

**PRESS CONFERENCE ON RECENT ACTIVITIES OF THE CENTRAL
SECURITIES DEPOSITORY (GH.) LIMITED**

Members of the Press;

You may recall that the Central Securities Depository owned by the Bank of Ghana merged with the Ghana Stock Exchange Securities Depository on 1st January, 2014. The objective of the merger was to bring efficiency onto the capital market through the reduction of transaction costs and to harness the resources of the two shareholders to expand the infrastructure. Since then the Ghana Stock Exchange has increased its shareholding from the initial 18% to 30% in the merged company thereby reducing Bank of Ghana share from 82% to 70%.

The first year of operation of the merged entity has seen significant growth. Operating income more than doubled from GH¢5,402,861 in 2013 to GH¢11,159,765 in 2014. Total assets stood at GH¢12,095,166 from GH¢8,492,088 in 2013 representing an increase of 41.43%. The year ended with profit after tax of GH¢2,731,349 as compared to GH¢1,802,575 recorded in 2013.

As at the end of 2014, the Depository has opened 647,212 accounts for investors in Government of Ghana securities and 82,481 for shareholders in equity. We have converted 8.5 billion shares that were hitherto in paper certificates into electronic shares, representing 85% of all shares listed on the Ghana Stock Exchange. The value of Government of Ghana securities outstanding in the Depository totalled GH¢28.16 billion at the end of 2014 of which foreign investors hold about 25%. We supported borrowings among banks through repurchase agreements to the tune of GH¢195.8 billion in 2014.

The Government of Ghana issued GH¢47.08 billion of securities through the Auction system managed by the Depository. In addition we processed and paid a total of GH¢50.7 billion to more than 1.2 million beneficiaries in interest and maturities of treasury bills and bonds.

Apart from the financial and operational performance, a number of other developments have taken place which we want to bring into the public domain. Arising out of the merger we promised that all securities, both debt and equity would be migrated onto a single platform and the merged company refocused to deliver value to its shareholders and clients. In pursuit of this, the following activities were planned:

- a. Upgrade of our Platform
- b. Development of a 5 year Strategic Plan
- c. Redesign of the Corporate Website

I am happy to inform you that we have signed an Agreement with Millennium Information Technologies of Sri Lanka - a member of the London Stock Exchange Group - to install a state-of-the art CSD Platform that is comparable to any CSD Platform anywhere in the world that is capable of handling expanded functionalities in anticipation of the introduction of more capital market products onto the Ghana markets. The new platform can handle Securities Lending and Borrowing, Collateral Management, Risk Management and derivatives. It has the tools that will allow investors to have on-line access to their accounts. The consultants have been on site since the beginning of March 2015 to start the installation.

The platform will be completed by the end of October 2015. The system will be interfaced with the Automated Trading System of the Ghana Stock Exchange and the Real Time Gross Settlement System (GIS) of the Bank of Ghana for straight-through processing of transactions. It will also be linked to all the dealers including all banks, brokers, custodians and registrars. When the platform is completed, investors will hold their shares and treasury bills and bonds in a single account.

We have developed a 5-year Strategic Plan 2015-2019 that will drive the vision of the Depository to becoming a world class institution. It gives us the roadmap for the development of the Depository in the medium term. The restated vision of the Depository is: To be a global provider of efficient and reliable post trade services playing a pivotal role in the financial market in Ghana.

The strategic objectives of the Depository in the medium term are as follows:

1. To provide secure and efficient post trade services operating under international best practice to all participants and customers;
2. To drive forward development in the market through collaborative and open dialogue with financial market participants and stakeholders
3. To be a well run, professional and profitable organisation; and
4. To be a thought leader in the securities industry.

During the period, we hope to establish strategic alliances with International Securities Depositories that will help us enter the European and African Capital Markets. Discussions have already started with the London Stock Exchange to sign an MOU to that effect.

To make the Depository more visible and relevant in the market we have redesigned our website. The website will provide current and reliable data on the market to enable investors make informed decisions. It will also be a source of data for reference and research purposes.

This year we plan to organise a number of public fora and investor education to increase awareness of the general public to our services. This conference is therefore going to be the first in a series to publicise our activities and we count on your support.

Thank you.

May 5, 2015