ANNUAL REPORT

& FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

GHANA DEPOSIT PROTECTION CORPORATION

WE PROTECT YOUR DEPOSITS

Abbreviations

AFH	Association of Finance Houses
ARC	Africa Regional Committee
ASSFIN	Association of Financial Non-Governmental Organizations
BoG	Bank of Ghana
BFTIC	Board Finance, Technical and Investment Committee
BHRCGLC	Board Human Resource, Corporate Governance and Legal Committee
BRACC	Board Risk, Audit and Compliance Committee
CAR	Capital Adequacy Ratio
CDIC	Canada Deposit Insurance Corporation
CIB	Chartered Institute of Bankers
DPC	Deposit Protection Coverage
DPF	Deposit Protection Fund
EAD	Exposure At Default
ECL	Expected Credit Loss
ETC	Entity Tender Committee
EXCO	Executive Management Committee
FDIC	Federal Deposit Insurance Corporation
FSB	Financial Stability Board
FSC	Financial Stability Council
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
GAB	Ghana Association of Bankers
GAMC	Ghana Association of Microfinance Companies
GBDS	Global Banking Development Solutions
GDP Act	Ghana Deposit Protection Act 2016, Act 931, as amended
GDPC	Ghana Deposit Protection Corporation
GDPS	Ghana Deposit Protection Scheme
GHASALC	Ghana Association of Savings and Loans Companies
GoG	Government of Ghana
GRA	Ghana Revenue Authority
IAC	Investment Advisory Committee

IADI	International Association of Deposit Insurers
IASB	International Accounting Standards Board
ICAG	Institute of Chartered Accountants Ghana
ICEPA	International Code of Ethics for Professional Accountants
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISA	International Standards on Auditing
KFW	Kreditanstalt Für Wiederaufbau (German Development Bank)
LGD	Loss Given Default
MFIs	Microfinance Institutions
MoU	Memorandum of Understanding
NDIC	Nigeria Deposit Insurance Corporation
NIC	National Insurance Commission
NPRA	National Pensions Regulatory Authority
PAB	Pay out Agent Bank
PD	Probability of Default
RCB	Rural and Community Banks
SCV	Single Customer View
SDI	Specialized Deposit-Taking Institution
SEC	Securities and Exchange Commission
SPPI	Solely Payments of Principal and Interest
SSNIT	Social Security and National Insurance Trust
TEP	Tender Evaluation Panels
TRB	Tender Review Board

Mandate

The mandate of the Ghana Deposit Protection Scheme is a **pay-box.** This implies that in the event of a failure of a member institution, GDPC is to reimburse insured depositors up to the limit specified by the Ghana Deposit Protection Act 2016, Act 931, as amended by the Ghana Deposit Protection (Amendment) Act (2018), Act 968.

Objectives

The objective of GDPC is to manage the Deposit Protection Scheme efficiently and effectively towards the attainment of the following:

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

Our Vision

To be a reliable and efficient deposit protection scheme that is responsive to the needs of the depositor.

Our Mission

To build and sustain confidence in the banking system by ensuring protection and making prompt payment to the depositor.

Our Core Values

Teamwork - We provide an environment of open communication, collaboration and support each other in our work.

Results-Oriented - We set clear objectives knowing which results are important and focus our resources to achieve them.

Responsiveness - We are proactive in our work, anticipating the needs of the industry and coming up with innovative solutions.

Integrity - We exhibit consistent moral and ethical standards, striving to do the right thing and treating relationships well.

Professionalism - We are highly competent and skilled and demonstrate excellence and confidentiality in our work.

Contents

Our Stakeholders

Internal Stakeholders

- GDPC Board of Directors
- GDPC Management
- GDPC Staff

Member Institutions and Umbrella Bodies

- Banks
- Savings and Loans Companies
- Rural and Community Banks
- Finance Houses
- Microfinance Institutions
- Ghana Association of Bankers
- Ghana Association of Savings and Loans Companies
- ARB Apex Bank
- Association of Finance Houses
- Ghana Association of Microfinance Companies

Developmental Partners and Government Agencies

- Ministry of Finance
- Parliament of Ghana
- Bank of Ghana
- KFW Development Bank
- International Association of Depositor Insurers
- The World Bank
- Data Protection Commission
- Federal Deposit Insurance Corporation
- Nigeria Deposit Insurance Corporation
- Canada Deposit Insurance Corporation
- Global Banking Development Solutions
- Ernst & Young

Our Stakeholders

Financial Stability Council

- Ministry of Finance
- Bank of Ghana
- Securities and Exchange Commission
- National Insurance Commission
- National Pensions Regulatory Authority

Other Strategic Partners

- Media
- The general public
- Suppliers / Service Providers
- External Auditors

Member Institutions

- 12 Finance Houses
- 23 Banks
- 25 Savings & Loans Companies
- 137 Microfinance Companies
- 145 Rural & Community Banks

- Membership of the Scheme in Ghana is compulsory for all Deposit-Taking Institutions licensed by BoG
- Members are required to pay initial and quarterly premiums to the scheme
- Members are required to display membership certificates at a conspicuous place at their main office and branches
- Members are required to display GDPC poster at their main office and branches
- Members are required to educate their clients about the deposit protection scheme

Chairman's Foreword

On behalf of the Board and Management, it is an honour to present the maiden Annual Report and Financial Statements of Ghana Deposit Protection Corporation (GDPC). The Corporation commenced operations during the last quarter of 2019 with high expectations. However, 2020 turned out to be an extraordinary year due to the outbreak of the coronavirus. The health, economic, and social disruptions caused by the pandemic prompted decisive policy interventions to moderate its adverse effects on the global economy. Similarly, in Ghana, the Government and the Bank of Ghana implemented several policies to contain the spread of the virus and mitigate the impact of the pandemic. In line with the containment measures, GDPC was able to carry out seamless operations, facilitated by the adoption of a remote working policy.

Major Achievements

During the year, GDPC achieved major strides. In particular, the Corporation strengthened its operational processes and built global partnerships to share knowledge. The Corporation also completed the development of its main IT software for claims processing, and signed a Memorandum of Understanding (MoU) with the Bank of Ghana on technical collaboration and information sharing. Furthermore, GDPC benefitted from consultancy services and technical assistance from key stakeholders, and secured 75% of its seed funding. For the most part of 2020, the Corporation designed and conducted demand-driven tailored training programmes for specific members through webinars and virtual meetings. As a new institution, Management deployed significant resources to develop Policy Manuals for Operations, Human Resource and Procurement, Communication, and the Corporation's Premium and Investment Policies.

Financial strength

The 2020 Financial outturn highlights the strength of the Corporation since inception despite Covid. The Deposit Protection Fund improved significantly to GH¢ 406.7 million at the end of December 2020 from GH¢ 161.5 million at its inception, representing a growth of 152%. As a result, total assets of the Corporation grew by 126% to GH¢ 443.7 million from GH¢ 196.1 million during the same period. Likewise, investments have grown to GH¢ 367.6 million from GH¢ 140.0 million at the end of December 2020. Going forward, the Corporation will strive to sustain the prudent investments of the Deposit Protection Funds to meet the set Target Fund. This is a necessary condition for the successful execution of the Corporation's mandate, that is, to promptly pay out insured depositors when the need arises.

Conclusion

Even in its incipient stages, GDPC has been set up on a strong footing to become a strong, reliable, and efficient deposit protection scheme in the financial sector. On behalf of GDPC Board and Management, let me specially thank the Government of Ghana and other partners such as KfW, GBDS, among others, for the financial and technical support extended to GDPC. I would also like to thank the Board, Management, and staff of the Corporation for their hard work, even in these challenging times and we look forward to a brighter future for the GDPC in the years ahead.

Thank you.

Dr. Ernest Addison

Board Chairman

Message from the Chief Executive Officer

GDPC was launched in September 2019 modelled after like institutions in Europe following the global collapse of the financial sector over a decade ago. Our first fifteen months of operating has been exciting and challenging. During this time, we have cemented a robust foundation for the smooth running of an efficient and effective deposit protection scheme.

It has been a period of capacity building, drawing up policies, building systems, and testing its effectiveness to deliver on our mandate.

The restrictions of COVID-19 notwithstanding, the hard work, diligence and creativity of all ensured that the Corporation achieved some key milestones which are outlined in the financial report for year ended 31st December 2019 and 31st December 2020.

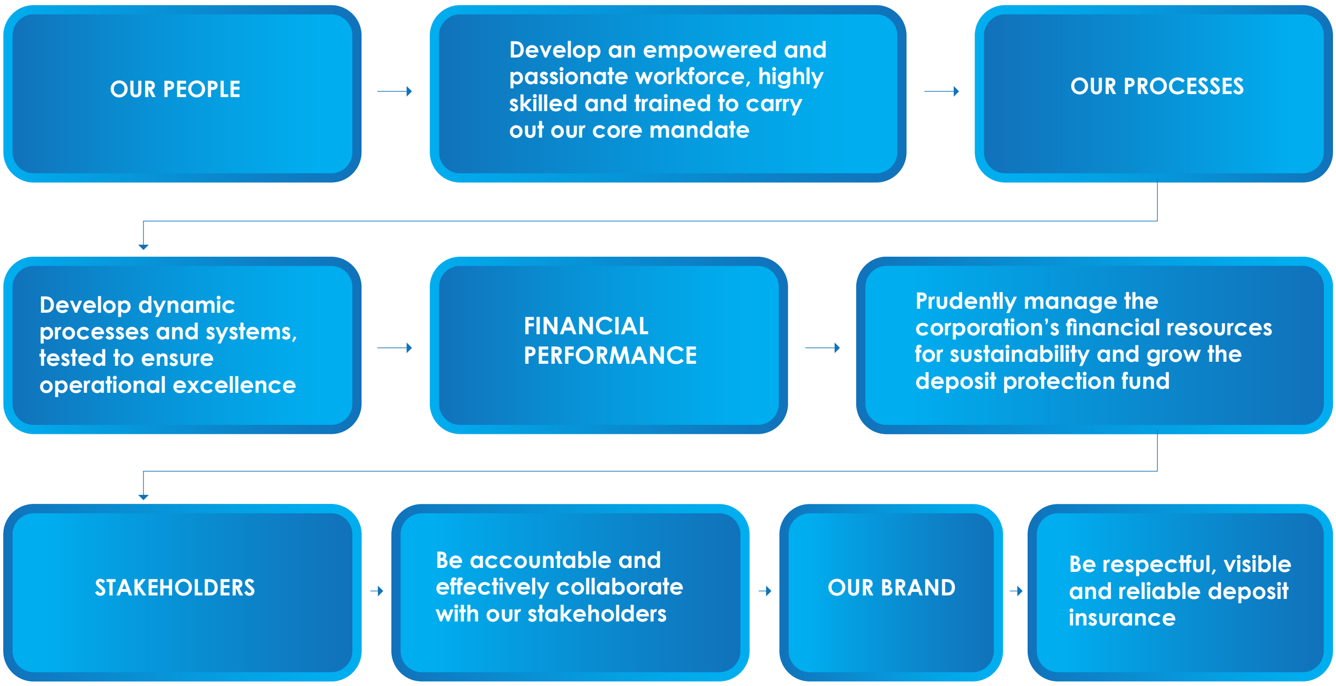
The main sources of income for the Corporation were premiums from member institutions and interest from investing monies accruing to the fund. Net premiums charged, and interest income accrued was GH¢ 52.5m and GH¢ 5.5m for the three months of operation in 2019 and GH¢ 212.3m and GH¢ 42.1m for the full year in 2020. GDPC posted very impressive results over the period, growing the deposit protection funds by GH¢ 57.8m and GH¢ 245m from Net Comprehensive Income for 2019 and 2020 respectively.

The GDP Act allows for 20% of interest earned on investments to fund operating expenditure; in addition to that BoG provided a grant of GH¢ 36.8m to support formation costs and the first three years of operating expenditure. Through prudent management, the residual balance of the grant as at 31st December 2020 was GH¢ 32.9m plus a reserve fund of GH¢ 6.4m available to support operations in the years ahead.

Five-year strategic plan

In November 2020, the Corporation developed a five-year strategic plan to help crystallise its legally defined mandate into a logical flow of strategic intentions that could easily be translated into practical daily activities throughout its operations. Looking ahead we are confident that the strategic plan developed will ensure the growth of GDPC into a stalwart of the financial safety net in the country. Continued resources will be deployed to develop systems and processes, train a passionate and knowledgeable team, and build a brand that will inspire and engender confidence in the financial services industry.

The strategic focus covers five key areas:



The key focus for technology will be to enhance the capabilities of the bespoke system to process member data and to generate a single customer view (SCV). This SCV will ease the process of accurate identification of an insured depositor for timely reimbursements. GDPC is also in collaboration with the BoG in the development of their Online Regulatory Analytic Surveillance System (ORASS), which receives and manages all member returns. This system will allow members to upload data on to a shared portal and facilitate the data submission and validation process.

Public awareness and education remain an important priority for the Corporation. Programmes and campaigns will be consistently undertaken across the country to ensure the concept of the scheme is understood. This, together with other initiatives, will contribute to the growth of confidence in the financial services industry.

The year ahead

Supported by strong policies and regulatory reliefs, the banking sector was resilient to the onslaught of the pandemic in 2020. Banking sector recorded decent growth in total assets, deposits and investments. Overall, total assets increased by 15.8% with investments rising by 33.4%. Solvency and liquidity indicators also remained strong. The industry's Capital Adequacy Ratio of 19.8% at the end of December 2020 was well above the regulatory minimum threshold.

BoG's regulatory reliefs and policy measures helped support lending activities during the year enabling banks to provide the necessary assistance to their customers in the form of loan restructuring and repayment moratoria.

The above indicators and the performance of the banking industry in 2020 sets the foundation for a solid growth trajectory for GDPC in 2021.

Specifically for 2021, all staff hires will be completed, and all required policies and manuals will be developed and implemented. The development of the deposit protection software (Integrator) and an ERP system will be completed, deployed and three pay out agent banks will be contracted. Achieving these key milestones in 2021 will make us sufficiently operational to fulfil pre-conditions for a drawdown of a second tranche of the GoG seed funding.

The task at hand is daunting and yet exciting, and we are confident that with the continued support and dedication of the Board and staff, and the contribution of all our strategic partners, GDPC is poised to achieve its planned milestones in 2021.

Conclusion

I take this opportunity to say a big thank you to the Chairman of the Board and the Board of Directors for working tirelessly to steer us to this point. My deep gratitude goes to all staff who have worked diligently to meet near impossible timelines to deliver this performance.

Special thanks to BoG for opening their doors to us and supporting our operations in numerous ways. I echo the heartfelt gratitude of the Board Chair to Kreditanstalt Für Wiederaufbau (KFW) and Global Banking Development Solutions for the technical support without which our tasks would have been a constant uphill battle. I am also very grateful to the Ministry of Finance, sister institutions across the world, especially Canada, Britain, United states, Nigeria, International Association of Deposit Insurers (IADI) and all other stakeholders who have supported our work in various ways. I look forward to another exciting year ahead.

Mrs. Pearl Esua-Mensah

Chief Executive officer

Corporate Governance Report

The GDPC Board of Directors with H.E. Nana Akuffo Addo, President of the Republic of Ghana 15th November, 2019

Regulatory Framework

The Ghana Deposit Protection Scheme was established by the Ghana Deposit Protection Act, 2016, Act 931 as amended by the Ghana Deposit Protection (Amendment) Act, 2018, (Act 968). The Scheme seeks to protect a small depositor from loss incurred by the depositor as a result of the occurrence of an insured event.

Section 25 of Act 931, as amended, vests the authority of the Scheme in the governing body of the Corporation. The object and functions of the Corporation are also spelt out in sections 23 and 24 of Act 931.

Corporate Governance Statement

The corporation works with the highest standards of corporate governance to ensure delivery of its mandate and objectives as set out in the GDP Act. This is done through the balance of 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. This way the long-term goals of the organization is achieved while maintaining the right balance with stakeholders' interests.

A framework that facilitates checks and 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, Audit and Compliance Committee; Board Finance, Technical and Investment Committee and the Board Human Resource, Corporate Governance and Legal Committee.

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 who is the Chief Executive Officer (CEO).

The Board comprises persons of mixed skills representing industry bodies 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.

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

Dr. Ernest Addison is Chairman of the Board of Directors. He was appointed to the Board of the Corporation in November 2019 as an Independent Non-Executive Director in line with Act 931, as amended. He is currently the Governor of Bank of Ghana.

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 a 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. Ernest Addison 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 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 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 Founder and Managing Consultant of Feniks Ltd (a business consulting firm). She was the Group CEO of Media General Ltd, a group of media organizations in Ghana 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 both in the United Kingdom.

She currently chairs the Ashesi University's Board of Directors, 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 20 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 reorganisations, 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 K. Seddoh
(Non-Executive Director)

Dr. Daniel K. 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 Limited 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 as 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 member of the Institute of Chartered Accountants-Ghana, Chartered Institute of Taxation-Ghana and Chartered Insurance Institute of Ghana.

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

Bishop Mrs. Patricia Sappor
(Non-Executive Director)

Bishop Mrs. Patricia Sappor is currently the President of the Chartered Institute of Bankers (CIB), Ghana. She 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. Bishop Mrs. Sappor later rose to the position of Regional Head of Corporate Communications, Ecobank Ghana, Anglophone West Africa (AWA), where she became responsible for corporate communications and marketing for Ecobank Ghana, Liberia, Sierra Leone, Gambia and Guinea. She had 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, Bishop 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.

Bishop Mrs. Sappor is a Chartered Banker with the Institute of Financial Services UK, and an alumnus of the University of Leicester, U.K, 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. George Amissah Jnr.
(Non-Executive Director)

Mr. George Amissah Jnr. is an Attorney and a Notary Public with over twenty-five (25) years of post- qualification experience in legal practice at the Ghana Bar. He was called to the Ghana Bar in October 1992 and has been in private practice since then. His specialization includes corporate and investment law, banking and finance law, international business law, corporate governance, corporate finance, labour and employment law, family law, immigration law, among others.

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 International Bar Association and the Ghana Bar Association.

George Amissah Jnr. is currently the Managing Partner of Amissah, Amissah & Co., a legal and consulting firm registered in 2009. He is also serving on the Board of Newco Catering and Logistics Services Limited, an Offshore Catering Company and was for several years on the Board of City Car Parks Limited. George has also served on the Electoral Commission of the Ghana Bar Association and as a member of the Disciplinary and Appeals Committee of the Ghana Football Association.

George Amissah is the current representative of the Ghana Bar Association on the Board of the Ghana Deposit Protection Corporation.

Mr. Sampson Akligoh
(Non-Executive Director)

Mr. Sampson Akligoh is the Acting Director of the Financial Sector Division of the Ministry of Finance. He also serves on the Boards of GCB Capital Limited, National Insurance Commission, Ghana Amalgamated Trust Plc and was a Director at National Investment Bank Limited. 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 Honours) 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.

He is the representative of the Ministry of Finance on the Board.

Mr. Joseph Hyde Jnr. (Non-Executive Director)
(15th Nov. 2019 to 19th Dec. 2020)

Mr. Hyde was a Corporate Governance Systems and Goal-Oriented Financial Professional with a passion for challenging projects with a dedication to excellence. He had over 25 years of national and international experience covering IT, Finance, Accounting, Audit, Investment among others, across private, multinational and public sectors.

Mr. Hyde had considerable work experience in the German engineering industry, and worked with the Flemmings Group in the UK where he trained in financial services and investment products. He joined Mechanical Lloyd in March 1998 as a Senior Accounts Manager, and was subsequently promoted to the position of Chief Accountant and General Manager After-Sales. He was the Director of Finance & Administration of Mechanical Lloyd, delisted on the Ghana Stock Exchange (GSE) on 16/4/21.

Mr. Hyde served on the Technical Committee of the Institute of Chartered Accountants, Ghana (ICAG). Mr. Joseph Hyde Jnr. trained as an auditor with KPMG Deutsche Treuhand Gesellschaft in Dusseldorf, Germany. He was a fellow of the Association of Chartered Accountants, UK and a member of ICAG. He was actively involved in community service organisations for a better society.

Mr. Hyde was the past National Treasurer of AGI, past Governing Council Member of GIMPA, and past Chairman ICAG Accra West District. He was a partner of Lobban Hyde Chartered Accountants and Audit Faculty member ICAEW, UK.

Mr. Joseph Hyde Jnr. was the representative of the Association of Ghana Industries on the Board until his demise on 19th December 2020.

Separation of Powers

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

The Board Chairman

The Chairman of the Board is a non-executive director and Governor of Bank of Ghana in accordance with Act 931, as amended. 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 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 Act 931, as amended 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.

Functions of the Board

As stated in section 26 of Act 931, as amended, 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 Act based on operational experiences in the implementation of the 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 Act 931, as amended.
- 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 holds extraordinary meetings as the business of the Corporation demands.

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 is putting in place a Code of Conduct and Conflict of Interest Policy to be approved by the Board of Directors.

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.

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:

- overall risk strategy, including its risk tolerance/appetite;
- policies for risk, risk management and compliance
- internal control systems;
- corporate governance framework, principles and corporate values including a code of conduct
- compensation system

Succession Plan

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

Schedule of attendance at Board Meetings

Board meetings have high attendance rates as represented in the table below.

		1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting	Emergency Meetings	Emergency Meetings
No.	Name	31-Jan. 2020	21-Feb. 2020	6-May 2020	7-Aug. 2020	27-Nov. 2020	15-Nov. 2019	22-Dec. 2020
1	Dr. Ernest Addison	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Dr. Daniel K. Seddoh	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Bishop Mrs. Patricia Sappor	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Sampson Akligoh	No	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr. George Amissah Jnr.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Mrs. Pearl Esua-Mensah/ CEO	Yes	Yes	Yes	Yes	Yes	Not Appointed	Yes
7	Mr. Joseph Hyde Jnr.	Yes	Yes	Yes	Yes	Yes	Yes	N/A

Committees

The Board is empowered by Act 931 as amended, 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 its own 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.

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

BOARD COMMITTEES			
NAME	BRACC	BFTIC	BHRCGLC
Dr. Ernest Addison			
Mrs. Pearl Esua-Mensah			
Dr. Daniel K. Seddoh	Chairman	Member	
Bishop Mrs. Patricia Sappor		Member	Chairperson
Mr. Sampson Akligoh	Member	Member	
Mr. George Amissah Jnr.	Member		Member
Mr. Joseph Hyde Jnr.		Chairman	Member

Board Risk, Audit and Compliance Committee (BRACC)

The Committee's primary role is to ensure the integrity of financial controls and reporting, identification and management of financial risk and compliance with applicable internal policies, local and international Act and standards. The Committee is to oversee the independence and objectivity of the external auditor. The external auditor has unrestricted access to the Committee to ensure their continued independence. The Committee also seeks for explanations and additional information, where relevant, from the external auditor.

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 Finance, Technical and Investment Committee (BFTIC)

The Board's Finance, Technical and Investment Committee is responsible for overseeing and facilitating the development and implementation of the Corporation's 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 Act 931, as amended.

The Committee is also responsible for ensuring that the Corporation's internal control procedures in the area of operation, investment and strategy remain high to safeguard and grow the scheme fund for the achievement of the Corporation's mandate.

The Committee reviews and submits reports to the Board on the Corporation's corporate strategy and integration plans, performance, external economic developments, market conditions and annual operating budget.

Board Human Resources, Corporate Governance and Legal Committee (BHRCGLC)

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 all other human resource matters affecting the employees of the Corporation as well as overseeing corporate governance and legal matters. The Committee is charged with strategic man-power development, enduring corporate governance system and legal compliance with laws, rules and regulations to execute the Corporation's mandate enshrined in Act 931, as amended.

Management Committees

Management Committees are various committees comprising of senior management. They also ensure that risk appetite as contained in the governance policies in line with the Act are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented.

They meet as frequently as needed and 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, chaired by the Chief Executive Officer. Other members are the Chief Operations Officer, the Head of Information Technology, the Head of Legal Department 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.

Executive Investment Advisory Committee (IAC)

The Committee Chair is the Chief Executive Officer. Other members are Chief Operations Officer, Head of Legal and Head of Finance with other investment managers and officers in attendance.

The Committee is charged with the implementation of the 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 line 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 regulations.

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. Management has also communicated the principles in the Staff Manual to all employees to guide them in the discharge of their duties. This manual sets the professionalism and integrity standards required for business operations which covers compliance with the law, confidentiality, conflict of interest, bribery and strict adherence to these principles so as to eliminate the potential for illegal practice.

Conflict of Interest

Directors have a statutory duty in terms of Act 931 as amended, not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is, or is likely to be brought, before the Board.

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 the corrective action.

Profiles of Management Team

The management team of GDPC is led by the CEO, Mrs. Pearl Esua-Mensah (See her profile on page 19). Other members of the management team are as follows:

Mr. Ignatius Martin Kojo Wilson
Chief Operation Officer (EXCO Member)

Mr. Ignatius Wilson is a banker with over 30 years' experience both locally and internationally. He began his professional career at Barclays Bank Ghana Limited in 1984. In May 1995 he joined NatWest Bank PLC in London, UK, as a Clients Services Executive, and moved to Jupiter Asset Management PLC, London UK as a Fund Administration Manager in 1999. In January 2004 he joined Baring Asset Management PLC in London as a Funds Operations Manager. He joined The Bank of New York Mellon (BNY Mellon) in July 2005 as a Senior Trust Officer and left in 2010 as a Vice President.

Ignatius joined the Bank of Ghana in December 2010 as a Manager at the Public Debt office, Treasury Department. At the Bank of Ghana, he has worked at the Oil Secretariat (Treasury) as a Fund Manager, Banking Supervision Department, Financial Stability Department and acting as Officer-In-Charge for the implementation of the Ghana Deposit Protection Corporation on secondment from the Bank of Ghana. While at Barclays he obtained the Ghana Institute of Bankers Banking Diploma. He also holds the Securities and Investment Institute's (UK) Investment Administration Qualification Certificate (IAQ) and the Securities and Investment Institute Diploma (UK). He obtained an MBA (Finance) degree at The University of Hull, UK in July, 2008. He is currently a Chartered member of the Securities and Investment Institute, London, UK.

Ms. Aimee Vyda Quashie
Head of Legal (EXCO Member)

Ms. Aimee Vyda Quashie is a Lawyer by profession and has to her credit twenty-two years professional experience ranging from courtroom practice and procedure, company secretarial duties, to corporate practice.

She has worked in senior managerial positions for over fifteen (15) years, spanning both private and public sectors. She is a meticulous, diligent and results-oriented professional, easily taking on leadership roles and paying particular attention to detail and style. She has a friendly character which endears her to her team mates.

Aimee has worked in various capacities in reputable institutions such as Volta River Authority, SIC Company Ltd, National Health Insurance Authority, Cocoa Processing Company, among others.

Aimee joined the Bank of Ghana in March 2016 as a Manager in the Legal Department, where she headed the Properties Office. Subsequently she was seconded to GDPC to be in charge of the legal function to establish and nurture the Legal Department.

She holds an LLB Degree (2nd Class Hons. Upper Division) from the University of Ghana in 1993 and a BL (Professional Law Certificate) from the Ghana School of Law in 1997.

She also obtained an International Executive MBA in Strategic and Consultancy Management from the Paris Graduate School of Management in 2010.

She is a member in good standing of the Ghana Bar Association, having been admitted to the Bar in October 1997.

Mr. Daniel Gaikpah
Head of Finance (EXCO Member)

Daniel Gaikpah is the Head of Finance at GDPC, overseeing the functions of Finance, Accounting and Investment. He has over 14 years banking experience across bank and non-bank financial sector. Positions held by Daniel in the financial sector included Head of Internal Audit and Control, Head of Financial Control and Strategy, Head of Enterprise-Wide Risk, Head of Corporate Banking and Head of Operations from Guaranty Trust Bank, Capital Bank, GCB Bank and SBS Micro Finance Services. Daniel trained as an accountant and worked with KPMG at the Audit and Assurance Department, rising to the level of Senior Associate where he carried out statutory financial audit for various institutions across various sectors of the Ghanaian economy, including finance, manufacturing, mining, governmental and non-governmental organisations.

Daniel Gaikpah is a Fellow Certified Chartered Accountant (FCCA) UK, Chartered Accountant (ICA-GH) and holds MBA in Finance and B. Ed Psychology at first-degree level. Daniel is the author of Step-By-Step Financial Accounting Book for Senior High Schools in Ghana.

Daniel Gaikpah has attended various professional, technical and leadership training courses both within and outside Ghana, including UK, Portugal, South Africa, Nigeria in the areas of risk management, IFRS, Fintech, Top Performance Leadership, Advance Credit Management and Bank Management.

Daniel is a highly motivated, passionate and results oriented individual, with unique attention to detail, a team player, possessing positive attitude to work and delivering empowering and outstanding results.

Dr. Samuel Senyo Okae
Head of Information Technology (EXCO Member)

Dr. Samuel Senyo Okae is a technically sophisticated and finance-savvy IT professional with over 20 years' experience in the IT industry.

He has a pioneering career reflecting strong leadership and hands-on Information Systems and Management expertise with the ability to devise new or enhanced existing systems. He has experience in managing IT projects. Samuel has worked in many European countries including Germany and the United Kingdom where he was involved in managing IT projects and developing key IT systems. Dr. Okae has been a key speaker at many conferences worldwide. He was a senior Information Systems Auditor with the Banking Supervision Department of Bank of Ghana prior to his secondment at GDPC.

Dr. Okae holds a BSc in Computer Science and Statistics from the University of Ghana and a second degree (MSc) in Software Systems Engineering from the Technical University of Aachen (RWTH), Germany. Samuel also holds a Doctor of Business administration and an MSc in Applied Research from the Swiss Business School with specialty in IT Governance and IT Risk Assessment. Dr Okae holds several professional qualifications in the area of Information Systems Security. These include Certified Data Privacy Solutions Engineer, Certified Network Defender Architect, Certified Chief Information Security Officer, Computer Hacking Forensic Investigator, Licensed Penetration Tester, Certified Security Analyst, Certified Ethical Hacker, ISO 27001:2013 Lead Auditor certification, Certified Information Systems Auditor, Sarbanes Oxley Implementation and Compliance and BASEL II Implementation and Compliance.

Ms. Korantemaa Twumasi
Human Resource and Administrative Manager

Korantemaa Twumasi has over 8 years of management experience in Human Resource Operations. Prior to joining GDPC as the HR & Administrative Manager, she was the Assistant HR Manager at Ghana National Gas Company (Ghana Gas). She also worked at other institutions such as Transglobal Logistics, Rectrain Limited and Barclays Bank of Ghana (now ABSA).

Korantemaa holds a BA (Hons) in International Hospitality and Tourism Management from Bournemouth University, UK and an EMBA in Human Resource Management from the University of Ghana Business School, Ghana. She is also a Senior Certified Professional (SCP) from the Society for Human Resource Management (SHRM) and an Associate Member of the Chartered Institute of Human Resource Management (CIHRM)

Mr. Ebenezer H. Kpentey
Public Relations and Communication Manager

Ebenezer has over 14 years of experience as a Communication and Branding Officer working for a number of donor-funded programmes supporting private sector initiatives in Ghana. Endowed with good oral and written communication skills, Ebenezer has written a number of published articles and grant-winning proposals. He also has capabilities in the use of graphic design, presentations and video editing software. Prior to joining GDPC as the PR and Communications Manager, Ebenezer worked as a Communication and Branding Officer for seven years with the BUSAC Fund, a multi-donor funded project that finances private sector business advocacy in Ghana. He has also previously worked as a Communication Officer for FACA-Votech and Aid to Artisans Ghana (ATAG).

Ebenezer holds a Bachelor of Arts degree in Communication Studies (with specialization in Journalism) jointly awarded by the University of Ghana and the Ghana Institute of Journalism.

Key Capacity Building Activities

Capacity building for member institutions.

GDPC held 14 sensitization seminars (8 on-site training sessions and 6 webinars) for staff of banks, savings and loans companies, finance houses, microfinance companies and rural and community banks between November 2019 and December 2020. Topics covered during these seminars include:

- The Key features of the Ghana Deposit Protection Scheme (coverage, benefits and limitations);
- Legal and regulatory framework for Deposit Protection in Ghana (Act 931, as amended);
- Coverage limits and payout scenarios;
- Data reporting requirements;
- Completing GDP return templates;
- Deposit Protection FAQs for Financial Institutions.

The objectives of these sensitization seminars were to create awareness about GDPC and deposit protection among the staff of member institutions to enable them educate their clients on the basic features of deposit protection and also meet their reporting obligations to the scheme. The seminars were well attended and received by member institutions a total of 955 participants from all member institutions participated in the sessions.

Capacity building for staff

Within the period under review, a number of capacity building programmes were also organized to enhance the capacities of all GDPC staff in various aspects of the Scheme's operations. Staff capacity building programmes organized by the Corporation within the period include the following:

- Induction programme on financial sector regulatory framework
- Staff training on the use of deposit protection software (Integrator)
- Bundesbank training on understanding deposit protection
- IADI Africa Regional Committee (ARC) Technical Assistance Workshop
- FSI online course: Deposit Insurance: An Introduction
- FSI online course: Core Principles for Effective Deposit Insurance Systems
- FSI online course: Deposit Insurance - Conducting a Core Principles Compliance Assessment
- FSI online course: Deposit Insurance - Liquidation of Failed Bank Assets
- FSI online course: Deposit Insurance - Premiums and Fund Management
- FSI online course: Public Awareness of Deposit Insurance Systems
- FSI online course: Reimbursing Depositors - Part 1
- CDIC's Global Knowledge Sharing Initiative Webinar
- FSCS UK webinar on Single customer view files

Risk Management

The Board of Directors have the overall responsibility for the establishment and oversight of the GDPC risk management framework. The Board is responsible for setting the risk appetite of the Protection Fund. This involves developing appropriate risk management policies and procedures which facilitate the timely identification, measurement, monitoring and management of risk. The Board is advised by the various technical committees which have been constituted to further enhance the risk management framework.

Risk Management Framework

The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, financial industry practices and regulations. The Corporation, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Corporation's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on its 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 key risks faced by the Corporation are:

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

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 in a position to pay depositors within the timeline 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 and the oversight provided by the Board committee on Finance, Technical and Investment. Activities including the periodic testing of processes and simulations go a long way to reduce such risks. The Corporation has also developed a software to generate a consolidated view of all deposit accounts eligible for deposit insurance coverage for a single depositor. This is an invaluable tool in calculating the amounts payable per insured depositor.

Liquidity Risk

Liquidity risk is the risk that GDPC will not have the requisite funds to pay depositors of a failed member institution within the stipulated timeframe. This could be due to inadequate fund size or inability to liquidate instruments on time. The Corporation maintains a portfolio of short-term to medium term liquid assets, largely government investment securities for which there is an active and liquid market, to ensure that sufficient liquidity is maintained within the Corporation as a whole.

Furthermore, this risk is partly mitigated by a Memorandum of Understanding with Bank of Ghana for emergency liquidity cover against the Corporation's investment portfolio, when the need arises.

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 interest rate risk which is the risk that the fund could lose its value due to interest rate changes. These risks arise principally from the Corporation's investment risk-taking decisions to investment securities. Credit risk arising on investment securities is managed independently, but reported as a component of market risk exposure.

The Board of Directors has delegated responsibility for the management of investment risk to its Board Finance, Technical and Investment Committee. The Committee oversees the activities of the management Investment Advisory Committee and sets portfolio targets.

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 disruption, negligence or deliberate flouting of processes and policies as well as lack of funding for operations which may significantly affect the Corporation's activities.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:

- appropriate segregation of duties, including the independent authorisation of transactions
- reconciliation and monitoring of transactions
- compliance with GDP Act and other legal requirements
- establishment of an internal audit function
- development of contingency plans and crisis management plans
- training and professional development
- risk mitigation, including insurance where this is effective.

Achievements

Key milestones

GDPC has successfully completed the development of its core Deposit Protection Software (Integrator) for premium calculations, invoicing, reporting, claims and Pay-out as well an ERP system for other functions of the Corporation such as Finance, Investment, Human Resources and Logistics.

- GDPC has Issued guidelines and reporting templates to Member Institutions on how to generate the Single Customer View (SCV) file in a format that can be processed into a Deposit Register for payout through the Integrator software.
- Developed and successfully tested the ability of GDPC's Integrator software to generate a pay-out schedule from the SCV files using real depositors data received from member institutions.
- Executed an MOU with the Bank of Ghana for close coordination of activities and information sharing and held a technical meeting with the Bank of Ghana on their respective roles in the case of an insured event.

- Hosting of IADI regional workshop

  GDPC collaborated with Bank of Ghana to host the 2019 IADI Africa Regional Committee (ARC) Technical Assistance Workshop in Ghana from the 18th to the 22nd of November 2019. The workshop was organized to facilitate close interaction among experts working in different areas of regulation and financial stability. The conference was attended by 146 participants from 24 jurisdictions representing 60 institutions across the globe.

- Protection fund closed the year at GH¢ 400.3 million.

- Executed an MOU with FDIC

  GDPC signed an MOU with Federal Deposit Insurance Corporation (FDIC) on 18th November 2019 during the IADI/ARC Conference. This agreement is expected to facilitate knowledge sharing and the exchange of ideas between the two institutions.

- The Ghana Deposit Protection Corporation became a member of IADI in 2019.

The Governor of BoG, Dr. Ernest Addison addressing participants at the conference


The Second Deputy Governor of BoG, Mrs. Elsie Addo Awadzi addressing participants at the conference


Mr. David Walker, Secretary General of IADI addressing participants at the conference


Ms. Julia Clare Oyet, CEO of Uganda DPF contributing to discussions at the conference


A participant contributing to discussions at the conference

Deposit Protection Activities

The Scheme's Inception to Implementation

In November 2016, the Bank of Ghana, acting as the Project Implementation Agency, set up an implementation committee called the Deposit Protection Scheme Implementation Committee (DPIC). The membership of DPIC comprised two representatives from the Governors' Department of BoG, and a representative each from other relevant departments of BoG. Other members of the DPIC include two representatives from the Ministry of Finance, a representative each from apex bodies of the different member groups (GAB, GHASALC, GAMC, ARB Apex Bank) and KFW.

The mandate of the DPIC was to undertake the task of implementing the Deposit protection scheme in Ghana, and it worked under the Chairmanship of the Second Deputy Governor of the Bank of Ghana from November 2016 to November 2019.

The DPIC effectively put in place the building blocks for the launch and operationalization of GDPC. The key achievements of the DPIC include:

- defining the brand identity by designing and adopting a logo, tagline, vision, mission and core values of GDPC;
- identifying and ensuring the renovation of the office premises for GDPC;
- leading and ensuring the amendment of the Ghana Deposit Protection Act, 2016 (Act 931), GDP Amendment ACT 968;
- the acquisition of the main IT software for the Corporation and other logistics for its work;
- recruitment of the first set of staff for the GDPC;
- facilitating GDPC's membership in IADI and
- recommending to BoG to host the 2019 edition of the African Regional Committee-IADI Conference in Accra in November, 2019.

Opening of GDPC offices at CEDI House in Accra.

Membership

Membership to the Ghana Deposit Protection Scheme (GDPS) is mandatory for all banks and deposit taking institutions licensed by the Bank of Ghana. As at December 31 2020, the register of licensed deposit taking institutions by the BoG stood at 342.

Table 1-GDPS membership as at 31st December 2020

Type of Institution	Number
Banks	23
Savings and Loans Companies	25
Finance Houses	12
Microfinance Companies	137
Rural and Community Banks	145
Total	**342**

Premium Collection

There are two types of insurance premiums paid by members of the GDPS:
a) Initial premium, and;
b) Annual premium.

Initial Premium

A member of the Scheme is required to pay to the Corporation, an initial one-off premium of 0.1% of the minimum paid-up capital as provided in relevant laws on banks and SDIs. During the period, a total of GH¢ 10,155,000 was received as initial premium -- GH¢ 9,200,000 from Banks and GH¢ 955,000 from SDIs.

Annual Premium

GDPC assesses flat premiums for all members. In the year 2020, premium rate was set at 0.3% of insurable deposits of member Institutions. Annual premiums are paid by member institutions on quarterly basis. Premiums paid by banks go into Fund A while premium paid by SDIs go into Fund B.

During 2020, GDPC collected GH¢ 193 million in annual premiums from member banks in fund A while for SDIs in Fund B, GDPC collected GH¢ 19 million in annual premiums.

Table 2 - Annual Premiums Charged

Fund Type	2019-1 Quarter (Amount in GH¢) '000	2020 (Amount in GH¢)'000
Fund A	38,195	193,172
Fund B	4,189	19,096
Total	42,384	212,268

Trends and Structure of Deposits of Banks

The Total Deposits of Banks as at 31 December 2020 was GH¢ 104 billion which is an increase of 22% or GH¢ 19 billion compared to GH¢ 85 billion at the end of 2019. Total insurable deposits grew by 30% to GH¢ 84 billion from GH¢ 64 billion in 2019.

The total volume of insured deposits in 2020 amounted to GH¢ 11 billion which represents 35% increase from GH¢ 8 billion at the end of 2019, mainly due to increase in retail deposits in member banks as shown in chart 1.

The structure of Deposits held by Banks at the end of 2020 showed that 80% of deposits are eligible for deposit insurable coverage, while 20% are excluded as per section 13 of the GDP Act as shown in chart 2.

Chart 1 - Trends of Deposits of Banks

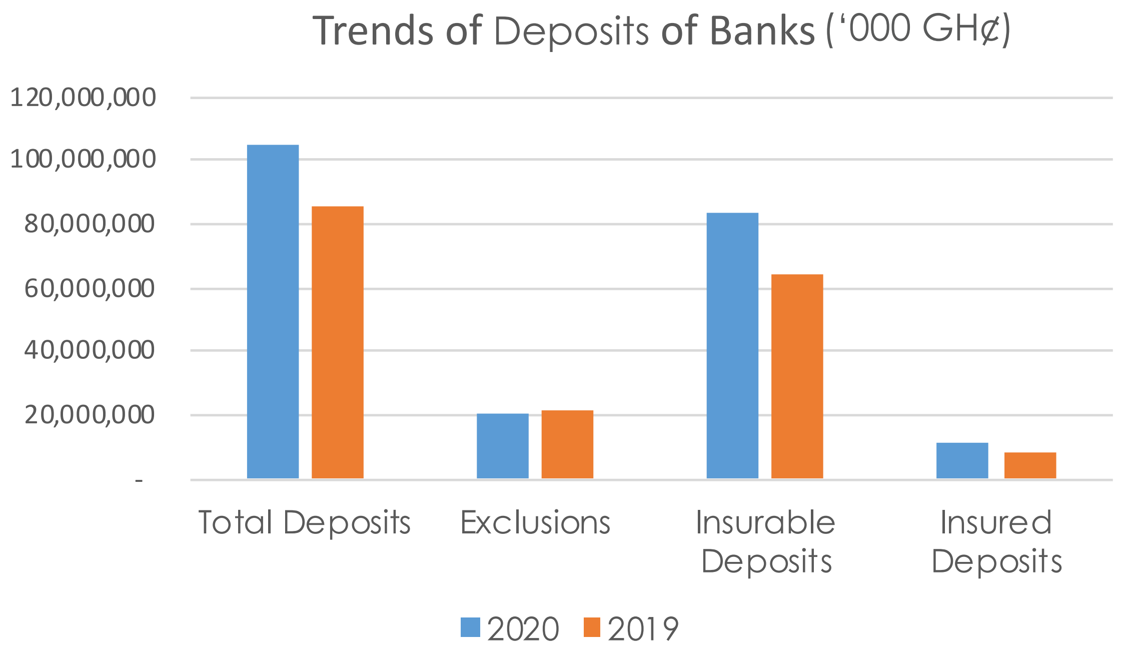
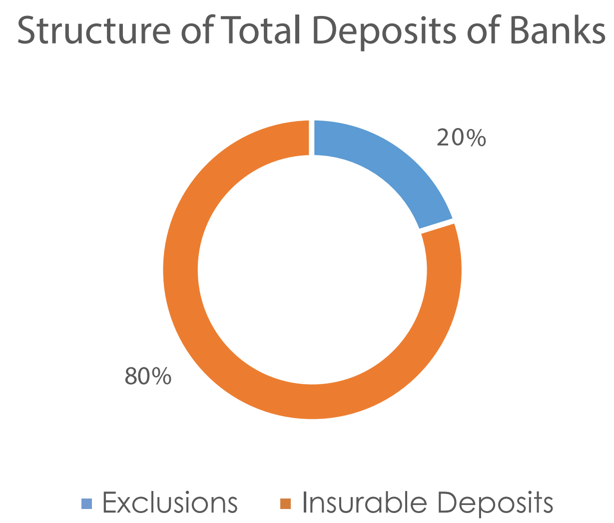


Chart 2 - Structure of Total Deposits of Banks

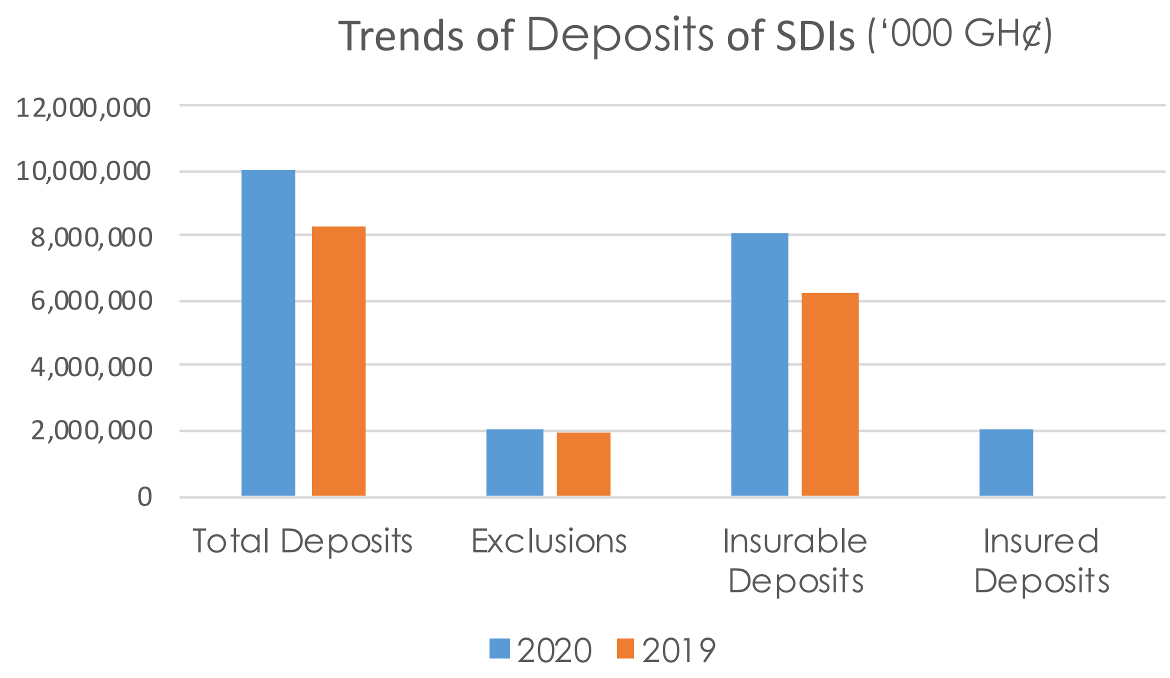


Trends and Structure of Deposits of SDIs

Total Deposits for SDIs grew by 22% from GH¢ 8.2 billion in 2019 to GH¢ 10 billion in 2020. In the same way deposits excluded from protection as per section 13 of the GDP Act and insurable deposits grew by 0.5% and 29% respectively by the end of December 31 2020 as shown in chart 3. Insured deposits for 2020 stood at GH¢ 2 billion.

The structure of total deposits held by SDIs in 2020 indicates that 80% of deposits are eligible for deposit insurance coverage while 20% are excluded in accordance with section 13 of the GDP Act as shown in chart 3.

Chart 3 - Trends of Deposits of SDIs



Deposit Protection Coverage of Banks

Deposit Protection Coverage refers to number of depositors covered by the scope and limit as set out in the GDP Act. The Number of Insured Depositors for banks increased by 21% from 10.9 million in 2019 to 13.2 million in 2020.

As at the end of December 2020, the number of Insured Depositors whose deposits are fully covered up to the coverage limit of GH¢ 6,250 stood at 12.4 million, representing 94% of insured depositors while the remaining 6% or 862,030 insured depositors have deposit balances or net claims of more than GH¢ 6,250.

Though the coverage ratio decreased by 2% from 96% in 2019 to 94% in 2020, it is well within the Corporation's target of 93% and in line with IADI core principles.

Deposit Protection Coverage of SDIs

The GDP Act provides for a different coverage limit for SDIs. Under the GDP Act, the maximum amount payable to an insured depositor of an SDI is GH¢ 1,250.

At the end of December 2020, the number of fully covered depositors was 8.3 million, representing 90% of depositors.

Registration of Legal Department

The GDPC Legal Department was registered in accordance with the Legal Profession (Professional Conduct and Etiquette) Rules, 1969 (LI 613) as a legal chamber and issued with a Certificate of Registration on September 7, 2020, by the General Legal Council.

Strategic Partnerships

In the course of 2020, the Corporation drafted and reviewed a number of key contractual agreements. Some key contracts entered into by the Corporation are:

1. MOU between the GDPC and the BOG on collaboration and information sharing arrangements:

For the purposes of working and collaborating closely as financial safety net participants, both the Banks and SDI Act and the GDP Act provide for a cooperation MOU between GDPC and the BOG for the purposes of information sharing and collaboration. The MOU between BOG and GDPC was executed on October 5, 2020.

2. KFW technical support grant

(a) Accompanying Measure I (AM I)

Set up and institutional strengthening of GDPC

As part of the Separate Agreement signed by the Ministry of Finance (MoF), Bank of Ghana (BoG) and KfW, the German Government offered a € 0.5 million grant to finance the set-up and institutional strengthening of GDPC under AM I. Global Banking Development Solutions (GBDS) was appointed as the Consultants responsible for executing AM I of the Ghana Deposit Protection Scheme Project.

GBDS therefore conducted the feasibility studies preceding the establishment of the Corporation, while also supporting GDPC's work in the areas of operation systems and processes, internal and legal framework, human resources management, public relations and awareness creation, strategic advice and further development.

(b) Accompanying Measure II (AM II)

Institutional strengthening of national authorities for banking supervision in Ghana

Under the Separate Agreement (AM II), the German Government through KFW also provided a € 0.5 million grant to finance the institutional strengthening of the supervision functions of the BoG and the apex and umbrella organisations of financial institutions licensed by the BOG. Ernst and Young was contracted by the Bank of Ghana to provide consultancy services towards the execution of AM II. GDPC is the coordinator of this project.

Policies and Manuals

In the course of the year a number of Policies and Manuals were prepared and adopted by the Board for operational use as per the list below:

No.	NAME OF POLICY OR MANUAL
1.	Accounting and Procedure Manual
2.	Board Charter
3.	Charter for Audit, Risk and Compliance Committee
4.	Charter for HR and Corporate Governance Committee
5.	Charter for Technical Finance and Investment Committee
6.	Communication Policy and Crisis Communication Plan
7.	Cyber Security and Electronic remote Working Policy
8.	Employee Code of Conduct Policy
9.	Human Resource Policies / Procedures Operations Manual
10.	ICT Management Policy
11.	Information Security Policy
12.	Investment Policy
13.	Legal Department Manual
14.	Operations Manual
15.	Mobile Device Acceptable Use Policy
16.	Premium Policy
17.	Principal Accounting Policies
18.	Rule on Administrative Sanctions
19.	Rules on Informing Clients of Member Institutions
20.	Rules on Reporting by Member Institutions
21.	Rules on Use of Official Seal and Stamps
22.	Social Media Policy
23.	Staff Conditions of Service

Public Relations and Communication Activities

In the course of year 2020, Ghana Deposit Protection Corporation (GDPC) implemented communication activities aimed at supporting the establishment of the foundations of Ghana's new deposit protection scheme. Key among these activities are the development of communication policy manuals and hosting of IADI Regional technical workshop.

In the year 2020, the Corporation created official Facebook and Twitter accounts, while also setting up and updating GDPC's website with relevant materials to provide basic information and enhance stakeholders' knowledge about the operations of the Corporation.

Within the year under review, GDPC organized ten (10) sensitization workshops (six webinars and four in-person workshops) for staff of member institutions of the Scheme in order to enhance their knowledge of the key features of the Ghana Deposit Protection Scheme. The sensitization sessions, which were attended by a total of 955 staff of Banks and SDIs, also offered GDPC the opportunity to sensitize member institutions about the benefits and limitations of the scheme, while also enhancing their understanding of their reporting obligations.

IADI Membership

GDPC is a member of the International Association of Deposit Insurers (IADI) which is a global standard setting body on deposit insurance. As a new member of the association, GDPC in conjunction with the Bank of Ghana, hosted the 2019 IADI Africa Regional Committee (ARC) Technical Assistance Workshop in Ghana from the 18th to the 22nd of November 2019.

On the opening day of the Workshop, the GDPC and its logo were officially launched by the Vice President of the Republic of Ghana, H.E. Dr. Mahamudu Bawumia with the Governor of Bank of Ghana, Dr. Ernest Addison and members of the board in attendance. The theme of the conference was "Deposit Protection - A Catalyst for Financial Stability".

The conference was attended by 146 participants from 24 jurisdictions representing 60 institutions across the globe. The workshop was organized to facilitate close interaction among experts working in different areas of regulation and financial stability. It also provided the platform for delegates to share regional and global experiences on how effective deposit protection can be used to enhance public trust and confidence in the financial sector.

Ghana's Vice President, H.E. Dr. Mahamudu Bawumia (2nd right) and the Governor of BoG, Dr. Ernest Addison (1st right) officially launched GDPC's logo

The Vice President, H.E. Mahamadu Bawumia addressing participants at the event

Ghana's Vice President, the Governors of BoG and some Board Members of GDPC at the launch of GDPC

A section of participants at the 2019 IADI-ARC Workshop

Group photograph of participants at the 2019 IADI-ARC Workshop

Macro-Economic Developments and Prospects

Recent Macroeconomic and Financial Developments

The COVID-19 pandemic had a severe impact on economic activity in Ghana as experienced globally. Growth slowed to 0.4 % in 2020 from 6.5 % in 2019. Food prices spiked, and the fiscal deficit including energy and financial sector costs worsened to 15.2 % of GDP, with a further 2.1 percent of GDP in additional spending financed through the accumulation of domestic arrears. The current account deficit widened slightly to 3.1 percent of GDP as the decline in oil exports was partially offset by higher gold prices, resilient remittances, and weaker imports.[1]

Inflationary pressures eased steadily in the early months of the fourth quarter, but increased to 10.4 % in December 2020, driven mainly by food inflation.[2]

Foreign exchange reserves maintained the previous year's level of 4.0 months of import cover as of October 2020. The Ghana cedi depreciated by 3.1% in 2020, compared with a 10% depreciation in 2019. Ghana remains at high risk of debt distress in the International Monetary Fund's 2019 Debt Sustainability Analysis because of solvency and liquidity risks. The public debt-to-GDP ratio reached 71% in September 2020 from 63% a year earlier. A banking sector reform, including recapitalization of banks and liquidation of insolvent financial institutions, has enhanced the overall resilience of the sector. Firm and household surveys reveal that during the partial lockdown, about 770,000 individuals experienced reduced wages, and 42,000 lost their jobs.[3]

[1]https://www.imf.org/en/News/Articles/2021/07/20/pr21221-ghana-imf-executive-board-concludes-2021-article-iv-consultation

[2]https://www.bog.gov.gh/wp-content/uploads/2021/03/Monetary-and-Financial-Developments-January-2021.pdf

[3]https://www.afdb.org/en/countries/west-africa/ghana/ghana-economic-outlook

Banking Sector Performance and Developments

During the first two months of 2021, the banking sector remained broadly liquid, profitable, well-capitalized and resilient. The strong policy support and regulatory reliefs implemented to moderate the effects of the COVID pandemic, continued to impact positively on the industry's performance and in turn, its support to the real sector. The slowdown in credit growth however reflects the lingering pandemic-induced low credit demand and supply conditions and elevated credit risk in the sector.

Total banking sector assets as at end-February, 2021 increased by 18.5% year-on-year to GH¢152.0 billion, marginally higher than the annual growth of 17.8% as at end-February 2020. The higher growth in total assets reflected similar stronger growth in domestic and foreign assets of 19.1% and 11.1%; compared to the respective rates of 18.7% and 8.2% a year earlier. Growth in banks' investment holdings outpaced other asset classes due to the higher propensity of banks to invest more in less risky government instruments as a result of the pandemic-induced elevated credit risks and slowdown in credit demand. Investments shot up by 45.9% to GH¢67.9 billion, compared to the growth of 7.2% in the prior year. Accordingly, the share of investments in total assets scaled up further from 36.3% to 44.7% over the review period.

Gross loans and advances continued to experience a subdued growth, at 3.6%, a sharp decline from the 26.0% growth in the corresponding period last year. This is attributable to weak credit demand, higher repayments and banks' increasing appetite for less risky assets. Adjusting gross loans for provisions and interest in suspense, net loans and advances grew by 2.2% to GH¢ 41.4 billion, down from 27.2% over the same comparative periods.

New loans and advances for the first two months of 2021 of GH¢4.7 billion also reflected the sluggish credit market condition with a 24.6% decline from the pre-pandemic level of GH¢6.2 billion for the first two months of 2020.

Source: Bank of Ghana: Monetary Policy Report - Banking Sector Developments; March 2021

Financial Highlights

Income and Expenditure

The Corporation made a total income of GH¢13,739,000 in 2020 compared to GH¢4,897,000 in 2019, an increase of 181% over the 2019 performance. Total operating expenditure of GH¢9,096,000 in 2020 is 189% above the 2019 figure of GH¢3,146,000. The Corporation made a surplus income of GH¢4,643,000 in 2020, which is 165% increase over the 2019 performance of GH¢1,751,000 as shown below.

	Dec. 2020 2020 GH¢'000	3 Months to Dec. 2019 GH¢'000	Growth
Total Income	13,739	4,897	181%
Total Operating Expense	(9,096)	(3,146)	189%
	----------	-----------	
Surplus Income	4,643	1,751	
165%	======	======	

Reserves

The Corporation increased its reserves position within the fifteen months period of operation from GH¢1,751,000 in 2019 to GH¢6,394,000, being an increase of 265% as depicted below.

	Dec. 2020 2020 GH¢'000	3 Months to Dec. 2019 GH¢'000	Growth
Opening Reserves balance	1,751	-	
Surplus for the period	4,643	1,751	165%
	--------	----------	
	6,394	1,751	265%
	=====	======	

Deposit Protection Fund

Within the fifteen (15) months of operation, deposit protection fund grew by 151% from GH¢159,736,000 in 2019 to GH¢400,337,000 at the end of 2020. The growth came from premium and interest income which increased by 299% and 772% between 2019 and 2020 respectively as shown below.

	Dec. 2020 2020 GH¢'000	3 Months to Dec. 2019 GH¢'000	Growth
Net Premium Income	209,614	52,539	299%
Net Interest Income	30,987	3,553	772%
	-----------	---------	
DPF Performance	240,601	56,092	329%
Government and BoG Grant	-	103,644	
DPF Opening Balance	159,736	-	
	=======	=======	
DPF Closing Balance	400,337	159,736	151%
	=======	=======	

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 2020.

Principal Activities

The principal activities carried out by the Corporation during the year under review are within the limits permitted by its 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 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.

Operational Results

The results of operations for the year ended 31st December 2020 are set out in the Statement of Comprehensive Income, Statement of Financial Position and the notes to the Financial Statements from pages 60 to 98.

The results for the year are summarized as follows:

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Operating surplus for the period amounted to	245,244	57,843
which is added to the balance brought forward on the fund and reserve balance	161,487	103,644
	-----------	-----------
leaving a balance to be carried forward on the fund and reserve balance	406,731	161,487
	=====	=====

State of Affairs

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 economic knowledge and the 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 familiarity with 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.

Auditor

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 Auditor for the period 1st October 2019 – 31st December 2020. They have indicated their willingness to continue in office as Auditor of the Corporation if re-appointed by the Auditor-General.

Directors' Responsibilities and Approval

The Ghana Deposit Protection Act, 2016 (Act 931) as amended by the Ghana Deposit Protection (Amendment) Act, 2018 (Act 968) hereinafter referred to as Act 931, as amended, 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 Act 931, as amended.

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 Act 931, as amended. 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 Auditor is 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 Auditor and their report is presented on pages 54 to 59.

Approval of financial statements

The annual financial statements set out on pages 60 to 98, which have been prepared on the going concern basis, were approved by the Board of Directors on 15th March 2021 and were signed on their behalf by:

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

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Independent Auditor's 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 December 31, 2020 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 60 to 98.

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 December 31, 2020 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 Asset

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 31 December 2020, were as follows:

	Gross Amount GH¢'000	Impairment GH¢'000
Cash & Cash Equivalents	15,912	-
Investment Securities (Short Term)	147,118	-
Accounts Receivable	54,293	2,654
Investment Securities (Medium Term)	220,459	-
	437,782	2,654

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 a 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 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 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:

- Evaluated the design and tested the operating effectiveness of key controls over:
    - The internal credit management process to assess the receivable quality classification used to identify impaired receivables;
    - Implementation of the definition of default and significant increase in credit risk ap plied 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.
- Evaluated the reasonableness of the m

odel methodology and performed recalculation of the expected credit losses for receivables.

- 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).
- Assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied.
- 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 loans 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 receiv ables and
    - assessed the adequacy of the disclosures, including disclosures on estimation un certainty and judgements, to assess compliance with the disclosure requirements in cluded 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.

………………………………………………………..   ………………………..2021

SAMUEL ABIAW (ICAG/P/1454)
For and on behalf of Baker Tilly Andah + Andah **(ICAG/F/2021/122)**
Chartered Accountants
C76/3, Nyanyo Lane, Asylum Down
Accra

Statement of Comprehensive Income

For the Year Ended 31st December 2020

	Note	12 Months to 31/12/2020 GH¢'000	3 Months to 31/12/2019 GH¢'000
Premiums	7	212,268	52,539
Interest Income	8	42,124	5,457
Other Income	9	2,602	2,993
TOTAL INCOME		256,994	60,989
Impairment charge on financial assets	10	(2,654)	-
NET INCOME		254,340	60,989
Employee Costs	11	(4,799)	(1,141)
Administrative Expenses	12	(3,367)	(1,912)
Depreciation and Amortisation	13	(930)	(93)
TOTAL COMPREHENSIVE INCOME		245,244	57,843

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 Act 931, as amended.

Statement of Financial Position as at 31st December 2020

	Note	12 Months to 31/12/2020 GH¢'000	3 Months to 31/12/2019 GH¢'000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	3,528	4,569
Intangible Assets	15	5,079	-
Investments Securities (Medium Term)	16	220,459	71,760
TOTAL NON-CURRENT ASSETS		229,066	76,329
CURRENT ASSETS			
Investment Securities (Short Term)	17	147,118	68,254
Accounts Receivable	18	51,639	44,655
Cash and Cash Equivalents	19	15,912	6,812
TOTAL CURRENT ASSETS		214,669	119,721
TOTAL ASSETS		443,735	196,050
RESERVES & LIABILITY			
FUND & RESERVES			
Fund A	20	365,234	143,874
Fund B	20	35,103	15,862
Operations Reserves	20	6,394	1,751
TOTAL FUND & RESERVES		406,731	161,487
LIABILITIES			
Non-Current Liability			
Deferred Grant	21(a)	1,740	1,183
Current Liabilities			
Deferred Grant	21(b)	32,934	32,934
Accounts Payable	22	2,330	446
TOTAL CURRENT LIABILITES		35,264	33,380
TOTAL LIABILITIES		37,004	34,563
TOTAL FUND, RESERVES & LIABILITIES		443,735	196,050

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Mrs. Pearl Esua-Mensah
Chief Executive Officer

Dr. Ernest Addison
Board Chairman

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Statement of Changes in Fund Balances and Reserves

For the Year Ended 31st December 2020

	Fund A GH¢'000	Fund B GH¢'000	Operations Reserve GH¢'000	Total GH¢'000
2020				
Balance as at 1st January 2020	143,874	15,862	1,751	161,487
Operating surplus for the year (Net funds & reserves)	221,360	19,241	4,643	245,244
Balance as at 31st December 2020	365,234	35,103	6,394	406,731

	Fund A GH¢'000	Fund B GH¢'000	Operations Reserve GH¢'000	Total GH¢'000
2019				
Bank of Ghana Contribution	58,119	6,458	-	64,577
Government of Ghana Contribution	35,160	3,907	-	39,067
Operating Surplus for the year (Net funds & reserves)	50,595	5,497	1,751	57,843
Balance as at 31st December 2019	143,874	15,862	1,751	161,487

Statement of Cash Flows

For the Year Ended 31st December 2020

	Note	12 Months to 31/12/2020 GH¢'000	3 Months to 31/12/2019 GH¢'000
Cash Flows from Operating Activities			
Operating Surplus for the Period		245,244	57,843
Adjustments For:			
Depreciation and Amortizations		324	-
Profit Before Working Capital Changes		245,568	57,843
Increase in Accounts Receivable		(6,985)	(42,818)
Increase in Accounts Payable		1,884	432
Net Cash Generated from Operating Activities		240,467	15,457
Cash Flows from Investing Activities			
Investments		(227,563)	(17,860)
Property and Equipment		1,574	(160)
Intangible Assets		(5,378)	-
Net Cash Used In Investing Activities		(231,367)	(18,020)
Cash Flows from Financing Activities			
Revenue Grant		-	(9,077)
Net Cash Used In Financing Activities		-	(9,077)
Net Increase/(Decrease) In Cash and Cash Equivalents		9,100	(11,640)
Cash and Cash Equivalents At 1st January		6,812	18,452
Cash and Cash Equivalents At 31st December	19	15,912	6,812

Analysis of Changes in Cash and Cash Equivalents

	01/01/2020 GH¢'000	Change During the Period GH¢'000	31/12/2020 GH¢'000
Cash	1	6	7
Bank Balances	6,811	9,094	15,905
	---------	----------	----------
Cash and Cash Equivalents at 31st December	6,812	9,100	15,912
	====	====	====

Notes Forming Part of the Financial Statements

1. Reporting Entity

Ghana Deposit Protection Corporation was established by Act 931, 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 at 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 estimates 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 and/or 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 has 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 for performance obligations that are satisfied.

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

i. Premium

Gross premium income comprises initial and annual premiums invoiced deposit-taking financial institutions in the country. Premiums are recognised as earned in the period in which they are invoiced and fall due.

ii. Interest Income

Interest income for all interest-bearing financial instruments except for those that held for trading or designated as fair value through profit and loss are recognised within 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. Transactions 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 are 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 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, 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 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 asset 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) and a mandatory fully funded and privately managed pension scheme (defined contribution- Tier 2) in accordance with the National Pensions Act,2008 (Act 766). The obligations under the tier-one and tier-two schemes are limited to specific contributions legislated from time to time and are currently an amount equal to 13.5% and 5% of an employee's basic salary per month respectively. The contributions to the above schemes are 13% by the employer (i.e. the Corporation's obligation) and 5.5% by the employee. 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%

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.

(iv) 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.

(v) Intangible Assets

Intangible Assets acquired by the Corporation are 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 are 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.

(vi) Grants

The Corporation recognizes 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 a period the grant covered 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 (seed funding) 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.

Under the Financing Agreement between the Government of Ghana and KfW, a grant of 1 million Euros was given by KfW to finance technical assistance for the performance of Accompanying Measures I and II, which is the setting up of a deposit protection scheme in Ghana and the strengthening of the supervisory departments of Bank of Ghana and capacity building, respectively.

(vii) Financial Assets and Liabilities

(a) 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.

(b) 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 and 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 FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
  The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:
  A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as 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.

(c) 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.

(d) 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.

(e) 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 a loan 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 recomputing the effective interest rate on the instrument.

(f) 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:

- Risk free and gilt-edged debt investment securities that are determined to have low 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 31 December 2020 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.

(a) 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 it is 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.

(b) 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.

(c) 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.

(viii) 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 the reporting date using the applicable borrowing interest rate of the existing financial asset.

(ix) 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;
- The disappearance of an active market for a security because of financial difficulties; or
- 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.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) Cash and Cash Equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held with Bank of Ghana and other short-term highly liquid investments with original maturities less than three months.Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(xvi) Investments 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.

(xvii) 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.

(xviii) 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.

(xix) 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.

(xx) Deposit Protection Fund

The Deposit Protection Fund is the Deposit Protection Scheme financial resources set up for reimbursement of small depositors of a member of the scheme on the occurrence of an insured event in respect of that member in line with Act 931, as amended. The protection Fund is divided into Fund A and B.

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.

(xxi) 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.

(xxii) 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.

(xxiii) 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 GDP Act, income statement for Protection Funds and Operations are disclosed as a note.

(xxiv) 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.

(xxv) Standards Issued but not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the 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 performing its statutory duties, the Corporation analyses, evaluates and assumes positions of taking calculated risks as provided by Act 931, as amended. 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 responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established the Corporation's Investment Advisory Committee (IAC) and Executive Management Committee (EXCO) which are responsible for developing and monitoring risk management policies in their specified areas. All Board Committees have non-executive members with one executive Board member in attendance and report regularly to the Board of Directors on their activities. Management members are in attendance where required.

The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, financial industry practices and regulations.

The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board Audit, Risk and Compliance Committee is responsible for monitoring compliance with the Corporation's risk management policies and procedures, and for 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.

(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 in position to pay off depositors within 30 days as stipulated in Act 931, as amended. This risk has been mitigated to some extent with a well laid out operations procedures manual for handling the depositor pay-out process and the oversight provided by the Board Committee on Finance, Technical and Investment.

(b) Liquidity/Funding risk

Liquidity risk represents whether an entity will encounter difficulty in meeting obligations associated with financial liabilities from its financial assets. This mainly relates to failure to fully pay insured depositors of closed contributing institutions due to limited size of the Fund.

The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation maintains a portfolio of short-term liquid assets, largely made up of short-term and medium-term liquid investment securities, to ensure that sufficient liquidity is maintained within the Corporation as a whole.

Furthermore, the Corporation mitigated the liquidity and funding risk by signing a Memorandum of Understanding with Bank of Ghana to borrow liquidity, using the Corporation's assets, which are in Treasury Bills and Bonds guaranteed by the Government of Ghana when the need arises.

Management of Liquidity Risk

The Corporation's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking and damaging the Corporation's reputation.

The daily liquidity position is monitored and regular liquidity stress testing is conducted 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). Daily reports on the liquidity position of the Corporation are submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to IAC on periodic basis.

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 ready 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 is set out below:

	2020	2019
Liquid Assets	**GH¢'000**	**GH¢'000**
Cash on Hand	7	1
Bank Balances	15,905	6,811
Investment Securities (Short Term)	147,118	68,254
Total	**163,030**	**75,066**

(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, 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 credit quality of the debt securities:

Government Bonds and Treasury Bills

	2020	2019
	GH¢'000	GH¢'000
Treasury Bills	147,118	68,254
Treasury Bonds	220,459	71,760
Total	**367,577**	**140,014**

Operational risks relate 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.

(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.

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with Act 931, as amended 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.

(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 (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, Audit and Compliance Committee manages compliance related risks of the Corporation.

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

Management of Compliance Risk

The Board, through its Sub-Committee on Risk, Audit and Compliance Committee, oversees the compliance functions of the Corporation. The Compliance function of the Corporation, on quarterly basis, updates the Board 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.

5. Funds and Reserves Management

Deposit Protection Fund

Act 931, as amended, establishes the Deposit Protection Fund for the scheme. The Deposit Protection Fund is divided into Fund "A" and Fund "B". The Corporation shall pay into:

- Fund "A": premium 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, less an amount not exceeding 20% of the income for the year which may be appropriated to meet operational expense of the Corporation;

- Fund "B": a premium 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, less an amount not exceeding 20% of the income for the year which may be appropriated 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 small depositors of a member of the Scheme on the occurrence of an insured event in respect of that member.

Reserves

Act 931, as amended, requires the Corporation to establish and operate a Reserve Fund into which the Corporation shall transfer its operational results. The Board may 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

Pre-Incorporation Position

	Fund A GH¢'000	Fund B GH¢'000	Deferred Revenue Grant GH¢'000	Reserves GH¢'000	Total GH¢'000
Bank of Ghana Contribution	58,119	6,458	36,775	-	101,352
Gov't of Ghana Contribution	35,160	3,907	-	-	39,067
Appropriation for project expense	-	-	(1,421)	-	(1,421)
Balance as at 1st Oct. 2019	93,279	10,365	35,354	-	138,998
Grant appropriation	-	-	(2,420)	-	(2,420)
Surplus Fund and Reserves	50,595	5,497	-	1,751	57,843
Balance at 31st Dec. 2019	143,874	15,862	32,934	1,751	194,421
Surplus Funds and Reserves	221,360	19,241	-	4,643	245,244
Balance at 31st Dec. 2020	365,234	35,103	32,934	6,394	439,665

The income statement for the respective Deposit Protection Funds and Operations are presented below:

Income Statement for the Deposit Protection Fund Scheme and the Operations as at 31st December 2020

	Fund A GH¢'000	Fund B GH¢'000	Operations GH¢'000	Total GH¢'000
Annual Gross Premiums Income	193,172	19,096	-	212,268
Investment Interest	35,234	3,498	3,392	42,124
Interest Income Trans. to Operations (20%)	(7,046)	(699)	7,745	-
Other Income	-	-	2,602	2,602
Impairment on Premium Income	-	(2,654)	-	(2,654)
Total Operational Expenses	-	-	(9,096)	(9,096)
Net Fund Balance and Surplus Income	**221,360**	**19,241**	**4,643**	**245,244**

Income Statement for the Deposit Protection Fund Scheme and the Operation as at 31st December 2019

	Fund A GH¢'000	Fund B GH¢'000	Operations GH¢'000	Total GH¢'000
Initial Premiums Income	9,200	955	-	10,155
Annual Gross Premium Income	38,195	4,189	-	42,384
Investment Interest	4,000	441	1,016	5,457
Interest Income Trans. to Operations (20%)	(800)	(88)	888	-
Other Income	-	-	2,993	2,993
Total Operational Expenses	-	-	(3,146)	(3,146)
Net Fund Balance and Surplus Income	**50,595**	**5,497**	**1,751**	**57,843**

6. Going Concern

The Corporation has reviewed its business activities as at 31 December 2020, together with the factors likely to affect its future development, performance and position. 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.

7. Premiums

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Initial Premium	-	10,155
Annual Premium	212,268	42,384
	212,268	52,539

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000

7(a). Sources of Premiums

Banks	193,172	38,195
Savings and Loans Companies	4,090	1,171
Finance Houses	3,478	587
Microfinance Companies	707	164
Rural and Community Banks	10,821	2,267
	212,268	42,384

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000

8. Interest Income

Interest Received	30,602	860
Interest Accrued	11,522	4,597
	42,124	5,457

9. Other Income

Grant Appropriation	-	2,420
Sundry Income	2,602	573
	2,602	2,993

Sundry Income relates to grant receipts, notional income from Bank of Ghana seconded staff, penalty charged members and reimbursement of 2019 IADI/ARC TAW expenses.

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000

10. Impairment Charge on Financial Assets

Impairment of Fund B Premium Receivables	2,654	-

This relates to the impairment of Fund B Premium Receivables.

11. Employee Costs

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Payroll Expenses	2,872	621
Employee Health	10	-
Staff Training and Professional Membership	92	40
Notional Staff Costs	1,825	480
	4,799	1,141

The number of permanent persons employed by the Corporation during the period ended 31 December 2020 was 14. The Corporation received 7 staff on secondment from Bank of Ghana and 2 were recalled before the year end, bringing total staff complement to 19.

12. Administrative Expenses

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Board Expenses	1,151	107
IT Expenses	259	1
Sensitisation and operations	137	131
Public Awareness	630	125
Legal and Other Professional Fees	139	-
Auditor's Remuneration	71	-
General & Administrative	980	1,548
	3,367	1,912

13. Depreciation and Amortisation

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Depreciation	631	93
Amortisation	299	-
	930	93

14 (a) Property, Plant & Equipment 2020

	Motor Vehicles GH¢' 000	Furniture & Fittings GH¢' 000	Office Equipment GH¢' 000	Work in Progress GH¢' 000	Total GH¢' 000
Cost/Valuation					
At 1st January 2020	-	992	284	3,386	4,662
Additions	1,163	-	90	3,227	4,480
Transfers/(Release)	-	-	509	(5,399)	(4,890)
Balance as at 31st December 2020	1,163	992	883	1,214	4,252
Depreciation					
At 1st January 2020	-	73	20	-	93
Charge for the year	233	290	108	-	631
Balance as at December 2020	233	363	128	-	724
Net Book Value					
Balance as at 31st December 2020	**930**	**629**	**755**	**1,214**	**3,528**

14 (b) Property, Plant & Equipment 2019

	Furniture & Fittings GH¢' 000	Office Equipment GH¢' 000	Work in Progress GH¢' 000	Total GH¢' 000
Cost/Valuation				
Balance as at 1st October 2019	992	284	3,226	4,502
Additions	-	-	160	160
Balance as at 31st December 2019	992	284	3,386	4,662
Depreciation				
Charge for the year	73	20	-	93
Balance as at 31st December 2019	73	20	-	93
Net Book Value				
Balance as at 31st December 2019	**919**	**264**	**3,386**	**4,569**

15. Intangible Assets-Computer Software

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Cost/Valuation		
Additions	488	-
Transfers from Work-In-Progress	4,890	-
	---------	-------
Balance at Dec. 31	5,378	-
	======	===
Depreciation		
Charge for the Year	299	-
	---------	---------
Balance at Dec. 31	299	-
	======	====
Net Book Value at Dec. 31	5,079	-
	======	====

16. Investment Securities (Medium Term)

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Fund A Securities	207,910	58,119
Fund B Securities	12,549	6,458
Operations Securities	-	7,183
	-----------	---------
	220,459	71,760
	=======	======

The investment securities (medium term) were held in Government of Ghana Bonds in tenors as presented below:

2 Years Treasury Notes	155,069	71,760
3 Years Treasury Notes	43,290	-
5 Years Treasury Notes	4,800	-
6 Years Treasury Notes	2,287	-
7 Years Treasury Notes	15,013	-
	-----------	----------
	220,459	71,760
	=======	======

17. Investment Securities (Short Term)

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Fund A Securities	106,885	44,911
Fund B Securities	18,228	4,920
Operations Securities	22,005	18,423
	-----------	---------
	147,118	68,254
	=======	======

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

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
91 Days Treasury Bills	19,996	61,889
364 Days Treasury Bills	127,122	6,365
	147,118	68,254

18. Accounts Receivable

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Premium Receivable	41,892	38,983
Interest Receivable	11,522	5,672
Other Receivables	16	-
Prepaid Expenses	863	-
Total Receivables	54,293	44,655
Impairment Cost (Note 10)	(2,654)	-
	51,639	44,655

19. Cash and Cash Equivalents

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Cash on Hand	7	1
Balances held with Bank of Ghana	15,905	6,811
	15,912	6,812

20. Fund & Reserves

This represents the Deposit Protection Fund (Fund A and Fund B) balances and the operations reserve as presented below:

	Fund A GH¢' 000	Fund B GH¢' 000	Operations GH¢' 000	Total GH¢' 000
On incorporation:				
Bank of Ghana Contribution	58,119	6,458	-	64,577
Government of Ghana Contribution	35,160	3,907	-	39,067
Operating surplus for 3 months to 31/12/2019	50,595	5,497	1,751	57,843
Balance as at 31st December 2019	**143,874**	**15,862**	**1,751**	**161,487**
Operating surplus for 2020	221,360	19,241	4,643	245,244
Balance as at 31st December 2020	**365,234**	**35,103**	**6,394**	**406,731**

21. Deferred Grant

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
(a) Non- Current Liability	1,740	1,183
(b) Current Liability	32,934	32,934

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:

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Capital Grant		
Motor Vehicles	931	-
Furniture and Fittings	629	920
Office Equipment	180	263
	1,740	1,183
Revenue Grant		
Opening Balance	32,934	-
Receipts:		
Transfer from Bank of Ghana	-	9,852
Interest on €13m pre-incorporation investments of BoG funds	-	19,740
Proportion of Bank of Ghana seed funds to Operation	-	7,183
	32,934	36,775
Appropriations:		
Appropriation towards expenses	-	(3,841)
Balance at 31st December	32,934	32,934

22. Accounts Payable

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Sundry Payables	2,330	446

23. Contingent Liabilities

There were no contingent liabilities at the balance sheet date. (2019: Nil)

24. Capital Commitments

The Corporation's commitments for Capital and Operational expenditure as at 31 December 2020 in respect of Property, plant and equipment and printing of communication materials are shown below:

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Capital Work In Progress	1,212	-
Operational expenditure	1	-
	---------	-------
	1,213	-
	======	===

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. There were no subsequent events at the reporting date, 31 December 2020.

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 wholly owned and controlled by the Government of Ghana.

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:

	12 Months to 31/12/2020 GH¢' 000	3 Months to 31/12/2019 GH¢' 000
Directors' Fees	1,102	107
	======	=====

Exposure Analysis as at December 2020

Scenario	Insured Deposit	Fund Type	Fund Balance	% Covered	Comments
Scenario 1-Assume 1 big bank fails	550,109,069	A	365,028,395	66%	The balance of Fund A as at December 2020 will not be enough to pay insured depositors. Emergency funding will be required
Scenario 2-Assume 2 medium banks fail	362,964,010	A	365,028,395	101%	The balance of Fund A as at December 2020 will be enough to pay insured depositors.
Scenario 3-Assume 4 small banks fail	275,146,042	A	365,028,395	133%	The balance of Fund A as at December 2020 will be enough to pay insured depositors
Scenario 4-Assume 2 premium defaulting SDI fail	12,030,217	B	35,072,682	292%	The balance of Fund B as at December 2020 will be enough to pay insured depositors.

External Relations

(a) Collaboration with Bank of Ghana (BOG)

GDPC has enjoyed a lot of support from Bank of Ghana in several areas of operations over the period. This included technical workshops covering:

1. Bank of Ghana framework for micro and macro prudential supervision of the banking and Specialized Deposit taking Institutions
2. Bank of Ghana supervisory assessments including stress testing, intervention, and resolution planning framework
3. Crisis management framework
4. GDPC operations and payout procedures

The technical meetings provided a clearer understanding to GDPC on the stage at which its work would kick in if there is bank/SDI failure.

It was useful in preparing GDPC's payout framework, to operationalize its mandate under its enabling legislation and further enhanced GDPC's work towards its preparedness for a payout.

In 2020 GDPC executed an MOU with the BoG on information exchange and other collaborations to support GDPC's operations.

(b) Accompanying Measure I&II (AM I &II)

AM I:

Government of Ghana (GoG) secured a grant of 1 million Euros (from the German Govt.) The financing agreement was to:

I. Finance the engagement of a consultant to assist with the set-up and operationalization of GDPC. This is known as Accompanying Measure I (AMI)

II. Finance institutional strengthening of national authorities responsible for banking supervision in Ghana. This is known as Accompanying Measure II (AM II)

AM I is being undertaken by GBDS and currently on-going. The GBDS team supported the daily work of GDPC and offered permanent off-site support via email and ZOOM Conferences due to the restrictions of the Covid-19 pandemic.

AM II: Part of the grant for AM II was to be used to finance institutional strengthening of national authorities responsible for banking supervision in Ghana. Specifically, AM II will build the supervisory capacities of Banking Supervision Department (BSD) and Other Financial Institutions Supervision Department (OFISD) of BoG, and also enhance the capacities of relevant personnel from GDPC, ARB Apex, GHASALC and GAMC. Ernst and Young Ghana (EY), the consultant for AM II has held stakeholder consultations with Banking Supervision Department and Other Financial Institutions Supervision Department of Bank of Ghana (BoG), and the Apex Bodies to determine their training needs and finalize project plan and timelines for capacity building. EY has issued their first quarter report on the project.

(c) Financial Stability Council (FSC)

GDPC is a member of the FSC and is represented on the Council by the CEO. Two management staff also serve on the technical committee that reports to the Council as well as representation in working group 2 and 3 by two staff members and have contributed to all the work done by these Committees.

(d) Ministry of Finance (MOF)

The MOF commenced The Ghana Financial Sector Development Project on which GDPC is represented.

It is aimed at supporting the implementation of the Ghana National Financial Inclusion and Development Strategy (NFIDS) by financing, over a five-year period, initiatives that will promote financial sector soundness and financial inclusion.

GDPC serves on a committee responsible for bolstering financial capability through targeted education campaigns. A Financial Education Multi-Stakeholder Committee (FEMCOM) has consequently been formed to organize the delivery of this objective.

The Ministry of Finance and World Bank has selected a local Ghanaian Consultant as an implementing agent for this sub-component. The Consultant is currently at the survey and background review stage of his work, and has delivered to FEMCOM questionnaires for interviews and Focus Group Discussions (FGD).

Consumer Education

Basic Facts on the Ghana Deposit Protection Scheme

ABOUT US

Ghana's Deposit Protection Scheme (the "Scheme") was established by the Ghana Deposit Protection Act (2016), Act 931. Portions of Act 931 were amended in 2018 by the Ghana Deposit Protection (Amendment) Act (2018), Act 968 (Act 931 and its amendment are referred to as the GDP Act). The GDP Act establishes:

- the Deposit Protection Scheme (the Scheme);
- the Deposit Protection Funds A and B (the Fund);
- the Ghana Deposit Protection Corporation (GDPC or the Corporation).

The Scheme became operational on 30th September 2019 and is managed by the Corporation, a statutory body established with initial seed funding from the Government of Ghana and Bank of Ghana, with technical and financial support from KFW, a German state-owned development bank.

MEMBERSHIP

All Banks and Specialised Deposit Taking Institutions (SDIs) licensed by the Bank of Ghana that take deposits from clients are mandatory members of the Scheme. Member institutions include:

- Banks;
- SDIs:
  - o savings and loans companies;
  - o finance houses;
  - o microfinance institutions;
  - o rural and community banks.

MANDATE

The Corporation is set up to:

- collect periodic premiums from banks and SDIs and invest them to build the Fund in order to ensure that there is money available to pay insured depositors in the event that the licence of a member institution is revoked by the Bank of Ghana;

- pay customers who have deposited money in any member institution in the event that the bank or SDI fails and their licence is withdrawn by the Bank of Ghana. This may happen if, for some reason, Bank of Ghana determines that the particular financial institution persistently contravenes banking laws and regulations or engages in unsafe or unsound practices or carries on business in a manner which is detrimental to the interests of depositors or the public.

COVERAGE

As stated in Section 13 of the GDP Act, any deposit a customer has (e.g., current accounts, savings accounts, fixed deposits, etc) in any bank or SDI licensed by Bank of Ghana to take deposits, is protected under the Scheme, except the following:

- any deposit for which a depositor has not been identified;
- any deposit that is frozen in compliance with a court order;
- a deposit that belongs to:
    - a director, or key management personnel of the failed bank or SDI;
    - director or key management personnel who has worked with the bank/SDI for at least three years before the failure of the Bank or SDI;
    - an accounting or audit firm, a partner and or manager of that accounting or audit firm who is in charge of performing the external audit of the financial statements of the bank or SDI for at least three years before the failure of the bank or SDI.
- any deposit that is used as collateral for a loan or other obligation with the bank or SDI;
- a deposit held by a financial institution, pension fund, retirement fund, insurance company, collective investment undertaking, local government, central government, and administrative authority with the failed bank or SDI;
- deposits held in a foreign branch of the failed bank or SDI incorporated in Ghana, and a subsidiary of the failed bank or SDI operating in a foreign country.

COVERAGE LIMIT

The GDP Act states that depositors will be compensated in the event of a bank or SDI failure, but only up to a maximum amount that can be paid to each depositor as specified by the Act. This money will be paid from the Fund that is managed by GDPC. The maximum amount payable will be revised as and when appropriate, in line with prevailing economic conditions.

DEPOSIT PROTECTION FUND

- The Fund is made up of seed funds provided by the Government of Ghana and Bank of Ghana, as well as periodic premiums paid by banks and SDIs as part of their membership obligations to the Scheme.
- Premiums are paid by member banks and SDIs. Depositors are not required to pay any premiums and member institutions are not supposed to pass on the cost of premium payment to depositors.
- The Fund and its resources are managed by GDPC based on sound investment management principles as set out under the GDP Act.

REIMBURSING DEPOSITORS - PAY-OUT

GDPC will pay depositors of banks and SDIs that fail and whose licences are revoked by the Bank of Ghana, their deposits up to the maximum amount set by the GDP Act.

Each depositor’s reimbursement will be no more than the compensation amount specified by the GDP Act; and it will also depend on any amounts that are in the exception list outlined in section 13 of the GDP Act.

GDPC will aim to pay every depositor's claim that is found to be valid within 30 days of the first announcement of the modalities for commencement of payment. The aim of the Scheme is to pay customers of a failed member institution in the shortest possible time, ensuring that the depositors or customers do not have to wait a long time to have access to their money. If for some reason the customers are not able to put in a claim within the 30 days, they will be able to submit their claims up to five(5) years after the failure of the bank or SDI.

In the case of executors or administrators of deceased depositors, there is no limit on the period within which they can make a claim. This implies that a person authorized to make a claim on behalf of a deceased depositor can do so at any time at the offices of the Corporation.

A depositor with an outstanding claim above the limit paid by GDPC is entitled to apply to the Receiver that will be appointed by the Bank of Ghana to resolve the failed bank or SDI to claim the difference.

For more details or further enquiries, please visit the FAQ segment of GDPC's website.

CONTACT

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GDPC is a member of the International Association of Deposit Insurers(IADI)
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