GHANA DEPOSIT PROTECTION CORPORATION

WE PROTECT YOUR DEPOSITS

ANNUAL REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 2022

BAKER TILLY ANDAH + ANDAH
CHARTERED ACCOUNTANTS
www.bakertillygh.com

GHANA DEPOSIT PROTECTION CORPORATION
ANNUAL REPORT AND FINANCIAL STATEMENTS

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	Dr. Daniel K. Seddoh	- Member
	Mr. Andy Mensah	- Member
	Mr. Sampson Akligoh	- Member (Exited Aug. 2022)
	Mrs. Grace Mbrokoh-Ewoal	- Member (Appointed Aug.2022)
	Mrs. Pearl Esua-Mensah	- Member/CEO

BOARD SECRETARY

Sandra Elizabeth Baffoe-Bonnie Anaman
1st Floor, Cedi House
1 Liberia Road
P. O Box CT 9273
Cantonments, Accra.

REGISTERED OFFICE

Ghana Deposit Protection Corporation
1st Floor, Cedi House
1 Liberia Road
P. O Box CT 9273
Cantonments, Accra.

AUDITORS

Baker Tilly Andah + Andah
Chartered Accountants
C726/3, Nyanyo Lane, Asylum Down
P. O. Box CT 5443
Cantonments, Accra

BANKER

Bank of Ghana
One Thorpe Road
P.O. Box GP 2674
Accra.

GHANA DEPOSIT PROTECTION CORPORATION
DIRECTORS' RESPONSIBILITIES AND APPROVAL

Ghana Deposit Protection Act, 2016 (Act 931) as amended by the Ghana Deposit Protection (Amendment) Act, 2018 (Act 968) hereinafter referred to as the GDP Act, requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of the operating results of the Corporation for that year.

It also requires the Directors to ensure that the Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing these financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent in the circumstances and followed International Financial Reporting Standards and complied with the requirements of the GDP Act.

The Corporation participated in the Ghana Domestic Debt Exchange Programme (GDDEP) and exchanged old bonds with new ones at face value and settlement done on 21st February 2023. The Directors assessed the impact of the GDDEP on Government debt instruments held by the Corporation at balance sheet date and beyond. The instruments were considered credit impaired and appropriate expected credit losses were determined, to restate the securities at fair value. The going concern of the Corporation has not been affected by the GDDEP.

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 in the manner required by the GDP Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors consider the state of affairs of the Corporation to be satisfactory and have made an assessment of the Corporation's ability to continue as a going concern and have no reason to believe the Corporation will not be a going concern in the year ahead.

The external Auditors are responsible for independently auditing and reporting on the Corporation's annual financial statements. The annual financial statements have been examined by the Corporation's external Auditors and their report is presented on pages 17 to 21.

Approval of financial statements

The annual financial statements set out on pages 22 to 61, which have been prepared on the going concern basis, were approved by the Board of Directors on **27th April 2023** and were signed on their behalf by:

....	....
Dr. Ernest Addison	**Mrs. Pearl Esua-Mensah**
Board Chairman	**Chief Executive Officer**

27th April, 2023

GHANA DEPOSIT PROTECTION CORPORATION
REPORT OF THE DIRECTORS TO THE MINISTER OF FINANCE

The Directors have pleasure in presenting the audited financial statements of the Corporation for the year ended 31st December 2022.

Principal Activities

The principal activities carried out by the Corporation during the year under review are within the limits permitted by the GDP Act which are:

- To manage the Deposit Protection Scheme efficiently and effectively to protect a small depositor from loss incurred by the depositor as a result of the occurrence of an insured event and
- to support the development of a safe, sound, efficient and stable market-based financial system in Ghana by ensuring prompt payouts to insured depositors on the occurrence of an insured event.

Corporation's Results

The results of the Corporation's operations for the year ended 31st December 2022 are set out in the Statement of Comprehensive Income, Statement of Financial Position and the Notes to the financial statements from pages 22 to 61.

The results for the year are summarized as follows:

	2022 GHS'000	2021 GHS'000
Overall operating (deficit)/ surplus for the year amounted to	(137,449)	362,915
which is added to the opening balance brought forward on the fund and reserves	813,702	406,731
and receipts of GoG Seed Funding	-	44,056
leaving a closing balance to be carried forward on the fund and reserves	676,253	813,702

GDDEP and State of Affairs

The Corporation participated in the Ghana Domestic Debt Exchange Programme (GDDEP) and exchanged GHS1.2 billion old bonds with new ones at face value and settlement done on 21st February 2023. The Directors assessed the impact of the GDDEP on Government debt instruments held by the Corporation at balance sheet date and beyond. The instruments were considered credit impaired and appropriate expected credit losses amounting to GHS636 million were determined to restate the securities at fair value. Expected coupon loss due to the reduction in the coupon rates for the new bonds is assessed at GHS296 million, excluding reinvestment income.

The Directors consider the state of the Corporation's affairs to be satisfactory.

Capacity building of Directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal, and tailored programmes to enable them gain in-depth knowledge about the Corporation's business, the risks and challenges faced, the knowledge of the economic, legal and regulatory environment in which the Corporation operates. Programmes of strategic importance provided during the year ensure Directors continually update their skills, knowledge and understanding of the Corporation's businesses. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board and other Committees.

Auditors

In accordance with Section 43 (4) of Act 931, as amended, the Auditor-General of the Republic of Ghana under Article 187(2) of 1992 Constitution appointed Baker Tilly Andah + Andah as the external Auditors for the year ended 31st December 2022. They have indicated their willingness to continue in office as Auditors of the Corporation subject to the Auditor-General's re-appointment.

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Dr. Ernest Addison	**Mrs. Pearl Esua-Mensah**
Board Chairman	**Chief Executive Officer**

27th April 2023

GHANA DEPOSIT PROTECTION CORPORATION
CORPORATE GOVERNANCE REPORT

Corporate governance is the exercise of ethical and effective leadership by the governing body towards the achievement of four governance outcomes; ethical culture, good performance, effective control and legitimacy. Corporate governance seeks the achievement of the long-term goals of the organisation while maintaining the right balance with stakeholders' interests.

Strict adherence to the Corporation's Corporate Governance Policy and International best practices remains high on the agenda of Ghana Deposit Protection Corporation. As such, a framework that facilitates checks, balances, and ensures that appropriate controls are put in place to facilitate best practices for the Board of Directors and Senior Management to maximise stakeholder value governs the Corporation.

There are currently three (3) main committees through which the Board of Directors discharges its functions: Board Risk and Strategy Committee; Board Technical, Finance and Investment Committee and the Board Human Resource, Corporate Governance and Legal Committee.

Further, there is an established Audit Committee, independent of the Executive Management, drawn from Internal Audit Agency, Institute of Chartered Accountants (Ghana) and the Board.

In addition to the Board Committees, there are three (3) Management Committees to ensure effective and good corporate governance at the Management level.

The Board and Board Committees

The Board of Directors is made up of a Non-Executive Chairman, five (5) other Non-Executive Directors and one (1) Executive Director/Chief Executive Officer (CEO). The Chairman of the Board is the Governor of the Bank of Ghana. The other Non-Executive Directors are representatives of the Ministry of Finance, the Institute of Chartered Accountants Ghana, the Chartered Institute of Bankers, the Association of Ghana Industries, and the Ghana Bar Association. In August 2022, Mr. Sampson Akligoh the representative of the Ministry of Finance on the Board was replaced with Mrs. Grace Mbrokoh-Ewoal. He however serves on the risk and strategy committee as an advisor.

The Board comprises persons of mixed skills with experience in different fields of human endeavour. The Directors possess the requisite skills and experience, integrity and business acumen to bring independent judgment to bear on Board deliberations for the good of the Corporation. The Directors are conscious of their statutory responsibilities as well as their responsibilities to stakeholders. The Board is responsible for the strategic direction of the Corporation.

Separation of Powers

The roles of Chairman and Chief Executive Officer are separate with a clear division of responsibilities between them.

Functions of the Board

In accordance with the GDP Act, the Board shall:

- recommend the Chief Executive Officer of the Corporation for appointment by the President;
- make rules and prescribe procedures for the management and operations of the Corporation;
- approve the financial and operational plans, budget and financial statements of the Corporation;
- approve the investment and other policies, and guidelines of the Corporation;

- propose amendments to the GDP Act based on operational experiences in the implementation of the GDP Act;
- approve payments for reimbursement of depositors on the occurrence of an insured event;
- manage the Protection Fund;
- approve emergency funding and borrowing for emergency purposes in accordance with section 46 of the GDP Act.
- approve the number of staff as recommended by the Chief Executive Officer; and
- approve international bodies of which the Corporation may become a member.

The Board meets at least once every quarter but may hold extraordinary meetings as the business of the Corporation demands.

Business Strategy

The Board approves and monitors the overall business strategy of the Corporation taking into account the long-term financial interest of the Corporation, its exposure to risk and its ability to manage risk effectively. The Board approves and oversees the formulation and implementation of the:

(i) overall risk strategy, including its risk tolerance/appetite;
(ii) policies for risk, risk management and compliance
(iii) internal control systems;
(iv) corporate governance framework, principles and corporate values including a code of conduct and
(v) compensation system.

Corporate culture and values

The Board has established corporate culture and values for the Corporation that promote and reinforce norms for responsible and ethical behavior in terms of the Corporation's risk awareness, investment, and risk management. The Corporation has put in place a Code of Conduct Policy and a Conflict of Interest Policy to guide the business of Deposit Insurance by staff and Board at GDPC.

Related Party Transactions

The Board ensures that transactions with related parties are disclosed prior to their execution and devoid of conflict of interest. No related party transaction occurred in the period under review.

Succession Plan

- The Corporation has empowered its staff and executives to be capable of taking up any opportunity that presents itself in the near future. This deliberate effort focuses on developing human resources to enable the Corporation to retain a pool of qualified candidates who are ready to compete for key positions when they become vacant. This is to ensure effective continuity of the deposit insurance business.

The Board Chairman

The Chairman of the Board is a non-executive director and the Governor of Bank of Ghana in accordance with Section 25 (1) (a) of the GDP Act. The Chairman provides leadership to the Board and ensures that Board decisions are taken on a sound and well-informed basis. The Chairman encourages, promotes critical discussion, and ensures that dissenting views can be expressed and discussed within the decision-making process. The Chairman encourages constructive relationship within the Board and between the Board and Management. He promotes checks and balances in the governance structure of the Corporation. He does not serve as a Chairman or member of any of the Board sub committees.

The Board Secretary

The Board Secretary serves as an interface between the Board and Management and supports the Chairman in ensuring the smooth functioning of the Board. The Board Secretary advises the Board on matters relating to statutory duties of the Directors under the law, disclosure obligations, and the GDP Act as well as on matters of corporate governance requirements and effective Board processes. The Board Secretary ensures that Directors are provided with complete, adequate, and timely information prior to Board meetings.

Schedule of attendance at Board Meetings

Below is the schedule of attendance at Board meetings during the year.

No	Name	11th Meeting held on18th Feb. 2022	Special Meeting held on 28th March 2022	12th Meeting held on 30th April 2022	13th Meeting held on 12th Aug. 2022	14th Meeting held on 4th Nov. 2022	15th Meeting held on 22nd Nov. 2022
1	Dr. Ernest Addison	Yes	Yes	Yes	Yes	Yes	Yes
2	Dr. Daniel Seddoh	Yes	Yes	Yes	Yes	Yes	Yes
3	Bishop Mrs. Patricia Sappor	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Sampson Akligoh	Yes	Yes	Yes	Yes	N/A	N/A Exited from the Board
5	Mr. George Amissah Jnr.	Yes	Yes	Yes	Yes	Yes	Yes
6	Mrs. Pearl Esua-Mensah/ CEO	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr. Andy Mensah	Yes	Yes	Yes	Yes	Yes	Yes
8.	Mrs. Grace Mbrokoh-Ewoal	Not Appointed	Not Appointed	Not Appointed	Yes	Yes	Yes

Committees

The Board is empowered by the GDP Act to establish committees consisting of members of the Board or non-members or both to perform a function. The Board delegates certain functions to well-structured committees but without abdicating the Board's responsibilities. These Committees have been set up in accordance with statutory requirements and Board Charter. Each Committee has well-defined terms of reference to guide their functions. The Committees consider only matters that fall within their purview to avoid decision overlaps. The Committees of the Board meet each quarter but may hold extraordinary meetings to address urgent issues that may arise. The Board Committees were reconstituted at the 14th Regular meeting of the Board on November 4th 2022 following the exit of Mr. Sampson Akligoh from the Board.

The Board Secretary serves as secretary to all the committees.

Board Risk and Strategy Committee

There are three (3) members and one (1) advisor of this committee with the CEO in attendance. The Committee is made up of three (3) non-executive Directors and external advisor. Prior to the exit of Mr. Sampson Akligoh from the Board the Committee was constituted as follows:

Name		**Position**
Mr. Sampson Akligoh	–	Chairman
Dr. Daniel Seddoh	–	Member
Mr. George Amissah Jnr	–	Member

The current composition of the Risk and Strategy Committee is as follows:

Name		**Position**
Bishop Patricia Sappor	–	Chairman
Dr. Daniel Seddoh	–	Member
Mr. George Amissah Jnr	–	Member
Mr. Sampson Akligoh	_	Advisor

The Committee's primary role is to ensure adherence to the development and achievement of Corporate strategy and risk, identification and management of financial risk and, compliance with applicable internal policies, local and international Acts and Standards.

Meetings are held on a quarterly basis. Other members of management may be invited to the Committee's meetings as and when appropriate. A report is provided to the full Board at each sitting.

Board Technical, Finance and Investment Committee

The Board's Technical, Finance and Investment Committee is responsible for overseeing and facilitating the development and implementation of the Corporations ongoing technical and investment strategy. It also ensures that the Corporation's budget is prepared and approved on schedule and investments are made in accordance with the GDP Act.

The Board Technical, Finance and Investment Committee is made up of four (4) Non-Executive Directors with the Chief Executive Officer in attendance. Prior to the exit of Mr. Sampson Akligoh from the Board the Committee was constituted as follows:

Name		Position
Dr. Daniel Seddoh	–	Chairman
Bishop Patricia Sappor	–	Member
Mr. Sampson Akligoh	–	Member
Mr. Andy Mensah	-	Member

The current composition of the Technical, Finance and Investment Committee is as follows:

Name		Position
Dr. Daniel Seddoh	–	Chairman
Bishop Mrs. Patricia Sappor	–	Member
Mr. Andy Mensah	–	Member
Mrs. Grace Mbrokoh-Ewoal	_	Member

The Committee reviews and submits reports to the Board on the Corporation's operational activities, financial performance, portfolio management, external and internal economic developments, market conditions and annual operating budget.

Board Human Resources, Corporate Governance and Legal Committee

The general purpose of the Human Resource, Corporate Governance and Legal Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the compensation, benefits and other human resource matters affecting the employees of the Corporation as well as overseeing corporate governance, regulatory and legal matters.

The Committee is composed of three (3) Non-Executive Directors with the Chief Executive Officer in attendance. The Human Resources, Corporate Governance and Legal Committee was constituted as follows:

Name		Position
Bishop Patricia Sappor	–	Chairman
Mr. George Amissah	–	Member
Mr. Andy Mensah	–	Member

The current composition of the Human Resources, Corporate Governance and Legal Committee is as follows:

Name		Position
Mr. George Amissah Jnr	–	Chairperson
Mr. Andy Mensah	–	Member
Mrs. Grace Mbrokoh-Ewoal	_	Member

The Committee is charged with strategic man-power development, enduring corporate governance system, legal and compliance with laws, rules and regulations to execute the Corporation's mandate enshrined in the GDP Act.

Audit Committee

The Committee is to provide an independent objective assurance and consulting service, that is capable of adding value and improve on GDPC's operations. In particular, the Committee is to help bring a systematic disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes at the Corporation. The Committee is set up in accordance with Sections 86 and 87 of Public Financial Management Act 2016 (Act 921) and complies with Internal Audit Agency Act.

The Committee is composed of five (5) Non-Executive Directors; two (2) nominated from Internal Audit Agency, one (1) nominated from Institute of Chartered Accountants (Ghana), who has been elected chairman of the Committee and two (2) from the Board of Directors of GDPC. The Chief Executive Officer and Internal Audit Manager attend all meetings. Members are as listed below:

Name		**Position**
Mr. Stephen Frimpong	–	Chairman (external)
Miss Pamela Osei	–	Member (external)
Mr. Frank Amedume	–	Member (external)
Bishop Mrs. Patricia Sappor	–	Member (GDPC board member)
Dr. Daniel Seddoh	–	Member (GDPC board member)

Profile of Board of Directors

Dr. Ernest Addison (Chairman and Non-Executive Director)

Dr. Ernest Addison is the Governor of the Bank of Ghana. He graduated from the University of Ghana with B. A. (Hons) Economics in June 1986, attained M. Phil. Economics and Politics at the Cambridge University in the United Kingdom, and then obtained PhD in Economics at McGill University in Montreal, Canada in June 1993 with specialization in Monetary Economics, Economic Development and International

Economics. In addition to these degrees, Dr. Addison has taken several central banking training programmes in the USA, Switzerland, England, and Israel, to name a few.

Dr. Addison has worked extensively in the economic policy arena, with a focus on economic development, monetary policy formulation and implementation, and macroeconomic surveillance. He has chaired several committees, including the International Taskforce on WAMZ, Economic Policy Coordinating Committee, and the Technical Committee on Redenomination of the Cedi, and the Taskforce on Second Monetary Zone Project.

Dr. Addison was appointed the Lead Economist, Regional Operations South B, at the African Development Bank from 2011 to 2013, and then as Lead Regional Economist Southern African Resource Centre from 2014 to 2016 where he led the policy dialogue in the Southern African region of the African Development Bank. Dr. Addison was appointed Governor of the Bank of Ghana on April 3, 2017.

Dr. Addison was elected the 2020 Chair of the Board of Governors of the IMF and World Bank at the 2020 Annual meetings of the World Bank and the IMF in Washington DC. He is currently Co-chair of the Financial

Stability Board (FSB), a Regional Consultative Group for Sub-Saharan Africa, Chairman of the Board of Directors of the Ghana International Bank, and a member of the Ghana Cocoa Board, among others.

Dr. Addison demonstrates strong leadership, management and policy skills, and inspires confidence and credibility within the financial sector.

Mrs. Pearl Esua-Mensah (Chief Executive Officer)

Mrs. Pearl Esua-Mensah is an experienced world-class business leader with a demonstrated history of working experience in the financial services industry. Prior to being appointed Chief Executive Officer of GDPC, she was the Founder and Managing Consultant of Feniks Ltd (a business consulting firm). She was the Chief Executive Officer of Media General Ltd, a group of media organizations in Ghana from September 2017 to September 2018 and prior to that served as the Deputy Managing Director of UT Bank Ghana. Other appointments include Group Financial Accountant for Parity Group PLC and Group Reporting Accountant for Kantar Group in the United Kingdom.

She chaired the Ashesi University's Board of Directors from 2017 to 2023, having served on the Board since 2014 and headed the Board's Finance Committee till she became its chairperson in 2017. Mrs. Esua-Mensah has over 25 years global experience in a number of sectors including Banking and Finance, IT and Media. She has experience in mergers and acquisitions, capital raising, total business re-organisations, strategy development and implementation, project management and development of operational systems.

Mrs. Esua-Mensah holds a BSc in Business Administration from the University of Ghana, Legon and an MBA from the Manchester Business School. She is also a Fellow of the Association of Chartered Certified Accountants (FCCA).

Dr. Daniel Seddoh (Non-Executive Director)

Dr. Daniel Seddoh is the former Chief Executive Officer of the National Pensions Regulatory Authority. He was also the Acting Managing Director of Universal Merchant Bank during the bank's transitional period.

Dr. Seddoh served as a Board Member and the Audit Committee Chairman for Universal Merchant Bank for four (4) years and also served as the Board Chairman for All Terrain Services Limited, (a hospitality company which operates in over ten (10) countries across Africa), Millennium Insurance Company Limited and Appointed Time Screen Printing Company Limited. He is currently a Non-Executive Director of Databank MFund Plc and Kasapreko Company Limited. He is also an Executive Director of Riscovery Limited – an insurance brokerage and consultancy firm.

Dr. Seddoh's employment history spans across the financial services sector (pensions, insurance, banking, finance and leasing among others); and his relationship with the insurance industry covers over two decades.

Dr. Seddoh, a Chartered Accountant, trained with KPMG. His formal education took him through the Manchester Business School for his Master's in Business Administration and University of Bradford for his doctorate in Business Administration, all in the United Kingdom. Dr. Seddoh is a Fellow of the Institute of Chartered Accountants-Ghana, and a member of Chartered Institute of Taxation-Ghana and Chartered Insurance Institute of Ghana.

He is the representative of the Institute of Chartered Accountants (Ghana) on the Board.

Bishop Mrs. Patricia Sappor (Non-Executive Director)

Rev. Mrs. Patricia Sappor is the immediate past president of the Chartered Institute of Bankers. She currently serves on the Council of the Chartered Institute of Bankers and is the Chairman of the Advisory Committee of the Chartered Institute of Bankers. Bishop Sappor also serves on the Ethics Committee of the Council of the Chartered Institute of Bankers.

Bishop Sappor previously served as Group Head of Customer Service for Ecobank, ensuring a positive customer experience across the 26 countries in Africa where Ecobank was present at the time. Rev. Mrs. Sappor later rose to the position of Regional Head of Corporate Communications, Ecobank Ghana and Anglophone West Africa (AWA), where she became responsible for corporate communications and marketing for Ecobank Ghana, Liberia, Sierra Leone, Gambia and Guinea, having previously worked in various areas of banking such as Risk Management, Treasury, Operations, Trade Service, Retail and Branch Banking, among others.

Prior to being elected President of CIB, Rev. Mrs. Sappor served as Vice President of the Institute from 2012 to 2016, after having served for over 13 years representing Ecobank on the Institute's Governing Council. She is a proactive and results oriented professional with over 33 years' experience in banking, among others.

Rev. Mrs. Sappor is a Chartered Banker with the Institute of Financial Services, UK, and an alumnus of the University of Leicester, UK, where she graduated with an MBA (Finance Option). She also holds a CPD diploma in Public Relations and Reputational Management with the London School of Public Relations.

She is the representative of the Chartered Institute of Bankers (Ghana) on the Board.

Mr. Andy Mensah (Non-Executive Director)

Mr. Andy Mensah (a holder of BSC Administration (Accounting),|FCMA, CGMA|MSC Development Finance|SPHRi), has over 18 years working experience with many organizations spanning public services, manufacturing and IT sectors, of which 12 years was in senior management position. He started his career with the Coca Cola bottling plant in Kumasi, before moving to the UK where he worked for Birmingham City Council and Denise Mastersons International Ltd.

He has also worked with Ayum Forest Products Ltd, a timber manufacturing and exporting firm in Ghana as a Chief Accountant and subsequently joined IBM Ghana Limited as a Financial Analyst until he was later asked to

start the HR practice for IBM in Ghana. At IBM, Mr. Mensah was later given the added responsibility for Middle East Africa, advising managers on HR and ER matters. He is currently the Human Resource and Administration Manager for Tropical Cable & Conductor Ltd, and also serves on the management teams of Western Rod & Wire Ltd as well as Premier Quality Ltd.

Andy Mensah is a Fellow of the Chartered Institute of Management Accountants (CIMA) and also holds a Senior Professional qualification in Human Resources.

Mr. Andy Mensah is the Association of Ghana Industries (AGI) representative on the Board

Mr. George Amissah Jnr. (Non-Executive Director)

Mr. George Amissah is an Attorney and a Notary Public with over twenty-five (25) years of post-qualification experience in legal practice at the Ghana Bar. His specialization includes corporate and investment law, banking and finance law, labour and employment law, corporate governance, immigration law, among others.

Mr. George Amissah Jnr has previously served on the Boards of Accra City Car Parks Limited and currently serves on the Board of Newco Catering & Logistics Limited.

He holds an LLB Degree from the University of Ghana and a Bachelor of Laws Degree from the Ghana School of Law. He is a member of the Ghana Bar Association.

He is the representative of the Ghana Bar Association on the Board

Mrs. Grace Mbrokoh-Ewoal (Non-Executive Director)

Grace Mbrokoh-Ewoal graduated from the University of Ghana with a Bachelor of Law with Political Science in June 1994.

A qualified Barrister and Solicitor of the Supreme Court of Ghana and a Notary Public, she holds a Qualifying Certificate in Law from, the Ghana School of Law, having been called to the Bar in Ghana in February 1997, and appointed a Notary Public in October 2019.

Grace also has proficiency in the field of finance, having undertaken training in some finance-focused courses over the years, such as the IMF's course on Fiscal and Tax Law as well as Islamic Banking and Finance in 2016.

She has 25 years of post-qualification experience as a legal practitioner and prior to her current appointment served as Chief State Attorney in the Office of the Attorney General and Ministry of Justice, having risen through the ranks upon her initial appointment as an Assistant State Attorney in 1997.

She started her career as a State Prosecutor from November 1997 to February 2002. Between February 2002 and March 2009, she worked as the Legal Officer in the Recoveries Unit of the Risk Management Division of the then SG-SSB Bank (now Société Générale, Ghana), attaining the position of Assistant Manager. She was re-engaged by the Ministry of Justice in September 2009 as Senior State Attorney.

Grace Mbrokoh-Ewoal assumed the role of Director Legal of the Ministry of Finance in January 2022. Mrs. Ewoal is the representative of the Ministry of Finance on the Board.

Mr. Sampson Akligoh (Risk and Strategy and Strategy Committee -Exited Aug. 2022)

Mr. Sampson Akligoh is the Acting Director of the Financial Sector Division of the Ministry of Finance. Prior to his role at the Ministry, he worked in the financial services industry in the fields of Asset Management, Advisory Services and Economics.

Mr. Akligoh was the Managing Director of InvestCorp, a financial services firm in Accra, Ghana. He also served as a Vice President at Databank where he was Head of Research and a Fixed Income Strategist. Mr. Akligoh also worked at SIC Financial Services Limited and with ADC African Development Corporation AG in Frankfurt, Germany.

Mr. Akligoh holds a BA in Economics and Law (First Class Honors) from the Kwame Nkrumah University of Science & Technology, Ghana, and a master's degree in Economic Policy and Corporate Strategy from the Maastricht School of Management in the Netherlands.

Mr. Akligoh was the representative of the Ministry of Finance on the Board until August 2022 when he was replaced with Mrs. Grace Mbrokoh-Ewoal. Mr. Akligoh has been appointed as an Advisor to the Risk and Strategy Committee.

Management Committees

Management Committees are various committees comprising of senior management of the Corporation. The Committees are risk driven as they are basically set up to identify, analyse and make recommendations on risks arising from the day-to-day activities of the Corporation. They also ensure that risk appetite as contained in the governance policies in line with the GDP Act are always complied with. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board and Audit Committee, as well as external Auditors are effectively and efficiently implemented.

They meet as frequently as the risk issues occur to immediately take actions and decisions within the confines of their powers. The key Management Committees in the Corporation are:

- Executive Management Committee (EXCO)
- Executive Investment Advisory Committee (IAC)
- Entity Tender Committee (ETC)

Executive Management Committee (EXCO)

The Committee is the highest management decision-making body of GDPC, made up of the Chief Executive Officer as the Chair. Other members are the Head of Risk & Strategy, the Head of Operations and Information Technology, the Head of Legal, and the Head of Finance.

The Committee meets every week to review implementation of Corporation's strategy, technical and operational performance, management information system, IT deployments, infrastructure, network and applications. Other critical areas considered are legal and governance issues, financial performance, investments, fund management, human capital efficiency and administration.

Investment Advisory Committee (IAC)
The Committee is chaired by the Chief Executive Officer. Other members are the Head of Risk & Strategy, the Head of Operations and Information Technology, and Head of Finance, the Investment manager is secretary to the committee with other relevant managers and officers in attendance.

The Committee is charged with the management of the Funds in line with the Board approved Investment Policy and Strategy of the Corporation, with the objective of growing the Deposit Protection Fund Scheme in a safe, sound and sustainable manner, in line with the GDP Act.

Entity Tender Committee
The Corporation has an Entity Tender Committee (ETC), in compliance with the Public Procurement Act, 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016 (Act 914), that ensures procurement

procedures for goods, services and works have been adhered to as prescribed by the Public Procurement Act, 2003 (Act 663), as amended.

Systems of Internal Control

The Corporation has well-established internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance of the effectiveness of operations, reliability of financial reporting and compliance with applicable laws and Acts.

Code of Ethics

The Board is guided to maintain a strong ethical culture communicated in the Board Charter and the Oath of Confidentiality every member took on induction to the Board. Also, Management has communicated the principles in the Staff Manual to its employees in the discharge of their duties. This manual sets the professionalism and integrity required for business operations which covers compliance with the law, confidentiality, conflict of interest, bribery and strict adherence to these principles to eliminate the potential for illegal practices.

Conflict of Interest

Directors have a statutory duty in terms of the GDP Act, not to place themselves in a position which gives rise to real, perceived, or substantial possibility of conflict of interest or duty in relation to any matter(s) which is, or are likely to be brought, before the Board. In that regard Board Members are bound by the Code of Conduct and Conflict of Interest Policy as approved by the Board. This Policy applies to both Board Members and Employees of the Corporation.

Annual Certification

The Board certifies that:

(i) It has independently assessed and documented the corporate governance process of the Corporation and has generally achieved its objectives.

(ii) The Directors are aware of their responsibilities to the Corporation as persons charged with governance.

(iii) It confirms that it shall report any material deficiencies and weaknesses that it identifies in the course of the year along with action plans and timetables for any corrective action.

INDEPENDENT AUDITORS' REPORT
TO THE MINISTER OF FINANCE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ghana Deposit Protection Corporation, which comprise the Statement of Financial Position as at 31st December, 2022 and the Statement of Comprehensive Income, Statement of Changes in Fund balances and Reserves, and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies as set out on pages 22 to 61.

In our opinion, the financial statements of Ghana Deposit Protection Corporation present fairly, in all material respects, the financial position of the Corporation as at 31st December, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Act 931, as amended.

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 are independent of the Corporation in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Impairment of Financial Assets

Impairment of financial assets is a key audit matter due to the significance, complexity and subjectivity of estimating timing and the amount of impairment**.** The Corporation's financial assets and impairment as at 31st December 2022, were as follows.

	2022		2021	
	Gross Amount GHS'000	**Impairment GHS'000**	**Gross Amount GHS'000**	**Impairment GHS'000**
Cash & Cash Equivalents	10,998	-	52,202	-
Investment Securities (Short Term)	423,159	243	205,521	-
Accounts Receivable	82,149	3,592	67,626	2,748
Investment Securities (Medium Term)	811,663	636,197	513,635	-
	1,327,969	640,032	838,984	2,748

The impairment of financial assets was determined on a three-stage expected credit loss impairment model as required by IFRS 9. IFRS 9 requires the application of considerable judgement and interpretation in its implementation. These judgements define the development and implementation of the new models used to measure the expected credit losses on relevant financial assets.

Forward-looking information, which shows management's assessment of probable future economic environment, are required to be factored in the determination of Expected credit losses (ECLs). This can be complicated process and requires significant judgement in establishing appropriate methodologies to arrive at reasonable outcome.

IFRS 9 models come along with increases in data inputs and this increases the risk of obtaining comprehensive data that gives the correct description of appropriate and real-world variable in its right context and attributes. In instances where data is not available, alternatives were applied to make calculations possible.

We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:

- Significant increase in credit risk – with particular emphasis on the qualitative and quantitative criteria used by the Corporation in such determination.
- Definition of default and credit impaired assets with particular emphasis on the qualitative and quantitative criteria used by the Corporation.
- Probability of Default - PD - (estimate of the likelihood that debt instrument issuers and premium defaulters will be unable to meet their debt obligations over a particular time horizon).
- Exposure At Default - EAD - (amount expected to be owed the Corporation at the time of default).
- Loss Given Default - LGD - (percentage exposure at risk that is not expected to be recovered in an event of default).
- Forward looking economic information and scenarios used in the models.
- Completeness, accuracy, and integrity of data used in the model and the Expected Credit Loss (ECL) calculations.

How the matter was addressed in our audit:

We obtained an understanding and evaluated controls supporting management's estimates, judgements and assumptions and tested selected key controls focusing on the completeness and accuracy of data used as input to the models including the transfer of data between source systems and the impairment models.

We examined a sample of receivables which had not been identified by management as impaired or for which there was no significant increase in credit risk at the reporting date and formed our own judgement.

We tested data used in the ECL calculation on investment securities by reconciling to source systems to check data quality. We assessed the reasonableness of forward-looking information incorporated into the impairment calculations.

We also performed procedures including the following:

- We evaluated the design and tested the operating effectiveness of key controls over:
  - The internal credit management process to assess the investment securities and receivable quality classification used to identify ECL and impaired receivables;
  - Implementation of the definition of default and significant increase in credit risk applied in

calculating the modelled receivable impairments; and
- The valuation of future cash flows, based on the appropriate use of key parameters for the impairment allowance.

- We evaluated the reasonableness of the model methodology and performed recalculation of the expected credit losses for investment securities and receivables.
- We tested input data in respect of the critical data elements, challenged management assumptions and obtained reasonable explanations and evidence supporting the key model parameters (including the significant increase in credit risk, PD, LGD and EAD).
- We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied.
- We tested completeness and accuracy of the transfer of data from underlying source systems to the expected loss calculations.
- We selected appropriate samples of individually credit-impaired investment securities, receivables and considered whether the key judgements and significant estimates applied in the impairment were reasonable. We:
  - recalculated the expected credit losses on the individually credit-impaired investment securities, receivables and
  - assessed the adequacy of the disclosures, including disclosures on estimation uncertainty and judgements, to assess compliance with the disclosure requirements included in IFRS 7- *Financial Instrument: Disclosures.*

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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 that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines 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 Corporation'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 Corporation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 judgment and maintain professional skepticism throughout the planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- 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 are required to communicate with the Board 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.

Report on other Legal and Regulatory Requirements

The Audit Service Act, 2000 (Act 584) requires that in carrying out our audit work 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 the audit;
- in our opinion proper books of account have been kept by the Corporation, so far as appears from the examination of those books;
- the Corporation's financial statements are in agreement with the books of account.

The engagement partner on the audit resulting in the independent auditor's report is **SAMUEL ABIAW (ICAG/P/1454)**

Baker Tilly Andah + Andah

……………………………………………………….. **28th April, 2023**

Baker Tilly Andah + Andah (ICAG/F/2022/122)+

Chartered Accountants
C76/3, Nyanyo Lane, Asylum Down
Accra

GHANA DEPOSIT PROTECTION CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 GHS'000	2021 GHS'000
Annual Premiums	7	317,636	274,200
Interest Income	8	199,006	92,776
Other Income	9	11,699	12,943
TOTAL INCOME		528,341	379,919
Impairment charge on financial assets	10	(637,284)	(94)
NET INCOME		(108,943)	379,825
Employee Costs	11	(15,404)	(8,706)
Administrative Expenses	12	(9,762)	(5,462)
Depreciation and Amortization	13	(3,340)	(2,742)
(DEFICIT)/ SURPLUS FOR THE YEAR		(137,449)	362,915
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		**(137,449)**	**362,915**

The Corporation is exempt from income tax in accordance with section 7(1) (c) of the Income Tax Act 2015, (Act 896) as amended and section 48 of the GDP Act.

GHANA DEPOSIT PROTECTION CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Note	2022 GHS'000	2021 GHS'000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	2,203	2,843
Intangible Assets	15	2,365	4,677
Investment Securities (Medium Term)	16	175,466	513,635
TOTAL NON-CURRENT ASSETS		180,034	521,155
CURRENT ASSETS			
Investment Securities (Short Term)	17	422,916	205,521
Accounts Receivable	18	78,557	64,878
Cash and Cash Equivalents	19	10,998	52,202
TOTAL CURRENT ASSETS		512,471	322,601
TOTAL ASSETS		**692,505**	**843,756**
RESERVES & LIABILITY			
FUND & RESERVES			
Fund A	20	581,463	721,712
Fund B	20	53,476	67,679
GDPC Operating Reserves	20	41,314	24,311
TOTAL FUND & RESERVES		676,253	813,702
LIABILITIES			
NON-CURRENT LIABILITY			
Deferred Grant	21(a)	636	1,188
CURRENT LIABILITIES			
Deferred Grant	21(b)	10,978	21,956
Accounts Payable	22	4,638	6,910
TOTAL CURRENT LIABILITES		15,616	28,866
TOTAL LIABILITIES		16,252	30,054
TOTAL FUND & RESERVES & LIABILITIES		**692,505**	**843,756**

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Dr. Ernest Addison
Board Chairman

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Mrs. Pearl Esua-Mensah
Chief Executive Officer

27th April, 2023

GHANA DEPOSIT PROTECTION CORPORATION
STATEMENT OF CHANGES IN FUND BALANCES AND RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Fund A GHS'000	Fund B GHS'000	GDPC Reserves GHS'000	Total GHS'000
2022				
Opening balance as at 1st January	721,712	67,679	24,311	813,702
Operating Deficit for the year	(140,249)	(14,203)	17,003	(137,449)
Closing balance as at 31st December	581,463	53,476	41,314	676,253
2021				
Opening balance as at 1st January	365,234	35,103	6,394	406,731
Operating Surplus for the year	316,828	28,170	17,917	362,915
GoG Seed Funding Tranche 2	39,650	4,406	-	44,056
Closing balance as at 31st December	721,712	67,679	24,311	813,702

GHANA DEPOSIT PROTECTION CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

		2022 GHS'000	2021 GHS'000
Cash Flows from Operating Activities			
Total comprehensive Income for the Period		(137,449)	362,915
Adjustments For:			
Depreciation and Amortizations		2,788	2,190
Revenue Grant Appropriation		(10,978)	(10,978)
Operating (Deficit)/ Surplus Before Working Capital Changes		(145,639)	354,127
Increase in Accounts Receivable		(13,679)	(24,761)
(Decrease)/ Increase in Accounts Payable		(2,272)	4,580
Net Cash Generated from Operating Activities		(161,590)	333,946
Cash Flows from Investing Activities			
Receipt/ (Purchase) of Investments		120,773	(340,057)
Acquisition of Property, Plant and Equipment		(387)	(1,274)
Acquisition of Intangible Assets		-	(381)
Net Cash Received/ (Used) In Investing Activities		120,386	(341,712)
Cash Flows from Financing Activities			
GoG Seed Fund Tranche 2		-	44,056
Net Cash Used In Financing Activities		-	44,056
Net (Decrease)/ Increase in Cash and Cash Equivalents		(41,204)	36,290
Cash and Cash Equivalents as at 1st January		52,202	15,912
Cash and Cash Equivalents as at 31st December	19	10,998	52,202

GHANA DEPOSIT PROTECTION CORPORATION
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	01/01/2022 GHS'000	Change During the Year GHS'000	31/12/2022 GHS'000
Cash	3	121	124
Bank Balances	52,199	(41,325)	10,874
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Cash and Cash Equivalents	52,202	(41,204)	**10,998**
	====	====	====

1. REPORTING ENTITY

Ghana Deposit Protection Corporation was established by the GDP Act, as amended, to protect the small depositor from loss upon occurrence of an insured event. The registered office of Ghana Deposit Protection Corporation is located on the 1st Floor, Cedi House, Liberia Road, Accra, Ghana.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

b. Basis of Measurement

The financial statements are presented in Ghana Cedis, which is Ghana Deposit Protection Corporation's functional currency, rounded to the nearest thousand cedis. They are prepared on the historical cost basis except for financial assets and liabilities that are measured at fair value through profit or loss which are stated at their fair values

c. Use of Estimates and Judgement

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes to the financial statements.

d. Useful life of Property Plant and Equipment

The Corporation's Board determines and reviews the estimated useful lives of property, plant and equipment and related depreciation charges. The rates applied are set out in note 3.d. Changes in the estimate in the future years might affect the carrying amounts of associated property, plant and equipment with corresponding effect on the depreciation, impairment.

e. Determining Fair Values

A number of the Corporation's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The Corporation regularly reviews significant unobservable inputs and valuation judgements. When measuring the fair value of an asset or a liability, the Corporation uses market observable data as far as possible.

f. Contingencies

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Corporation, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

g. Segment Reporting

The Corporation has elected not to provide segmental information in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently for the period presented in these financial statements by the Corporation

a. Revenue Recognition

For the purposes of revenue recognition, the Corporation fully takes into account the provisions of IFRS 15 which establishes a comprehensive framework for determining whether the criteria for revenue recognition have been met, how much and when revenue is to be recognised. Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for the services.

This core principle is achieved through a five-step methodology as required to be applied to all contracts with customers.

- The Corporation determines whether a contract exist between the Corporation and a customer
- Performance Obligations of the contract are identified
- The transaction price is determined (the amount the Corporation expects to be owed for the service it has delivered).
- The transaction price is allocated to each of the performance obligations identified in the contract
- The Corporation recognises performance obligations that are satisfied.

The above model has been applied in the recognition of the following:

i. Premium

Premium income comprises initial and annual premiums invoiced deposit-taking financial institutions licensed by Bank of Ghana in the country. Premiums are recognised as earned in the period in which they are invoiced and fall due, except premiums issued to members with long-outstanding unpaid premiums, which are on cash basis.

ii. Interest Income

Interest income for all interest-bearing financial instruments, except for those that are held for trading or designated as fair value through profit and loss, are recognised as interest income in the income statement using the effective interest method. The effective interest rate is the rate that discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter year, to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

The effective interest rate is established on initial recognition of the financial asset. When calculating the effective interest rate; the Corporation estimates cash flows considering all contractual terms of the financial instrument but not premium-impaired losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

iii. Amortised cost and gross carrying amount

The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition of the principal amount invested, plus or minus the cumulative effective interest amount of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected impaired loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected impaired loss allowance.

iv. Calculation of interest income and expenses

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

v. Presentation

Interest income presented in the income statement includes interest on financial assets measured at amortised cost calculated on an effective interest basis.

Where applicable, interest income on all trading assets is considered to be incidental to the Corporation's business operations and are presented together with all other changes in the fair value of business assets in net income from other financial instruments carried at Fair Value Through Profit and Loss (FVTPL).

Interest income on other financial assets at FVTPL are presented in interest income.

b. Foreign Currency Transactions

The Corporation's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses (if any), resulting from the settlement of such transactions, and from translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies (if any), are recognized in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, exchange rate at the date fair value was determined if held at fair value, and the resulting foreign exchange gains and losses (if any) are recognized in the income statement or shareholder's equity as appropriate.

c. Employee Benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Corporation pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Corporation contributes to the contributory three-tier pension scheme consisting of a mandatory Basic National Social Security Scheme (defined benefit scheme- Tier 1), mandatory fully funded and privately managed occupational pension scheme (defined contribution- Tier 2) and voluntary fully funded and privately managed provident fund pension scheme (defined contribution tier 3) in accordance with the National Pensions Act,2008 (Act 766). The obligations under the tier-one, tier-two and tier-three schemes are limited to specific contributions legislated from time to time, including vesting rules for provident funds, currently an amount equal to 13.5%, 5% and 12.5% of an employee's basic salary per month respectively. The contributions to the above schemes by the employer are 13% into tier 1 and 2 (combined) and 7.5% into tier 3 (i.e. the Corporation's obligation) and employees contribute 5.5% into both tier 1 and 2 (combined) and 5% into tier 3 (i.e. employees' obligation). The schemes are funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income when they are due.

Short-Term Benefits
Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits is recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayments.

Wages and salaries payable to employees are recognised as an expense in the statement of comprehensive income at gross. The Corporation's contribution to social security fund is also charged as an expense.

d. Property, Plant and Equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

(iii) Depreciation
Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

Depreciation is computed using the following annual rates:

Motor Vehicles	20%
Furniture and Fittings	25%
Office Equipment	25%
Computer software	33.33%

Depreciation methods, useful lives and carrying amounts are reassessed at each reporting date. The carrying amounts of property, plant and equipment are assessed whether they are recoverable in the form of future economic benefits.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the income statement as other income.

e. Impairment of Non-financial Assets.

The carrying amount of the Corporation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f. Intangible Assets

Intangible Assets acquired by the Corporation is measured at cost less accumulated amortization and accumulated impairment losses.

Computer software
Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that are clearly associated with an identifiable and unique product which will be controlled by the Corporation and has a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset. Expenditure which enhances and extends computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original costs of the software.
Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is calculated on a straight-line basis over the estimated useful lives not exceeding a period of 3 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g. Grants

The Corporation recognizes a grant when it is received. Grants that compensate the Corporation for expenses incurred are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Corporation will comply with the conditions associated with the grant. The grant is then recognised in profit or loss as other income on a systematic basis over the period the grant covers, or any other reasonable period determined by the Board, where the grant does not come with defined timelines and conditions. Grants relating to Property Plant and Equipment are recognised over the estimated useful life of the assets involved. Government assistance grants are disclosed in the financial statements in the period they are received.

The Corporation's grants represent grants received from the Bank of Ghana (BoG) in the forms of financial support and property, plant and equipment. The amount was treated as a liability (deferred income) for subsequent release into income. Grant income recognized periodically in income statement is arrived at by amortizing grant received over the useful lives of the assets, in this case property, plant and equipment.

The Government of Ghana provided seed funding amounting to GHS83.12 million, (equivalent to 13 million Euros sourced from KfW) to set up the protection fund.

h. Financial Assets and Liabilities

(i) Initial measurement of financial instruments
The Corporation recognizes financial assets and financial liabilities on the trade date, which is the date on which the Corporation becomes a party to the contractual provisions of the instrument. Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and Measurement categories of financial assets and liabilities
The Corporation has classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost.
- Fair value through other comprehensive income (FVOCI).
- Fair Value through Profit or Loss (FVTPL)

The Corporation may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

The classification depends on the Corporation's business model (i.e., business model test) for managing financial assets and the contractual terms of the financial asset's cash flows (i.e., solely payments of principal and interest – SPPI test).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets held by the Corporation that are not measured at amortised cost and are also not held at FVOCI are classified at FVTPL. In addition, on initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment
The Corporation determines its business model at the level that best reflects how it manages separate fund's financial assets to achieve its business objective. The Corporation's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios of each fund and is based on observable factors such as: How the performance of the separate funds (that is Fund A and B) and the financial assets held within each fund are evaluated and reported to the Corporation's Board and key Management personnel, the risks that affect the performance of the separate funds (and the financial assets held within that fund) and; in particular, the way those risks are managed to grow the Deposit Protection Fund.

The Solely Payments of Principal and Interest (SPPI) test
As a second step of its classification process the Corporation assesses the contractual terms of financial instrument to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

(iii) Financial assets or financial liabilities held for trading
The Corporation classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income.

(iv) Financial assets and financial liabilities at fair value through profit or loss
Financial assets and financial liabilities in this category are those that are not held for trading and either

designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

(v) Modifications of financial assets and liabilities

Financial assets

If the terms of a financial asset are modified, the Corporation evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortised cost'.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Corporation recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of impairment charge for the year.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Corporation considers the following non-exhaustive criteria.

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e., substantial modification, if:

- The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

In addition to the above, the Corporation also considers qualitative factors as detailed below.

Qualitative criteria

Scenarios where modifications will lead to derecognition of existing securities and recognition of a new investment, i.e., substantial modification, are:

- The exchange of an investment for another financial asset with substantially different contractual terms and conditions such as the restructuring of investment to repo, loan, etc.
- Use of an investment as security for a loan within or outside the country
- Conversion of investment from one currency to another currency

Other factors to be considered:

Extension of maturity dates

If the terms of a financial asset are renegotiated or modified or an existing financial asset or liability is replaced with a new one due to financial difficulties of the borrower or issuer, then an assessment is made of whether the financial asset should be derecognised (see below) and Expected Credit Loss (ECL) is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Financial liabilities
The Corporation derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re computing the effective interest rate on the instrument.

(vi) Impairment of financial assets

The Corporation recognises Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments or securities; and
- Deposit claim receivables

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Government debt securities that are determined to have medium credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The calculation of ECLs
The Corporation calculates ECLs based on a probability weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. They are measured as follows:

- **Financial assets that are not credit-impaired at the reporting date**: ECL is the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Corporation in accordance with the contract and the cash flows that the Corporation expects to receive) using the original effective interest rate or an approximation thereof as the discount rate;
- **Financial assets that are credit-impaired at the reporting date:** ECL represents the difference between the gross carrying amount and the present value of estimated future cash flows using the original effective interest rate or an approximation thereof as the discount rate;

- **Deposit claim receivables**: ECL is the present value of the difference between the contractual cash flows that are due to the Corporation if the claim receivable is drawn down and the cash flows that the Corporation expects to receive. The discount rate is the borrowing effective market interest rate or an approximation thereof that will be applied to the financial asset resulting from the claim receivable;

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Based on advice from the Investment Advisory Committee (IAC) and consideration of a variety of external actual and forecast information, the Corporation formulates a 'base case view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Corporation then uses these forecasts to adjust its estimates of PDs.

Generating the term structure of PD

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Corporation's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Corporation may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Corporation considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the member institution.

The Corporation monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Modified financial assets

The contractual terms of a credit may be modified for a number of reasons, including changing market conditions, member or issuer peculiarities and other factors not related to a current or potential credit deterioration of the member or issuer.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Corporation considers a financial asset to be in default when:

i. the issuer or borrower is unlikely to pay its credit obligations to the Corporation in full, without recourse by the Corporation to actions such as penalising; or

ii. the issuer or borrower is past due more than 90 days on any material credit obligation to the Corporation.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Corporation incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on happenings from the Corporation's investment Market, coupled with economic experts and consideration of a variety of external actual and forecast information, the Corporation formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and Bank of Ghana and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Corporation for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Corporation carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Corporation has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31st December 2022 included the ratings assigned to Ghana as a Sovereign state because all the Corporation's assets are government guaranteed securities.

Predicted forward looking macro-economic scenarios published about the Ghanaian economy have been considered for all portfolios held by the Corporation.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);

- loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

(i) Probability of default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where itis available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated repayment rates.

(ii) Loss given default (LGD)

LGD is the magnitude of the likely loss if there is a default. The Corporation estimates LGD parameters based on the history of recovery rates of claims against defaulted members or issuers of securities. Loss Given Default represents the Corporation's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of issuer, type of exposure and seniority of claim and availability of other credit support.

(iii) Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Corporation derives the EAD from the current exposure to the issuer and potential changes to the current amount under the contract including where applicable, amortisation. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Corporation measures ECL considering the risk of default over the maximum contractual period (including any issuer or borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Corporation considers a longer period.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristic that include instrument type and credit risk grading;

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous. For portfolios in respect of which the Corporation has limited historical data, Bank of Ghana data as well as external benchmark information is used to supplement the internally available data.

(vii) Restructured financial asset

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the issuer or borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to t5he reporting date using the applicable borrowing interest rate of the existing financial asset.

(viii) Credit-impaired financial assets

At each reporting date, the Corporation assesses whether financial assets carried at amortised cost and financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

A security or an asset which payment date has been renegotiated due to a deterioration in the borrower's or issuer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, premiums and securities and investments that are more than 90 days or more overdue are considered impaired except for claim receivables where the receiver's timetable for realizing assets is within schedule.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Corporation considers the following factors.
- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Premium allowances for ECL are presented in the statement of financial position as follows:
- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Claim receivables as subrogated deposits contracts: generally, as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the retained earnings.

(ix) Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the member is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from receiver of collapsed member assets leaves a balance of the debt; or
- It is reasonably determined that no further recovery on the member or receiver is possible.

All asset write-offs are endorsed by the Board of Directors of the Corporation. Assets write-off approval are documented in writing and properly captured in the minutes of the Board of Directors and written off in line with section 53 of the Public Financial Management Act, 2016 (921).

A write-off constitutes a derecognition event. However, financial assets that are written off could still be subject to enforcement activities until all chances of recovery have been exhausted. Whenever amounts are recovered on previously written-off assets, such amount recovered is recognised as income on a cash basis only.

(x) Derecognition of financial instruments:

Financial Assets

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

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 transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities

The Corporation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

j. Off-setting

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 set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Corporation's business activity.

k. Provision for Insured Deposit Claim

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for payments to insured depositors are recognized in the financial statements in the period the member or contributory institution is placed under liquidation by Bank of Ghana. Any payments that exceed the provisions made are taken into account in determining the operating results for the year. Provisions that relate to unclaimed protected deposits are written back to income on expiry of the statutory period.

l. Fair value measurement

'Fair value' is 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 in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Corporation measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Corporation uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Corporation determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Corporation measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Corporation on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio level adjustments – e.g., bid ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g., a prepaid premium or insured deposit claim) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Corporation recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with Bank of Ghana and other short-term highly liquid investments with original maturities less than three months which are subject to insignificant liquidity risk.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

n. Investments in Securities

This comprises investments in treasury bills and Government of Ghana bonds. Investments in Securities are initially measured at fair value plus any incremental increases in transaction cost. Subsequent measurement of investments in securities is dependent on their classification as hold to collect or hold to sell. Investment securities of the Corporation are **held to maturity.**

On 14 February 2023, the Corporation exchanged its existing Government of Ghana bonds amounting to GHS1.2 billion for 19 series of new bonds at par value, with maturity dates commencing from 2027 to 2038, through Ghana's Domestic Debt Exchange Programme (GDDEP). The new bonds were successfully settled on the 21 February 2023 and have been allotted to the Corporation on the Central Securities Depository.

o. Provisions

A provision is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

p. Taxation

The Corporation is exempt from income tax in accordance with section 7(1) (c) of the Income Tax Act 2015, (Act 896) as amended by the Income Tax (Amendment) Act 2016, Act 907 and section 48 of Act 931, as amended. Consequently, no provisions have been made in respect of income and deferred taxes in the Financial Statement.

q. Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. These obligations, where they exist, are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

r. Deposit Protection Fund

The Deposit Protection Fund (DPF) is the Deposit Protection Scheme financial resources set up specifically for reimbursement of depositors of a member of the scheme on the occurrence of an insured event in respect of that member. This is in line with the GDP Act. There are two Funds:

Deposit Protection Fund A

This represents the Protection Fund for scheme members of all licensed Universal Banks in Ghana. There are currently twenty-three (23) licensed Universal Banks who contribute premiums to the scheme.

Deposit Protection Fund B

This represents the Protection Fund for scheme members of all licensed Specialised Deposit-Taking Institutions (SDIs) in Ghana. These are Rural and Community Banks (RCB), Savings and Loans Companies (S&L), Finance Houses, and Micro Finance Institutions (MFIs) which contribute premiums to the scheme.

s. Reserve Fund

The Reserve Fund is the fund into which the Corporation's operational results are transferred. Where the funds in the deposit protection funds are not sufficient to meet scheme obligations in the event of loss event, withdrawals may be made from the Reserve Fund to meet scheme obligations to insured depositors of a failed institution under the scheme.

t. Comparatives

Except when a standard or an international interpretation permits or require otherwise, all amounts are reported or disclosed with comparative information. Where necessary, the comparative information has been restated to agree with the current year's presentation.

u. Segmental reporting

A segment is a distinguishable component of the Corporation that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Corporation's business and mandate does not qualify for segmental reporting because it is one line of product (deposit insurance) located at one geographical area. However, in line with the GDP Act, income statement for Protection Funds and Operations are disclosed as a note.

v. Events after the Reporting Period

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. The Corporation adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the end of the reporting period.

Where there are material events that are indicative of conditions that arose after the reporting period, the Corporation discloses, by way of note, the nature of event and the estimate of its financial effect, or the statement that such an estimate cannot be made. Significant post balance sheet event is stated below:

Ghana Domestic Debt Exchange Programme (GDDEP or DDE)- Extract

In November 2022 the Government announced GDDEP where existing eligible bonds would be exchanged with new bonds. The GDDEP became necessary because the government debt levels were unsustainable and servicing such debts in line with existing contractual terms imposed huge challenge to the Treasury. Various amendments were made to the initial exchange memorandum, the final issued on February 3, which stated ending date for DDE offer period as 14th February and settlement date being 21st February 2023.

The Corporation participated in the GDDEP by surrendering the old bonds for the new bonds on 14th February, 2023 because the Deposit Protection Fund (DPF) and GDPC Reserve Fund were invested in Government of Ghana treasury bills and bonds. The post balance sheet effects of the GDDEP on existing bonds to be exchanged, derecognition, valuation (recognition) of the new bonds will follow the technical procedures (as much as it is practicable) clearly outlined under notes 3(h) pages 32 to 41, under the sub heading 'Financial Assets and Liabilities. Based on the exchange memorandum, the content of which can be changed by the government at its sole discretion, the expected effects on the Scheme Assets and Reserve fund are summarised as follows:

1. The Domestic Debt Exchange involves exchanging existing government of Ghana bonds with New Bonds which come with coupons ranging from 5% to 10%, which, compared to existing bonds, had coupons between 16% to 30%. The Corporation is therefore losing GHS296 million due to the coupon rate reduction. This amount excludes reinvestment income of coupons forfeited.
2. Existing bonds have maturities between February 2023 to 2028 compared to new bonds which extended maturities between 2027 to 2038. The loss to be suffered because of extended tenor for the new bonds is high due to time value of money.
3. The debt exchange affects approximately 90% (GHS1.2 billion) of the existing government securities held.
4. A total of GHS310.9 million existing bonds maturing in 2023 will be exchanged and spread across seven new bonds with maturities starting from 2027 up to 2033.
5. Further, a total of GHS940.2 million of existing bonds maturing post 2023 to 2028 will be spread across twelve new bonds with maturities each year, beginning in 2027 and ending in 2038.
6. The Corporation exchanged existing bonds of GHS1,265,398 with a set of 19 new bonds at par value. The new bonds were successfully settled on the 21 February 2023 and have been allotted to the Corporation on the Central Securities Depository.

The effect of DDEP on the Corporation is assessed to be material based on Expected Credit Loss (ECL). The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The measurement basis of the ECL is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward- looking information. The Government of Ghana whose bonds the Corporation is holding has defaulted in settling its debts, resulting in the DDEP. ECL assessed on both bonds and treasury bills amounts to GHS636 million and has been passed through the income statement to restate the financial instruments at fair value.

The old bonds will be derecognised and the new bonds recognized in the books by the Corporation at fair value in line with procedures outlined in notes 3(h)v and vii under the headings modifications of financial assets, liabilities and restructured financial assets.

w. Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31st December 2022 reporting period and have not been adopted by the Corporation. 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.

4. FINANCIAL RISK MANAGEMENT

In the performance of its statutory duties, the Corporation analyses, evaluates and assumes positions of taking calculated risks as provided by the GDP Act. The degree of risk management taken on by the Corporation is meant to be within what it can comfortably manage. The Corporation's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The Corporation defines risk as the possibility of losses or profits forgone, or the occurrence of uncertain events, which may be caused by internal or external factors thereby affecting expectations. The most important types of risk faced by the Corporation include:

- Pay Out Risk
- Liquidity/Funding Risk
- Investment Risk
- Operational Risk
- Compliance Risk

Risk Management Framework

The Board of Directors has overall oversight responsibility for the establishment and implementation of the Corporation's risk strategy and management framework. The Board executes this mandate through the Risk & Strategy Committee. The Risk & Strategy Committee, constituted exclusively by non-executive members, with the CEO as an attendee with no voting rights, is responsible for developing the Corporation's risk appetite and business strategy, and ensuring their implementation, monitoring, and reporting on a regular basis to the Board.

The Board Risk and Strategy Committee is also responsible for monitoring compliance with the Corporation's risk management policies and procedures and reviewing the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Committee is assisted in these functions by management reports that are submitted to it on regular basis.

The Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation, set appropriate risk limits and controls consistent with its risk appetite, and monitor risks and adhere to Board approved limits. The Corporation's Risk management policies and systems are reviewed regularly to reflect changes in the Corporation's operating environment and developments in the global financial regulatory environment. The Corporation, through its policies, procedures, and human capital development initiatives, aims to cultivate a disciplined and constructive control environment, in which all employees understand their roles and obligations.

4(a) Pay Out Risk

The Corporation's core mandate is to pay insured depositors in the event of a bank failure. Pay out risk is the risk that the Corporation will not be able to execute timely reimbursement of depositors as stipulated in the GDP Act. This risk has been mitigated to some extent with a well laid out operations procedures manual for handling the depositor pay-out process, the performance of periodic simulations, and the oversight function of the Board Committee on Finance, Technical and Investment and the Board Committee on Risk & Strategy.

4(b) Liquidity/Funding risk

Liquidity risk refers to the risk of a potential loss resulting from the scheme's inability to meet its funding obligations or not able to convert its assets into cash at reasonable prices to meet its funding needs.

The Corporation's approach to managing liquidity is to ensure that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. To ensure the maintenance of adequate liquidity, the Corporation maintains a portfolio of liquid assets, largely made up of short-term and medium-term liquid investment securities with which it can easily access liquidity or convert to cash at reasonable prices to meet its funding commitments if needed.

Furthermore, the Corporation has mitigated its liquidity and funding risk by signing a Memorandum of Understanding with Bank of Ghana to access liquidity, using the Corporation's liquid investment securities, which are in Treasury Bills and Bonds guaranteed by the Government of Ghana when the need arises. In addition, the GDP Act also affords the Corporation a series of options to raise additional funding including, charging an additional, extraordinary premium on member institutions, issue bonds in compliance with the GDP Act and Bank of Ghana rules, and/or borrow funds, guaranteed in line with the GDP Act or by the instructions of Bank of Ghana if need be.

The liquidity position is monitored regularly, and liquidity stress tests are conducted periodically under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Investment Advisory Committee (IAC) and periodic reports on the liquidity position of the Corporation, including any exceptions and proposed remedial action taken, is submitted regularly to IAC.

Exposure to liquidity risk

The key measure used by the Corporation for managing liquidity risk is the composition of short-term liquid assets to long-term investments as well as the investment mix ratio (liquid ratio). Liquid assets comprise cash and cash equivalents and investment securities for which there is an active and liquid market less any short-term liabilities. The Corporation also uses gap analysis based on budgetary cashflow needs to determine the liquidity position of the Corporation and where necessary, recommend remedial action.

The Corporation's liquid assets are set out below:

Liquid Assets	2022 GHS'000	2021 GHS'000
Cash on Hand	124	3
Bank Balances	10,874	52,199
Investment Securities (Short Term)	423,159	179,288
Expected Credit Loss	(243)	-
Total	**433,914**	**231,490**

4(c) Investment risk

Investment risk is the risk of financial loss to the Corporation if an issuer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's investment risk-taking decisions to investment securities. For risk management reporting purposes, the Corporation considers and consolidates all elements of investment risk exposure. For risk management purposes, credit risk arising on investment securities is managed independently, but reported as a component of market risk exposure.

Management of Investment Risk

The Board of Directors has delegated responsibility for the management of investment risk to its Board Finance, Technical and Investment Committee. This committee reports regularly to the Board on matters relating to Finance, Premium management and determination, and investment, including:

- *Formulating premium policies* in consultation with operations department, covering scheme member relations, target fund, coverage, premium management process in line with Act 931, as amended.
- *Establishing the target market* for the investment decisions to ensure sustainability, safety and liquidity of the scheme resources.
- *Reviewing and assessing investment mix* to guide Management in taking appropriate investment decisions for optimum returns as well as managing duration risk.
- *Providing advice, guidance and specialist skills* to operations to promote best practice throughout the Corporation in the management of operational risk.

Investment risk exposure

The following table sets out the classification of the investment securities:

Government Bonds and Treasury Bills

	2022 GHS'000	2021 GHS'000
Treasury Bills (maturities up to 12 months)	423,159	205,521
Treasury Bonds (maturities more than 12 months)	811,663	513,635
Expected Credit Loss	(636,440)	-
Total	**598,382**	**719,156**

The bonds at balance sheet date are eligible for GDDEP scheduled to be settled on 21st February, 2023. The new bonds to be offered as replacement, have maturities between 2027 and 2038. This therefore exposed the bonds to long-term risk. Further, coupons to be offered for the new bonds are at a reduced rate of between 5% to 10% compared to existing rates of between 16% and 30%. Coupon loss is estimated at GHS296 million. Lower yields are expected on the new bonds.

4 (d) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Corporation's processes, personnel, technology and infrastructure, and from external factors other than pay out, interest rate and liquidity/funding risks such as those arising from market or economic disruptions. Global pandemics, like COVID 19 disruptions, Ebola outbreak and other exogenous factors heighten operational risk. Operational risk also refers to the risk that the Corporation's operations may be halted temporarily or permanently by inadequate internal and/or systems controls, thereby allowing people to take advantage to commit fraud.

The Corporation's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Corporation's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Corporation standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with GDP Act, and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.
- As an additional layer of protection, the Internal Audit Function, undertakes periodic testing of controls embedded in the Corporation's operations to determine their effectiveness and ensure consistency with the Corporation's risk appetites

4(e) Compliance Risk

Compliance risk is the risk of legal sanctions, financial loss, or loss to reputation that the Corporation may suffer as a result of its failure to comply with all applicable laws, Acts, and codes of conduct and standards of good practice (together, laws, rules and standards").

As part of its efforts to address and enhance sound compliance practices in the Corporation, the Board, through its Board Risk and Strategy Committee manages compliance related risks of the Corporation.

Compliance with laws, rules and standards helps to maintain the Corporation's reputation and meet the expectations of its stakeholders, the markets and society as a whole. Compliance with laws, rules and standards has been identified as an important risk management activity and has accordingly been formalized within the Corporation as a distinct risk management discipline.

Management of Compliance Risk

The Internal Auditor oversees the compliance functions of the Corporation. The Internal Auditor on quarterly basis, updates the Board through the Internal Audit Committee on critical compliance issues within the period pertaining to statutory Act and Ghana Deposit Protection Corporation policies. Management of issues related to Ghana Deposit Protection Act, 2016 (Act 931) is of core importance to management.

Another layer of compliance activity is carried by the Independent Audit Committee, which periodically reviews and evaluates the controls, processes and operating effectiveness, including compliance with risk management procedures. The Committee present reports periodically to the Board as assurance service to the effectiveness of the operations and financial performance of the Corporation.

5. FUNDS AND RESERVES MANAGEMENT

Deposit Protection Fund

Act 931, as amended, establishes the Deposit Protection Funds for the scheme. There are two Funds. The Deposit Protection Fund "A" and Fund "B".

- Fund "A" is for premiums paid by a bank that is a member of the Scheme and any other fee paid by that bank to the Scheme and returns on investment of Fund A.
- Fund "B" is for premiums paid by a Specialised Deposit-Taking Institution that is a member of the Scheme and any other fee paid by that Specialised Deposit-Taking Institution to the Scheme and returns on investment of Fund B.

In line with the Act, the Corporation takes an amount not exceeding 20% of the investment income of each fund to meet operational expenses of the Corporation.

The object of the Deposit Protection Fund is to provide the financial resources needed for the operation of the Scheme particularly for the reimbursement of the depositors of a member of the Scheme on the occurrence of an insured event in respect of that member.

Reserves

The GDP Act requires the Corporation to establish and operate a Reserve Fund into which the Corporation shall transfer its operational results. The Board may however withdraw money from the Reserve Fund to meet the obligations of the Scheme to insured depositors, if moneys in the Protection Fund are not sufficient.

Fund Balance, Reserves and Deferred Grant allocation

	Fund A GHS'000	Fund B GHS'000	Deferred Revenue Grant GHS'000	GDPC Reserves GHS'000	Total GHS'000
Opening balance: January 2022	**721,712**	**67,679**	**21,956**	**24,311**	**835,658**
Grant Appropriation			(10,978)		(10,978)
(Deficit)/Surplus Funds/Reserves	(140,249)	(14,203)		17,003	(137,449)
Closing balance: December 2022	**581,463**	**53,476**	**10,978**	**41,314**	**687,231**

The income statement for the respective Deposit Protection Funds and GDPC Operating fund are presented below:

Income Statement for the Deposit Protection Fund Scheme and the Operations as at 31st December 2022

	Fund A	Fund B	GDPC Operating Fund	Total
	GHS'000	GHS'000	GHS'000	GHS'000
Annual - Premiums Income	292,062	25,574	-	317,636
Investment Interest	174,353	16,272	8,381	199,006
Interest Income Transf. to Operations (20%)	(34,871)	(3,254)	38,125	-
Other Income	11	12	11,676	11,699
Impairment on Premium Receivables	-	(844)	-	(844)
Expected Credit Loss on Bonds & T/ Bills	(571,804)	(51,963)	(12,673)	(636,440)
Total Operational Expenses	-	-	(28,506)	(28,506)
Net Fund Balance and Surplus Income	**(140,249)**	**(14,203)**	**17,003**	**(137,449)**

Income Statement for the Deposit Protection Fund Scheme and the GDPC Operating Fund as at 31st December 2021

	Fund A	Fund B	GDPC Operating Fund	Total
	GHS'000	GHS'000	GHS'000	GHS'000
Annual - Premiums Income	251,922	22,278	-	274,200
Investment Interest	81,133	7,482	4,161	92,776
Interest Income Transf. to Operations (20%)	(16,227)	(1,496)	17,723	
Other Income	-	-	12,943	12,943
Impairment on Premium Receivable	-	(94)	-	(94)
Total Operational Expenses	-	-	(16,910)	(16,910)
Net Fund Balance and Surplus Income	**316,828**	**28,170**	**17,917**	**362,915**

6. GOING CONCERN

The Corporation has reviewed its business activities as at 31st December 2022, together with the factors likely to affect its future development, performance and position, including the GDDEP. Based on the above, the Directors have a reasonable expectation that the Corporation has adequate resources to continue in operational existence for the foreseeable future and nothing has come to the attention of the Board and Management otherwise as at the balance sheet date.

	2022	2021
	GHS' 000	GHS' 000
7(a) ANNUAL PREMIUMS		
Annual Premium	317,636	274,200

	2022 GHS' 000	2021 GHS' 000
7(b) Sources of Premiums		
Banks	292,062	251,922
Savings and Loans Companies	5,400	4,973
Finance Houses	2,236	1,777
Microfinance Companies	1,222	917
Rural and Community Banks	16,716	14,611
	317,636	**274,200**

8. INTEREST INCOME

	2022 GHS' 000	2021 GHS' 000
Interest Received	136,066	66,543
Interest Accrued	62,940	26,233
	199,006	**92,776**

9. OTHER INCOME

Grant Appropriation	10,978	10,978
Sundry Income	721	1,965
	11,699	**12,943**

Sundry Income relates to grant receipts, notional income equivalent to the cost of occupancy of Bank of Ghana building facilities usage and penalty charged members for infractions.

10. IMPAIRMENT OF FINANCIAL ASSETS

The Corporation assessed the bonds eligible for exchange under the DDEP as credit impaired under IFRS 9 standards. 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 cashflows using average discount rate of 22%.

Treasury bills were classified stage 2 and lifetime ECL assessed and impairment allowance at 2% provided on outstanding balance as at date of approval of the account, with six (3) months to maturity of the treasury bills.

Premium receivable impairment relates to Fund B Premium Receivables outstanding beyond the billing cashflow cycle (91 days). The assessment of probability of future cashflow receipts from such members was doubtful.

Total expected credit loss on government securities (GHS636,440,000) and impairment on premium receivables (GHS844,000) give total impairment charge for 2022 as GHS637,284,000, detailed below.

10 (a) Expected Credit Loss on Investment Securities

	2022 GHS' 000	2021 GHS' 000
Expected Credit Loss on Bonds	636,197	-
Expected Credit Loss on Treasury Bills	243	-
Expected Credit Loss for the year	636,440	-

10 (b) Impairment on Premium Receivables

Closing balance	3,592	2,748
Less Opening balance	(2,748)	(2,654)
Impairment charged for the year	**844**	**94**

11. EMPLOYEE COSTS

	2022 GHS' 000	2021 GHS' 000
Payroll Expenses	12,207	6,714
Employee Health Costs	338	221
Staff Training Costs	2,789	435
Notional Staff Costs	-	1,255
Others	70	81
	15,404	**8,706**

The number of permanent persons employed by the Corporation as of the period ended 31st December 2022 was 31. At the beginning of the year, the total staff strength was 32. Average number of staff for 2021 was 28 these included 6 Bank of Ghana staff on secondment who were replaced in the last quarter of 2021

12. ADMINISTRATIVE EXPENSES

	2022 GHS' 000	2021 GHS' 000
Board Expenses	2,477	992
IT Expenses	1,807	1,944
Sensitisation and operations	363	86
Public Awareness and Communication	1,262	457
Legal and Other Professional Fees	1,011	8
Auditors' Remuneration	236	199
General & Administrative	2,606	1,776
	9,762	**5,462**

13. DEPRECIATION AND AMORTISATION

	2022 GHS' 000	2021 GHS' 000
Depreciation (own acquisition)	476	289
Amortisation (own acquisition)	2,312	1,901
	2,788	2,190
Depreciation (capital grant)	552	552
	3,340	**2,742**

14. PROPERTY, PLANT & EQUIPMENT

2022

	Motor Vehicles GHS' 000	Furniture & Fittings GHS' 000	Office Equipment GHS' 000	Total GHS' 000
Cost/Valuation				
Opening balance as at 1st January	1,983	1,163	1,263	4,409
Additions	-	86	301	387
Closing balance as at 31st December	1,983	1,249	1,564	4,796
Depreciation				
Opening balance as at 1st January	538	630	397	1,565
Charge for the year	397	294	337	1,028
Closing balance as at 31st December	935	924	734	2,593
Net Book Value				
Closing balance as at 31st December	1,048	325	830	2,203

2021

	Motor Vehicles GHS' 000	Furniture & Fittings GHS' 000	Office Equipment GHS' 000	Work in progress GHS' 000	Total GHS' 000
Cost/Valuation					
Opening balance as at 1st January	1,163	992	883	1,214	4,252
Additions	820	131	379	-	1,330
Transfers/ (Release)	-	40	-	(1,214)	(1,174)
Closing balance as at 31st December	1,983	1,163	1,262	-	4,408
Depreciation					
Opening balance as at 1st January	233	363	128	-	724
Charge for the year	305	267	269	-	841
Closing balance as at 31st December	538	630	397	-	1,565
Net Book Value					
Closing balance as at 31st December	1,445	533	865	-	2,843

15. INTANGIBLE ASSETS

	2022 GHS'000	2021 GHS'000
Cost/Valuation		
Opening balance as at 1st January	6,877	5,378
Additions	-	381
Transfers from Work-In-Progress	-	1,118
	---------	---------
Closing balance as at 31st December	6,877	**6,877**
	====	====
Amortisation		
Opening balance as at 1st January	2,200	299
Charge for the Year	2,312	1,901
	---------	---------
Closing balance at 31st December	4,512	**2,200**
	====	====
Net Book Value as at 31st December	**2,365**	**4,677**
	====	====

16. INVESTMENT SECURITIES (MEDIUM TERM)

	2022 GHS'000	2021 GHS'000
Fund A Securities	735,803	457,929
Fund B Securities	66,678	44,955
Reserve Fund Securities	9,182	10,751
Expected Credit Loss	(636,197)	-
	-----------	----------
	175,466	513,635
	=====	=====
The investment securities (medium term) were held in Government of Ghana Bonds in tenors as presented below:		
2 Year Treasury Notes	53,771	250,470
3 Year Treasury Notes	168,102	78,755
5 Year Treasury Notes	371,971	119,037
6 Year Treasury Notes	171,725	47,673
7 Year Treasury Notes	31,711	17,700
10 Year Treasury Notes	14,383	-
Expected Credit Loss	(636,197)	-
	-----------	----------
	175,466	513,635
	=====	=====

The expected impact of the GDDEP on the carrying value of the bonds after balance sheet date is stated at note 3(v) under "Events after reporting period".

17. INVESTMENT SECURITIES (SHORT TERM)

	2022 GHS' 000	2021 GHS' 000
Fund A Securities	296,725	143,810
Fund B Securities	28,658	11,259
GDPC Reserve Fund Securities	32,114	24,219
	357,497	179,288
Interest Receivable	65,662	26,233
Expected Credit Loss	(243)	-
	422,916	205,521

The investment securities (short term) were held in Government of Ghana treasury bills in tenors as presented below:

	2022 GHS' 000	2021 GHS' 000
91 Days Treasury Bills	48,096	-
182 Days Treasury Bills	-	17,729
364 Days Treasury Bills	9,494	6,490
2 Year Bond (with maturities up to 364 days)	249,613	155,069
3 Year Bond (with maturities up to 364 days)	50,294	-
	357,497	179,288
Interest Receivable	65,662	26,233
Expected Credit Loss	(423)	-
	422,916	205,521

The GDDEP has extended maturities of the bonds maturing within 364 days to between 2027 and 2033, spread into 7 new bonds. Settlement was for new bonds is scheduled for 21st February, 2023.

18. ACCOUNTS RECEIVABLE

	2022	2021
Premium Receivable (Less Premium in Suspense)	79,962	66,667
Impairment Cost (Note 10)	(3,592)	(2,748)
	76,370	63,919
Prepaid Expenses	2,168	959
Other Receivables	19	-
	78,557	**64,878**

Premiums are invoiced quarterly, and members have one Month credit period to pay. The premium receivable relates to the last quarter premium invoiced in December 2022 and were therefore due at the end of January 2023.

Premiums in suspense relates to member invoices overdue and outstanding for more than three (3) quarters. The Corporation will continue to invoice these members as long as they remain members of the scheme, and holds valid licenses issued by Bank of Ghana. The Corporation will recognize premium income for such members on cash basis.

	2022 GHS' 000	2021 GHS' 000
Premium in Suspense	6,505	3,331
	6,505	3,331

19. CASH AND CASH EQUIVALENTS

	2022 GHS' 000	2021 GHS' 000
Cash on hand	124	3
Balances held with Bank of Ghana	10,874	52,199
	10,998	**52,202**

20. FUND AND RESERVES

This represents the Deposit Protection Fund balances and the Reserve Fund as presented below:

	Fund A GHS' 000	Fund B GHS' 000	Reserve Fund GHS' 000	Total GHS' 000
Opening balance as at 1st January 2022	**721,712**	**67,679**	**24,311**	**813,702**
Operating (Deficit)/ Surplus for 2022	(140,249)	(14,203)	17,003	(137,449)
Closing balance as at 31st December 2022	**581,463**	**53,476**	**41,314**	**676,253**

21. DEFERRED GRANT

	2022 GHS' 000	2021 GHS' 000
21 (a) Non- Current Liability	636	1,188
21 (b) Current Liability	10,978	21,956

Deferred grants represent capital and revenue contributions received from Bank of Ghana for the set-up and running of the Corporation. Capital grant relates to assets granted to the Corporation by the Bank of Ghana and the Revenue grant relates to cash received from Bank of Ghana as reimbursement for expenses as shown below:

CAPITAL GRANT

	2022 GHS' 000	2021 GHS' 000
Motor Vehicles	465	698
Furniture and Fittings	133	381
Office Equipment	38	109
	636	1,188

The difference in capital grant of GHS552,000 (1,188,000 – 636,000) was charged to other income in line with the accounting policy of the Corporation.

REVENUE GRANT

	2022 GHS' 000	2021 GHS' 000
Opening balance as at 1st January	21,956	32,934
Appropriations:		
Appropriation towards Income	(10,978)	(10,978)
Closing balance as at 31st December	10,978	21,956

22. ACCOUNTS PAYABLE

	2022 GHS' 000	2021 GHS' 000
Sundry Vendor Payables	4,620	3,563
Premium in Suspense	-	3,331
Other Liabilities	18	16
	4,638	6,910

23. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date. (2021: Nil)

24. COMMITMENTS

There were no ongoing capital and operational expenditure commitments in respect of Property, plant and equipment and service contracts as at 31st December 2022.

	2022 GHS' 000	2021 GHS' 000
Operational expenditure	-	1,205
	--------	---------
	-	1,205
	====	====

25. SUBSEQUENT EVENTS

Events subsequent to the balance sheet date are reflected in the Financial Statements only to the extent that they relate to the period under review and the effect is material.

In November 2022 the Government of Ghana announced Domestic Debt Exchange Programme (DDEP) where existing eligible bonds as of balance sheet date would be exchanged with new bonds. The DDEP became necessary because the government debt levels were unsustainable and servicing such debts in line with existing contractual terms imposed huge challenge to the Treasury. Various amendments were made to the initial exchange memorandum. The latest was issued on February 3, which stated ending date for the DDE offer period as 14th February and settlement date being 21st February 2023.

The Corporation participated in the DDEP by surrendering the old bonds for the new bonds on 14th February 2023 because the Deposit Protection Fund (DPF) and GDPC Reserve Fund were invested in Government of Ghana treasury bills and bonds and thus they qualify as eligible bonds for exchange. A total of GHS310.9 million existing bonds maturing in 2023 were exchanged and spread across seven new bonds with maturities starting from 2027 up to 2033. Further, a total of GHS940.2 million of existing bonds maturing post 2023 to 2028 were spread across twelve new bonds with maturities each year, beginning in 2027 and ending in 2038.

The bonds in the balance sheet will be derecognised and the new bonds recognized in the books by the Corporation at fair value in line with procedures outlined in notes 3(h)v and vii, viii and 3(v) under the headings modifications of financial assets, liabilities and restructured financial assets and derecognition.

26. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both.

Ghana Deposit Protection Corporation is a statutory institution set up by an Act of Parliament.

Remuneration of key management personnel:

The key management personnel and connected persons considered to be related parties for disclosure purposes are defined to include close members of family of key personnel and other entities which such persons exercise control.

Key management compensation during the year is shown below:

	2022 GHS' 000	2021 GHS' 000
Directors' Fees	837	753
	====	====