.6
2015	109,316	756,528	16.9
2014	90,375	647,212	16.2
2013	89,692	556,837	19.2

### 8.3 Primary Market Activities

#### 8.3.1 Debt Securities Issued in 2022

A total of GH¢162,809.6 million newly issued securities was admitted by CSD in 2022, a decline of 19.2 percent from GH¢201,556.7 million new securities issued in 2021. The Bank of Ghana, Government of Ghana, and Cocobod remained the major issuers for the year. Out of the GH¢162,809.6

million newly issued securities in 2021, Bank of Ghana securities accounted for GH¢58,334.8 million (35.8 percent); Government of Ghana securities accounted for GH¢81,048.6 million (49.8 percent); Cocobod securities accounted for GH¢22,166.9 million (13.6 percent) and seven other corporate organisations accounting for GH¢1,259.3 million (0.8 percent).

In terms of year-on-year comparison, the face value of new securities issued by Government of Ghana, Bank of Ghana, Cocobod and seven other corporate organisations reduced by 2.9 percent, 33.9 percent,

18.9 percent, and 49.8 percent respectively from 2021 to 2022. Table 2 below shows additional information on issued debt securities admitted by the CSD in 2021 and 2022.

**Table 2 : Distribution Newly Issued Debt Securities Admitted by Issuer (2021 & 2022)**

Name of Issuer	Face Value (GH¢'m)			No. of Times Issued		
	2021	2022	% Change	2021	2022	% Change
Bank of Ghana	88,271.5	58,334.8	(33.9)	81	66	(18.5)
Corporate Firms	2,508.4	1,259.3	(49.8)	17	115	576.5
Cocobod	27,341.8	22,166.9	(18.9)	14	23	64.3
Government of Ghana	83,435.0	81,048.6	(2.9)	146	144	(1.4)
Total	201,556.7	162,809.6	(19.2)	345	348	0.9

#### 8.3.1.1 Additional Debt Securities Issued by Government

A total of GH¢16,614.8 million additional face value of securities issued by the government in 2022 was admitted by the CSD. This represents a 42.7 percent reduction compared to GH¢23,707.7 million face value of additional securities issued by the government in 2021. The additional securities are issued periodically through tap-ins or re-opening mechanisms and forms part of existing securities that have already been issued in the primary market.

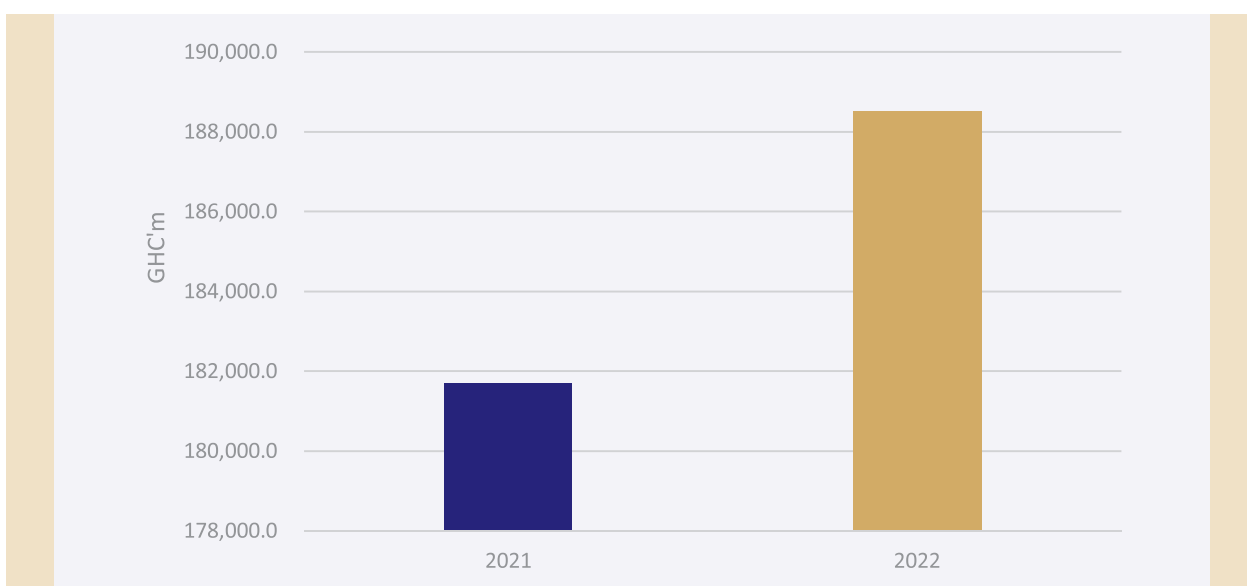
#### 8.3.2 Value of Outstanding Debt Stocks by Issuers

The face value of outstanding debt stock in the CSD at the end of 2022 was GH¢188,509.0 million,

an increase of 3.8 percent over the GH¢181,686.8 million outstanding debt stocks in 2021. In terms of the distribution of the outstanding debt stocks among issuers in 2022, GH¢160,289.8 million (85.0 percent) was made up of government securities; GH¢7,775.8 million (4.1 percent) was made up of Bank of Ghana securities; GH¢8,686.1 million (4.6 percent) was made up of Cocobod securities and GH¢11,757.3 million (6.2 percent) being securities issued by ten other corporate organisations. Table 3 below shows additional information on the value of outstanding debt stocks by the issuers.

**Table 3 : Distribution of Outstanding Debt Stocks by Issuers (2021 & 2022)**

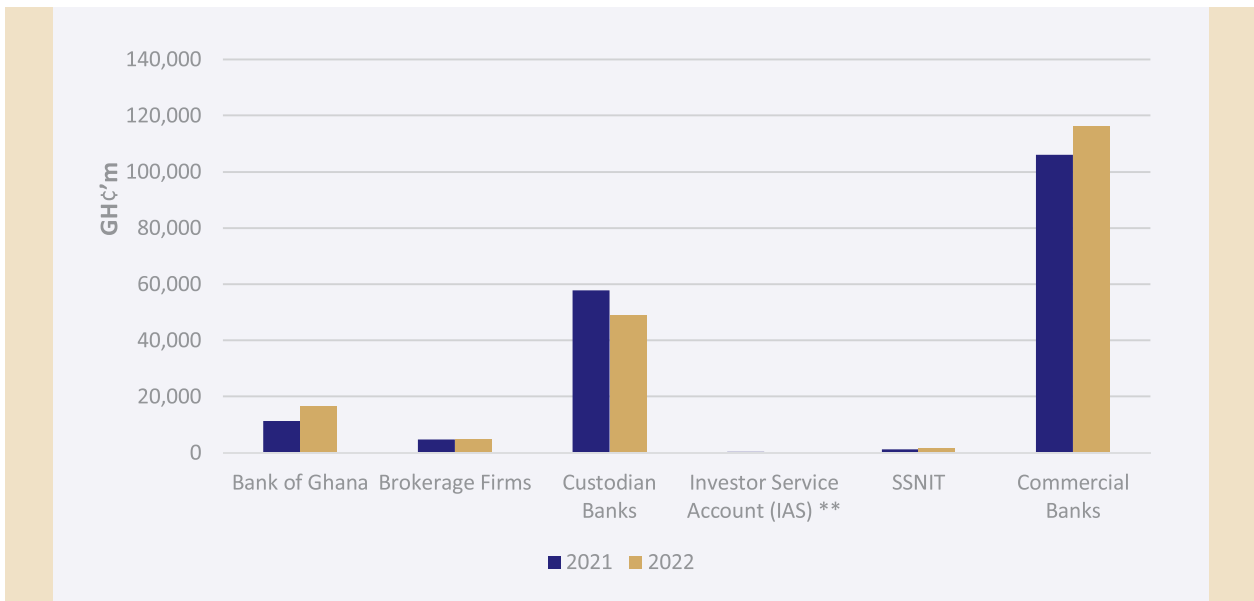
Name of Issuer	2021		2022		% change in stock (2021-2022)
	Face Value in GH¢'m	% of total	Face Value in GH¢'m	% of total	
AFB Loans Ltd	289.7	0.2	261.7	0.14	(9.7)
ABSA Bank of Ghana	18.8	0.0	62.2	0.03	230.3
Bank of Ghana	5,693.4	3.1	7,775.8	4.12	36.6
Bond Savings and Loans	5.1	0.0	2.5	0.00	(50.7)
Bayport Financial Services	188.1	0.1	116.2	0.06	(38.3)
Cocobod	12,919.8	7.1	8,686.1	4.61	(32.8)
Daakye Trust PLC (DTP)	2,453.2	1.4	2,622.5	1.39	6.9
Dalex Finance & Leasing Company Plc	17.5	0.0	17.5	0.01	0.0
Energy Sector Petroleum Levy Act	8,700.6	0.0	8,374.5	0.00	(3.7)
Ezwe Loans Ltd	72.0	4.8	68.0	4.44	(5.6)
Fidelity Bank Ghana Limited	47.2	0.0	202.3	0.11	329.0
Government of Ghana	151,246.6	83.3	160,289.8	85.03	6.0
Quantum Terminal Limited	35.0	0.0	30.0	0.02	(14.3)
<b>Total</b>	<b>181,686.8</b>	<b>100.0</b>	<b>188,509.0</b>	<b>100.00</b>	<b>3.8</b>

**Chart 2 : Face Value (GH¢' m) of Outstanding Debt Stocks (2021 & 2022)**

### 8.3.3 Distribution of Outstanding Debt Stock under the Various Types of DPs

The distribution of the outstanding stock held under the various category of DPs are, Commercial banks GH¢116,117.4 million (61.6 percent); Custodian banks GH¢48,862.6 million (25.9 percent); Bank of

Ghana GH¢16,662.4 million (8.8 percent); Brokerage Firms GH¢5,015.3 million (2.7 percent); SSNIT GH¢1,465.3 million (0.8 percent); and Investor Account Service (IAS) holders GH¢385.5 million (0.2 percent).

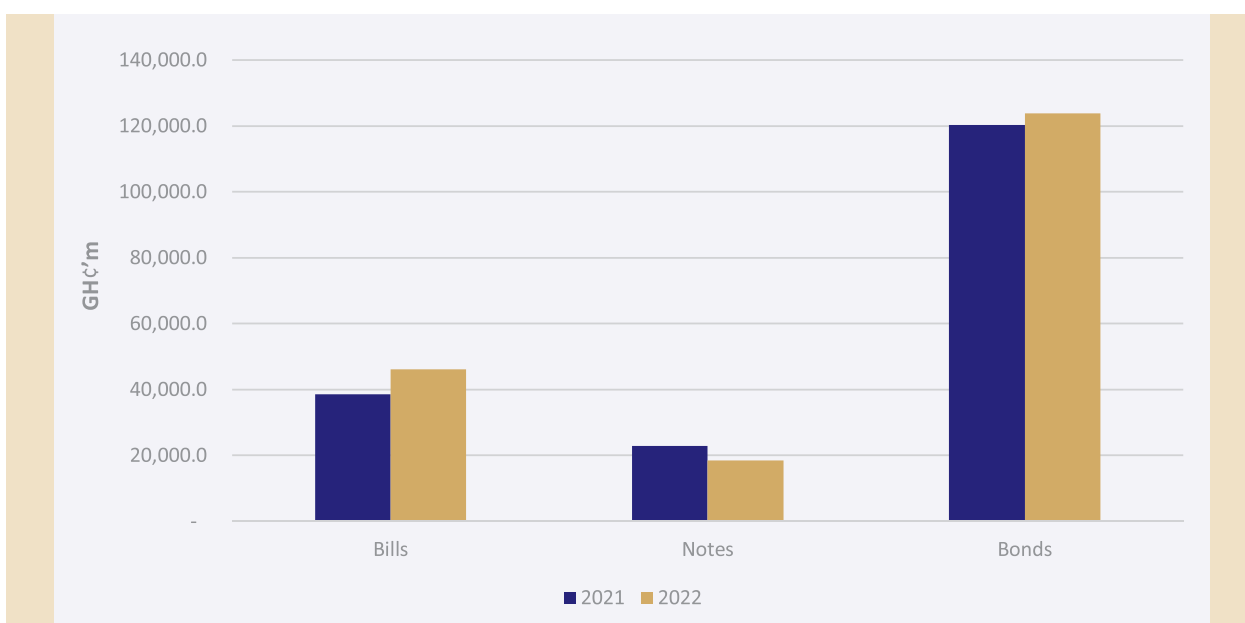
**Chart 3 Distribution of Outstanding Debt Stocks (GH¢'m) by Type of DPs (2021&2022)****Chart 4: Distribution of Outstanding Debt Stocks (GH¢'m) under Type of DPs (2021 & 2022)**

DP Type	2021		2022		% change (2021-2022)
	Face Value	% of total	Face Value	% of total	
Bank of Ghana	11,210.7	6.2	16,662.4	8.8	48.6
Brokerage Firms	4,822.7	2.7	5,015.3	2.7	4.0
Custodian Banks	57,911.5	31.9	48,862.6	25.9	(15.6)
Investor Service Account (IAS)	386.2	0.2	385.5	0.2	(0.2)
SSNIT	1,225.1	0.7	1,465.3	0.8	19.6
Commercial Banks	106,130.6	58.4	116,117.9	61.6	9.4
<b>Total</b>	<b>181,686.8</b>	<b>100.0</b>	<b>188,509.0</b>	<b>100.0</b>	<b>3.8</b>

#### 8.3.4 Distribution of Outstanding Debt Stocks by Tenor

The outstanding debt stock at the end of 2022 was largely made up of securities with tenors of 3 years and beyond (bonds) as compared to securities having tenors of 1 & 2 years (notes) and securities with tenors of 364 days & below (bills). Out of the GH¢188,509.0 million outstanding debt stock in 2021, the bonds accounted for GH¢123,868.4 million (65.7 percent); notes accounted for GH¢18,536.5 million (9.8 percent) and bills accounting for GH¢46,104.1 million (24.5 percent) respectively.

Comparative to 2021, the face value of outstanding debt stock involving both bills and bonds increased in 2022 whereas the notes recorded a decline. The face value of outstanding stocks in bonds increased by 3.0 percent from GH¢120,245.3 million in 2021 to GH¢123,868.4 million in 2022. Equally, the face value of outstanding stocks in bills increased by 19.4 percent from GH¢38,601.1 million in 2021 to GH¢46,104.1 million in 2022. The face value of outstanding stock in notes on the other hand recorded a reduction of 18.8 percent from GH¢22,840.4 million in 2021 to GH¢18,536.5 million in 2022.

**Chart 5: Distribution of Outstanding Debt Stocks (GH¢'m) by Tenor (2021 & 2022)****Table 4 : Distribution of Outstanding Debt Stocks by Tenor (2021 & 2022)**

Tenor	2021		2022		% change (2021-2022)
	Face Value in GH¢'m	% of total	Face Value in GH¢'m	% of total	
14 Day – 364 Day Bills	38,601.1	21.2	46,104.1	24.5	19.4
1 Year – 2 Year Notes	22,840.4	12.6	18,536.5	9.8	(18.8)
3 Year and above Bonds	120,245.3	66.2	123,868.4	65.7	3.0
<b>Total</b>	<b>181,686.8</b>	<b>100.0</b>	<b>188,509.0</b>	<b>100.0</b>	<b>3.8</b>

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

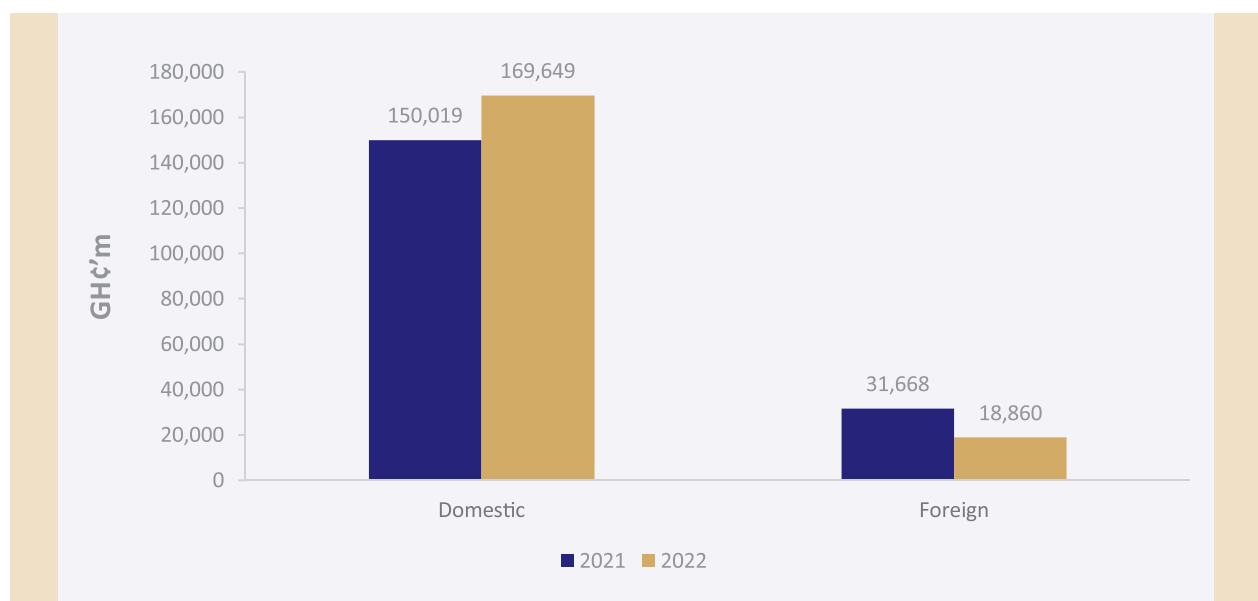
In terms of the ownership structure of outstanding debt stock at the end of 2022 by domestic and foreign investors, domestic investors accounted for a large proportion of ownership relative to foreign investors. Out of the GH¢188,509.0 million outstanding debt stocks in 2022, domestic and foreign investors owned GH¢169,648.9 million (90.0 percent) and GH¢18,860.1 million (10.0 percent) respectively.

The annual face value of outstanding debt stock owned by domestic investors increased by 13.1 percent from GH¢150,018.6 million in 2021 to GH¢169,648.9 million in 2022. Also, the annual face value of outstanding debt stocks owned by foreign investors reduced by 40.4 percent from GH¢31,668.3 million in 2021 to GH¢18,860.1 million in 2022.

**Table 5 : Distribution of Outstanding Debt Stocks by Tenor and Investor Types (2021& 2022)**

Tenor	Domestic Investors (GH¢)			Foreign Investors (GH¢)		
	2021	2022	% of Change	2021	2022	% of Change
14 Day – 364 Day Bills*	38,186.6	45,885.5	20.16	414.5	218.6	(47.3)
1 Year – 2 Year Notes	17,975.4	12,881.4	(28.34)	4,865.0	5,655.1	(16.2)
3 Year and above Bonds	93,856.7	110,881.9	18.14	26,388.7	12,986.5	(50.8)
<b>Total</b>	<b>150,018.6</b>	<b>169,648.9</b>	<b>13.09</b>	<b>31,668.3</b>	<b>18,860.1</b>	<b>(40.4)</b>

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

**Chart 6 : Distribution of Outstanding Debt Stocks by Investor Types (GH¢'m) (2021 & 2022)**

## 8.4 SECONDARY MARKET ACTIVITIES

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

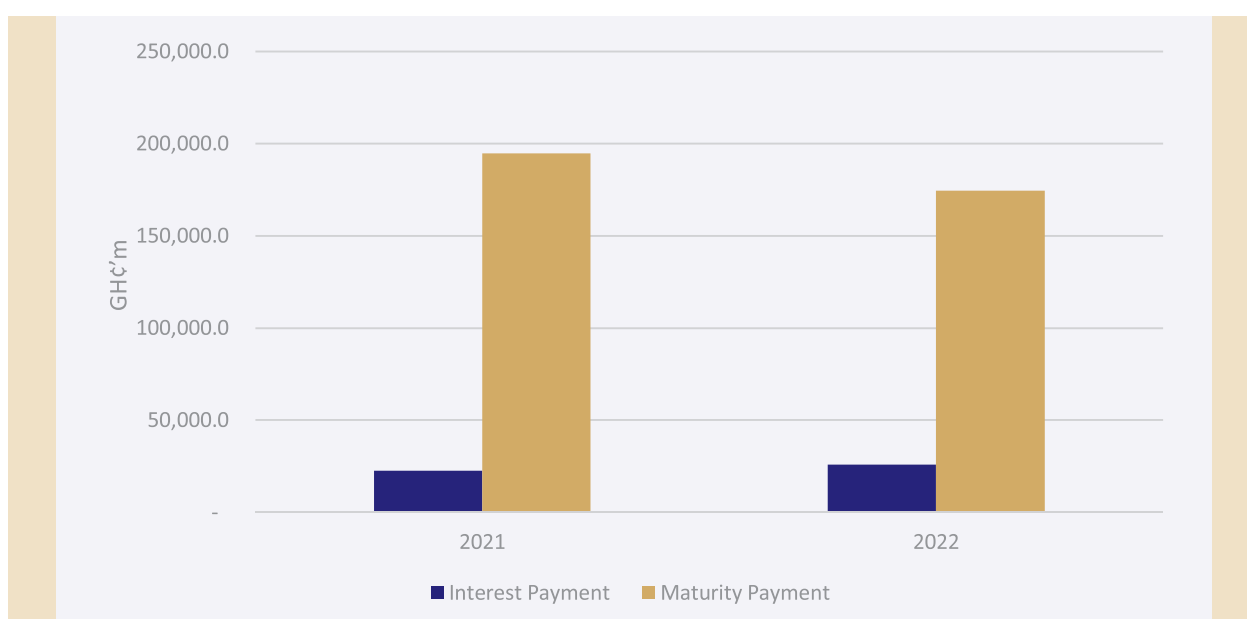
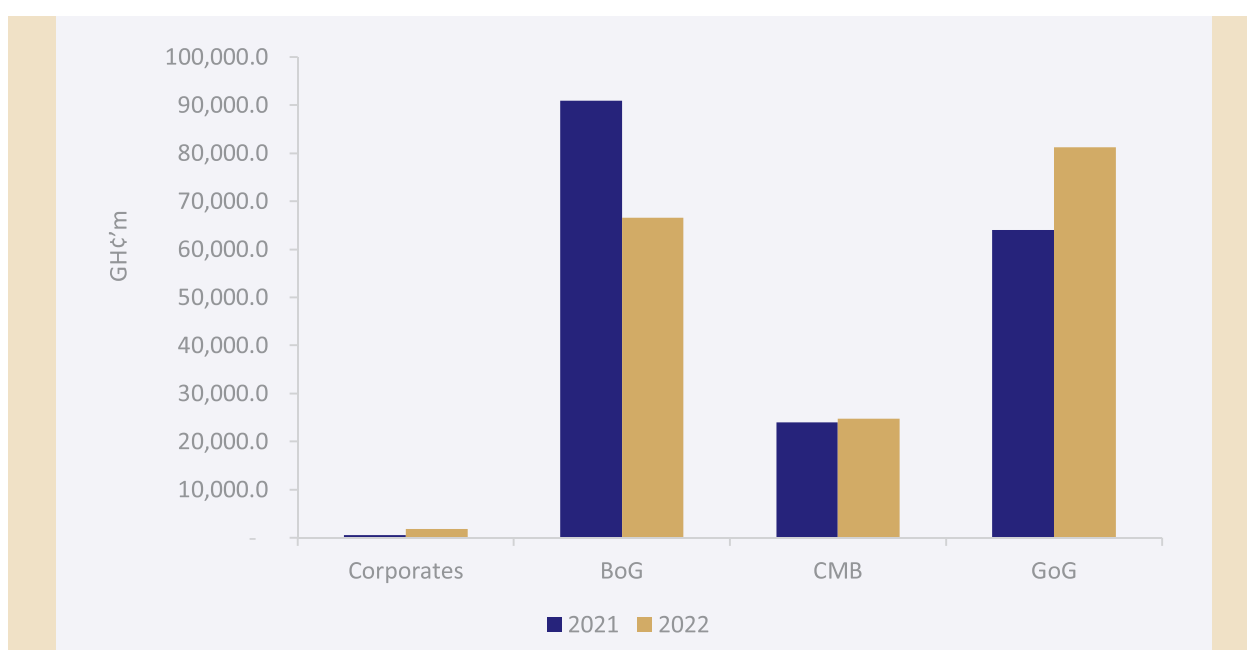
A total amount of GH¢200,187.9 million was processed as interest and maturity proceeds in 2022 by the CSD as against GH¢217,319.1 million in 2021 for payments to various investors by five issuers Government of Ghana, Bank of Ghana, Cocobod and two Corporates Institutions (ABSA Bank Ghana Limited and Fidelity Bank).

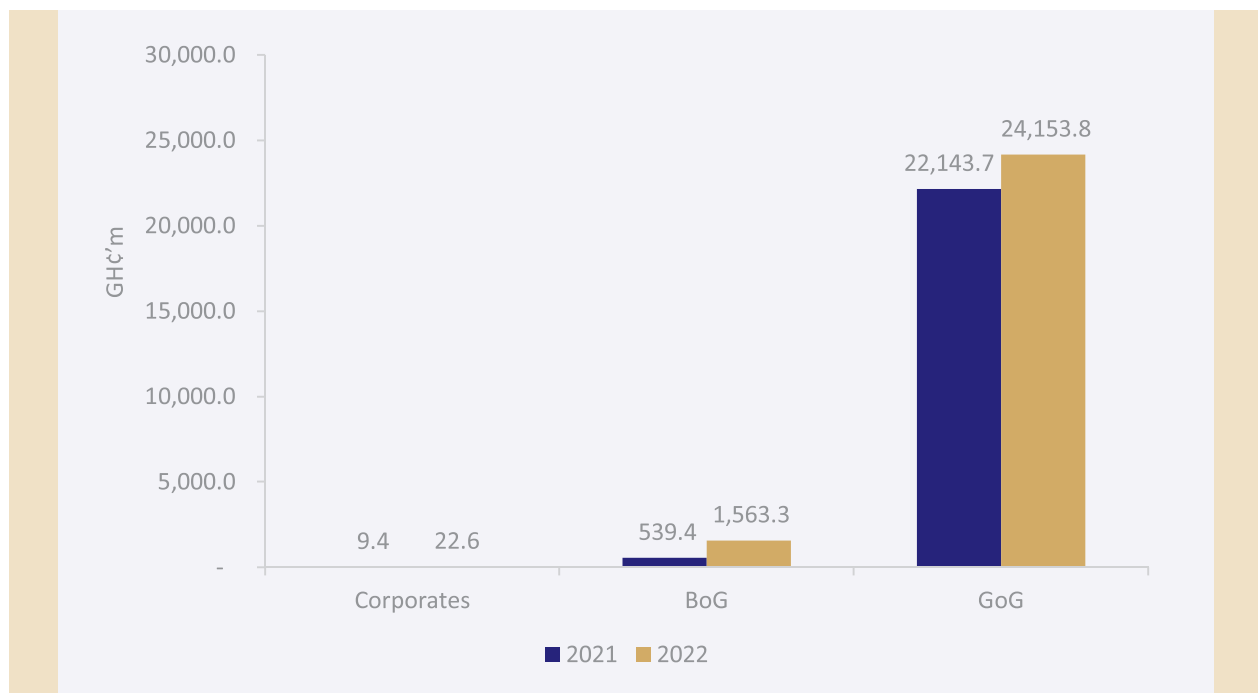
Out of the GH¢200,187.9million interest and maturity proceed in 2022, interest and maturity proceeds accounted for GH¢25,739.7 million (12.9 percent) and GH¢174,448.1 million (87.1 percent) respectively. The annual amount of maturity proceeds processed by CSD reduced by 10.4 percent to GH¢174,448.1 percent in 2022 from GH¢194,626.6 million in 2021. Also, the annual amount of interest proceeds processed for the same period increased by 13.4 percent from GH¢22,692.5 million in 2021 to GH¢25,739.7 million in 2022.

**Table 6 : Interest and Maturity Proceeds (GH¢) Generated by CSD per Issuer (2021 & 2022)**

Name of Issuer	2021			2022		
	IP*	MP**	Total	IP	MP	total
Corporates (ABSA & Fidelity Banks's NCD***)	9.4	566.3	575.8	22.6	1,774.0	1,796.7
Bank of Ghana	539.4	90,942.9	91,482.3	1,563.3	66,573.5	68,136.8
Cocobod (CMB)	-	24,022.9	24,022.9	-	24,815.2	24,815.2
Government of Ghana	22,143.7	79,094.4	101,238.1	24,153.8	81,285.5	105,439.3
<b>Total</b>	<b>22,692.5</b>	<b>194,626.6</b>	<b>217,319.1</b>	<b>25,739.7</b>	<b>174,448.1</b>	<b>200,187.9</b>

\* Interest Payment (IP); \*\*Maturity Payment (MP); Negotiable Certificate of Deposit (NCD)

**Chart 7 : Interest and Maturity Proceeds (GH¢'m) Processed by CSD (2021 & 2022)****Chart 8 : Maturity Proceeds (GH¢'m) Generated by CSD per Issuer (2021 & 2022)**

**Chart 9 : Interest Proceeds (GH¢'m) Generated by the CSD per Issuer (2021 & 2022)**

#### 8.4.2 Settlement of Secondary Market Trades for Debt Securities

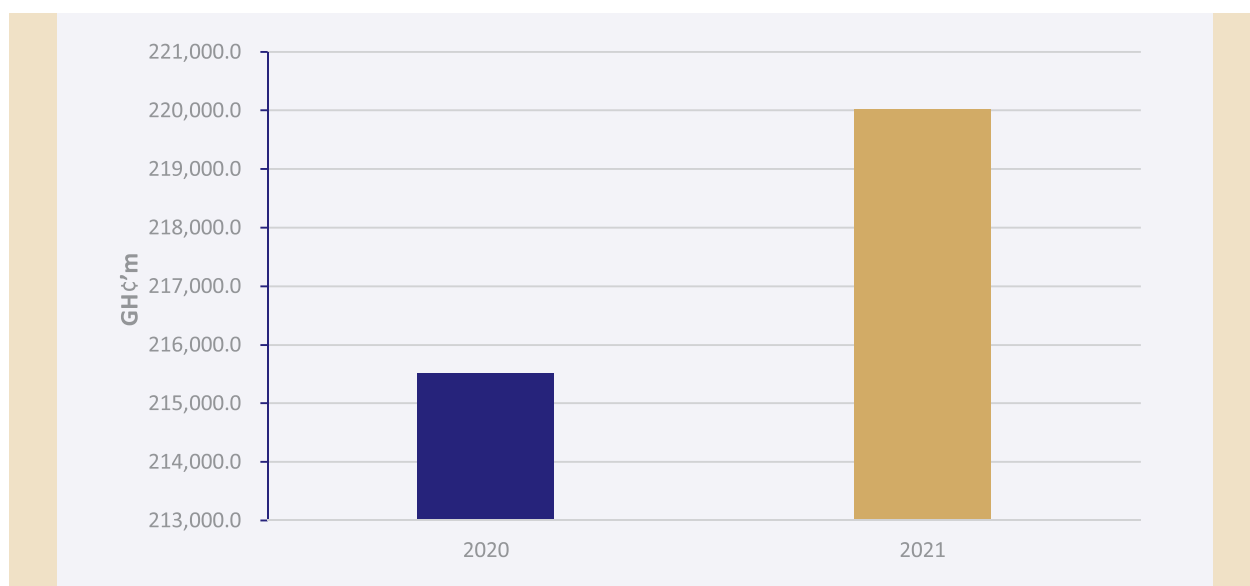
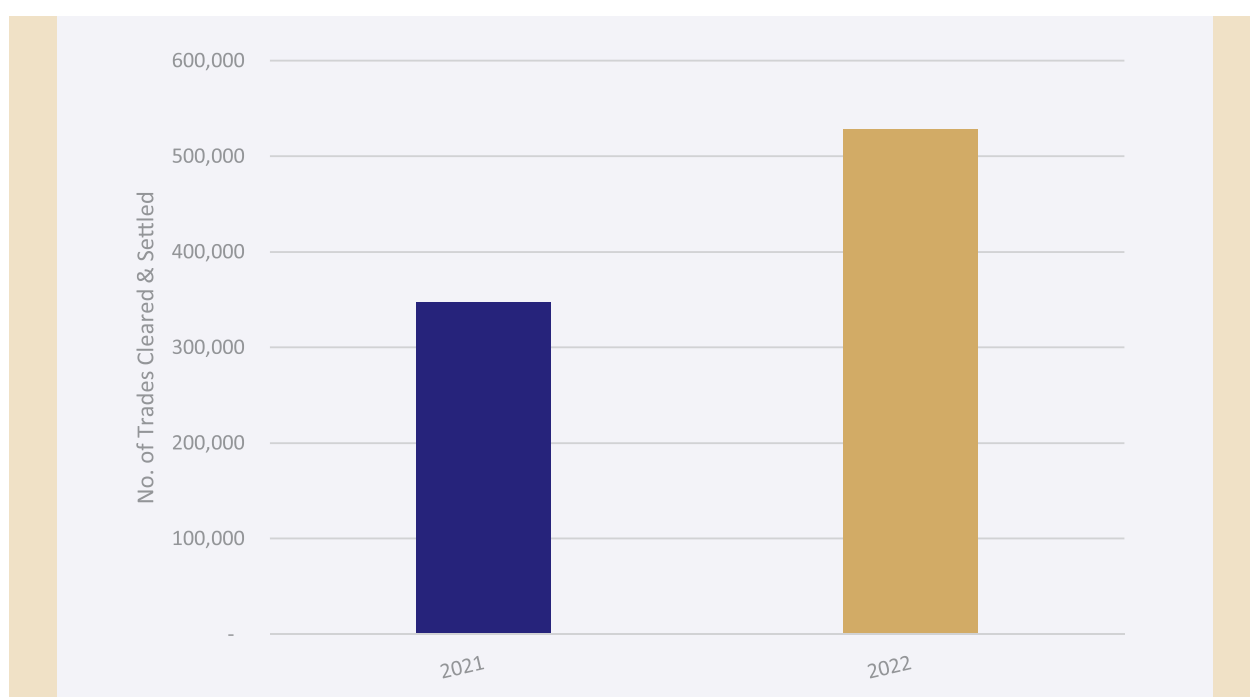
Settlement activities in the secondary debt market recorded a growth in 2022 relative to that of 2021.

The number of debt trades cleared and settled by CSD in 2022 was 528,121, up by 52.3 percent from

346,730 in 2021. Also, the monetary value of the trades cleared and settled through the CSD increased by 2.1 percent from GH¢215,527.3 million in 2021 to GH¢220,021.3 million in 2022 as shown in the table below.

**Table 7 : Face Value & Settlement Value (GH¢'m) of Debt Trades Cleared and Settled by CSD (2021 & 2022)**

	2021	2022	% of Change (2021-2022)
Face Value in GH¢'M	208,321.9	229,568.7	10.2
Settlement Value in GH¢'M	215,527.3	220,021.3	2.1
No. of Transactions	346,730	528,121	52.3

**Chart 10: Settlement Value (GH¢'m) of Debt trades cleared and Settled by CSD (2021 & 2022)****Chart 11: Number of Debt Trades Cleared and Settled by CSD (2021 & 2022)**

### 8.4.3 Distribution of Cleared and Settled Debt Trades among Domestic and Foreign Investors

The participation of domestic investors in the clearing and settlement activities in the secondary market recorded a growth in 2022 compared to 2021. However, there was a reduction in foreign investor participation in the secondary market over the same period.

On the buy side of the market, domestic investors accounted for GH¢195,217.1 million (88.7 percent) of the GH¢220,021.3 million trades cleared and settled in 2022, with foreign investors accounting for GH¢24,804.2 million (11.3 percent). On-year-on-year basis, the monetary value of purchased securities cleared and settled on the accounts of domestic investors in the secondary market increased by

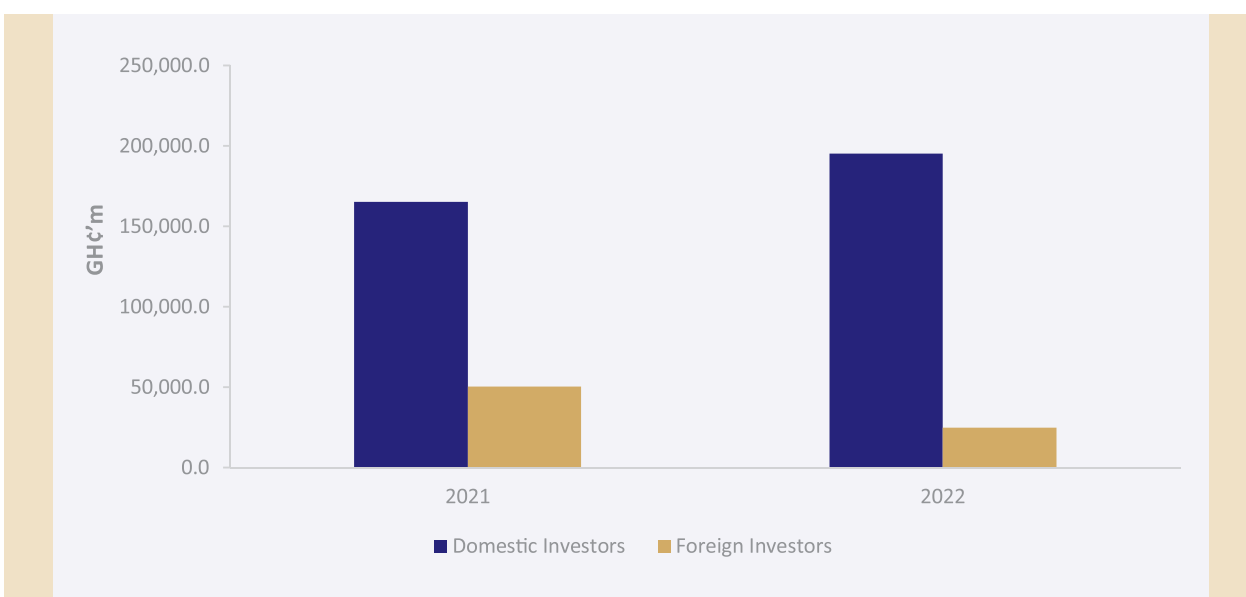
18.2 percent from GH¢165,094.1 million in 2021 to GH¢195,217.1 million in 2022. Also purchased securities cleared and settled by foreign investors reduced by 50.8 percent from GH¢50,433.2 million in 2021 to GH¢24,021.3 million in 2022.

On the sell side of the market, domestic investors accounted for GH¢190,146.1 million (86.4 percent) of the GH¢220,021.3 million trades cleared and settled in 2022, with foreign investors accounting for GH¢29,875.2 million (13.6 percent). The monetary value of securities sold by domestic investors increased by 12.9 percent from GH¢168,383.1 million in 2021 to GH¢190,146.1 million in 2022 with that of foreign investors reducing by 36.6 percent from GH¢47,144.3 million in 2021 to GH¢29,875.2 million in 2022.

**Table 8 : Distribution of Purchase Debt Trades Settled by Domestic and Foreign Investors (2021 & 2022).**

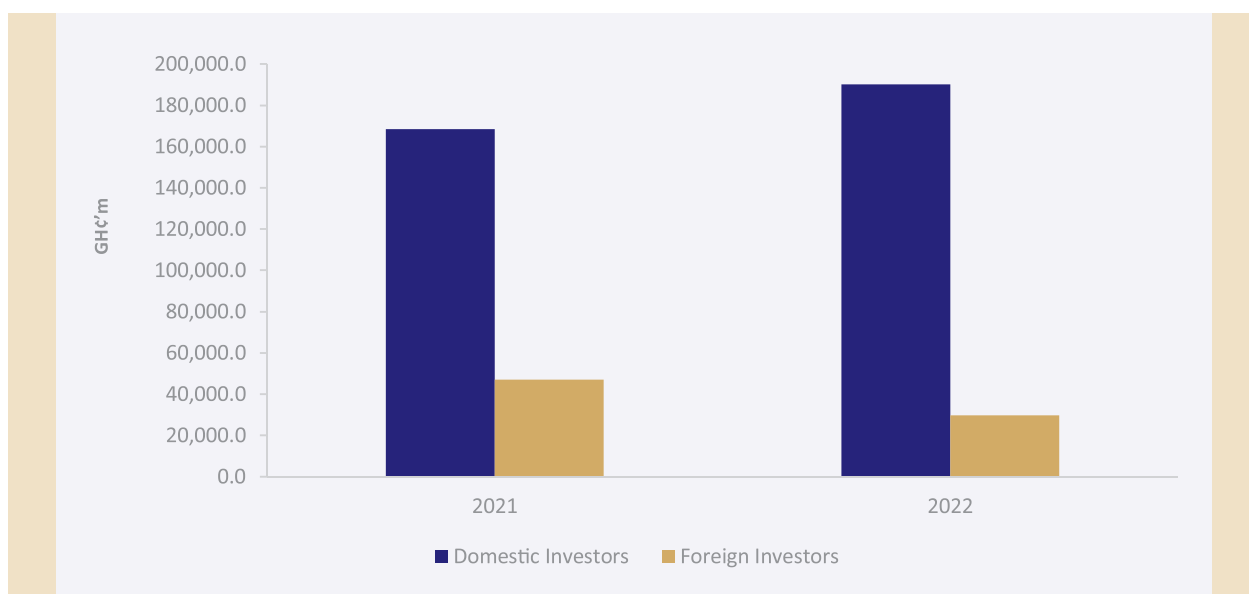
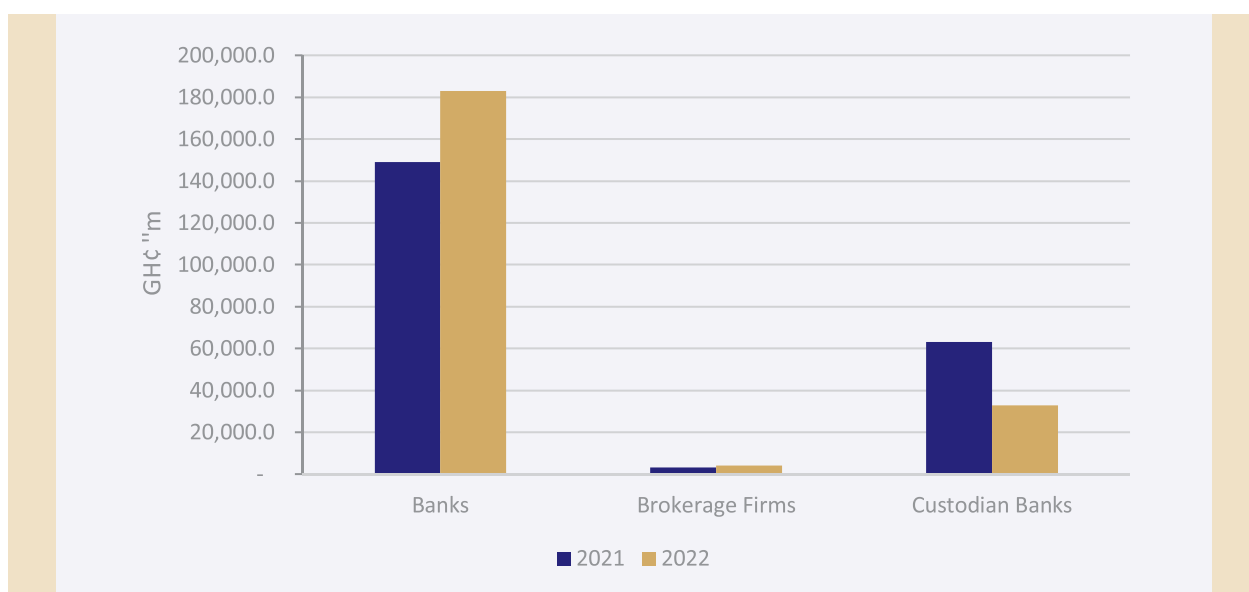
Investor Types	2021	2022	% of Change	2021	2022	% of Change
	Settlement Value in GH¢'m			No. of Trades		
Domestic Investors	165,094.1	195,217.1	18.2	341,419.0	524,360.0	(98.9)
Foreign Investors	50,433.2	24,804.2	(50.8)	5,311.0	3,761.0	9,773.1
Total	215,527.3	220,021.3	2.1	346,730.0	528,121.0	52.3

**Chart 12 : Distribution of Purchase Debt Trades Settled (GH¢'m) by Investors (2021 & 2022).**



**Table 9 : Distribution of Debt Trades Sold and Settled by Domestic and Foreign Investors, (2021 & 2022)**

Investor Type	2021	2022	% Change	2021	2022	% Change
	Settlement Value in GH¢'m			No. of Trades		
Domestic Investors	168,383.1	190,146.1	12.9	342,745.0	524,832.0	53.1
Foreign Investors	47,144.3	29,875.2	(36.6)	3,985.0	3,289.0	(17.5)
Total	215,527.3	220,021.3	2.1	346,730.0	528,121.0	52.3

**Chart 13 : Distribution of Sell Debt Trades (GH¢'m) by Domestic and Foreign Investors (2021- 2022)****Chart 14 : Distribution of Purchase Debt Trades Settled by DP Types (2021 & 2022)**

#### 8.4.4 Settlement activities undertaken by the Various Types of Depository Participants (DPs)

The banks dominated settlement activities in the secondary market as compared to the custodians and the brokerage firms in 2022.

On the buy side of the secondary market, an amount of GH¢183,083.0 million worth of securities was settled directly on the accounts of the banks; GH¢32,021.3 million of securities was settled by the

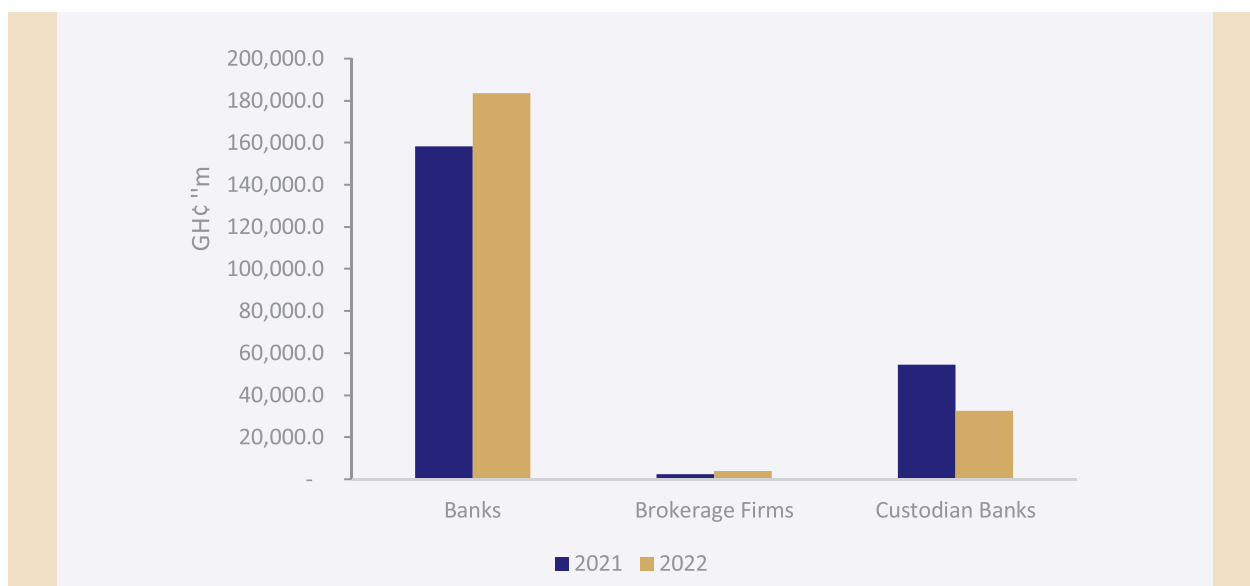
custodian banks with GH¢4,069.5 million worth of securities being settled by the brokerage firms.

On the sell side of the secondary market, an amount of GH¢183,616.3 million securities were sold and settled directly on the accounts of the banks, brokerage firms settled an amount of GH¢3,809.8 million securities with an amount of GH¢32,595.2 million being securities settled directly by the custodian banks.

**Table 10 : Distribution of Purchase Debt Trades Settled by DP Type (2021 – 2022)**

DP Type	2021		2022		% of change in Settlement Value (2021-2022)
	GH¢'m		GH¢'m		
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	144,984.9	149,063.3	188,895.5	183,083.0	22.8
Brokerage Firms	3,216.6	3,256.1	4,345.4	4,069.5	25.0
Custodian Banks	60,120.4	63,207.9	36,327.9	32,868.8	(48.0)
Total	208,321.9	215,527.3	229,568.7	220,021.3	2.1

**Chart 15: Distribution of Sell Debt Trades Settled by DP Types (2021 & 2022)**



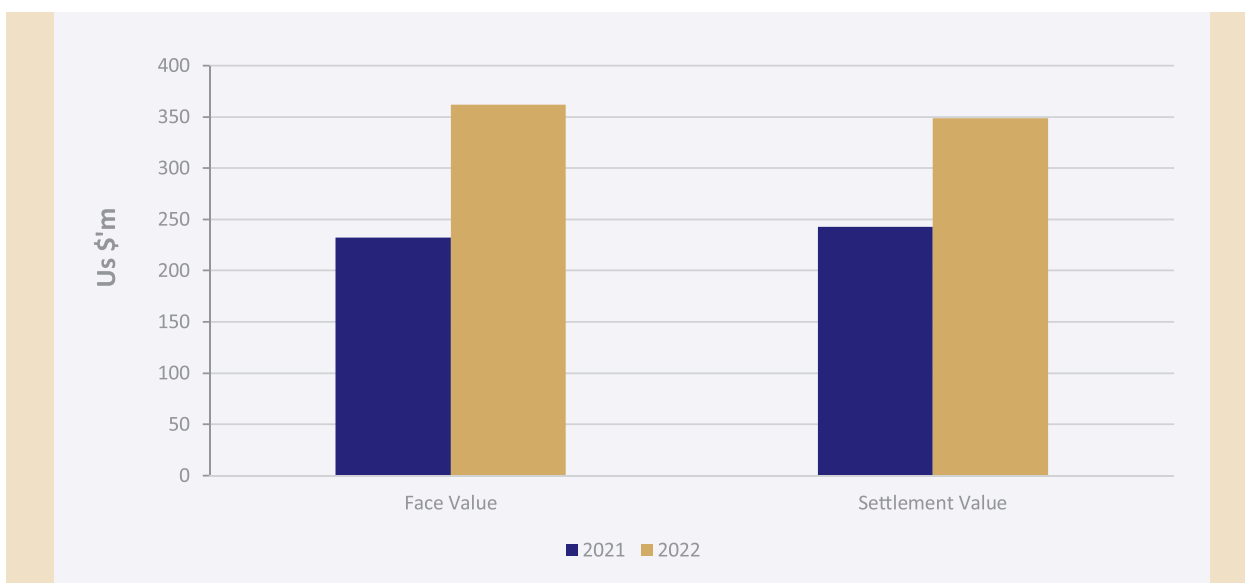
**Table 11 : Distribution of Sell Debt Trades Settled by DP Types (2021 & 2022)**

DP Types	2021		2022		%Change (2021-2022)
	GH¢'m		GH¢'m		
	Face Value	Settlement Value	Face Value	Settlement Value	
Commercial Banks	153,885.61	158,391.93	189,712.48	183,616.32	15.9
Brokerage Firms	2,440.48	2,545.36	4,067.07	3,809.78	49.7
Custodian Banks	51,995.79	54,590.02	35,789.15	32,595.20	(40.3)
Total	208,321.89	215,527.31	229,568.70	220,021.29	2.1

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

An amount of US\$348.5 million domestic dollar trades was cleared and settled by CSD in 2022, an increase of 43.6 percent compared to the US\$242.6 million

transactions in the domestic dollar bond cleared and settled in 2021. The number of transactions involving the domestic dollar bond increased by 76.7 percent from 331 in 2021 to 585 in 2022.

**Chart 16 : Settlement Value (US\$m) of GoG Domestic Dollar Bond traded and settled (2021 & 2022)**

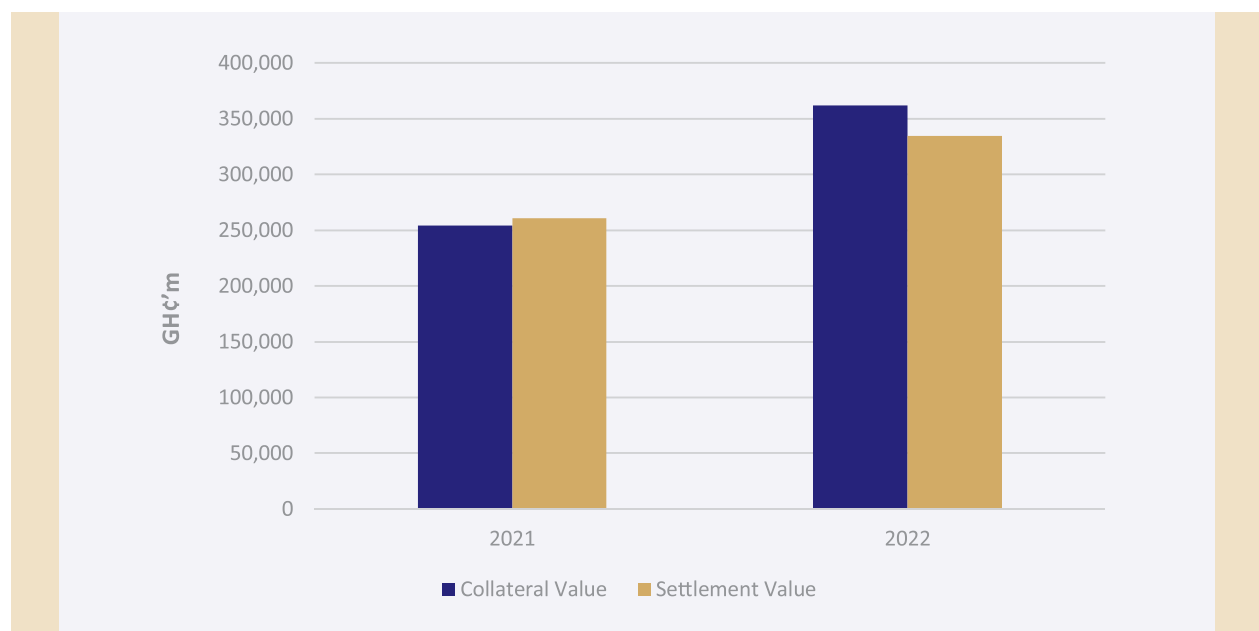
#### 8.4.6 Settlement of Repurchase Agreement Transactions (Repo)

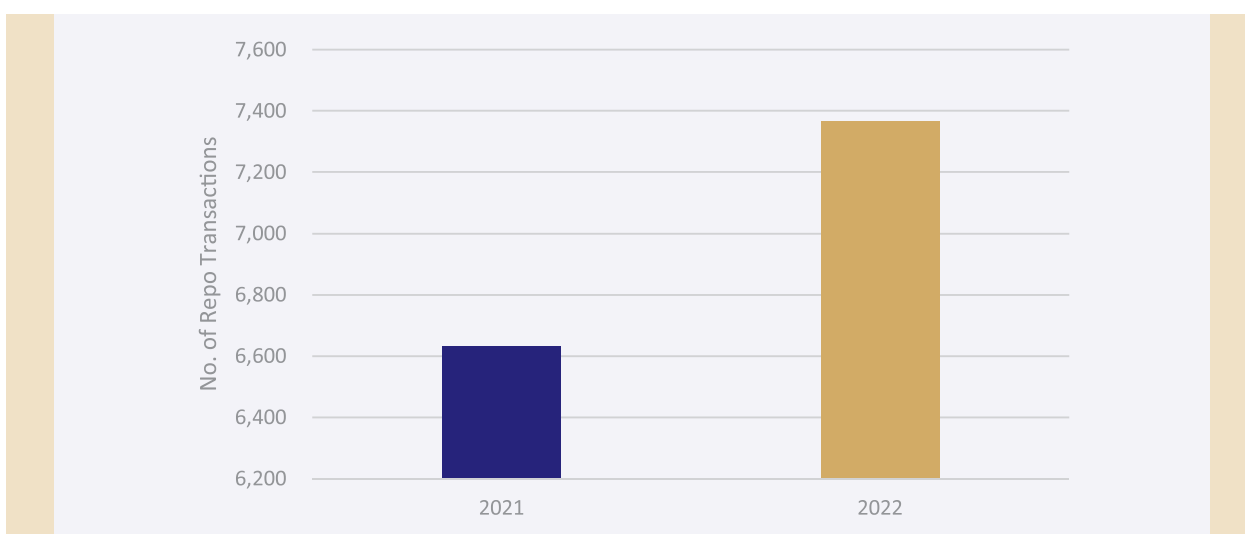
The monetary value of repo transactions settled by the CSD increased by 31.9 percent to GH¢334,662.6 million in 2022 from GH¢253,752.8 million in 2021. Out of the GH¢334,662.6 million repo transactions settled in 2022, settlement of collateralized repo transactions accounted for GH¢280,790.1 million (83.9 percent) whilst settlement of classic repo

transactions (repo under GMRA) accounted for the remaining 16.1 percent of the repo transactions undertaken in 2022. The number of settled collateralized repo transactions increased by 5.8 percent from 6,536 in 2021 to 6,917 in 2022. Also, the number of classic repo transactions cleared and settled using CSD's platform increased from 96 in 2021 to 450 in 2022. The table below shows additional information on the repo transactions.

**Table 12 : Repo Transactions Settled by the CSD (2021 & 2022) (GH¢'m)**

Repo Type	2021	2022	% Change (2021-2022)
<b>Collateral Repo</b>			
Repo Value GH¢'m)	245,215.20	280,790.10	14.5
Collateral Value GH¢'m)	250,550.50	293,243.54	17.0
No. of Transactions	6,536.00	6,917	5.8
<b>Repo under GMRA</b>			
Repo Value GH¢'m)	8,537.60	53,872.50	531.0
Collateral Value GH¢'m)	10,318.60	68,671.68	565.5
No. of Transactions	96	450	368.8
<b>Total</b>			
Repo Value GH¢'m)	253,752.80	334,662.59	31.9
Collateral Value GH¢'m)	260,869.10	361,915.22	38.7
No. of Transactions	6,632.00	7,367.00	11.1

**Chart 17: Settlement (GH¢'m) of Repo Transactions by the CSD (2021 & 2022)**

**Chart 18 : Number of Repo Transaction (2021 & 2022)**

#### 8.4.7 Repo Transactions settled among the Various Types of DPs

##### 8.4.7.1 Collateralised Repo

A greater percentage of collateralised repo settled by CSD in 2022 are transactions cleared and settled among the Commercial Banks. Out of GH¢280,790.1 million collateralised repo transactions settled

in 2022, GH¢258,316.0 million (92.0 percent) are transactions settled among the Commercial Banks with transactions between Social Security and National Insurance Trust (SSNIT) of Ghana and the Commercial Banks accounting for the remaining GH¢22,474.1 million (8.0 percent) collateralised repo transactions settled in 2022.

**Table 13 : Distribution of Collateralised Repo Transactions Settled by Type of DP in 2022**

Member Type		Repo Value		Collateral Value		Number of Transactions		*Average Repo
Lender of Cash	Borrower of Cash	(GH¢)	%	(GH¢)	%	Counts	%	Rates (%P. A)
Commercial Banks	Commercial Banks	258,316.0	92.0	270,13.7	92.12	5,481	79.24	19.11
SSNIT	Commercial Banks	22,474.1	8.0	23,111.8	7.88	1,436	20.76	20.37
Total		280,790.1	100.0	293,243.5	100	6,917	100	19.37

\* Weighted average

##### 8.4.7.2 Repo under GMRA (Classic Repo)

A greater proportion of classic repo transactions undertaken in 2022 are transactions executed and settled among the Bank of Ghana and the Commercial Banks. Out of the GH¢53,872.5 million classic repo transactions cleared and settled in 2022; GH¢37,380.1 million (69.4 percent) are

transactions settled between the Bank of Ghana and the Commercial Banks whilst GH¢16,487.4 million (30.6 percent) represent transactions carried out between the Commercial Banks. There was also GH¢5.0 million classic repo transaction undertaken between the Commercial Banks and SSNIT during the year.

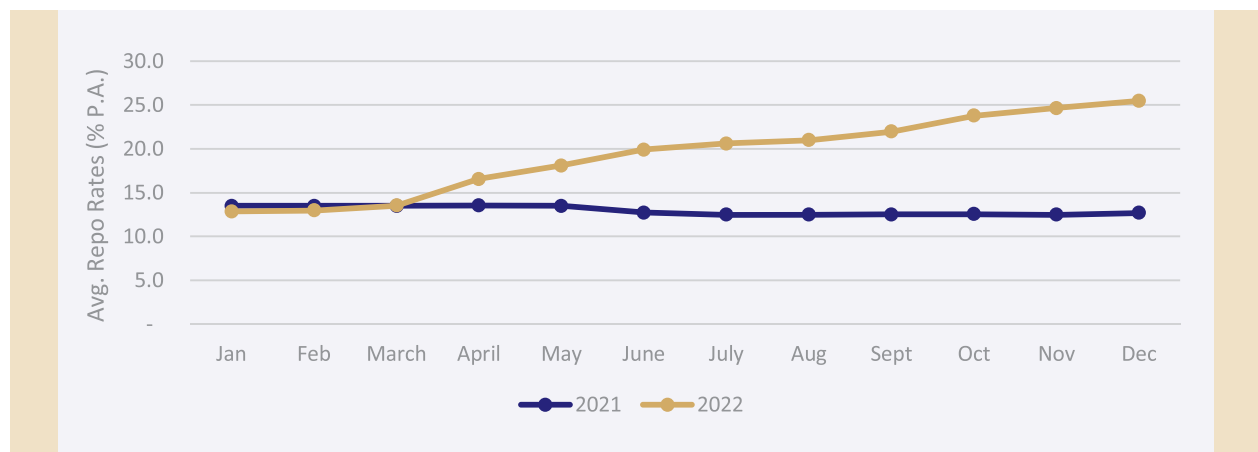
**Table 14 : Distribution of Collateralised Repo Transactions Settled by Type of DP in 2022**

Member Type		Repo Value		Collateral Value		Number of Transactions		*Average Repo
Lender of Cash	Borrower of Cash	(GH¢)	%	(GH¢)	%	Counts	%	Rates (%P.A.)
Bank of Ghana	Commercial Banks	37,380.1	69.3	45,484.3	66.2	196	43.5	23.61
Commercial Banks	Commercial Banks	16,487.4	30.6	23,182.3	33.7	253	56.2	20.25
SSNIT	Commercial Banks	5.0	0.0	5.0	0.0	1	0.2	22.57
Total		<b>53,872.4</b>	<b>100.0</b>	<b>68,671.7</b>	<b>100.0</b>	<b>450</b>	<b>100.0</b>	<b>21.72</b>

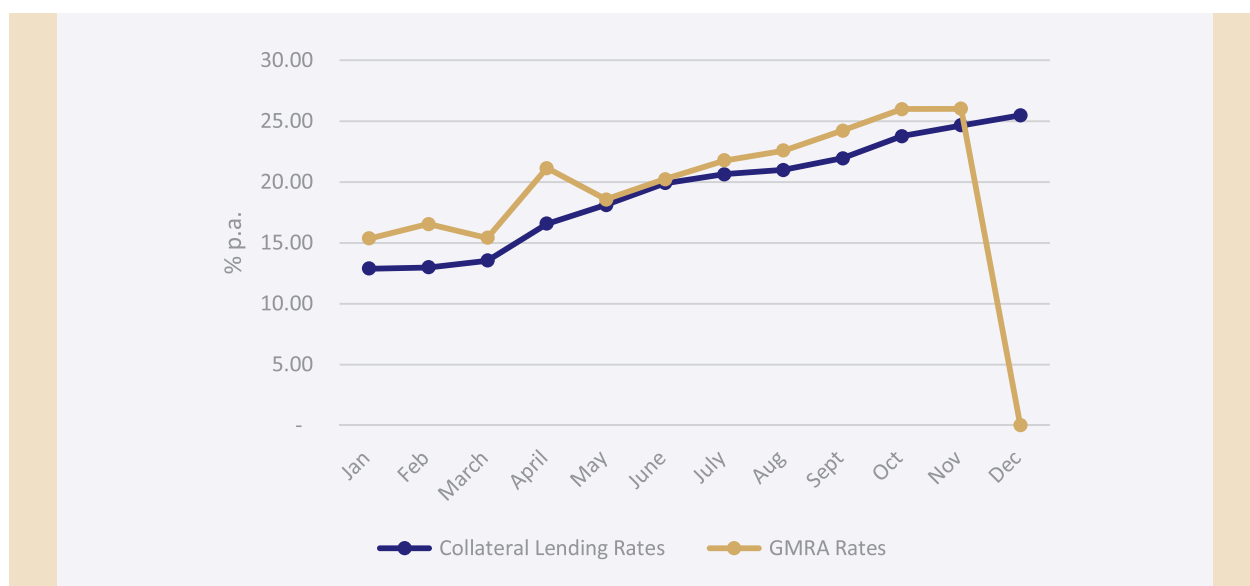
**8.4.8 Repo Rates**

The weighted average repo rate for collateralised lending repo transactions settled in 2022 was 19.3 percent p.a., up from 13.0 percent p.a. in 2021. The monthly weighted average repo rates for the collateralised lending repo for 2022 was 12.9 percent p.a. at the beginning of the year in January and rose throughout the year to 25.5 percent p.a. in December.

For the GMRA based Repo the monthly weighted average repo rate for the transactions cleared and settled in 2022 was 21.5 percent p.a., up from 16.4 percent p.a. in 2021. On a monthly basis, the rates increased from 15.4 percent p.a. in January 2022 to 26.0 percent p.a. in November 2022 as there was no GMRA based Repo transactions in December 2022.

**Chart 19 : Monthly Average Repo Rates (% P.A.) for Collateralised Repo (2021 & 2022).**

**Chart 20 : Comparison of Monthly Average Repo Rates (% P.A.) for Collateralised Lending Repo and GMRA Repo (2021 & 2022).**

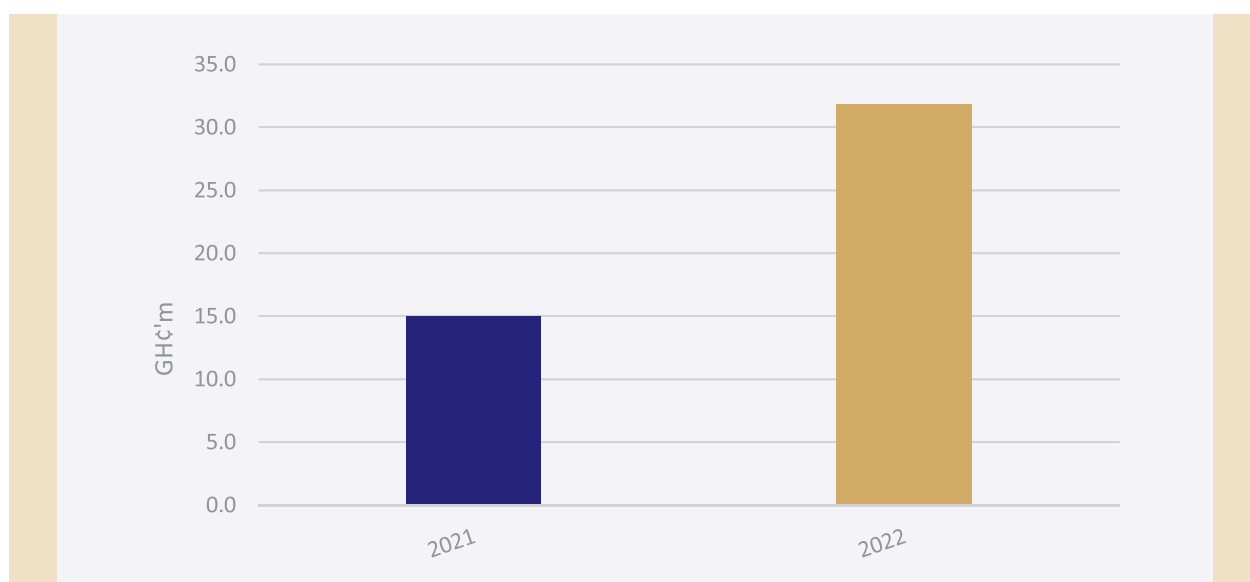


#### 8.4.9 Pledging of Debt Securities

The number of pledge transactions increased by 48.0 percent to 1,362 transactions in 2022 from 920 transactions in 2021. The face value of debt securities assigned for the pledge transactions

also increased by 111.6 percent from GH¢15,033.6 million in 2021 to GH¢31,809.3 million in 2022. Table 15 below shows additional information on the participation of client types involved in the pledged transactions for 2022.

**Chart 21 : Face Value (GH¢) of Debt Securities Pledged by Investors (2021 & 2022)**



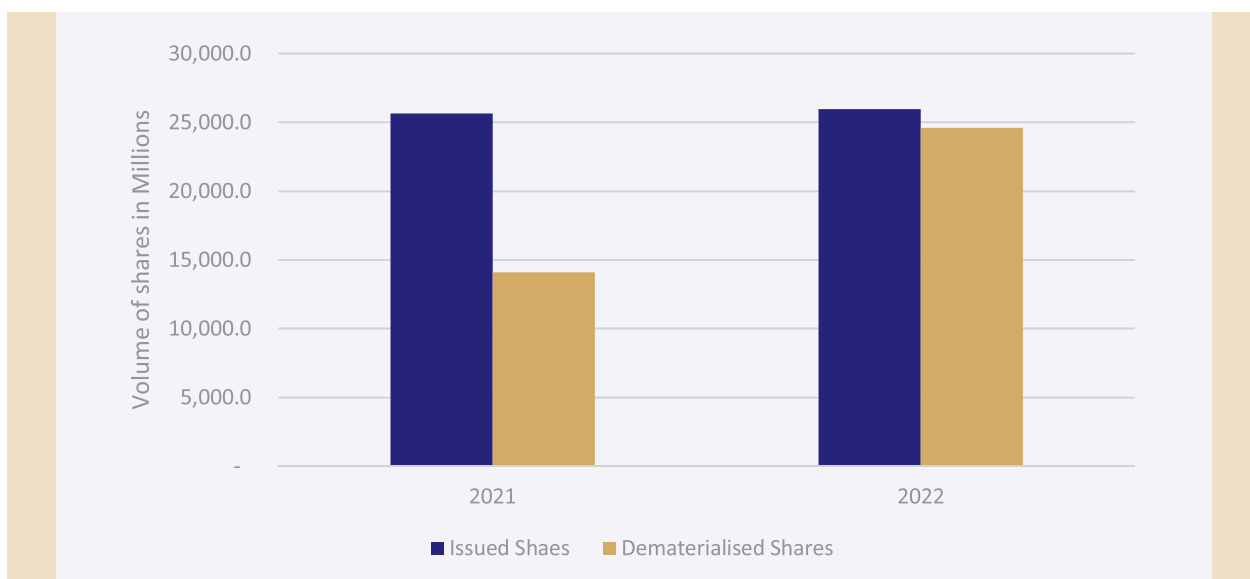
**Table 15: Distribution of Pledged Transactions by Client Types in 2022**

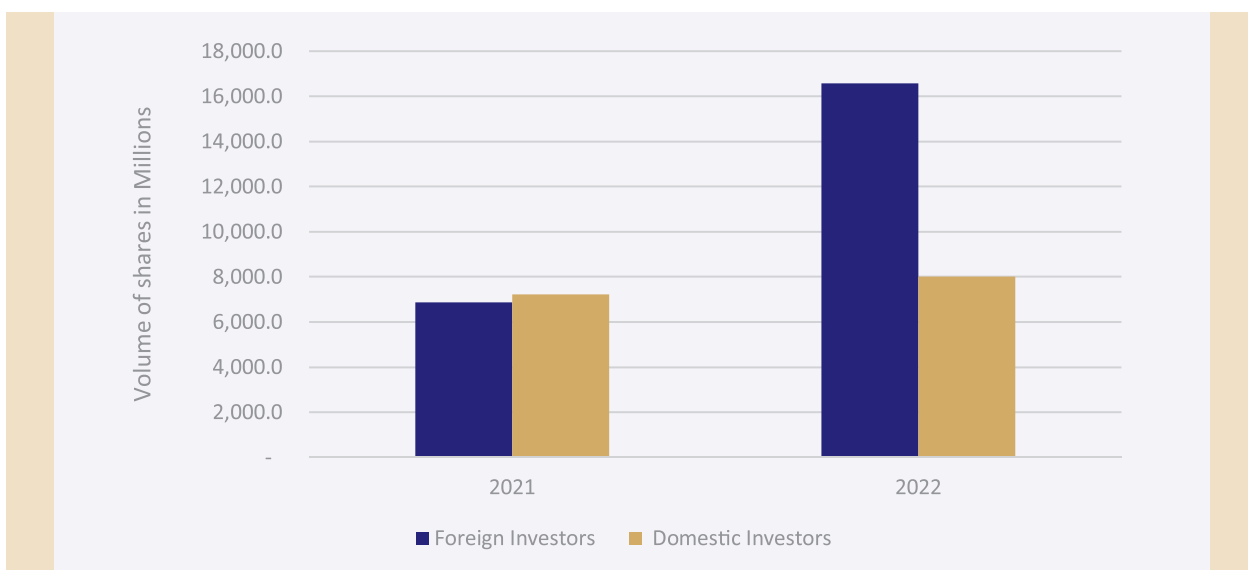
Client Types	As Pledgee		As Pledgor	
	(GH¢)	% of total	(GH¢)	% of total
Commercial Banks	23,356.3	73.4	30,512.5	95.9
Bank of Ghana	-	-	-	-
Brokerage Firms	104.0	0.3	2.3	0.0
Custodian Bank	10.0	0.0	-	-
Foreign Company	300.0	0.9	-	-
Foreign Individual	-	-	-	-
Foreign Resident	-	-	-	-
Local Companies	7,684.8	24.2	1,140.9	3.6
Local Individuals	204.2	0.6	153.6	0.5
Pension Fund	143.0	0.5	-	-
SSNIT	7.0	0.0	-	-
<b>Total</b>	<b>31,809.3</b>	<b>100.0</b>	<b>31,809.3</b>	<b>100.0</b>

#### 8.4.10 Volume and Value of Stock of Equity Securities in the CSD

The monetary value of shares held in custody with the CSD at the end of 2022 was GH¢23,775.6 million. Also, the volume of equity securities held by CSD in 2022 was 24,589.0 million up by 74.7 percent from 14,076.3 million volumes of shares held by CSD in 2021. The increase is because of the full dematerialisation of the MTN (Scancom) issued

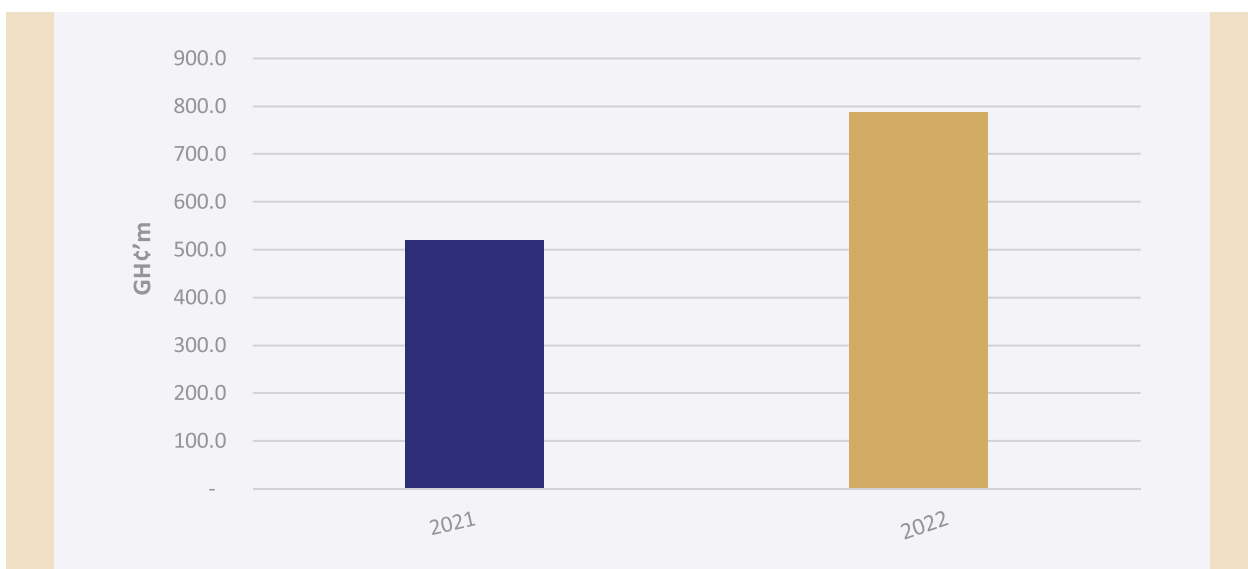
shares in 2022 bringing the percentage of issued shares dematerialised to 94.8 percent. Out of the 24,589.0 million volumes of shares held in custody with the CSD, domestic investors accounted for 8,007.9 million (32.6 percent) with foreign investors accounting for 16,581.9 million (67.4 percent). Table 3a in the appendix shows more information on the distribution of the volume of shares held in custody by the CSD in 2022.

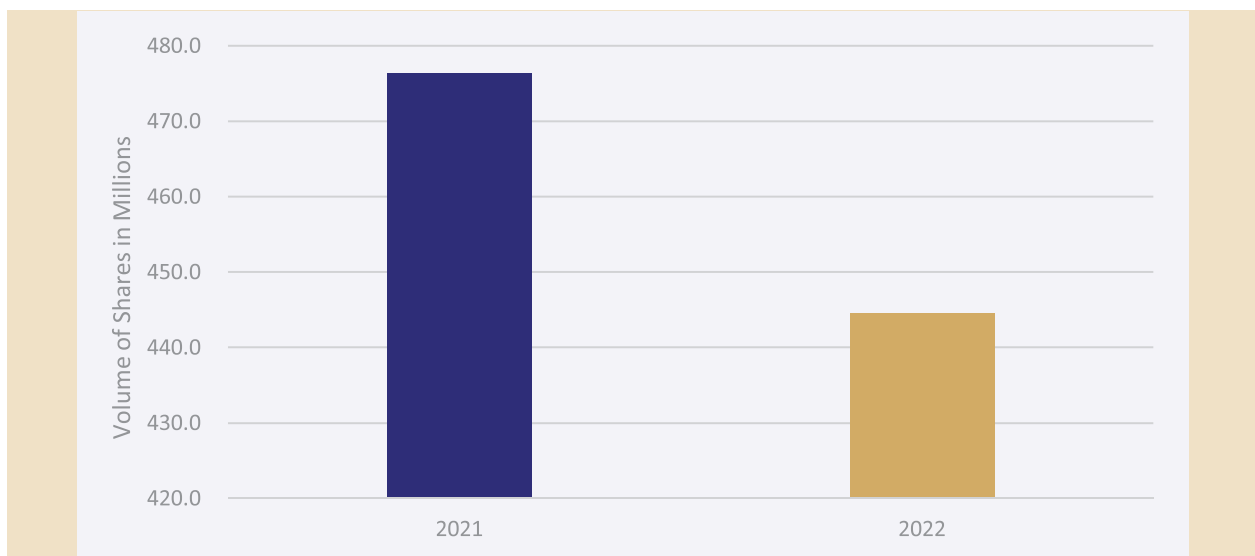
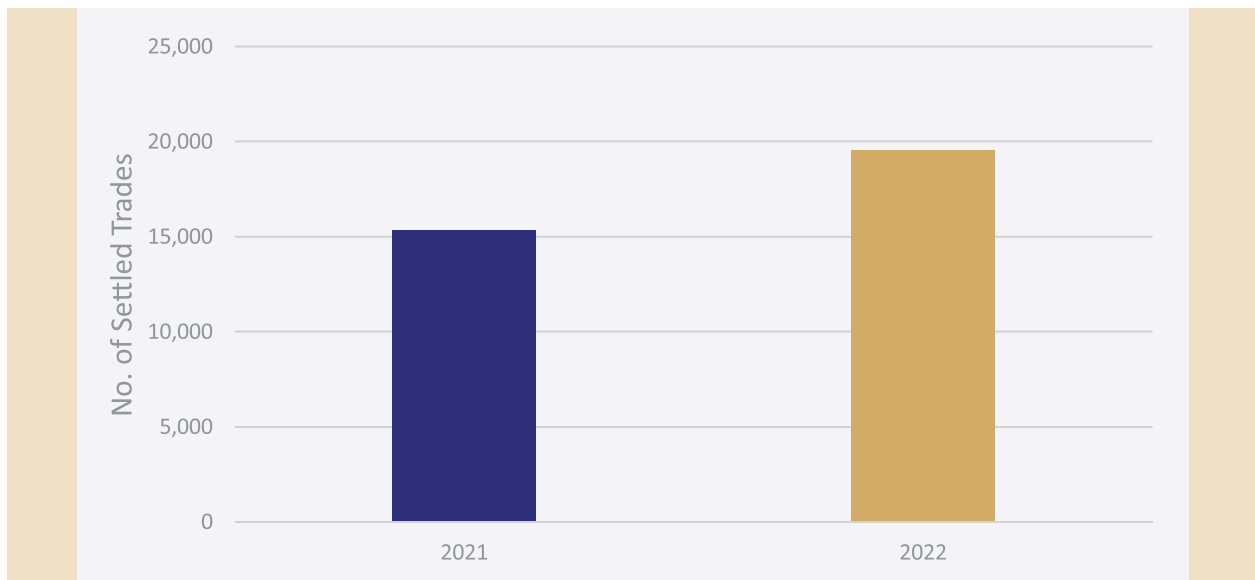
**Chart 22 : Annual Volume of Issued Equities held with the CSD (2021 & 2022)**

**Chart 23: Distribution of Volume of Equity Securities held with CSD by Investor Type (2021 & 2022)****8.4.11 Clearing and Settlement of Equity Trades**

A total of 19,555 equity transactions was cleared and settled in 2022, up by 27.7 percent from 15,318 equity transactions cleared and settled in 2021. The monetary value for the equity transactions cleared and settled also increased by 51.1 percent from

GH¢520.2 million in 2021 to GH¢786.2 million in 2022. Over the same period the volume of traded equity securities cleared and settled reduced by 6.7 percent from 476.34 million in 2021 to 444.6 million in 2022.

**Chart 24: Settlement Value (GH¢'m) of Equity Trades Settled by CSD (2021 & 2022)**

**Chart 25 : Volume of Equity Trades Settled by CSD (2021 & 2022)****Chart 26 : Number of Equity Trades settled by CSD (2021 & 2022)**

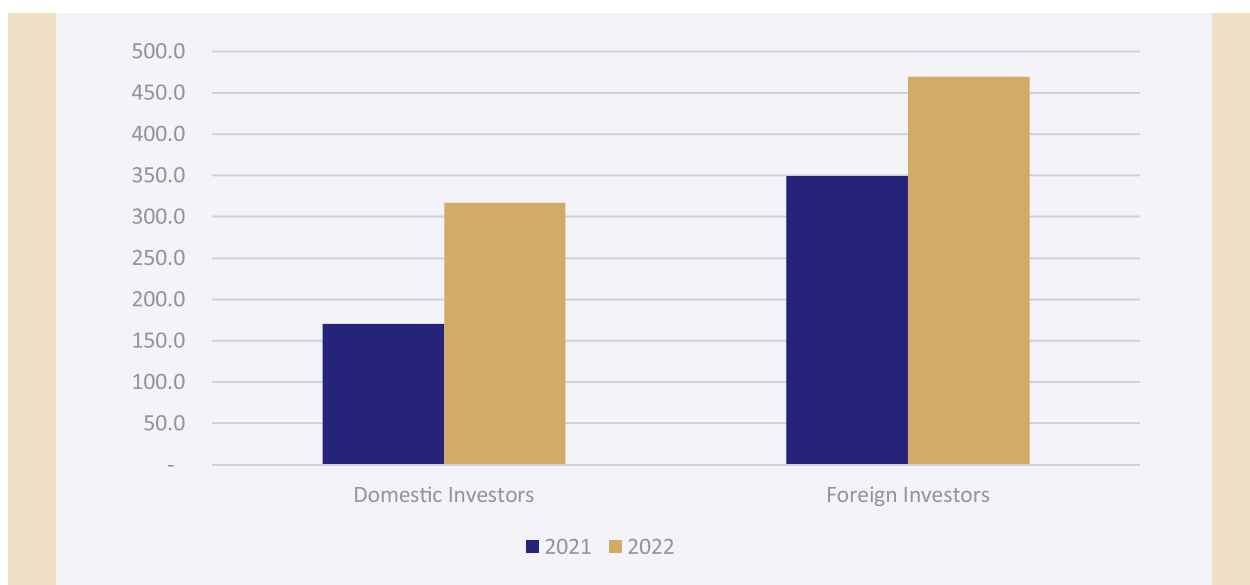
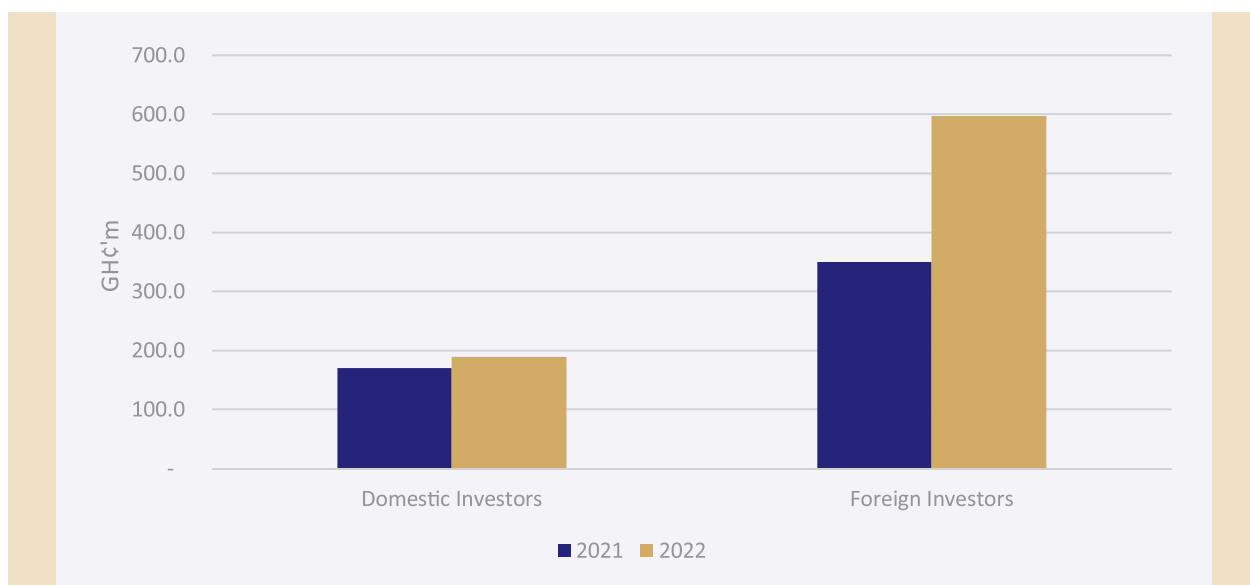
#### **8.4.12 Settled Equity Trades Purchased and Sold under DP and Investor Types**

Foreign investors accounted for a large proportion of equity secondary market activities in 2022 equivalent to that of 2021.

On the buy side of the equity secondary market, foreign and domestic investors accounted for GH¢469,222.5 million and GH¢85,872.3 million respectively of the GH¢520,172.2 million equity trades cleared and settled in 2022. The monetary value of equity trades purchased and settled by foreign investors increased by 34.2 percent from GH¢349.6 million in 2021 to

GH¢469.2 million in 2022. Also, the monetary value of equity trades purchased and settled by domestic investors reduced by 85.9 percent from GH¢170.5 million in 2021 to GH¢317.0 million in 2022.

On the sell side of the equity secondary market, the monetary value of equity trades sold and settled on the account of foreign investors in 2022 was GH¢597.2 million, up by 70.8 percent from GH¢349.6 million in 2021. For domestic investors, the monetary value of equity securities sold and settled in 2022 was up by 10.8 percent to GH¢189.0 million from GH¢170.5 million in 2021.

**Chart 27 : Distribution of Equity Trades Purchased & Settled by Investor Type (2021 & 2022)****Chart 28 : Distribution of Equity Trades Sold & Settled by Investor Type (2021 & 2022)**

## 9.0 APPENDIX

### 9.1 Lists of Depository Participants (DPs)

#### A. Commercial Banks/ARB Apex Bank

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	10	GCB Bank Custody Services
2	ADB Bank Custody Services	11	Prudential Bank Custody Services
3	Cal Bank Custody Services	12	Republic Bank Custody Services
4	Consolidated Bank Custody Services	13	Securities Services –Standard Chartered Bank
5	Ecobank Custody Services	14	Societe General (Ghana) Limited Custody Services
6	Fidelity Custody Services	15	Stanbic Bank Custody Services
7	First National Bank Custody Services	16	Universal Merchant Bank Custody
8	First Atlantic Bank Limited Custody Services	17	Zenith Bank Custody Services
9	Guaranty Trust Bank Custody Services		

#### C. Brokerage Firms

1	African Alliance Securities Gh. Ltd.	14	Merban Stockbrokers Ltd.
2	Apakan Securities Limited	15	Obsidian Acheranar Securities Limited
3	BlackStar Brokerage Ltd.	16	NTHC Securities Ltd.
4	Bullion Securities Ltd.	17	Prudential Securities Ltd.
5	CDH Securities Ltd.	18	Republic Securities (GH) Limited
6	Chapel Hill Denham Securities (Gh) Ltd	19	Sarpong Capital Limited
7	Databank Brokerage Ltd.	20	SBG Securities (Gh) Limited
8	EDC Stockbrokers Ltd.	21	Serengeti Capital Markets Limited
9	FINCAP Securities Limited	22	SIC Brokerage Limited
10	FirstBanc Brokerage Services Limited	23	Strategic African Securities Limited
11	GFX Brokers	24	Savvy Securities Limited
12	Teak Tree Brokerage Limited	25	Worldwide Securities Limited.
13	IC Securities (Ghana) Limited.		

**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 CSD 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	15	Fan Milk Ltd	28	Produce Buying Company 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
9	Camelot Gh. Ltd	22	Intravenous Infusions Ltd	34	Standard Chartered Bank Gh. Ltd Preference Share
10	Cocoa Processing Company Ltd	23	Mechanical Llyod Company Ltd	35	Total Petroleum Gh. Ltd
11	Digicut Production	24	Mega African Capital Ltd.	36	Trust Bank Ltd ( The Gambia)
12	Ecobank Gh. Ltd	25	Meridian Marshall	37	Tullow Oil PLC
13	Ecobank Transnational Inc.	26	NewGold Issuer Ltd	38	Unilever Ghana Ltd
14	Enterprise Group Ltd	27	Pesewa One Plc		

### 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	7	Mega Africa Company (MAC)
2	Agricultural Development Bank (ADB)	8	Meridian-Marshalls Holdings (MMH)
3	AngloGold Ashanti Limited	9	NewGold Limited (GLD)
4	Cal Bank Ghana	10	Scancom Limited (MTN)
5	Digicut Production & Advertising Limited (DPA)	11	Tullow Oil Plc (TLW)
6	Hords Limited		

### 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)		

**Table 1a: Distribution of Debt Securities Issued by Issuer and Tenor (2021 & 2022)**

Issuer Name	Security Tenor	Issuer Code	Jan. - Dec, 2021		Jan. - Dec 2022	
			Face Value (GH¢)	No. of Times Issued	Face Value (GH¢)	No. of Times Issued
Corporate Firms	7 -91 Day NCD	ABGH	-	-	519,687,750	27
	7 -92 Day	FDH	1,653,875	1	263,434,847	44
	182 Day	ABGH	10,690,000	6	112,952,212	8
	182 Day	FDH	39,842,725	1	64,402,063	28
	364 Day	ABGH	17,767,550	3	12,344,202	1
	365 Day	ABGH	-	-	11,800,000	2
	364 Day	FDH	5,656,249	1	1,081,921	2
	5 Year	BFS	36,535,000	1	-	-
	3 Year	DTP	-	-	169,360,479	1
	3 Year	BFS	38,369,000	1	25,000,000	1
	3 Year	ILL	-	-	-	-
	1 Year	BOSL	-	-	-	-
	7 Year	DTP	-	-	-	-
	10 Year	DTP	280,317,502	1	-	-
	6 Year	ILL	25,000,000	1	-	-
	12 Year	ESLA	2,052,556,028	1	79,240,259	1
	3 Year	BOSL	-	-	-	-
	Sub Total		2,508,387,929	17	1,259,303,733	115
Cocobod	182 Day	CMB	18,482,496,882	14	22,166,857,402	23
Sub Total			27,341,832,297	14	22,166,857,402	23
Bank of Ghana	14 Day	BoG	84,104,502,446	52	53,984,205,093	51
	56 Day	BoG	2,835,756,152	26	690,000,000	6
	105 Day	BoG	-	-	-	1
	182 Day	BoG	72,562,500	1	191,716,640	3
	238 Day	BoG	-	-	-	1
	266 Day	BoG	-	-	18,335,520	1
	1 Year	BoG	1,258,716,630	2	3,450,569,680	3
Sub Total			88,271,537,728	81	58,334,826,933	66
Government of Ghana	91 Day	GoG	41,842,867,276	52	53,270,114,011	51
	182 Day	GoG	9,247,295,602	52	12,658,374,550	51
	364 Day	GoG	8,329,743,853	27	7,278,298,793	33
	2 Year	GoG	9,574,084,298	6	1,684,339,514	2
	3 Year	GoG	2,583,516,924	2	3,188,015,659	4
	5 Year	GoG	5,049,270,356	3	1,648,834,393	2
	6 Year	GoG	4,127,814,943	2	1,320,661,868	1
	7 Year	GoG	1,859,789,000	1	-	-
	10 Year	GoG	820,589,047	1	-	-
Sub Total			83,434,971,299	146	81,048,638,788	144
Overall Total			201,556,729,253	258	162,809,626,856	348

Table 2a: Distribution of Outstanding Debt Stocks by Security Tenor, Issuer and Client Type as at December 2022

ISSUER CODE	SECURITY SHORT NAME/TENOR	CLIENT TYPE											TOTAL			
		DOMESTIC CLIENTS											FOREIGN INVESTORS (Ghc)	(Ghc)		
		BANK OF GHANA (Ghc)	COMMERCIAL BANKS (Ghc)	FIRMS/INST (Ghc)	INSURANCE CO (Ghc)	RURAL BANKS (Ghc)	SSNIT (Ghc)	PENSION (Ghc)	OTHERS (Ghc)	TOTAL DOMESTIC (Ghc)						
BOG	2 WK BOG BILL	-	2,751,445,384	-	-	-	-	-	-	-	-	2,751,445,384	-	2,751,445,384	1.46	
ABGH	30 DAY ABGH BILL	-	-	2,045,000	-	-	-	-	-	-	-	-	2,045,000	-	2,045,000	0.00
FDH	60 DAY FDH BILL	-	25,000	-	-	-	-	-	-	-	-	-	25,000	-	25,000	0.00
ABGH	91 DAY ABGH BILL	-	18,096,000	8,952,000	-	-	-	-	4,294,000	530,000	-	-	31,872,000	-	31,872,000	0.02
FDH	91 DAY FDH BILL	-	9,579,241	82,672,195	-	3,505,745	-	-	109,629	33,868,197	-	-	129,735,007	-	129,735,007	0.07
GOG	91 DAY GOG BILL	19,283,456	4,032,171,226	3,646,111,318	49,153,826	1,184,658,635	89,279,626	172,564,137	8,972,271,428	18,165,493,652	1,981,530	-	18,167,475,182	9.64	18,167,475,182	9.64
FDH	92 DAY FDH BILL	-	400,000	-	-	-	-	-	-	945,000	-	-	1,345,000	-	1,345,000	0.00
ABGH	182 DAY ABGH BILL	-	-	1,800,000	16,500,000	-	-	-	-	-	-	-	18,300,000	-	18,300,000	0.01
BOG	182 DAY BOG BILL	-	-	-	-	-	-	-	-	-	-	-	-	119,009,910	119,009,910	0.06
CMB	182 DAY CMB BILL	1,770,267	5,601,779,071	1,250,337,514	73,118,564	137,766,026	48,239,000	222,854,665	1,344,757,996	8,680,623,103	5,435,817	-	8,686,058,920	4.61	8,686,058,920	4.61
FDH	182 DAY FDH BILL	-	5,860,000	32,918,277	-	-	-	-	-	18,963,786	-	-	57,742,063	-	57,742,063	0.03
GOG	182 DAY GOG BILL	4,343,908	2,031,286,943	2,829,120,072	117,355,630	685,046,233	184,840	52,427,518	3,026,615,318	8,746,380,462	183,799	-	8,746,564,261	4.64	8,746,564,261	4.64
BOG	238 DAY BOG BILL	-	-	-	-	-	-	-	-	-	-	-	72,420,200	-	72,420,200	0.04
BOG	266 DAY BOG BILL	-	-	-	-	-	-	-	-	-	-	-	18,335,520	-	18,335,520	0.01
ABGH	364 DAY ABGH BILL	-	-	4,100,000	-	-	-	-	-	-	-	-	4,100,000	-	4,100,000	0.00
FDH	364 DAY FDH BILL	-	-	12,626,123	-	-	-	-	-	800,000	-	-	13,426,123	-	13,426,123	0.01
GOG	364 DAY GOG BILL	180,241,376	4,851,000,191	846,878,188	42,523,294	256,263,020	25,341,131	101,025,846	973,824,622	7,277,097,668	1,201,125	-	7,278,298,793	3.86	7,278,298,793	3.86
ABGH	365 DAY ABGH BILL	-	-	5,900,000	-	-	-	-	-	-	-	-	5,900,000	-	5,900,000	0.00
BOG	1 YR FXR BOG NOTE	-	-	-	-	-	-	-	-	-	-	-	4,814,580,040	-	4,814,580,040	2.55
GOG	2 YR FXR GOG NOTE	385,933,981	7,317,974,076	2,955,847,733	96,193,327	228,853,672	110,410,000	430,784,842	1,355,407,704	12,881,405,335	840,492,500	-	13,721,897,835	7.28	13,721,897,835	7.28
BOSL	3 YR FLR BOSL BOND	-	-	2,500,000	-	-	-	-	-	-	-	-	2,500,000	-	2,500,000	0.00
AFB	3 YR FXR AFB BOND	-	-	47,257,539	-	-	-	-	2,659,702	3,257,445	-	-	53,174,686	-	53,174,686	0.03
BFS	3 YR FXR BFS BOND	-	-	56,988,000	-	-	-	-	19,787,000	2,842,000	-	-	79,617,000	-	79,617,000	0.04
DTP	3 YR FXR DTP BOND	-	5,400,000	100,030,153	1,000,000	2,000,000	-	57,712,082	3,218,244	169,360,479	-	-	169,360,479	0.09	169,360,479	0.09
GOG	3 YR FXR GOG BOND	5,482,798,176	13,280,534,176	6,260,500,707	208,055,966	379,410,496	25,270,000	1,162,322,897	2,504,756,624	29,303,649,042	1,975,878,199	-	31,279,527,241	16.59	31,279,527,241	16.59
ILL	3 YR FXR ILL BOND	-	-	16,305,000	-	-	-	8,313,000	382,000	25,000,000	-	-	25,000,000	-	25,000,000	0.01
GOG	4 YR FXR GOG BOND	-	-	541,360,000	-	-	-	-	-	541,360,000	-	-	541,360,000	-	541,360,000	0.29
AFB	5 YR FLR AFB BOND	-	-	71,152,633	-	-	-	8,791,067	7,215,700	87,159,400	-	-	87,159,400	0.05	87,159,400	0.05
ILL	5 YR FLR ILL BOND	-	-	16,226,000	-	-	-	1,621,000	153,000	18,000,000	-	-	18,000,000	0.01	18,000,000	0.01
AFB	5 YR FXR AFB BOND	-	-	15,744,514	-	-	-	116,000	324,800	16,185,314	-	-	16,185,314	0.01	16,185,314	0.01
BFS	5 YR FXR BFS BOND	-	-	31,307,797	-	-	-	4,585,203	642,000	36,535,000	-	-	36,535,000	0.02	36,535,000	0.02
DFL	5 YR FXR DFL BOND	-	-	14,278,586	-	-	-	2,390,614	786,800	17,456,000	-	-	17,456,000	0.01	17,456,000	0.01

GOG	5 YR FXR GOG BOND	3,069,518,109	8,978,107,902	8,217,352,342	241,230,798	134,940,357	208,881,349	1,459,100,556	2,175,564,391	24,484,695,804	1,374,591,609	25,859,287,413	13.72
AFB	6 YR FLR AFB BOND	-	-	49,347,700	-	-	-	4,564,000	11,394,900	65,306,600	-	65,306,600	0.03
GOG	6 YR FXR GOG BOND	406,866,381	3,828,667,345	3,855,104,810	158,406,122	35,757,159	330,896,253	872,363,594	947,125,475	10,435,187,139	795,996,073	11,231,183,212	5.96
ILL	6 YR FXR ILL BOND	-	-	22,090,000	-	-	-	2,220,000	690,000	25,000,000	-	25,000,000	0.01
AFB	7 YR FLR AFB BOND	-	-	15,802,209	-	-	-	7,000	20,708	15,829,917	-	15,829,917	0.01
AFB	7 YR FXR AFB BOND	-	-	2,000,000	-	-	-	-	-	2,000,000	22,000,000	24,000,000	0.01
DTP	7 YR FXR DTP BOND	-	1,140,110,206	237,193,891	-	-	-	314,074,518	134,969,954	1,826,348,569	489,168	1,826,837,737	0.97
ESLA	7 YR FXR ESLA BOND	-	270,947,389	252,566,536	1,214,452	-	-	104,990,658	81,448,721	711,167,756	87,542	711,255,298	0.38
GOG	7 YR FXR GOG BOND	15,740,925	3,626,837,408	3,324,483,173	127,153,848	26,511,182	-	802,097,179	891,860,148	8,814,688,863	953,978,292	9,768,667,155	5.18
DTP	10 YR FXR DTP BOND	-	104,233,182	225,528,770	29,957,336	5,000,000	-	218,094,920	43,519,537	626,333,745	-	626,333,745	0.33
ESLA	10 YR FXR ESLA BOND	-	1,961,072,955	1,044,340,952	87,271,095	-	619,756,000	650,567,456	270,571,717	4,633,580,175	113,217	4,633,693,392	2.46
GOG	10 YR FXR GOG BOND	1,066,608,688	3,908,972,121	3,698,251,233	261,134,205	35,879,143	-	2,697,633,711	1,187,330,378	12,855,809,479	3,709,772,519	16,565,581,998	8.79
QTL	10 YR FXR QTL BOND	-	-	25,594,869	-	-	-	2,933,332	1,471,799	30,000,000	-	30,000,000	0.02
ESLA	12 YR FXR ESLA BOND	-	798,251,466	1,092,761,894	-	13,329,827	7,040,000	840,047,384	277,829,390	3,029,259,961	329,609	3,029,589,570	1.61
GOG	15 YR FXR GOG BOND	6,022,588,027	2,146,678,993	1,562,483,852	118,653,979	2,260,787	-	1,326,791,320	251,281,746	11,430,738,704	4,152,446,251	15,583,184,955	8.27
GOG	20 YR FXR GOG BOND	6,729,500	355,148,650	676,211,685	78,575,722	5,000,000	-	309,852,641	114,455,617	1,545,973,815	781,365	1,546,755,180	0.82
	<b>TOTAL</b>	<b>16,662,422,794</b>	<b>67,024,578,925</b>	<b>43,154,076,265</b>	<b>1,707,500,164</b>	<b>3,136,182,282</b>	<b>1,465,298,199</b>	<b>11,857,697,471</b>	<b>24,641,097,145</b>	<b>169,648,853,245</b>	<b>18,860,104,285</b>	<b>188,508,957,530</b>	<b>100.0</b>
	<b>%</b>	<b>8.84</b>	<b>35.56</b>	<b>22.89</b>	<b>0.91</b>	<b>1.66</b>	<b>0.78</b>	<b>6.29</b>	<b>13.07</b>	<b>90.00</b>	<b>10.00</b>	<b>100.00</b>	

\*Pledge to foreign investors

**Table 3a: Distribution of OTC Trades Cleared and Settled by Issuer and Tenor (2021 & 2022)**

Security Tenor	Issuer Code	Jan - Dec, 2021			Jan - Dec, 2022		
		Face	Settlement	Total No. of Trades	Face	Settlement	Total No. of Trades
		Value (GH¢)	Value (GH¢)		Value (GH¢)	Value (GH¢)	
7 Day	ABGH				31,674,170	31,674,168	7
14 Day	ABGH	200,000,000	199,463,000	1	105,450,000	105,532,304	8
14 Day	BOG				172,500,000	171,782,513	3
21 DAY BILL	ABGH				92,000,000	92,000,000	1
29 DAY BILL	FDH				1,532,000	1,532,000	2
30 DAY BILL	FDH				22,374,000	22,378,423	25
30 DAY BILL	ABGH				123,326,954	123,326,915	145
31 DAY BILL	FDH				1,400,000	1,415,077	2
31 DAY BILL	ABGH				75,678,685	75,679,202	70
32 DAY BILL	ABGH				52,554,000	52,554,000	21
60 DAY BILL	FDH				50,000	50,125	2
92 Day	FDH				2,373,000	2,261,523	9
90 DAY BILL	FDH				3,965,771	3,967,469	6
91 DAY BILL	FDH				157,903,845	157,836,523	211
91 Day	ABGH	219,399,592	213,816,296	7,709	95,574,000	96,716,410	54
91 Day	GOG	4,290,202,237	4,192,384,621	130,624	9,920,757,931	10,602,763,611	261,007
182 Day	BOG				191,716,640	107,880,105	3
182 Day	ABGH	17,740,000	17,739,999	16	97,653,517	99,224,206	49
182 Day	CMB	17,269,795,784	16,298,671,218	50,585	14,105,439,629	13,117,993,527	61,665
182 Day	GOG	1,002,779,516	991,907,838	27,128	3,249,755,012	2,996,458,564	44,983
182 Day	FDH	537,500	501,551	1	61,861,063	61,850,906	70
266 Day	BOG				1,966,583,410	1,908,629,611	2
1 Year FXR	CMB	946,731,607	910,490,568	2,659	-	-	-
364 Day Bill	FDH				13,676,123	12,740,307	6
364 Day Bill	ABGH	235,587,615	221,889,785	1,531	4,100,000	4,100,000	3
1 Year FXR	BOG				1,206,222,920	1,131,450,845	1
364 Day Bill	GOG	1,591,723,651	1,414,499,776	13,918	4,070,147,697	3,621,066,840	13,771
365 Day Bill	ABGH				5,900,000	5,900,000	2
2 Year FXR	GOG	24,925,984,972	26,016,358,240	19,531	25,663,586,863	26,065,184,085	20,599
3 Year FLR	AFB	4,766,686	4,792,052	2	3,056,758	3,097,715	5
3 Year FXR	AFB				7,384,131	7,462,709	9
3 Year FXR	DTP				6,975,092	7,023,982	22
3 Year FLR	BFS	30,000	30,227	1	76,799	77,991	1
3 Year FXR	BFS	7,437,000	7,725,461	7	3,433,899,921	3,534,587,227	2,809
3 Year FXR	GOG	36,680,422,149	38,715,006,989	39,067	32,125,549,199	31,755,677,423	38,864
5 Year FXR	AFB				1,271,000	1,221,106	4
5 Year FLR	AFB	30,000	28,716	1	2,587,589,430	2,225,301,047	1,260
3 Year FXR	ILL	97,000	102,806	3	120,000	124,752	1
5 Year FLR	ILL	-	-	-	496,800	568,005	9
5 Year FXR	ILL	693,000	725,538	8	1,399,000	1,431,710	10
5 Year FXR	BFS	5,797,386	5,925,263	6	4,171,000	4,466,530	11
5 Year FLR	BFS	10,000	10,742	1	-	-	-

5 Year FXR	DFL	269,500	290,440	3	331,400	352,190	13
5 Year FXR	GOG	40,845,949,325	42,896,894,493	23,320	43,017,875,981	42,781,477,522	42,298
5 Year FXR	BOG	-	-	-	-	-	-
6 Year FXR	GOG	12,242,213,013	12,664,234,159	5,846	17,734,842,376	15,758,110,727	8,602
6 Year FLR	AFB				1,271,760,253	1,281,267,044	1,828
6 Year FXR	AFB	1,518,100	1,601,111	7	297,266,633	259,485,529	560
7 Year FLR	AFB	912,419	931,277	4	172,814	180,281	10
7 Year FXR	DTP	458,763,504	499,156,103	496	108,832,849	107,625,203	173
7 Year FXR	ESLA	533,014,346	568,031,032	148	2,667,250,927	2,685,356,540	241
7 Year FXR	GOG	8,832,850,392	9,278,320,243	7,014	12,524,341,815	11,360,533,642	9,280
10 Year FLR	DTP	38,609,443	40,279,488	82	604,212,726	516,679,764	85
10 Year FXR	ESLA	529,639,323	541,121,921	458	4,683,610,525	4,101,740,265	437
10 Year FXR	GOG	24,522,666,752	25,757,061,465	12,225	26,570,020,162	23,516,044,651	16,860
10 Year FLR	QTL	127,734	140,539	1	4,437,545	4,581,308	11
12 Year FXR	ESLA	2,189,912,655	2,099,576,788	1,114	3,366,123,255	2,944,971,694	919
15 Year FXR	GOG	25,202,952,554	26,077,961,862	2,066	16,397,495,079	15,881,091,028	906
20 Year FXR	GOG	5,522,721,495	5,889,638,123	1,147	652,383,428	606,806,687	166
Total		<b>208,321,886,250</b>	<b>215,527,309,731</b>	<b>346,730</b>	<b>229,568,704,128</b>	<b>220,021,293,530</b>	<b>528,121</b>

Table 4a: Distribution of Listed Shares Held in the CSD by Investors as at December, 2022

Name of Issuer	Issuer Code	Distribution of the Volume of Shares in the CSD			Total of Issued Shares in CSD		No. of Shareholders Per Share in CSD		
		Domestic Investors	Foreign Investors	Quantity in CSD	Issued Quantity	% in CSD	Domestic Investors	Foreign Investors	Total Investors
Anglo Gold Asanti Depository Shares	AADS	1,602,762	25,196	1,627,958	15,844,800	10.42	1,696	16	1,712
Access Bank Limited	ABG	8,658,628	162,810,850	171,469,478	173,947,596	98.57	750	29	779
Agriculture Development Bank	ADB	266,357,698	31,400	266,389,098	346,952,253	76.78	458	4	462
AngloGold Asanti Limited	AGA	239,389	0	239,389	400,877	59.72	26	0	26
Aluworks Ltd	ALW	172,252,344	58,668,282	230,920,626	236,687,001	97.55	1,430	24	1,454
Asante Gold Corporation	ASG	370,891	300,000	670,891	317,494,825	0.13	4	1	5
Benso Oil Plan Plantation	BOPP	32,033,573	47,803	32,081,376	34,800,000	92.19	2,631	44	2,675
Cal Bank Ghana	CAL	360,353,908	233,154,787	593,508,695	628,712,525	94.4	9,125	129	9,254
Camelot Ghana Ltd	CMLT	5,677,183	46,717	5,723,900	6,829,276	83.81	224	8	232
Cocoa Processing Company Ltd	CPC	1,964,594,489	1,234,651	1,965,829,140	2,038,074,176	96.45	10,443	41	10,484
Dannex Ayrton Startwin Plc	DASP	75,194,475	60,862	75,255,337	84,765,898	88.78	2,653	27	2,680
Digicuit Production & Advertising	DPA*	117,019,871	1,870,750	118,890,621	118,890,621	100	262	11	273
Ecobank Ghana Limited	EBG	81,461,266	235,990,336	317,451,602	322,551,209	98.41	5,764	89	5,853
Enterprise Group Plc.	EGL	126,895,061	36,282,938	163,177,999	170,827,825	95.52	2,193	61	2,254
Ecobank Transnational Inc.	ETI	1,061,088,130	3,500,778,571	4,561,866,701	4,787,508,128	95.28	11,709	214	11,923
Fan Milk Limited	FML	92,513,680	16,948,189	109,461,869	116,207,288	94.19	3,050	84	3,134
GCB Bank Limited	GCB	188,500,782	36,569,747	225,070,529	265,000,000	84.93	8,657	131	8,788
Guinness Ghana Breweries Ltd	GGBL	33,696,431	267,777,492	301,473,923	307,594,827	98.01	1,634	56	1,690
Ghana Oil Company Ltd	GOIL	375,229,843	1,142,570	376,372,413	391,863,128	96.03	6,689	96	6,785
Republic Bank Ghana Ltd (HFC)	RBGH	273,149,301	576,265,399	849,414,700	851,966,373	99.7	1,105	27	1,132
HORDS Ltd*	HORDS*	114,917,631	29,930	114,947,561	114,947,561	100	536	6	542
Intravenous Infusion Limited*	IIL	202,757,796	1,796,300	204,554,096	274,408,345	74.54	1,282	17	1,299
Mega Africa Company	MAC	9,338,332	357,232	9,695,564	9,948,576	97.46	100	7	107
Meridian Marshalls Company Ltd.*	MMH*	95,635,066	449,100	96,084,166	96,084,166	100	142	9	151
Scancor Ltd-MTN (GH)	MTN	1,324,441,217	10,966,033,143	12,290,474,360	12,290,474,360	100	106,221	319	106,540
Produce Buying Company Limited	PBC	429,533,438	651,426	430,184,864	480,000,000	89.62	3,208	35	3,243
Pesewa One Plc	POP	3,197,500	0	3,197,500	3,202,500	99.84	15	0	15

Samba Foods and Spices Ltd	SAMBA*	5,966,444	9,609	5,976,053	5,976,053	100	38	5	43
Standard Chartered Bank Ghana	SCB	117,927,196	10,559,451	128,486,647	134,758,498	95.35	2,688	71	2,759
Standard Chartered Bank GH. Ltd. Preference	SCBPREF	1,338,308	35,915	1,374,223	17,489,066	7.86	427	7	434
State Insurance Company Limited	SIC	163,106,094	21,529,876	184,635,970	195,645,000	94.37	5,468	60	5,528
Societe Genrale (Ghana) Limited	SOGEGH	248,344,350	441,518,950	689,863,300	709,141,367	97.28	9,228	106	9,334
Sam Woode Limited	SWL	17,997,999	19,000	18,016,999	21,828,035	82.54	232	3	235
Trust Bank (Gambia) Ltd	TBL	5,793,350	14,836	5,808,186	200,000,000	2.9	357	7	364
Tullow	TLW	2,662,338	18,302	2,680,640	2,043,162	131.2	8,878	45	8,923
Total Petroleum Ghana Ltd	TOTAL	17,315,414	2,718,468	20,033,882	111,874,072	17.9	1,994	55	2,049
Unilever Ghana Ltd	UNIL	9,993,677	6,125,797	16,119,474	62,500,000	25.79	2,271	60	2,331
<b>Total</b>		<b>8,007,155,855</b>	<b>16,581,873,875</b>	<b>24,589,029,730</b>	<b>25,947,239,387</b>	<b>94.76</b>	<b>213,588</b>	<b>1,904</b>	<b>215,492</b>

\* 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 for funds.

**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.



## REPORT OF THE BOARD OF DIRECTORS

We, the Board of Central Securities Depository (GH) Ltd (the 'Company'), submit herewith the Annual report on the state of affairs of the Company for the year ended 31 December 2022.

### 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) Ltd's financial position at 31 December 2022, 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 a central securities 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 2022 are set out below:

	2022
	GH¢
Profit before tax	3,094,164
to which is deducted income tax charge of	(734,308)
giving a profit for the year after income tax of	2,359,856
which is added to the brought forward retained earnings of	110,345,421
out of which is deducted dividend of	(5,775,000)
leaving retained earnings carried forward of	106,930,277

*REPORT OF THE BOARD OF DIRECTORS (continued)***Dividend**

The directors do not recommend the payment of a dividend for the year ended 31 December 2022. (2021: GH¢ 1.65 per share amounting to GH¢ 5,775,000).

**Interest in other body corporates**

The Company has a 10% equity interest in Ghana Investment and Securities Institute Limited (GISI) as at year end amounting to GH¢ 93,228 (2021: 10% amounting to GH¢ 93,228).

**Corporate social responsibilities**

The Company spent a total amount of GH¢30,500 on corporate social responsibilities during the year.

**Audit fee payable**

Audit fee for the year ended 31 December 2022 is GH¢218,768.

**Directors**

The names of the present directors and those who served during the year are listed on page 4. 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.

**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) Ltd 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**

In accordance with Section 139(11) of the Companies Act 2019 (Act 992) which stipulates that an auditor shall hold office for a term of not more than six years subject to a cooling-off period, the auditor, PricewaterhouseCoopers, will resign from office on the completion of this audit having served 6 years.

**By Order of the Board**


**Dr. Maxwell Opoku-Afari**

Director



**Mr. Michael Ewusi Mensah**

Director

**25 April 2023**

## 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) Ltd (the “Company”) as at 31 December 2022, 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) Ltd for the year ended 31 December 2022.

The financial statements comprise:

- the statement of financial position as at 31 December 2022;
- 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Company’s financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*Key audit matters (continued)*

Key audit matter 1	How our audit addressed the key audit matter									
<p><b>Expected credit loss (ECL) on investment securities</b></p> <table><tr><td></td><td>Gross amount</td><td>Expected credit loss provision</td></tr><tr><td></td><td>GH¢</td><td>GH¢</td></tr><tr><td>Investment securities</td><td>109,001,492</td><td>23,692,303</td></tr></table> <p>The Government of Ghana announced a voluntary Domestic Debt Exchange Programme (DDEP) which sought to exchange existing eligible domestic notes and bonds. The ECL for investment securities is material to the financial statements in terms of magnitude and level of subjective judgement applied by management.</p> <p>Management segmented the securities into a portfolio of instruments eligible for Ghana's Domestic Debt Exchange Programme (DDEP) and those instruments that are not eligible for the Programme.</p> <p>The key areas of significant management judgement within the ECL calculation include:</p> <ul style="list-style-type: none"><li>– Evaluation of significant increase in credit risk and definition of default and credit impaired assets focusing on both the qualitative and quantitative criteria used by the Company.</li><li>– Incorporation of macro-economic inputs and forward-looking information into the ECL model;</li><li>– Input assumptions applied to estimate the probability of default (PD), exposure at default (EAD) and loss given default (LGD).</li></ul> <p>The accounting policies, critical estimates and judgements and impairment charge are set out in 2.4.1(ii), 3(c), 4(a), 11 and 25 to the financial statements.</p>		Gross amount	Expected credit loss provision		GH¢	GH¢	Investment securities	109,001,492	23,692,303	<p>We obtained an understanding of the DDEP based on the Exchange Memorandum issued by the Government of Ghana.</p> <p>We tested the appropriateness of the staging of the investment securities by independently assessing management's criteria for significant increase in credit risk and definition of default against the requirements of the Standard.</p> <p>We evaluated the appropriateness of forward-looking economic expectations included in the ECL by comparing to independent industry data.</p> <p>We assessed the reasonableness of out of model adjustments by evaluating key assumptions and inspecting the methodology.</p> <p>We assessed the reasonableness of the discount rate (a key assumption) used for determining the present value of cash flows expected from new bonds.</p> <p>We tested the reasonableness of the EAD by examining samples of the investment securities using high value criteria.</p> <p>We assessed the assumptions relating to historical default experience, estimated timing and amount of forecasted cashflows applied within the PD and LGD for compliance with the requirements of IFRS 9.</p> <p>We tested the mathematical accuracy of the impairment calculation on investment securities.</p>
	Gross amount	Expected credit loss provision								
	GH¢	GH¢								
Investment securities	109,001,492	23,692,303								

*Key audit matters (continued)*

Key audit matter 2	How our audit addressed the key audit matter
<p><b>Expected credit loss (ECL) on trade receivables</b></p> <p>At 31 December 2022, the Company's gross trade receivables and expected credit loss were GH¢8,747,535 and GH¢733,323 respectively.</p> <p>For trade receivables, the Company uses a simplified provisioning matrix where trade receivables have been grouped based on shared credit risk characteristics and the days past due.</p> <p>The expected loss rates are based on the payment profiles over a period of 24 months and the corresponding historical credit losses experienced within this period. The historic loss rates are adjusted to reflect forward-looking information such as interest .</p>	<p>We obtained an understanding of the aging analysis of trade receivables which was the basis of the provision matrix and assessed the reasonableness of the initial loss rate associated with each age bracket.</p> <p>We tested the appropriateness of the ageing of the trade receivables by independently assessing management's definition of default and credit impaired assets against the requirements of the Standard.</p> <p>We evaluated the appropriateness of forward-looking economic expectations included in the ECL by comparing to independent industry data.</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 Board of Directors, Management, Chairman's Statement, Chief Executive Officer's Statement, Corporate Governance, Highlights of 2022 Key Activities, Market Performance, Appendix and Glossary 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 Board of Directors, Management, Chairman's Statement, Chief Executive Officer's Statement, Corporate Governance, Highlights of 2022 Key Activities, Market Performance, Appendix and Glossary, 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 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

### Auditor's responsibilities for the audit of the financial statements (continued)

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:

- 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;
- in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- 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 leader on the audit resulting in this independent auditor's report is Destiny Selorm Attatsitsey (ICAG/P/1619).



PricewaterhouseCoopers (ICAG/F/2023/028)

Chartered Accountants

Accra, Ghana

28 April 2023



## STATEMENT OF FINANCIAL POSITION

(All amounts are in Ghana cedis)

		At 31 December	
		2022	2021
Assets	Note		
<b>Non- current assets</b>			
Plant and equipment	7	7,528,675	2,997,350
Intangible assets	8	2,328,802	4,651,338
Right-of-use assets	9	423,151	811,009
Deferred income tax	15	5,900,027	-
		16,180,655	8,459,697
<b>Current assets</b>			
Accounts receivable	10	17,018,789	11,499,368
Investment securities	11	85,309,189	96,696,670
Other assets	12	2,298,281	1,927,820
Current income tax	16	-	493,090
Cash and bank balances	13	6,992,818	5,431,547
		111,619,077	116,048,495
<b>Total assets</b>		<b>127,799,732</b>	<b>124,508,192</b>
<b>Liabilities</b>			
<b>Non- current liabilities</b>			
Lease liabilities	9	833,926	1,083,060
Deferred income tax	15	-	388,486
		833,926	1,471,546
<b>Current liabilities</b>			
Accounts payable and accruals	14	13,476,097	8,247,086
Current income tax	16	2,324,303	-
Lease liabilities	9	135,129	344,139
		15,935,529	8,591,225
<b>Total liabilities</b>		<b>16,769,455</b>	<b>10,062,771</b>
<b>Equity</b>			
Stated capital	17	3,500,000	3,500,000
Other reserve	18	600,000	600,000
Retained earnings	19	106,930,277	110,345,421
<b>Total equity</b>		<b>111,030,277</b>	<b>114,445,421</b>
<b>Total liabilities and equity</b>		<b>127,799,732</b>	<b>124,508,192</b>

The financial statements on pages 73 to 108 were approved by the board of directors on 25 April 2023 and signed on its behalf by:



**Dr. Maxwell Opoku-Afari**

Director



**Mr. Michael Ewusi Mensah**

Director

The notes on pages 77 to 108 are an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME***(All amounts are in Ghana cedis)*

		Year ended 31 December	
		2022	2021
Revenue	20	53,076,683	52,994,094
Other income	21	20,904,173	23,913,712
		<b>73,980,856</b>	76,907,806
Operating expenses	22	(46,799,236)	(32,985,054)
Net impairment (loss)/gain on financial assets	25	(23,829,185)	2,823
Finance costs	24	(258,271)	(285,188)
<b>Profit before tax</b>		<b>3,094,164</b>	43,640,387
Income tax expense	16	(734,308)	(10,667,782)
<b>Profit for the year</b>		<b>2,359,856</b>	32,972,605
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,359,856</b>	32,972,605

The notes on pages 77 to 108 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

(All amounts are in Ghana cedis)

	Stated capital	Other reserve	Retained earnings	Total
<b>Year ended 31 December 2022</b>				
At 1 January	3,500,000	600,000	110,345,421	<b>114,445,421</b>
<b>Comprehensive income:</b>				
Profit for the year	-	-	2,359,856	<b>2,359,856</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	2,359,856	<b>2,359,856</b>
<b>Transactions with owners:</b>				
Payment of dividend	-	-	(5,775,000)	<b>(5,775,000)</b>
<b>At 31 December</b>	<b>3,500,000</b>	<b>600,000</b>	<b>106,930,277</b>	<b>111,030,277</b>
<b>Year ended 31 December 2021</b>				
At 1 January	3,500,000	600,000	82,622,816	86,722,816
<b>Comprehensive income:</b>				
Profit for the year	-	-	32,972,605	32,972,605
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	32,972,605	32,972,605
<b>Transactions with owners:</b>				
Payment of dividend	-	-	(5,250,000)	(5,250,000)
<b>At 31 December</b>	<b>3,500,000</b>	<b>600,000</b>	<b>110,345,421</b>	<b>114,445,421</b>

The notes on pages 77 to 108 are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS***(All amounts are in Ghana cedis)*

Cash flows from operating activities	Note	Year ended 31 December	
		2022	2021
Profit before income tax		3,094,164	43,640,387
<b>Adjustment for:</b>			
Depreciation expense	7&9	1,936,817	1,164,808
Amortisation expense	8	2,322,536	1,293,637
Impairment loss on investment securities	25	23,833,051	-
(Gain)/loss on disposal of plant and equipment	7	(534,728)	259,387
Accrued interest income	11&12	(9,427,287)	(5,201,655)
Premium on investment securities	11	7,792,129	36,785
Finance cost on lease liabilities	9	258,271	285,188
Exchange difference	9	109,578	19,563
Loss allowance release on financial assets	25	(3,866)	(2,823)
Change in accounts receivable	10	(5,515,555)	(1,243,346)
Change in payables and accruals	14	5,229,011	205,097
Interest paid	9	(258,271)	(285,188)
Tax paid	16	(4,205,428)	(14,025,583)
<b>Net cash generated from operating activities</b>		<b>24,630,422</b>	<b>26,146,257</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	7	(6,286,077)	(2,434,889)
Proceeds from disposal of plant and equipment	7	534,728	56,489
Purchase of intangible assets	8	-	(636,602)
Purchase of investment securities	11	(30,493,852)	(33,824,913)
Maturity of investment securities	11	31,300,000	14,093,112
Investment in managed fund	12	-	(122,536)
<b>Net cash used in investing activities</b>		<b>(4,945,201)</b>	<b>(22,869,339)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	29	(5,775,000)	(5,250,000)
Repayment of principal portion of lease liabilities	9	(361,929)	(256,700)
<b>Net cash used in financing activities</b>		<b>(6,136,929)</b>	<b>(5,506,700)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>13,548,292</b>	<b>(2,229,782)</b>
Cash and cash equivalents at start of the year		5,431,547	7,661,329
<b>Cash and cash equivalents at 31 December</b>	13	<b>18,979,839</b>	<b>5,431,547</b>

The notes on pages 77 to 108 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 4.

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; and
- 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) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), its interpretations adopted by the International Accounting Standards Board (IASB), and in the manner required by Companies Act, 2019 (Act 992).

##### (ii) Historical cost convention

The financial statements have been prepared under the historical cost convention. Except for investments in associates measured at fair value through other comprehensive income.

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 2022.

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3

The Company also elected to adopt the following amendments early:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12, and
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

*Notes (continued)*

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 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**2.2 Foreign currencies*****Functional and presentation currency***

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

***Transactions and balances***

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

**2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the

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

***Rendering of services***

Income is recognised when services are rendered.

**2.4 Financial instruments****2.4.1 Financial assets*****Measurement methods******Amortised cost and effective interest rate***

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

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

*Notes (continued)*

effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

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

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

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

When the fair value of financial assets and liabilities differs from the transaction price on initial

recognition, the entity recognises the difference as follows:

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

*(i) Classification and subsequent measurement*

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

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

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

*Debt instruments*

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

Classification and subsequent measurement of debt instruments depend on:

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

*Notes (continued)*

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 basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks

*Notes (continued)*

and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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

*Equity instruments*

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

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

*(ii) Impairment*

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

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

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

*(iii) De-recognition other than on a modification**Financial assets*

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or

*Notes (continued)*

loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

**2.4.2 Financial Liabilities****(i) Classification**

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

**(ii) Measurement**

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

**(iii) Derecognition**

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

**2.4.3 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, short-term fixed deposits with an original

maturity of three months or less, bank overdrafts which are repayable on demand and which form an integral part of the company's cash management. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

**2.4.4 Receivables**

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

**2.4.5 Determination of fair value**

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

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

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

*Notes (continued)***2.4.6 Offsetting financial instruments**

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

**2.5 Investments securities**

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

**2.6 Accounts payable and other liabilities**

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

**2.7 Property, plant and equipment**

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

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

Any revaluation surplus is credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset

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

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

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

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 (continued)***2.8 Intangible assets**

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

**2.9 Leases**

The Company 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 (continued)*

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

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

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

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

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

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

**2.10 Impairment of non-financial assets**

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

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

**2.11 Employee benefits****Pension obligations**

The Company makes contributions to a statutory pension scheme and a defined contribution to a provident fund for eligible employees. Contributions

*Notes (continued)*

by the Company to the mandatory pension scheme are determined by law and are accounted for on accrual basis. The provident fund contributions are currently managed by Enterprise Trustees.

**Other entitlements**

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

**2.12 Taxation***a) Income tax*

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

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

*b) Deferred income tax*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred

income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

*c) Value Added Tax (VAT)*

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

**Stated capital**

Stated capital represents non-distributable capital of the Company.

*Notes (continued)***2.14 Dividend on ordinary shares**

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

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

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

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

*a) 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.

*b) 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 reassess its business model.

*c) Measurement of the expected credit loss allowance*

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

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

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

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

*d) 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

*Notes (continued)*

changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists.

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

*e) Lease term*

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

The following factors are normally the most relevant:

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

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company

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

**4. Financial risk management**

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

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

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

**Market risk**

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

*Notes (continued)**Interest rate risk*

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

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

	Up to 1 month	1 - 3 months	3 - 12 months	Over 12 months	Non-interest bearing	Total
<b>At 31 December 2022</b>						
<b>Financial assets</b>						
Bank balances	-	-	-	-	6,991,152	<b>6,991,152</b>
Investment securities	2,084,533	9,902,488	18,464,194	51,959,040	2,898,934	<b>85,309,189</b>
Other assets	-	-	2,205,053	-	93,228	<b>2,298,281</b>
Accounts receivable (less prepayments)	15,611,176	-	-	-	-	<b>15,611,176</b>
<b>Total financial assets</b>	<b>17,695,709</b>	<b>9,902,488</b>	<b>20,669,247</b>	<b>51,959,040</b>	<b>9,983,314</b>	<b>110,209,798</b>
<b>Financial liabilities</b>						
Lease liabilities	-	-	135,129	833,926	-	<b>969,055</b>
Accounts payable	-	-	-	-	13,476,097	<b>13,476,097</b>
Finance liabilities	-	-	135,129	833,926	13,476,097	<b>14,445,152</b>
<b>Total interest repricing gap</b>	<b>17,695,709</b>	<b>9,902,488</b>	<b>20,534,118</b>	<b>51,125,114</b>	<b>(3,492,783)</b>	<b>95,764,646</b>

**At 31 December 2021**

<b>Financial assets</b>						
Bank balances	-	-	-	-	5,431,202	5,431,202
Investment securities	-	-	2,545,527	94,151,143	-	96,696,670
Other assets	-	-	1,834,592	-	93,228	1,927,820
Accounts receivable (less prepayments)	10,597,054	-	-	-	-	10,597,054
<b>Total financial assets</b>	<b>10,597,054</b>	<b>-</b>	<b>4,380,119</b>	<b>94,151,143</b>	<b>5,524,430</b>	<b>114,652,746</b>
<b>Financial liabilities</b>						
Lease liabilities	-	-	344,139	1,083,060	-	1,427,199
Accounts payable	-	-	-	-	8,247,086	8,247,086
Finance liabilities	-	-	344,139	1,083,060	8,247,086	9,674,285
<b>Total interest repricing gap</b>	<b>10,597,054</b>	<b>-</b>	<b>4,035,980</b>	<b>93,068,083</b>	<b>(2,722,656)</b>	<b>104,978,461</b>

*Notes (continued)***4. Financial risk management (continued)****Market risk (continued)***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 2022	Total	USD	GH¢
Cash and bank balance (excluding cash in hand)	6,991,152	37,046	6,954,106
Investment securities	85,309,189	-	85,309,189
Other assets	2,298,281	-	2,298,281
Accounts receivable (less prepayments)	15,611,176	-	15,611,176
<b>Total financial assets</b>	<b>110,209,798</b>	<b>37,046</b>	<b>110,172,752</b>
Lease liabilities	969,055	-	969,055
Accounts payable	13,476,097	-	13,476,097
<b>Total financial liabilities</b>	<b>14,445,152</b>	<b>-</b>	<b>14,445,152</b>

At 31 December 2021	Total	USD	GH¢
Cash and bank balance (excluding cash in hand)	5,431,202	25,945	5,405,257
Investment securities	96,696,670	-	96,696,670
Other assets	1,927,820	-	1,927,820
Accounts receivable (less prepayments)	10,597,054	-	10,597,054
<b>Total financial assets</b>	<b>114,652,746</b>	<b>25,945</b>	<b>114,626,801</b>
Accounts payable	1,427,199	328,255	1,098,944
Lease liabilities	8,247,086	-	8,247,086
<b>Total financial liabilities</b>	<b>9,674,285</b>	<b>328,255</b>	<b>9,346,030</b>

**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

*Notes (continued)*

risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

*Quantitative criteria:*

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

*Qualitative criteria*

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

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

*Backstop*

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

*Low Credit Risk Exemption*

The Company has not used the low credit risk exemption for any financial instruments in the period ended 31 December 2022.

*Definition of default and credit-impaired assets*

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

*Quantitative criteria*

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

*Qualitative criteria*

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

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

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal

*Notes (continued)*

credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

*Measuring ECL – Explanation of inputs, assumptions and estimation techniques*

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

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

The ECL is determined by projecting the PD, LGD and EAD and for each individual exposure or collective

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

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

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

*Forward-looking information incorporated in the ECL models*

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

*Notes (continued)**Economic Variable Assumptions*

The most significant period end assumptions used for the ECL estimate as at 31 December 2022 are set out below:

Scenario	Weight %	Inflation %	Interest rate %	Cedi/ dollar depreciation rate %
Base Case	50	18.9	31	42.79
Improvement	15	36.5	32	32.79
Deterioration	35	54.1	33	52.79

**4. Financial risk management (continued)****Credit risk (continued)***(a) Expected credit loss measurement (continued)*

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

*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 2022, 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

*Investment securities*

The Company's investments comprise investments in Government of Ghana treasury bills, bonds, notes and fixed deposits.

*Impact of Ghana's Domestic Debt Exchange Programme (DDEP) on investment securities*

On 5 December 2022, the Government of Ghana announced Ghana's Domestic Debt Programme (DDEP). The Programme invites eligible bondholders to voluntarily exchange eligible local currency bonds issued by the Government of Ghana, ESLA and Daakye bonds for a new series of bonds to be issued by the Government.

The Programme seeks to extend the tenures of the eligible securities and reduce their coupons to an effective rate of about 9%. The Government has also explained that there will be two distinct groups of bonds which will be exchanged as follows:

*Notes (continued)*

- Bonds maturing in 2023 replaced with 7 new bonds that matures from 2027 to 2033 inclusive; and
- All other bonds maturing after 2023 replaced with 12 new bonds that matures from 2027 to 2038 inclusive.

The existing bonds to be exchanged have shorter maturity profile than the new bonds stated in the DDE programme. Interest on the new bonds will accrue at various rates and first interest payment will be made in August 2023. Interest payments will be made semi-annually with principal being paid in one single payment at the respective maturity dates commencing from 2027 to 2038.

The Company assessed the bonds eligible for exchange under the DDEP as credit-impaired. As a result, the carrying amounts of the existing bonds were reduced to the fair value of the new bonds calculated as the present value of the cash flows using a discount rate representative of the sovereign risk of the country.

The difference between the fair value of the new instruments and the gross carrying amount of the original assets was recognised as impairment charge in the statement of comprehensive income.

The sensitivity of the impairment provision to a 1% change in the discount rate is set out below:

31 December 2022	Initial Impairment	+1%	-1%
Discount rate	15.67%	16.67%	14.67%
Impairment amount	21,298,804	23,984,634	18,398,062
Loss rate	28.22%	31.78%	24.37%

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	6,992,818	-	-	6,992,818
Investment securities	-	20,292,097	88,709,395	109,001,492
Accounts receivable (less prepayments)	10,572,999	3,817,745	1,220,432	15,611,176
Other assets	-	2,205,053	-	2,205,053
Gross carrying amount	17,565,817	26,314,895	89,929,827	133,810,539
Loss allowance	-	(1,358,274)	(23,208,100)	(24,566,374)
<b>Carrying amount</b>	<b>17,565,817</b>	<b>24,956,621</b>	<b>66,721,727</b>	<b>109,244,165</b>

*Notes (continued)*

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	5,431,547	-	-	5,431,547
Investment securities	96,696,670	-	-	96,696,670
Accounts receivable (less prepayments)	8,988,400	1,133,408	475,246	10,597,054
Other assets	1,834,592	-	-	1,834,592
Gross carrying amount	112,951,209	1,133,408	475,246	114,559,863
Loss allowance	(134,273)	(127,670)	(475,246)	(737,189)
<b>Carrying amount</b>	<b>112,816,936</b>	<b>1,005,738</b>	<b>-</b>	<b>113,822,674</b>

*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 2022 and 31 December 2021 was determined as follows:

31 December 2022		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
Total									
Expected loss rate		1.60%	4.10%	5%	7.77%	9.23%	13.04%	77%	100%
Gross carrying amount	<b>8,747,535</b>	3,810,062	3,817,745	425,334	104,328	5,365	36,618	289,505	258,578
<b>Loss allowance</b>	<b>733,323</b>	60,961	156,528	21,267	8,106	495	4,775	222,613	258,578

**31 December 2021**

Expected loss rate		3.23%	5.44%	8.63%	14.72%	10.67%	11.50%	16.91%	100%
Gross carrying amount	5,772,161	4,163,506	151,354	230,756	77,604	407,019	7,359	259,317	475,246
Loss allowance	737,189	134,273	8,232	19,908	11,423	43,420	846	43,841	475,246

*Notes (continued)*

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2022 or 31 December 2021 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.

All other financial assets of the Company with credit risk exposure are neither past due nor impaired.

**Liquidity risk**

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

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

<b>At 31 December 2022</b>	<b>Up to 1 month</b>	<b>1 - 3 months</b>	<b>3 -12 months</b>	<b>Over 12 months</b>	<b>Total</b>
<b>Financial liabilities</b>					
Accounts payable	13,476,097	-	-	-	<b>13,476,097</b>
Lease liabilities	-	-	216,206	1,209,193	<b>1,425,399</b>
<b>Total financial liabilities</b>	<b>13,476,097</b>	<b>-</b>	<b>216,206</b>	<b>1,209,193</b>	<b>14,901,496</b>

<b>At 31 December 2021</b>					
<b>Financial liabilities</b>					
Accounts payable	8,247,086	-	-	-	8,247,086
Lease liabilities	-	-	589,046	1,572,873	2,161,919
<b>Total financial liabilities</b>	<b>8,247,086</b>	<b>-</b>	<b>589,046</b>	<b>1,572,873</b>	<b>10,409,005</b>

**5. Capital management**

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

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

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

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

*Notes (continued)***At 31 December 2022**

	Amortised cost	FVOCI	Other liabilities at amortised cost	Total	Fair value
Cash and bank balances	6,992,818	-	-	6,992,818	<b>6,992,818</b>
Investment securities	85,309,189	-	-	85,309,189	<b>85,309,189</b>
Other assets	2,205,053	93,228	-	2,298,281	<b>2,298,281</b>
Accounts receivable (less prepayments)	<u>15,611,176</u>	<u>-</u>	<u>-</u>	<u>15,611,176</u>	<u><b>15,611,176</b></u>
<b>Total financial assets</b>	<b><u>110,118,236</u></b>	<b><u>93,228</u></b>	<b><u>-</u></b>	<b><u>110,211,464</u></b>	<b><u>110,211,464</u></b>
<b>Financial liabilities</b>					
Accounts payable	-	-	13,476,097	13,476,097	<b>13,476,097</b>
Lease liabilities	<u>-</u>	<u>-</u>	<u>969,055</u>	<u>969,055</u>	<u><b>969,055</b></u>
<b>Total financial liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>14,445,152</u></b>	<b><u>14,445,152</u></b>	<b><u>14,445,152</u></b>

**At 31 December 2021**

Cash and bank balances	5,431,547	-	-	5,431,547	5,431,547
Investment securities	96,696,670	-	-	96,696,670	104,563,433
Other assets	1,834,592	93,228	-	1,927,820	1,996,440
Accounts receivable (less prepayments)	<u>10,597,054</u>	<u>-</u>	<u>-</u>	<u>10,597,054</u>	<u>10,597,054</u>
<b>Total financial assets</b>	<b><u>114,559,863</u></b>	<b><u>93,228</u></b>	<b><u>-</u></b>	<b><u>114,653,091</u></b>	<b><u>122,588,474</u></b>
<b>Financial liabilities</b>					
Accounts payable	-	-	8,247,086	8,247,086	8,247,086
Lease liabilities	<u>-</u>	<u>-</u>	<u>1,427,199</u>	<u>1,427,199</u>	<u>1,427,199</u>
<b>Total financial liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,674,285</u></b>	<b><u>9,674,285</u></b>	<b><u>9,674,285</u></b>

**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.

*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

*Notes (continued)*

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****Year ended 31 December 2022**

	Equipment	Furniture and fittings	Motor vehicle	Work in progress	Total
<b>Cost</b>					
At 1 January	2,954,307	696,422	3,894,729	-	<b>7,545,458</b>
Additions	661,366	61,890	4,213,630	1,349,191	<b>6,286,077</b>
Disposals	-	-	(1,366,411)	-	<b>(1,366,411)</b>
<b>At 31 December</b>	<b>3,615,673</b>	<b>758,312</b>	<b>6,741,948</b>	<b>1,349,191</b>	<b>12,465,124</b>
<b>Accumulated depreciation</b>					
At 1 January	2,166,000	512,080	1,870,028	-	<b>4,548,108</b>
Charge for the year	372,898	59,230	1,322,624	-	<b>1,754,752</b>
Disposals	-	-	(1,366,411)	-	<b>(1,366,411)</b>
<b>At 31 December</b>	<b>2,538,898</b>	<b>571,310</b>	<b>1,826,241</b>	<b>-</b>	<b>4,936,449</b>
<b>Net book amount</b>					
<b>At 31 December</b>	<b>1,067,775</b>	<b>187,002</b>	<b>4,915,707</b>	<b>1,349,191</b>	<b>7,528,675</b>

**Year ended 31 December 2021**

	Equipment	Furniture and fittings	Motor vehicle	Total
<b>Cost</b>				
At 1 January	2,878,174	606,884	2,631,627	6,116,685
Additions	80,083	140,668	2,214,138	2,434,889
Disposals	(3,950)	(51,130)	(951,036)	(1,006,116)
<b>At 31 December</b>	<b>2,954,307</b>	<b>696,422</b>	<b>3,894,729</b>	<b>7,545,458</b>
<b>Accumulated depreciation</b>				
At 1 January	1,750,992	500,208	2,168,121	4,419,321
Charge for the year	417,471	63,022	338,534	819,027
Disposals	(2,463)	(51,150)	(636,627)	(690,240)
<b>At 31 December</b>	<b>2,166,000</b>	<b>512,080</b>	<b>1,870,028</b>	<b>4,548,108</b>
<b>Net book amount</b>				
<b>At 31 December</b>	<b>788,307</b>	<b>184,342</b>	<b>2,024,701</b>	<b>2,997,350</b>



## Notes (continued)

## Year ended 31 December 2021

	Equipment	Furniture and fittings	Motor vehicle	Total
<b>Cost</b>				
At 1 January	2,878,174	606,884	2,631,627	6,116,685
Additions	80,083	140,668	2,214,138	2,434,889
Disposals	(3,950)	(51,130)	(951,036)	(1,006,116)
<b>At 31 December</b>	<b>2,954,307</b>	<b>696,422</b>	<b>3,894,729</b>	<b>7,545,458</b>
<b>Accumulated depreciation</b>				
At 1 January	1,750,992	500,208	2,168,121	4,419,321
Charge for the year	417,471	63,022	338,534	819,027
Disposals	(2,463)	(51,150)	(636,627)	(690,240)
<b>At 31 December</b>	<b>2,166,000</b>	<b>512,080</b>	<b>1,870,028</b>	<b>4,548,108</b>
<b>Net book amount</b>				
<b>At 31 December</b>	<b>788,307</b>	<b>184,342</b>	<b>2,024,701</b>	<b>2,997,350</b>

## 8. Intangible assets

Year ended 31 December 2022	Software	Capital work in progress	Total
<b>Cost</b>			
Balance as at 1 January	14,835,878	2,948,037	<b>17,783,915</b>
Transfers	2,948,037	(2,948,037)	-
<b>Balance at 31 December</b>	<b>17,783,915</b>	<b>-</b>	<b>17,783,915</b>
<b>Accumulated amortisation</b>			
Balance as at 1 January	13,132,577	-	<b>13,132,577</b>
Amortisation for the year	2,322,536	-	<b>2,322,536</b>
<b>Balance at 31 December</b>	<b>15,455,113</b>	<b>-</b>	<b>15,455,113</b>
<b>Net book value</b>			
<b>Balance as at 31 December</b>	<b>2,328,802</b>	<b>-</b>	<b>2,328,802</b>

Year ended 31 December 2021	Software	Capital work in progress	Total
<b>Cost</b>			
Balance as at 1 January	14,693,298	2,454,015	17,147,313
Additions	142,580	494,022	636,602
<b>Balance at 31 December</b>	<b>14,835,878</b>	<b>2,948,037</b>	<b>17,783,915</b>
<b>Accumulated amortisation</b>			
Balance as at 1 January	11,838,940	-	11,838,940
Amortisation for the year	1,293,637	-	1,293,637
<b>Balance at 31 December</b>	<b>13,132,577</b>	<b>-</b>	<b>13,132,577</b>
<b>Net book value</b>			
<b>Balance as at 31 December</b>	<b>1,703,301</b>	<b>2,948,037</b>	<b>4,651,338</b>

## Notes (continued)

## 9. Leases

	2022	2021
<b>Right- of- use assets - Buildings</b>		
Balance as at 1 January	1,893,086	2,149,868
Lease modification	(205,793)	(256,782)
<b>Balance as at 31 December</b>	<b>1,687,293</b>	<b>1,893,086</b>
<b>Accumulated depreciation</b>		
Balance as at 1 January	1,082,077	736,296
Depreciation for the year	182,065	345,781
<b>Balance at 31 December</b>	<b>1,264,142</b>	<b>1,082,077</b>
Net book value		
<b>Balance as at 31 December</b>	<b>423,151</b>	<b>811,009</b>

The movement in lease liabilities is as follows:

<b>Lease liabilities</b>		
Balance at 1 January	1,427,199	1,921,118
Lease modification	(205,793)	(256,782)
Interest expense	258,271	285,188
Interest expense paid	(258,271)	(285,188)
Repayment of lease liabilities	(361,929)	(256,700)
Exchange loss on lease liabilities	109,578	19,563
	<u>969,055</u>	<u>1,427,199</u>
<b>Analysis:</b>		
Current	135,129	344,139
Non-current	<u>833,926</u>	<u>1,083,060</u>
	<u>969,055</u>	<u>1,427,199</u>

## 10. Accounts receivable

Net trade receivable	8,014,212	5,034,972
Staff loans	6,604,470	5,548,921
Prepayments	1,407,613	902,314
Staff salary advance	<u>992,494</u>	<u>13,161</u>
	<b>17,018,789</b>	<b>11,499,368</b>

Details of trade receivable balance is as follows:

Gross balance	8,747,535	5,772,161
Loss allowance	<u>(733,323)</u>	<u>(737,189)</u>
	<b>8,014,212</b>	<b>5,034,972</b>

*Notes (continued)***11. Investment securities**

	2022	2021
Treasury bills	20,292,097	-
Treasury bonds	85,085,727	93,073,002
Fixed deposits	3,623,668	3,623,668
	109,001,492	96,696,670
Expected credit loss on investment securities	(23,692,303)	-
	85,309,189	96,696,670

Investments are treasury bills and bonds issued by the Government of Ghana and fixed deposits. These are measured at amortised cost. On 14 February 2023, the Bank exchanged GHS81.1 million of its existing Government of Ghana bonds for a series of new bonds with maturity dates commencing from 2027 to 2038, through Ghana's Domestic Debt Exchange Programme. The new bonds were

successfully settled on the 21 February 2023 and have been allotted to the Company.

Fixed deposits amounting to GHS3,623,668 in prior year was due from two fund managers, whose licenses were revoked by their regulator, Securities and Exchange Commission, Ghana in November 2021.

The movement in investment securities is as follows:

**Year ended 31 December 2022**

	Treasury bills	Treasury bonds	Fixed deposits	Total
At start of year	-	93,073,002	3,623,668	96,696,670
Additions	19,080,873	23,400,000	-	42,480,873
Maturities	(2,500,000)	(28,800,000)	-	(31,300,000)
Accrued interest	3,930,352	4,985,726	-	8,916,078
Unwinding of (premium)/ discount on bonds	(219,128)	(7,573,001)	-	(7,792,129)
Loss allowance	(1,217,526)	(21,750,043)	(724,734)	(23,692,303)
At end of year	20,292,097	62,118,158	2,898,934	85,309,189

**Year ended 31 December 2021**

	Treasury bills	Treasury bonds	Fixed deposits	Total
At start of year	8,594,032	63,334,620	-	71,928,652
Additions	-	30,447,408	3,377,505	33,824,913
Maturities	(8,594,032)	(5,499,080)	-	(14,093,112)
Accrued interest	-	5,073,002	-	5,073,002
Unwinding of premium on bonds	-	(282,948)	246,163	(36,785)
Loss allowance	-	-	-	-
At end of year	-	93,073,002	3,623,668	96,696,670

*Notes (continued)*

Maturing as follows:

	2022	2021
Within 91 days of acquisition	11,987,021	-
After 91 days of acquisition	73,322,168	96,696,670
	<u>85,309,189</u>	<u>96,696,670</u>

**12. Other assets**

	2022	2021
Investment in guarantee fund	2,205,053	1,834,592
Equity investment	93,228	93,228
	<u>2,298,281</u>	<u>1,927,820</u>

Movement in investment in Guarantee fund is shown below:

At start of the year	1,834,592	1,583,403
Additions	-	122,536
Impairment charge	(140,748)	-
Interest income accrued	511,209	128,653
At end of the year	<u>2,205,053</u>	<u>1,834,592</u>

- (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 (GSI) 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 2022, the cost of the investment is deemed as a fair approximation of the fair value.

**13. Cash and bank balances**

	2022	2021
Bank balance	6,991,152	5,431,202
Cash on hand	1,666	345
	<u>6,992,818</u>	<u>5,431,547</u>

*Notes (continued)*

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

	2022	2021
Cash and Bank balances	6,992,818	5,431,547
Investment securities maturing within 91 days of acquisition	11,987,021	-
	<u>18,979,839</u>	<u>5,431,547</u>

**14. Accounts payable and accruals**

Creditors	184,623	184,623
SEC levy	2,295,506	1,349,550
GSE levy	2,665,872	2,626,821
Unutilised merger grant	104,664	104,664
Withholding tax	209,784	1,186,182
Accruals	1,530,584	1,867,956
Payable to Bank of Ghana	200,000	183,836
Other payables	6,285,064	743,454
	<u>13,476,097</u>	<u>8,247,086</u>

**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:

	2022	2021
At start of period	388,486	372,968
(Credit)/charge to profit or loss	(6,288,513)	15,518
<b>At 31 December</b>	<b>(5,900,027)</b>	<b>388,486</b>

Deferred income tax liabilities are attributable to the following:

<b>Year ended 31 December 2022</b>	<b>At 1 January</b>	<b>Charged/ (credited) to profit or loss</b>	<b>At 31 December</b>
Plant and equipment and intangible assets	388,486	(162,301)	226,185
Leases	-	(167,949)	(167,949)
Impairment on investments	-	(5,958,263)	(5,958,263)
	<u>388,486</u>	<u>(6,288,513)</u>	<u>(5,900,027)</u>
<b>Year ended 31 December 2021</b>			
Plant and equipment and intangible assets	372,968	15,518	388,486

*Notes (continued)***16. Income tax****Income tax expense**

	2022	2021
Current income tax	<b>7,022,821</b>	10,652,264
Deferred income tax (credit)/expense	<b>(6,288,513)</b>	15,518
	<b><u>734,308</u></b>	<u>10,667,782</u>

The movement in current income tax is as follows;

<u>Year ended 31 December 2022</u>	Balance as at 1 January	Payments during the year	Charge for the year	Balance as at 31 December
Up to 2021	(493,090)	(846,916)	-	<b>(1,340,006)</b>
2022		(3,358,512)	7,022,821	<b>3,664,390</b>
	<b>(493,090)</b>	<b>(4,205,428)</b>	<b>7,022,821</b>	<b>2,324,303</b>
<u>Year ended 31 December 2021</u>				
Up to 2019	2,880,229	-	105,346	2,985,575
2021	-	(14,025,583)	10,546,918	(3,478,665)
	2,880,229	(14,025,583)	10,652,264	(493,090)

**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:

	2022	2021
Profit before tax	<b>3,094,164</b>	43,640,387
Tax using the domestic corporate tax rate of 25%	<b>773,541</b>	10,910,097
<b>Tax effect of:</b>		
Adjustment in respect of prior periods	-	105,346
Expenses not deductible for tax purposes	<b>601,913</b>	142,699
Tax effect on capital allowance	<b>(641,146)</b>	(490,360)
	<b><u>734,308</u></b>	<u>10,667,782</u>
Effective tax rate	<b><u>23.73%</u></b>	<u>24.44%</u>

*Notes (continued)***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:

	2022		2021	
	Number of shares	Proceeds	Number of shares	Proceeds
Issued for cash consideration	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>

There are no unpaid liability on shares at the reporting date. There were no shares held in treasury at year end (2021: Nil).

**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**

	2022	2021
Registration fees	20,000	60,000
Issuer fees	27,626,893	34,769,594
Transaction fees	25,169,790	17,922,000
Renewal fees	260,000	242,500
	<u>53,076,683</u>	<u>52,994,094</u>

**21. Other income**

Interest earned on investments and staff loans	18,463,282	13,582,221
Miscellaneous income	1,876,816	480,223
Impairment of financial assets released (Note 25)	3,866	2,823
Net income from investment fund	511,209	251,189
Recovery of investments written off	-	9,484,456
Training fees on CSD software	49,000	112,800
	<u>20,904,173</u>	<u>23,913,712</u>

Miscellaneous income includes income earned on failed trade of Gh¢ 1,168,034 and proceeds from the sale of motor vehicles Gh¢534,728.

## Notes (continued)

**22. Operating expenses**

	2022	2021
Employee cost (Note 23)	22,879,203	20,770,418
Exchange loss on lease liabilities (Note 9)	109,578	19,563
Training and capacity building	3,232,509	481,443
Software evaluation expenses	2,936,192	-
Travel and motor running	81,281	382,608
General and administrative expenses	3,880,141	1,850,485
Stationery and printing	44,307	40,253
Communication	106,876	67,628
Loss on disposal of assets	-	259,387
Audit fees	218,768	148,480
Board expenses	669,617	785,527
Directors fees	1,116,841	1,108,367
Consultancy	757,943	409,390
Depreciation and amortisation	4,259,353	2,458,445
Information technology expenses	6,274,277	3,991,060
Utilities	200,000	180,000
Legal fees	1,850	-
Donations (corporate social responsibilities)	30,500	32,000
	<b>46,799,236</b>	<b>32,985,054</b>

**23. Employee cost**

Basic salaries and allowances	14,808,507	10,784,908
Employer social security contributions	1,858,214	1,049,093
Other staff related costs	6,212,482	8,936,417
	<b>22,879,203</b>	<b>20,770,418</b>

**24. Finance costs**

Interest expense on lease liabilities (Note 9)	<b>258,271</b>	<b>285,188</b>
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**25. Impairment of financial assets**

Impairment release on accounts receivables (Note 10 )	(3,866)	(2,823)
Impairment charge on investments (Note 11)	23,692,303	-
Impairment charge on other assets (Note 12)	140,748	-
Impairment charge/(release)	<b>23,829,185</b>	<b>(2,823)</b>

*Notes (continued)***26. Related party disclosures**

The company is 70% owned by the Bank of Ghana and 30% owned by the Ghana Stock Exchange.

Transactions with related parties are as follows:

*Related party transactions*

	2022	2021
<b>Transactions with Bank of Ghana</b>		
Issuer and transaction fees	<u>9,470,201</u>	<u>14,165,887</u>
Repayment of lease liability/rent expense	<u>467,000</u>	<u>406,000</u>
Utilities expense	<u>165,183</u>	<u>180,000</u>

*Related party balances*

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

	2022	2021
<b>Accounts receivable</b>		
Fees due from Bank of Ghana	<u>7,591,592</u>	<u>2,150,546</u>

<b>Bank balances</b>		
Balance with Bank of Ghana	<u>5,751,782</u>	<u>5,054,150</u>
<b>Accounts payable</b>		
Provision of office space and utilities to CSD payable to Bank of Ghana	<u>1,530,584</u>	<u>1,492,000</u>
Amounts payable to the Ghana Stock Exchange	<u>2,665,872</u>	<u>2,626,821</u>
Amounts payable to Bank of Ghana	<u>200,000</u>	<u>183,836</u>

*Key management personnel compensation*

Short term employee benefits	<u>4,948,428</u>	<u>4,200,181</u>
Post-employment benefits	<u>660,031</u>	<u>647,010</u>
	<u>5,608,458</u>	<u>4,847,191</u>

*Directors' compensation*

Fees and other benefits	<u>1,623,257</u>	<u>2,151,468</u>
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*Notes (continued)***27. Contingent liabilities**

There were no contingent liabilities at 31 December 2022 (2021: Nil).

**28. Capital commitments**

There were no capital commitments at 31 December 2022 (2021: Nil).

**30. Events after reporting period**

The Company was included in an invitation by the Government of Ghana to participate in a Domestic Debt Exchange Programme (DDEP) by exchanging GHS-denominated notes and bonds issued by the Government, E.S.L.A. Plc or Daakye Trust Plc. (collectively, the "Eligible Bonds") for new bonds from the Republic of Ghana. The deadline for holders to submit eligible bonds was 14<sup>th</sup> February, 2023.

On 21st February, 2023 ("the Settlement date), the Government of Ghana announced the successful settlement and conclusion of its DDEP. On same date, 12 series of new bonds were issued to holders of the Eligible Bonds whose tenders were accepted by the Government. Pursuant to the Exchange Memorandum, the principal amount of the new bonds per holder composed of the outstanding principal amount of Eligible Bonds and amount of accrued interest payable.

The Company signed on to the program by tendering in GHS81.1 million of its Eligible Bonds. The principal amounts of the new bonds have respective maturity dates commencing from 2027 to 2038. Interest will accrue at rates ranging between 8.35% and 10% and be paid semi-annually.

## NOTES



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